

AGENDA
SAN ELIJO JOINT POWERS AUTHORITY
MONDAY DECEMBER 8, 2014 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

Christopher Trees, 5 Years of Service
Teresa A. Barth – Award for Board Service – 2007-2014
Thomas M. Campbell – Award for Board Service – 1999-2014
6. * **CONSENT CALENDAR**
7. * APPROVAL OF MINUTES FOR THE NOVEMBER 10, 2014 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. * 2013 SAN DIEGO INTEGRATED REGIONAL WATER MANAGEMENT (IRWM) PLAN ADOPTION
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. FIRST AMENDMENT TO THE RECYCLED WATER AGREEMENT BETWEEN THE SAN ELIJO JOINT POWERS AUTHORITY AND THE CITY OF DEL MAR

1. Authorize the General Manager to execute the First Amendment to the Agreement for Sale of Reclaimed Water to the City of Del Mar by the San Elijo Joint Powers Authority; and
2. Discuss and take action as appropriate.

Staff Reference: General Manager

14. 2014 YEAR IN REVIEW – RECOGNIZING AGENCY ACHIEVEMENTS AND SUCCESSES

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

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

None

A closed session may be held at any time during this meeting of the San Elijo Joint Powers Authority for the purposes of discussing potential or pending litigation or other appropriate matters pursuant to the "Ralph M. Brown Act".

19. ADJOURNMENT

The next regularly scheduled San Elijo Joint Powers Authority Board Meeting will be Monday, January 12, 2015 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 3, 2014



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

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON NOVEMBER 10, 2014
AT THE
SAN ELIJO WATER RECLAMATION FACILITY

Mark Muir, Chair

David Zito, Vice Chair

A meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, November 10, 2014, 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 Muir called the meeting to order at 9:02 a.m.

2. ROLL CALL

Directors Present:

Teresa Barth
Thomas M. Campbell
Mark Muir
David Zito

Directors Absent:

None

Others Present:

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

Michael Thornton
Christopher Trees
Paul Kinkel
Marisa Buckles
Jennifer Basco

SEJPA Counsel:

Procopio, Cory, Hargreaves & Savitch

Adriana Ochoa

City of Encinitas:

Senior Management Analyst/Project Manager

Bryce Wilson

Carollo Engineers:

Senior Project Engineer

Jeff Weishaar
Martin Ramirez

3. PLEDGE OF ALLEGIANCE

Board Member Barth led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

None

5. PRESENTATION OF AWARDS

None

6. CONSENT CALENDAR

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

Motion carried with unanimous vote of approval.

Consent Calendar:

Agenda Item No. 7 Approval of Minutes for the October 13, 2014 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. SAN ELIJO JOINT POWERS AUTHORITY ANNUAL AUDIT

Paul Kinkel, Director of Finance and Administration presented the 2013-14 Fiscal Year Audit. Mr. Kinkel stated that the Auditor's report indicated that there were no significant difficulties or disagreements with management in performing and completing the audit. The list of minor adjustments made during the audit process were due to the reconciliation of the 2011 Bond Issuance Costs amortized over the life of the bond, the final Member and Government Agencies' contributions and charges for services, and the Other Post Benefit Employment Benefit adjustment ("OPEB") based on the actuarial report. Mr. Kinkel then introduced Mike Zizzi from Leaf & Cole, LLP to give an overview of the audit findings.

Mr. Zizzi stated that the SEJPA's financial statements are in conformity with accounting principles generally accepted in the United States of America. Mr. Zizzi reviewed the financials and statement of cash flows, and then answered Board Member questions.

Board Member Campbell inquired why the Rancho Santa Fe Community Services District (CSD) has not paid their capital contribution portion in the past two years.

General Manager Thornton stated that the CSD is disputing the requirement of capital payments under their current lease agreement with the SEJPA. The General Manager reported that they are in discussion with the CSD to resolve this issue. If an amicable resolution can be achieved, the General Manager stated that he will provide the proposal to the Board for approval consideration. If an amicable resolution cannot be reached, then legal action may be required. The General Manager reported that conversations with CSD staff have been slow but productive and that he has been working with SEJPA's legal counsel to draft a new wastewater treatment lease agreement that more clearly states payment obligations for operating, maintenance, and capital costs.

Moved by Board Member Barth and seconded by Vice Chair Zito to:

1. Accept and file the 2013-14 Fiscal Year Audit for the San Elijo Joint Powers Authority.

Motion carried with unanimous vote of approval.

13. SAN ELIJO JOINT POWERS AUTHORITY END OF YEAR REVIEW OF THE FISCAL YEAR 2013-14 FINANCIAL STATEMENT

Paul Kinkel, Director of Finance and Administration provided a financial review for Fiscal Year 2013-14. Overall, the SEJPA was below budget by \$323,755 or 7.8% in Wastewater Treatment, Pump Stations, Ocean Outfall, and Storm Water programs. Examining the programs individually, Wastewater Treatment was over budget by \$18,813 primarily due to unplanned repairs for the primary clarifiers and dissolved floatation thickeners. The Laboratory Services program was under budget by \$48,981 as a result of lower than planned personnel expenses. The Ocean Outfall program was under budget by \$165,911 primarily due to an advantageous contract negotiation for ocean outfall monitoring. Cardiff Sanitation, Encinitas Sanitation (Moonlight Pump Station), and the Encinitas Storm Water programs were under budget by \$73,499 due to lower personnel expenses, repairs and maintenance, utility, and unspent contingency. The City of Solana Beach pump stations and storm water programs were under budget by \$54,177 due to lower personnel expenses, repairs and maintenance, utility, and unspent contingency. The Reclaimed Water program, which is funded through the sale of recycled water, experienced significant sales growth in Fiscal Year 2013-14 and revenues exceeded budget by \$322,155 or 14.7%. With increased sales, recycled water expenditures increased but not to the same extent. The Reclaimed Water program expenses exceeded budget by \$111,318 or 10.7%.

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

14. 2014-2015 RECYCLED WATER PRICE ADJUSTMENT BETWEEN THE SAN ELIJO JOINT POWERS AUTHORITY AND THE OLIVENHAIN MUNICIPAL WATER DISTRICT

General Manager Thornton provided a brief history of the SEJPA's recycled water wholesale agreements and the rate setting methodologies as specified by each individual agreement. Most of these agreements now utilize a cost of service methodology for setting the price of the recycled water. The General Manager stated that the agreement between the SEJPA and the Olivenhain Municipal Water District

(OMWD) is now open for an annual price increase as prescribed through a cost of service model. The SEJPA retained Raftelis Financial Consultants (RFC) to prepare a cost of service analysis. Based on this analysis, a rate increase was recommended. SEJPA staff has presented the RFC analysis and proposed rate increase to OMWD. The proposed increase is consistent with current pricing provided to Santa Fe Irrigation District and the San Dieguito Water District, and moves the SEJPA towards its goal of uniform pricing to the multiple water purveyors that purchase SEJPA recycled water.

Moved by Member Barth and seconded by Vice Chair Zito to:

1. Approve recycled water rate increase to the Olivenhain Municipal Water District beginning December 1, 2014 to an amount of \$1,310 per acre-foot and beginning July 1, 2015 to an amount of \$1,356 per acre-foot.

Motion carried with unanimous vote of approval.

15. ACCEPTANCE OF COMPLETION – SOLANA BEACH STORM WATER DIVERSION STRUCTURE

Chris Trees, Director of Operations, reported that construction of the Storm Water Diverter project in Solana Beach has been completed. The Solana Beach storm water diversion Structure is located at Seascape Sur on South Sierra Avenue in Solana Beach where there is a documented history of high coliform bacteria in the storm drain system. This project is part of the North San Diego County Cooperative Demineralization Project and was funded by Proposition 84 grant funding.

Moved by Vice Chair Zito and seconded by Member Campbell to:

1. Authorize the General Manager to accept the Solana Beach Storm Water Diversion Structure Project and sign and record a Notice of Completion.

Motion carried with unanimous vote of approval.

16. GENERAL MANAGER'S REPORT

General Manager Thornton updated the Board of Directors on the two Air Pollution Control District (APCD) violations that were incurred by the SEJPA in July 2014. The APCD found Odor Scrubber No. 1 exceeded its one day threshold for hydrogen sulfide. Although this violation is considered a minor infraction, the SEJPA works diligently to have zero violations and efforts are underway to improve the reliability of this scrubber. The scrubber is more than 20 years old and is no longer supported by the original manufacturer. Therefore, Staff is working with Carollo Engineers to assess design and operational improvements. The second violation noted by APCD was the absence of an operating permit for the on-site heating boilers that utilize biogas as a fuel source. These boilers were installed in the early 1990's and should have been permitted then. To resolve both infractions, a penalty settlement of \$1,100 was negotiated and the SEJPA has obtained an operating permit from the APCD for the heating boilers.

The General Manager also highlighted some of the recent findings of the SEJPA's facility plan update. As part of the plan update, the land portion of the Ocean Outfall was evaluated for estimated operating life. Based on the construction material and

installation environment of the outfall, the estimated life of the pipe is between 50 to 70 years. The original outfall pipeline is approximately 49 years old, and Staff is working to determine options for replacing the aging pipe. Concurrently, the San Elijo Lagoon is in the design phase of a major restoration project with construction targeted for 2016. Staff is in communications with the lagoon restoration project team to discuss replacing the outfall pipeline portion through the lagoon during the restoration project.

17. GENERAL COUNSEL'S REPORT

None

18. BOARD MEMBER COMMENTS

Board Member Zito requested information about the recently passed water bonds (Proposition 1) in the coming year.

19. CLOSED SESSION

The Board of Directors adjourned to closed session at 10:05 a.m., with Michael Thornton per Government Code Section 54956.9(d)(2).

The Board of Directors came out of closed session at 10:30 a.m. with no reportable action.

20. ADJOURNMENT

The meeting adjourned at 10:30 a.m. The next Board of Directors meeting will be held on December 8, 2014.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

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

15-12

For the Months of October and November - 2014

Check #	Vendor Name	G/L Account	Warrant Description	Amount
30903	State Board of Equalization	Accrued Sales Tax Payable	Third quarter sales tax	845.00
30904	Arrowhead	Supplies - Lab	Kitchen and lab supplies	243.34
30905	AT&T - 9777	Utilities - Telephone	Phone service - 09/13/14 - 10/12/14	371.12
30906	AT&T	Utilities - Telephone	DSL - 09/10/14 - 10/09/14	88.98
30907	AT&T	Utilities - Telephone	DSL - 09/20/14 - 10/19/14	89.57
30908	Atlas Pumping Service Inc.	Services - Grease & Scum	Grease and scum pumping	2,021.56
30909	Automation Direct	Repair Parts Expense	Wire, cable, and mounting bracket	330.00
30910	Barracuda Networks, Inc.	Utilities - Internet	Network back-up	50.00
30911	Brenntag Pacific, Inc.	Supplies - Chem - Odor	Sodium Hydroxide	3,514.48
30912	The Brickman Group LTD	Services - Landscape	Landscape service - November	385.00
30913	C.E. Wilson Corporation	Subcontractors	Seascape Sur low flow diversion project	120,956.59
30914	Carollo Engineers	Services - Engineering	Facility plan update	56,231.63
30915	CFM San Diego, Inc.	Repair Parts Expense	Valve, coupling, and adaptive sleeve	370.34
30916	Complete Office	Supplies - Office	Office supplies	287.39
30917	Dudek & Associates	Services - Engineering	Emergency Power Project - final design	1,900.00
30918	Endress & Hauser	Repair Parts Expense	A-basin flow meter	1,805.87
30919	Euronfins Calscience, Inc.	Services - Laboratory	Testing water samples	814.00
30920	Golden State Overnight	Postage/Shipping	Mailing lab samples	62.45
30921	Guardian	Dental/Vision	Dental - 11/01/14 - 11/30/14	1,778.44
30922	Harrington Industrial Plastics	Repair Parts Expense	Transmitter, strainer, pvc mesh, and valves	2,810.45
30923	Health and Human Resource	Employee Assistance Program	November	317.68
30924	Henry Troemner, LLC	Services - Maintenance	Recalibration of weights	103.77
30925	VOID	VOID	VOID	VOID
30926	Home Depot Credit Services	Supplies - Shop & Field	Hardware, plumbing, electrical parts, and paint	853.04
30927	King Lee Chemical Co.	Supplies - Chemicals	Liquid antiscalant	962.55
30928	Kusters Zima Corporation	Repair Parts Expense	Wheel assembly	1,655.32
30929	The Lawton Group	Services - Intern Program	Weeks worked - 10/06/14 - 10/19/14	1,227.25
30930	MegaPath Corporation	Utilities - Internet	T-1 service - November	279.27
30931	Pacific Green Landscape	Services - Landscape	Landscape service - October	1,125.00
30932	Pacific Safety Center	Training	Storm water regulation for industrial sites	95.00
30933	P.E.R.S.	Medical Insurance - PERS	Health - November	18,018.21
30934	Public Employees - Retirement	Retirement Plan - PERS	Retirement - 10/11/14 - 10/24/14	15,934.80
30935	Procopio Cory Hargreaves	Services - Legal	General - September	3,826.82
30936	Raftelis Financial Consultants	Services - Engineering	Analysis on pipeline and distribution system	1,577.50
30937	Right-Of-Way Engineering	Services - Engineering	Outfall easement	840.00
30938	San Diego Gas & Electric	Utilities - Gas & Electric	Gas and electric - 09/04/14 - 10/05/14	69,133.30
30939	San Diego IPMA-HR	Seminars/Education	HR luncheon	25.00
30940	Sun Life Financial	Life Insurance/Disability	Life and disability insurance - November	1,398.99
30941	Terminix Processing Center	Services - Maintenance	Pest control	60.00
30942	Test America	Services - Laboratory	Testing lab samples	145.00
30943	Christopher A. Trees	Subsistence - Travel	Mileage	58.24
30944	Unifirst Corporation	Services - Uniforms	Uniform service	161.79
30945	UPS	Postage/Shipping	Mailing lab equipment	10.46
30946	Valin	Repair Parts Expense	Control valve	506.49
30947	Vantagepoint Transfer Agents	EE Deduction Benefits	457 - ICMA	6,819.12
30948	Vantagepoint Transfer Agents	ICMA Retirement	401a - ICMA	2,717.32
30949	Verizon Wireless	Utilities - Telephone	Cell phone service - 09/08/14 - 10/07/14	603.91
30950	VWR International, Inc.	Supplies - Lab	Tubes, buffer, detergent, gloves, and filters	842.41
30951	Hoch Consulting, APC	Services - Engineering	Project engineering services	13,997.50
30952	Aflac	EE Deduction Benefits	Medical and supplement life insurance	811.08
30953	Ag Tech, LLC	Services - Biosolids Hauling	Biosolids hauling - October	12,075.66
30954	Applied Industrial Tech.	Repair Parts Expense	Bearings	785.72
30955	Aquatic Bioassay	Services - Laboratory	Lab testing samples	1,040.00
30956	AT & T	Utilities - Telephone	Alarm service	384.08
30957	Atlas Pumping Service Inc.	Services - Grease & Scum	Grease and scum pumping	277.44
30958	BankCard Center	Supplies - Janitorial	Repairs, meetings, seminars, and supplies	4,967.52
30959	Bay City Electric Works	Services - Maintenance	Generator	400.00
30960	B.J.'s Rental Store	Equipment Rental/Lease	Boom	400.00
30961	CDW Government	Licenses	Software	379.00
30962	City National Bank	Interest Expense - AWT Note	Loan agreement	74,076.57
30963	Coast Waste Management, Inc.	Services - Grit & Screenings	Roll-off - 10/09/14 - 10/31/14	131.61
30964	Corodata	Rent	Record storage - October	77.72
30965	County of San Diego	Fees - Permits	Trust account 2026571-E-61026	284.00
30966	County of San Diego	Fees - Permits	APCD1997-Site-10270 - Olivenhain	309.00
30967	County of San Diego	Fees - Permits	APCD2014-Nov-000492 & 000493	1,100.00
30968	Crown Point Embroidery	Other Personnel Cost	Uniform hats	220.32

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

15-12

For the Months of October and November - 2014

Check #	Vendor Name	G/L Account	Warrant Description	Amount
30969	Cal State Compliance and Consulting	Services - Professional	Contractor communications	300.00
30970	Daniels Tire Service	Vehicle Maintenance	Tires	800.87
30971	Dixieline Lumber	Supplies - Shop & Field	Repairs and field supplies	92.19
30972	EDCO Waste & Recycling Service	Utilities - Trash	Trash service - October	234.21
30973	Ferrellgas	Fuel	Fuel	76.87
30974	George T. Hall Co., Inc.	Repair Parts Expense	Regulators	723.13
30975	Harrington Industrial Plastics	Repair Parts Expense	Coupling, flange, and pipe	215.29
30976	Housing & Community Development	Licenses	Modular registration	92.00
30977	Jani-King of CA, Inc.	Services - Janitorial	Janitorial service and supplies	1,630.03
30978	Jennifer Basco	Subsistence - Travel	Mileage	102.52
30979	Konica Minolta	Services - Maintenance	Monthly copier maintenance	123.07
30980	Lee Michael Konicke	Subsistence - Travel	Mileage	20.16
30981	The Lawton Group	Services - Intern Program	Weeks worked - 10/20/14 - 11/02/14	1,463.19
30982	Leaf & Cole, LLP	Services - Accounting	Audit progress billing	3,150.00
30983	McMaster-Carr Supply Co.	Repair Parts Expense	Badge holder, pvc pipe, air compressors	1,108.05
30984	NTT	Training	Industrial electricity	3,698.00
30985	Nexus IS, Inc.	Licenses	Security and enterprise license	2,006.38
30986	Olin Corp - Chlor Alkali	Supplies - Chemicals	Sodium Hypochlorite	3,031.95
30987	Olivenhain Municipal Water Dis	Rent	OMWD pipeline rental payment - October	6,727.50
30988	Public Employees- Retirement	Retirement Plan - PERS	Retirement - 10/25/14 - 11/07/14	15,369.24
30989	Cashier - Jennifer Basco	Supplies - Shop & Field	Replenish petty cash	166.71
30990	Preferred Benefit Insurance	Dental/Vision	Vision insurance	333.00
30991	Procopio Cory Hargreaves	Services - Legal	General	4,784.00
30992	Raftelis Financial Consultants	Services - Professional	Cost analysis on pipeline distribution system	1,365.00
30993	Rohan & Sons, Inc	Capital Outlay, Maintenance	Heating and air unit	5,385.00
30994	RSF Security Systems	Services - Maintenance	Battery service	36.50
30995	San Dieguito Water	Utilities - Water	Recycled water	9,039.48
30996	Santa Fe Irrigation District	Utilities - Water	Recycled water	284.59
30997	Santa Fe Irrigation District	SFID Distribution Pipeline	Pipeline purchase payment - October	1,442.15
30998	San Diego Gas & Electric	Utilities - Gas & Electric	Gas and electric - 10/06/14 - 11/04/14	2,363.89
30999	San Elijo Lagoon Conservancy	Due to Other Govt Agencies	North County Demineralization project	4,916.94
31000	Smart & Final	Supplies - Office	Kitchen supplies	150.52
31001	State Water Resources Control Board	Dues & Memberships	Operator certificates	640.00
31002	State Water Resources Control Board	Fees - Permits	Recycled water review	2,086.40
31003	Terminix Processing Center	Services - Maintenance	Pest control	60.00
31004	Unifirst Corporation	Services - Uniforms	Uniform service	472.10
31005	UPS	Postage/Shipping	Mailing compliance reports	50.83
31006	Underground Service Alert/SC	Services - Alarm	Dig alert - October	72.00
31007	Vantagepoint Transfer Agents	EE Deduction Benefits	457 - ICMA	5,801.05
31008	Vantagepoint Transfer Agents	ICMA Retirement	401a - ICMA	2,628.47
31009	WEX Bank	Interest Expense	Fuel - October	1,002.36
31010	WorkPartners Occupational	Services - Medical	Medical service for employees	1,629.00
31011	World Water Works, Inc.	Repair Parts Expense	Pump cover	846.49
	San Elijo Payroll Account	Payroll	Payroll - 10/31/14 (Less Retirement Plans)	64,803.05
	San Elijo Payroll Account	Payroll	Payroll - 11/14/14 (Less Retirement Plans)	58,064.24
	California Bank & Trust		Service Fees	129.00
				<u>\$ 645,489.09</u>

SAN ELIJO JOINT POWERS AUTHORITY

PAYMENT OF WARRANTS SUMMARY

For the Months of October and November - 2014

As of November 24, 2014

PAYMENT OF WARRANTS		\$ 645,489.09
Reference Number	15-12	

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.



Paul F. Kinkel

Director of Finance & Administration

STATEMENT OF FUNDS AVAILABLE FOR PAYMENT OF WARRANTS
AND INVESTMENT INFORMATION
As of November 24, 2014

<u>FUNDS ON DEPOSIT WITH</u>	<u>AMOUNT</u>
 LOCAL AGENCY INVESTMENT FUND <i>(SEPTEMBER 2014 YIELD 0.24%)</i>	
RESTRICTED SRF RESERVE	\$ 630,000.00
UNRESTRICTED DEPOSITS	\$ 6,446,449.74
 CALIFORNIA BANK AND TRUST <i>(SEPTEMBER 2014 YIELD 0.01%)</i>	
REGULAR CHECKING	\$ 291,849.41
PAYROLL CHECKING	\$ 5,000.00
 TOTAL RESOURCES	 \$ 7,373,299.15

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

December 8, 2014

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

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

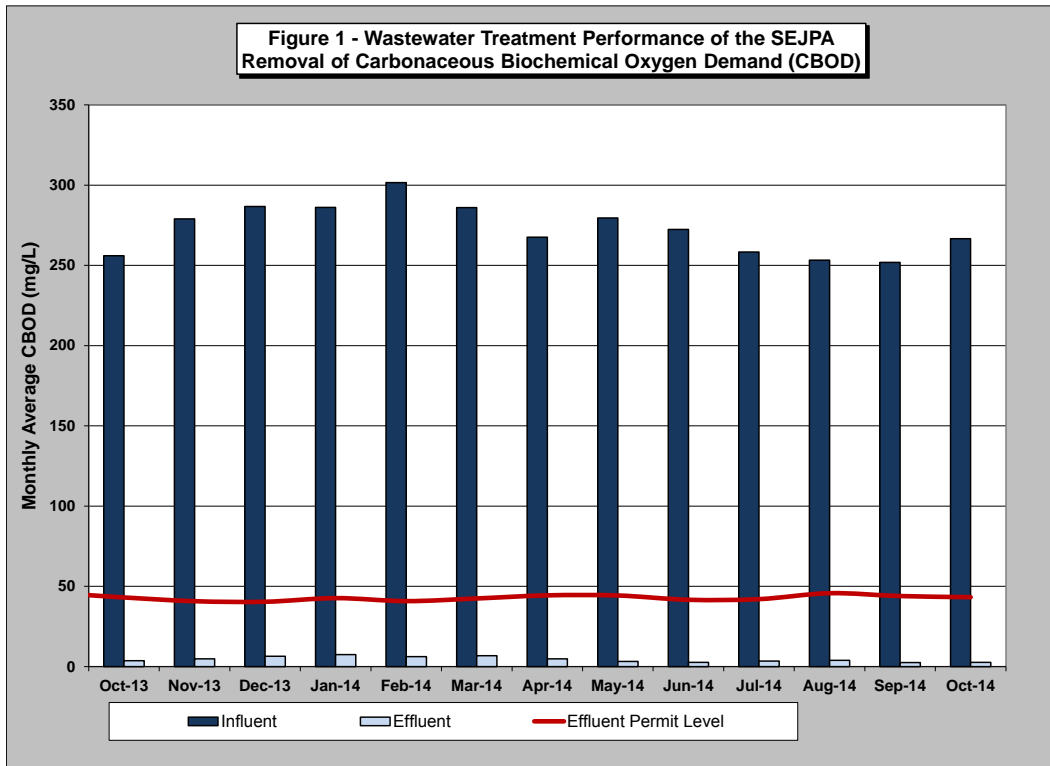
RECOMMENDATION

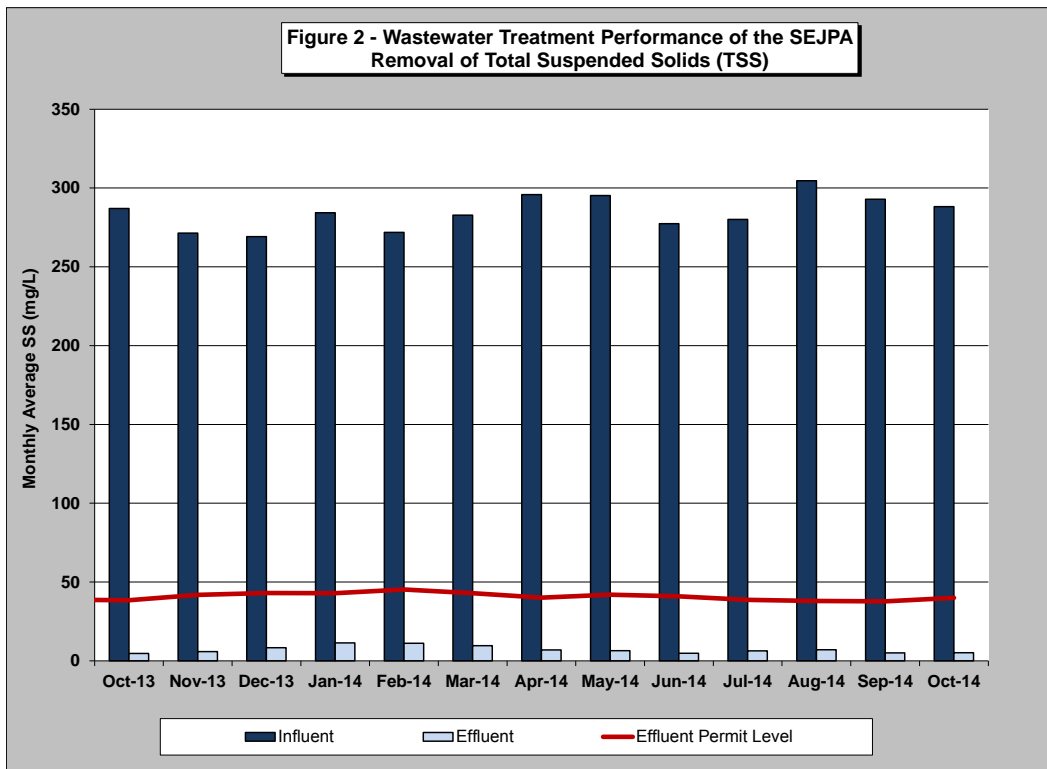
No action required. This memorandum is submitted for information only.

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 2014. 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. For the month of October, treatment levels for CBOD and TSS were 99.0 and 98.2 percent removal, respectively, (as shown in Figure 1 and Figure 2).





Member Agency Flows

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

	October	
	Influent (mgd)	Effluent (mgd)*
Cardiff Sanitary Division	1.204	0.394
City of Solana Beach	1.198	0.392
Rancho Santa Fe SID	0.114	0.038
Total San Elijo WRF Flow	2.516	0.824

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

TABLE 1 - SAN 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	CSD	SB	TOTAL PLANT	CSD	RSF	CSD	SB	TOTAL PLANT	CSD EDUS	RSF EDUS	CSD EDUS	SB EDUS	TOTAL EDUS	CSD	RSF	CSD	SB
Oct-09	1.375	0.108	1.332	2.815	0.744	0.058	0.721	1.523	8,187	468	7,728	16,383	168	231	172	172			
Nov-09	1.366	0.111	1.323	2.800	0.843	0.069	0.816	1.728	8,189	469	7,728	16,386	167	237	171	171			
Dec-09	1.401	0.127	1.322	2.850	1.149	0.104	1.084	2.337	8,193	469	7,728	16,390	171	271	171	174			
Jan-10	1.532	0.155	1.372	3.059	1.271	0.128	1.138	2.537	8,196	472	7,728	16,396	187	329	178	187			
Feb-10	1.487	0.148	1.382	3.017	1.371	0.136	1.274	2.781	8,197	474	7,728	16,399	181	313	179	184			
Mar-10	1.455	0.145	1.398	2.998	1.108	0.110	1.064	2.282	8,198	474	7,728	16,400	177	306	181	183			
Apr-10	1.451	0.137	1.391	2.979	1.058	0.100	1.014	2.172	8,198	474	7,728	16,400	177	289	180	182			
May-10	1.379	0.128	1.385	2.892	0.672	0.063	0.675	1.410	8,201	474	7,728	16,403	168	270	179	176			
Jun-10	1.437	0.122	1.453	3.012	0.650	0.055	0.657	1.362	8,202	474	7,728	16,404	175	258	188	184			
Jul-10	1.375	0.119	1.466	2.960	0.694	0.061	0.740	1.495	8,204	475	7,728	16,407	168	251	190	180			
Aug-10	1.366	0.125	1.451	2.942	0.585	0.053	0.621	1.259	8,205	475	7,728	16,408	166	263	188	179			
Sep-10	1.346	0.114	1.342	2.802	0.627	0.053	0.626	1.306	8,207	475	7,728	16,410	164	240	174	171			
Oct-10	1.413	0.123	1.311	2.847	1.177	0.102	1.092	2.371	8,207	477	7,728	16,412	172	258	170	173			
Nov-10	1.399	0.117	1.297	2.813	1.090	0.091	1.011	2.192	8,209	478	7,728	16,415	170	245	168	171			
Dec-10	1.605	0.215	1.375	3.195	1.417	0.189	1.214	2.820	8,212	478	7,728	16,418	195	450	178	195			
Jan-11	1.452	0.158	1.338	2.948	1.272	0.139	1.172	2.583	8,227	478	7,728	16,433	176	331	173	179			
Feb-11	1.413	0.156	1.339	2.908	1.176	0.130	1.114	2.420	8,228	480	7,728	16,436	172	325	173	177			
Mar-11	1.387	0.208	1.343	2.938	1.186	0.178	1.148	2.512	8,229	480	7,728	16,437	169	434	174	179			
Apr-11	1.320	0.181	1.323	2.824	0.867	0.118	0.869	1.854	8,248	482	7,728	16,458	160	376	171	172			
May-11	1.327	0.162	1.320	2.809	0.564	0.069	0.561	1.194	8,248	483	7,728	16,459	161	336	171	171			
Jun-11	1.343	0.156	1.390	2.889	0.545	0.063	0.564	1.172	8,249	483	7,728	16,460	163	323	180	176			
Jul-11	1.293	0.151	1.430	2.874	0.425	0.050	0.470	0.945	8,250	484	7,728	16,462	157	312	185	175			
Aug-11	1.292	0.150	1.405	2.847	0.479	0.056	0.521	1.056	8,252	485	7,728	16,465	157	310	182	173			
Sep-11	1.262	0.146	1.333	2.741	0.564	0.066	0.596	1.226	8,254	486	7,728	16,468	153	301	172	166			
Oct-11	1.260	0.142	1.303	2.705	0.730	0.082	0.755	1.567	8,260	486	7,728	16,474	153	292	169	164			
Nov-11	1.338	0.167	1.307	2.812	1.099	0.137	1.074	2.310	8,261	486	7,728	16,475	162	344	169	171			
Dec-11	1.299	0.164	1.305	2.768	1.103	0.139	1.108	2.350	8,264	487	7,728	16,479	157	337	169	168			
Jan-12	1.291	0.145	1.303	2.739	1.032	0.116	1.042	2.190	8,266	488	7,728	16,482	160	232	169	166			
Feb-12	1.259	0.137	1.283	2.679	1.006	0.109	1.025	2.140	8,268	488	7,728	16,484	152	281	166	163			
Mar-12	1.313	0.153	1.255	2.721	0.968	0.113	0.925	2.006	8,269	488	7,728	16,485	159	314	162	165			
Apr-12	1.348	0.145	1.209	2.702	0.906	0.097	0.813	1.816	8,278	488	7,728	16,494	163	297	156	164			
May-12	1.333	0.150	1.211	2.694	0.577	0.065	0.525	1.167	8,280	488	7,728	16,496	161	308	157	163			
Jun-12	1.365	0.143	1.237	2.745	0.547	0.057	0.496	1.100	8,284	489	7,728	16,501	165	293	160	166			
Jul-12	1.372	0.126	1.296	2.794	0.457	0.042	0.431	0.930	8,289	489	7,728	16,506	166	258	168	169			
Aug-12	1.383	0.128	1.291	2.802	0.473	0.044	0.441	0.958	8,290	490	7,728	16,508	167	261	167	170			
Sep-12	1.349	0.142	1.220	2.711	0.544	0.058	0.492	1.094	8,291	490	7,728	16,509	163	290	158	164			
Oct-12	1.327	0.123	1.203	2.653	0.678	0.063	0.615	1.356	8,294	490	7,728	16,512	160	251	156	161			
Nov-12	1.343	0.128	1.181	2.652	0.862	0.082	0.758	1.702	8,299	490	7,728	16,517	162	261	153	161			
Dec-12	1.383	0.141	1.197	2.721	1.261	0.129	1.091	2.481	8,300	490	7,728	16,518	167	288	155	165			
Jan-13	1.357	0.145	1.215	2.717	1.155	0.124	1.034	2.313	8,300	490	7,728	16,518	163	296	157	164			
Feb-13	1.349	0.138	1.201	2.688	1.048	0.108	0.933	2.089	8,301	490	7,728	16,519	163	282	155	163			
Mar-13	1.402	0.154	1.235	2.791	0.905	0.100	0.797	1.802	8,302	493	7,728	16,521	169	314	160	169			
Apr-13	1.297	0.124	1.237	2.658	0.531	0.051	0.506	1.088	8,304	493	7,728	16,523	156	253	160	161			
May-13	1.339	0.126	1.185	2.650	0.376	0.036	0.333	0.745	8,304	493	7,728	16,525	161	256	153	160			
Jun-13	1.341	0.126	1.190	2.657	0.269	0.025	0.239	0.533	8,307	493	7,728	16,528	161	256	154	161			
Jul-13	1.366	0.144	1.269	2.779	0.482	0.050	0.448	0.980	8,309	493	7,728	16,530	164	292	164	168			
Aug-13	1.342	0.168	1.258	2.768	0.380	0.048	0.356	0.784	8,311	494	7,728	16,533	161	340	163	167			
Sep-13	1.343	0.117	1.193	2.653	0.403	0.036	0.358	0.797	8,311	494	7,728	16,533	162	237	154	160			
Oct-13	1.319	0.132	1.184	2.635	0.629	0.063	0.565	1.257	8,314	494	7,728	16,536	159	267	153	159			
Nov-13	1.348	0.133	1.194	2.675	0.932	0.092	0.826	1.850	8,315	494	7,728	16,537	162	270	155	162			
Dec-13	1.341	0.134	1.191	2.666	1.030	0.103	0.915	2.048	8,316	494	7,728	16,538	161	272	154	161			
Jan-14	1.322	0.135	1.194	2.651	0.851	0.087	0.768	1.706	8,318	495	7,728	16,541	159	273	155	160			
Feb-14	1.314	0.127	1.172	2.613	0.954	0.093	0.851	1.898	8,323	495	7,728	16,546	158	257	152	158			
Mar-14	1.339	0.134	1.185	2.658	0.858	0.086	0.760	1.704	8,324	496	7,728	16,548	161	270	153	161			
Apr-14	1.326	0.128	1.128	2.582	0.449	0.043	0.382	0.874	8,328	498	7,728	16,554	159	257	146	156			
May-14	1.353	0.124	1.127	2.604	0.159	0.015	0.132	0.306	8,333	498	7,728	16,559	162	249	146	157			
Jun-14	1.341	0.126	1.188	2.655	0.207	0.020	0.183	0.410	8,333	498	7,728	16,559	161	253	154	160			
Jul-14	1.271	0.130	1.307	2.708	0.232	0.024	0.239	0.495	8,338	499	7,728	16,565	152	261	169	163			
Aug-14	1.228	0.130	1.298	2.656	0.227	0.024	0.239	0.490	8,345	500	7,728	16,573	147	260	168	160			
Sep-14	1.215	0.113	1.232	2.560	0.211	0.019	0.214	0.444	8,351	500	7,728	16,579	145	226	159	154			
Oct-14	1.204	0.114	1.198	2.516	0.394	0.038	0.392	0.824	8,353	500	7,728	16,581	144	228	155	152			

CSD: Cardiff Sanitary Division

RSF CSD: Ranch Santa Fe Community Service District

SB: Solana Beach

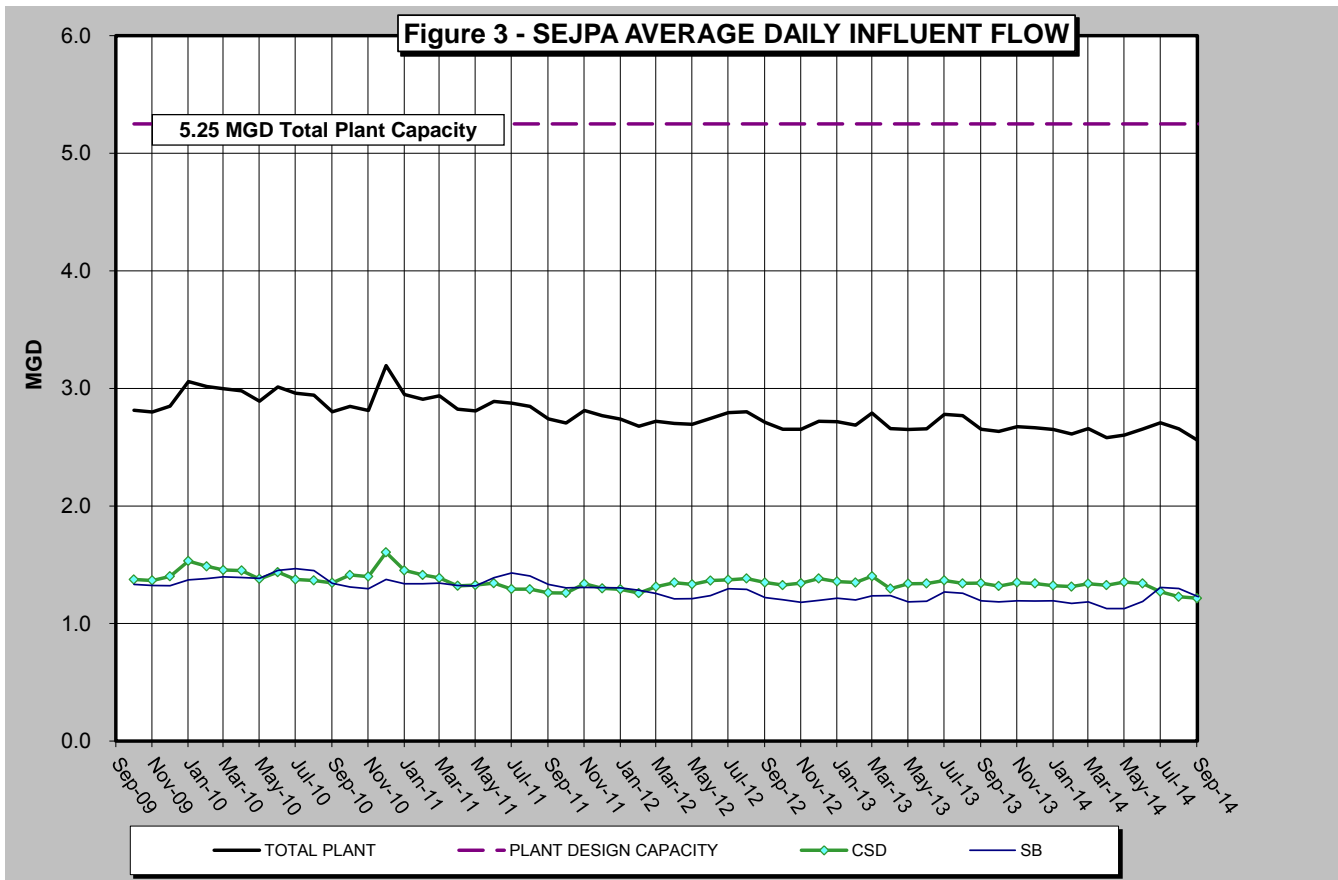
EDU: Equivalent Dwelling Unit

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

EDU Numbers Revised by Dudek for March and April 2013

Figure 3 (below) presents the 5-year historical average daily flows per month for each Member Agency. This is to provide a historical overview of the average treated flow by each agency. As shown in the figure, the average treated flow has been approximately 2.8 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.



City of Escondido Flows

The average and peak flow rate from the City of Escondido 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 October.

	Flow (mgd)
Escondido (Average flow rate)	7.81
Escondido (Peak flow rate)	17.9

Connected Equivalent Dwelling Units

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

	Connected (EDU)
Cardiff Sanitary Division	8,353
Rancho Santa Fe SID	500
City of Solana Beach	7,428
San Diego (to Solana Beach)	300
Total EDUs to System	16,581

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

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SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

December 8, 2014

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 2014, recycled water demand was 145.06 acre-feet (AF), which was met using 145.06 AF of recycled water and 0.0 AF of supplementation with potable water.

Figure 1 (attached) provides monthly supply demands for recycled water since September 2000. Figure 2 (attached) provides a graphical view of annual recycled water demand spanning thirteen fiscal years. Figure 3 (attached) shows the monthly recycled water demand for each month since the program began.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Figure 1 - MONTHLY RECYCLED WATER DEMAND

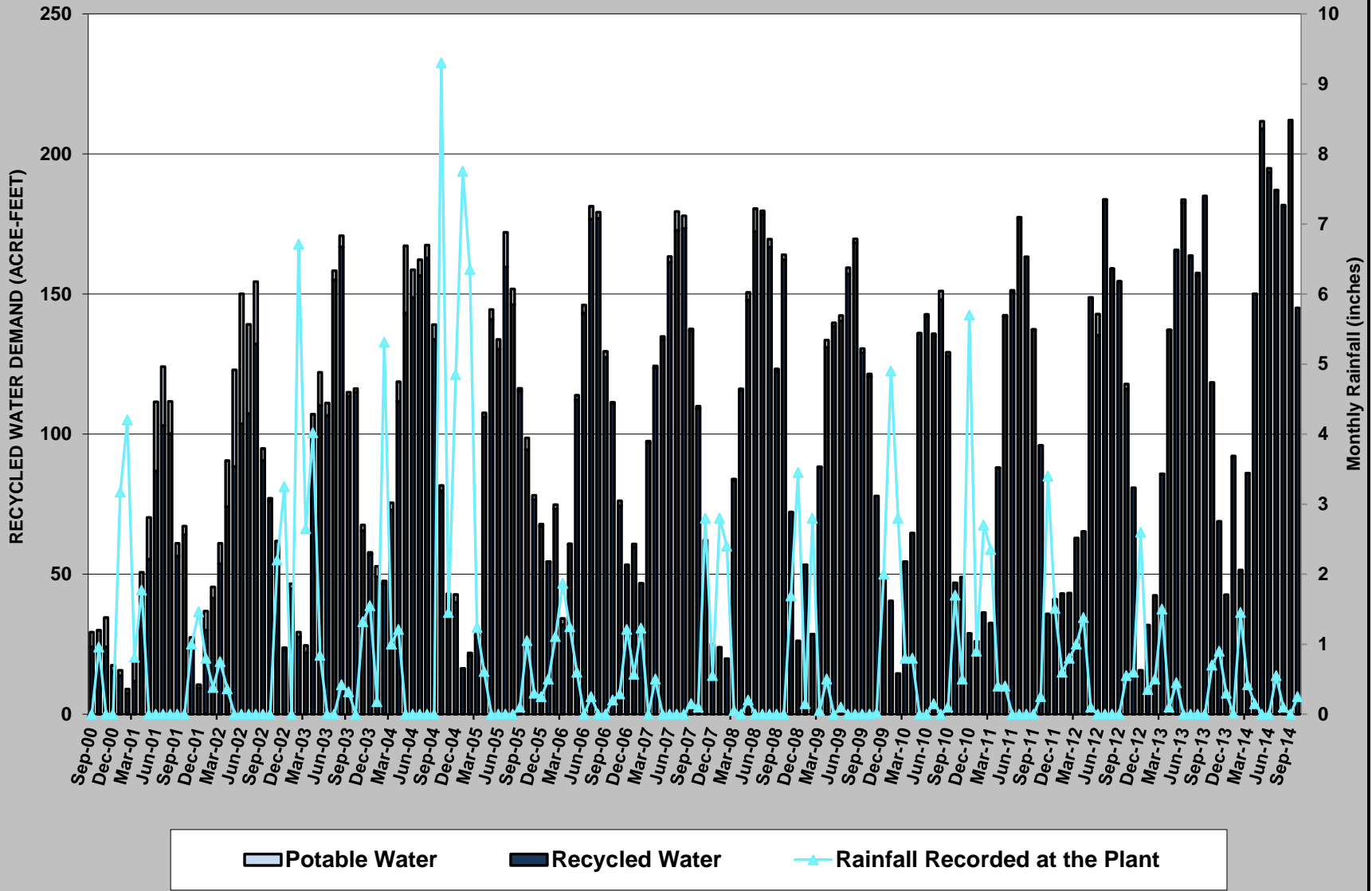


Figure 2 - RECYCLED WATER DEMAND by FISCAL YEAR

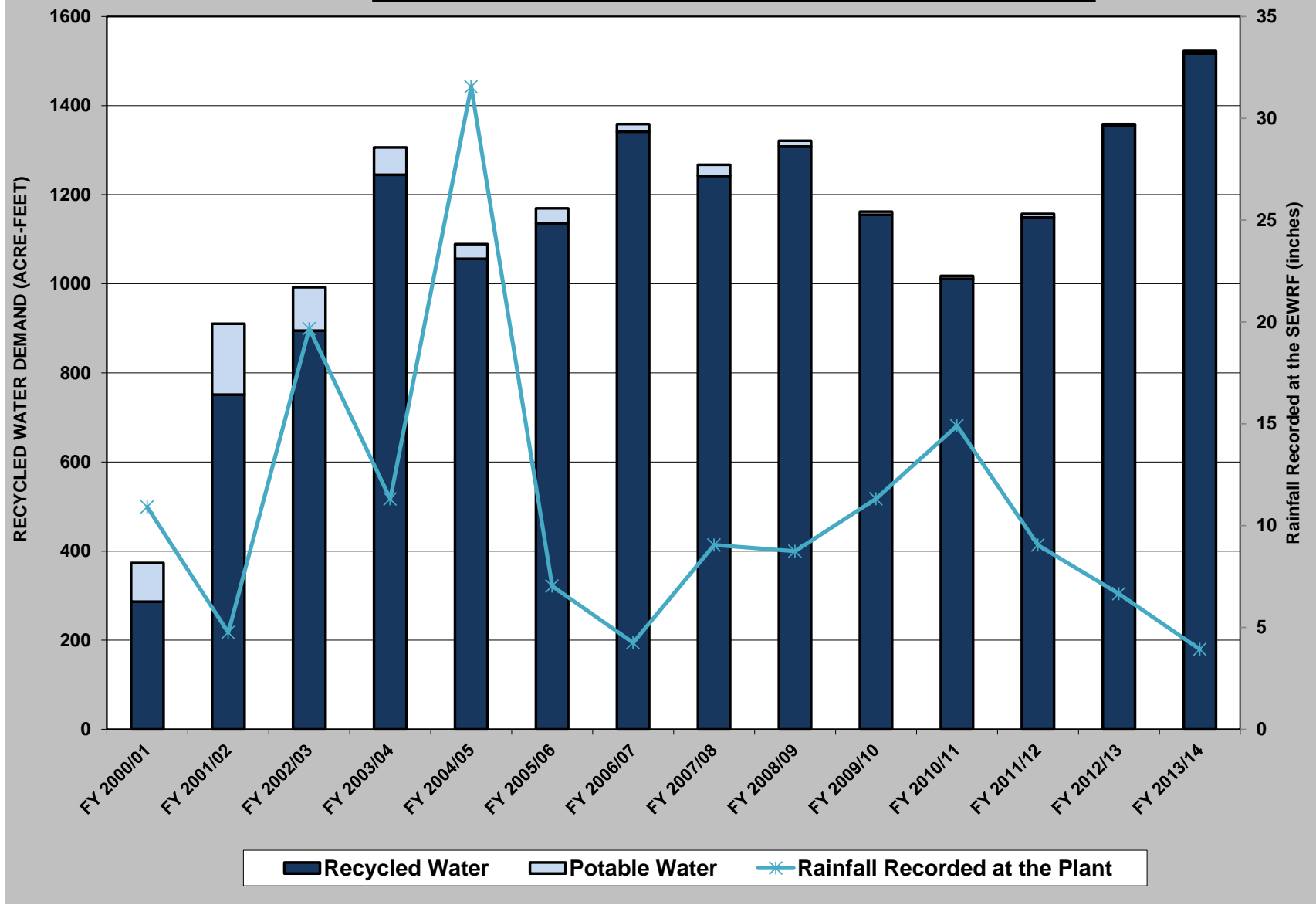
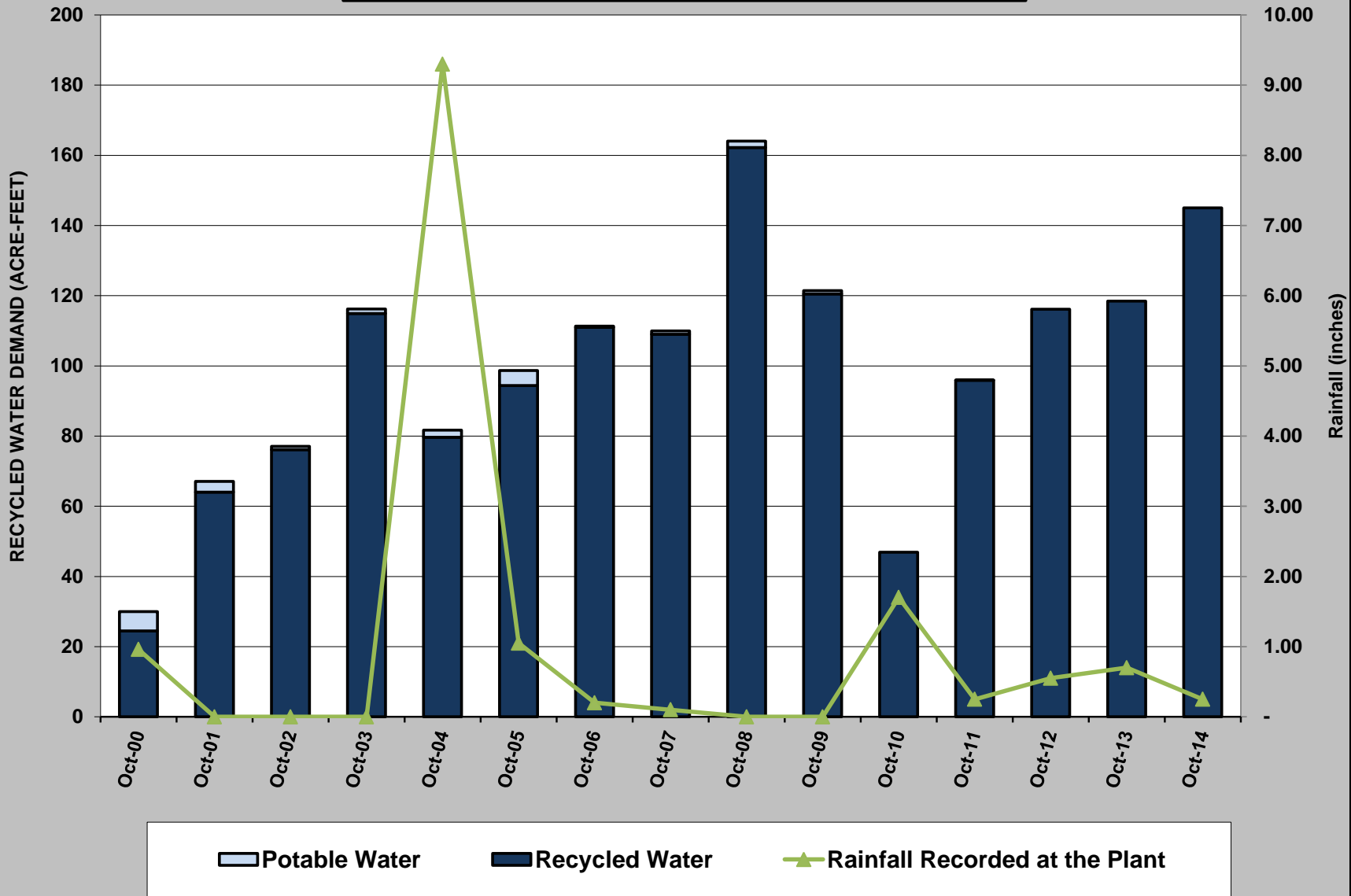


Figure 3 - OCTOBER RECYCLED WATER DEMAND



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AGENDA ITEM NO. 11

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

December 8, 2014

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: 2013 SAN DIEGO INTEGRATED REGIONAL WATER MANAGEMENT (IRWM)
PLAN ADOPTION

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve Resolution No. 2015-01; Adoption of the 2013 San Diego Integrated Regional Water Management Plan; and
2. Discuss and take action as appropriate.

DISCUSSION

Integrated Regional Water Management (IRWM) planning was derived from Proposition 50 which was passed by California voters in November 2002, authorizing \$3.4 billion general obligation bonds to fund a variety of specified water and wetlands projects. It set aside \$380 million for IRWM related grants. Proposition 50 is jointly administered by the California Department of Water Resources and the State Water Resources Control Board.

The San Diego Integrated Regional Water Management Plan was finalized in 2007 and updated in 2013 to coordinate water resource management efforts and to enable the San Diego Region to apply and compete for grants tied to IRWM Planning. The 2013 IRWM Plan includes information from planning documents published since 2007, as well as information produced from planning studies, workshops, and workgroups that are being conducted to address region-specific issues. The 2013 San Diego IRWM Plan can be viewed at the following link: <http://sdirwmp.org/2013-irwm-plan-update>. The SEJPA has been an integral part of the planning process as an active member of the Regional Advisory Committee (RAC) since 2006.

The original IRWM Plan was approved by the SEJPA Resolution No. 2011-05, at the November 8, 2010 Board meeting. It is now recommended that the Board consider approving by resolution the 2013 San Diego IRWM Plan.

FINANCIAL IMPACT

As a condition for receiving future grant funding through this program, the SEJPA is required to adopt a resolution stating its endorsement of the San Diego IRWM Plan. Since the adoption of the original San Diego IRWM Plan by the SEJPA Board in 2011, the SEJPA is on track to receive more than \$1 million in grant funding. This new resolution acknowledges that changes were made to the original IRWM Plan and memorializes the SEJPA endorsement of the updated plan. The SEJPA plans to continue pursuing IRWM grant funding as a means to help fund recycled water and water quality protection projects.

It is therefore recommended that the Board of Directors:

1. Approve Resolution No. 2015-01; Adoption of the 2013 San Diego Integrated Regional Water Management Plan; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachment: Resolution 2015-01 - Adoption of the 2013 San Diego Integrated Regional Water Management Plan

RESOLUTION NO. 2015-01

**A RESOLUTION OF
THE BOARD OF DIRECTORS OF THE SAN ELIJO JOINT POWERS AUTHORITY
ADOPTING THE 2013 SAN DIEGO INTEGRATED REGIONAL WATER MANAGEMENT
PLAN**

WHEREAS the San Diego Regional Water Management Group (RWMG), comprised of the San Diego County Water Authority, City of San Diego, and County of San Diego, has collaborated with the Regional Advisory Committee (RAC), comprised of water management stakeholders from throughout the San Diego region, to develop an update to the 2007 San Diego Integrated Regional Water Management (IRWM) Plan;

WHEREAS the 2013 San Diego IRWM Plan includes information from planning documents published since 2007, as well as information produced from planning studies, workshops, and workgroups that are being conducted to address Region-specific issues; and

WHEREAS the 2013 San Diego IRWM Plan will allow the Region to focus on updated priorities and issues, facilitate project integration, forge partnerships with a variety of stakeholders, and move the Region forward in implementing high-priority projects;

WHEREAS the State of California encourages integrated water resource planning on a regional basis through IRWM Plans and by conditioning certain existing and possibly future grant funding programs - including Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Public Resources Code section 75001 *et seq.*) - to activities contained in IRWM Plans;

NOW THEREFORE BE IT RESOLVED that the San Elijo Joint Powers Authority adopts the 2013 San Diego Integrated Regional Water Management Plan and is committed to continued development and implementation of the Plan to support water resources management in the San Diego region, and

BE IT FURTHER RESOLVED that we encourage the California Department of Water Resources to fully fund the grant applications that are prepared as a result of this Plan.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the San Elijo Joint Powers Authority, California, held on this 8th day of December, 2014 by the following vote:

AYES: Boardmembers:

NOES: Boardmembers:

ABSENT: Boardmembers:

ABSTAIN: Boardmembers:

ATTEST:

Mark Muir, Chairperson
SEJPA Board of Directors

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

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

December 8, 2014

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: FIRST AMENDMENT TO THE RECYCLED WATER AGREEMENT BETWEEN
THE SAN ELIJO JOINT POWERS AUTHORITY AND THE CITY OF DEL MAR

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to execute the First Amendment to the Agreement for Sale of Reclaimed Water to the City of Del Mar by the San Elijo Joint Powers Authority; and
2. Discuss and take action as appropriate.

BACKGROUND

The San Elijo Joint Powers Authority (SEJPA) operates a recycled water utility that produces and sells recycled water to four water purveyors; Santa Fe Irrigation District (SFID), San Dieguito Water District (SDWD), Olivenhain Municipal Water District (OMWD), and the City of Del Mar (Del Mar); and also has an interruptible service agreement directly with the Encinitas Ranch Golf Authority (ERGA). Each water purveyor has its own agreement with the SEJPA that provides the terms for recycled water price, water quality, water quantity, and contract length.

Most of the agreements were originally developed in the 1990's, and set the price of recycled water at 85% of the potable water rate. This type of pricing structure is often referred to as "index pricing" and is a common practice by many water purveyors in southern California. Index pricing is advantageous when creating a utility that delivers a price sensitive service, especially if this service is an alternate choice to an existing service. For the SEJPA recycled water utility, this allowed the recycled water to be priced below potable water, thus making recycled water financially desirable to the customer. However, when serving multiple water agencies, indexing to the individual agency's potable water rates can create its own set of challenges. For example, if a water agency experiences dramatic potable water rate increases, then by "price-indexing" the recycled water rate also spikes. This can lead to unintended consequences such as reduced use of recycled water. Also, serving multiple water agencies (each with their own water rate structures) can create multiple price points for the SEJPA recycled water. This can lead to the perception of inequality. To resolve these

issues and to create a sustainable pricing model for the recycled water utility, the SEJPA has begun moving to price setting based on cost of service principles. This helps the SEJPA establish a pricing structure that reflects the true cost of the utility and provides a more consistent pricing structure between the various water purveyors.

DISCUSSION

Currently, the SEJPA has reached agreement with SDWD, SFID, and OMWD for price setting based on cost of service principles. This allows recycled water produced and delivered by the SEJPA to be sold to each water purveyor at the same price for the same service level. The agreement between the SEJPA and the City of Del Mar is the last agreement that still utilizes "index pricing."

Staff has been in discussions with Del Mar, and their main customer the Del Mar Fairgrounds, to amend the original agreement to incorporate cost of service pricing. Staff has presented the cost of service analysis prepared by Raftelis Financial Consultants as a means to communicate the approach and calculations for cost of service pricing. Staff also provided the recently amended SDWD and SFID agreements to illustrate similar terms within the individual amendments.

One challenging aspect identified in these discussions is that Del Mar's purchase price for recycled water will need to increase by more than 8% to equal the SEJPA cost of service price. To offset this increase, Del Mar has requested that the minimum purchase volume in their agreement be reduced from 150 acre-feet per year (AFY) to 120 AFY. Currently, Del Mar only requires about 100 AFY of recycled water, with future demands projected at about 120 AFY. Therefore, this proposed change will minimize the purchase of water that Del Mar does not need and it will allow the SEJPA to commit this water to other water district partners. The proposed amendment will also (1) extend the term of the agreement by approximately one year (June 30, 2021), after which the agreement continues on a year-to-year basis, and (2) it will eliminate the provision for Del Mar to carry forward usage credits from years in which they exceeded their minimum purchase volume. Removing the carry-forward provision will simplify program accounting and provide known minimum annual revenues.

FINANCIAL IMPACT

The proposed agreement amendment will provide recycled water revenues that are inline with the SEJPA 2014-15 Adopted Budget and consistent with financial calculations utilized by Raftelis Financial Consultants in their cost of service analysis presented to the Board on November 10, 2014. Del Mar will experience a cost savings of approximately \$24,000 in FY 2014-15 as a result of not purchasing water for which they had no demand. The SEJPA is forecasting increased recycled water demands in SDWD, OMWD, and SFID service areas, which will offset this revenue loss. More significantly, the proposed amendment achieves the SEJPA Board's goal of developing consistent and fair pricing with the water purveyors that purchase recycled water from the SEJPA. Creating equitable terms between the water purveyors builds positive working relationships that advances the development and financial foundation of the SEJPA Recycled Water Program.

It is therefore recommended that the Board of Directors:

1. Authorize the General Manager to execute the First Amendment to the Agreement for Sale of Reclaimed Water to the City of Del Mar by the San Elijo Joint Powers Authority; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachment 1: First Amendment to the Agreement for Sale of Reclaimed Water to the City of Del Mar by the San Elijo Joint Powers Authority

Attachment 2: Agreement for the Sale of Reclaimed Water to the City of Del Mar by the San Elijo Joint Powers Authority, dated November 5, 1997

ATTACHMENT 1

FIRST AMENDMENT TO THE AGREEMENT FOR SALE OF RECLAIMED WATER TO THE CITY OF DEL MAR BY THE SAN ELIJO JOINT POWERS AUTHORITY

This agreement (hereinafter referred to as the "First Amendment"), which is the first amendment to the Agreement for Sale of Reclaimed Water to the City of Del Mar by the San Elijo Joint Powers Authority, is made and entered into this ____ day of _____, 2014, by and between the San Elijo Joint Powers Authority, a joint powers authority, hereinafter referred to as the "San Elijo JPA," and the City of Del Mar, a municipal corporation, hereinafter referred to as the "Reclaimed Water Purveyor."

RECITALS

WHEREAS, on or about November 5, 1997, the San Elijo JPA and the Reclaimed Water Purveyor entered into the Agreement for Sale of Reclaimed Water to the City of Del Mar by the San Elijo Joint Powers Authority (hereinafter referred to as the "Purveyor Agreement") for the sale of reclaimed water by the San Elijo JPA to the Reclaimed Water Purveyor; and

WHEREAS, Section 8 of the Purveyor Agreement provides that the cost of reclaimed water to the Reclaimed Water Purveyor may be adjusted by agreement of both parties; and

WHEREAS, the current pricing structure of the Purveyor Agreement is based on indexing the reclaimed water price to 85% of the domestic water price and that the parties desire to change the pricing structure to utilize cost of service pricing principles; and

WHEREAS, the San Elijo JPA uses cost of service pricing principles in setting reclaimed water rates with other water purveyors; and

WHEREAS, the parties are interested in adjusting the minimum annual reclaimed water delivery quantity commitments in Section 4 of the Purveyor Agreement; and

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, and notwithstanding any terms to the contrary in the Purveyor Agreement, the San Elijo JPA and Reclaimed Water Purveyor hereby amend certain terms of the Purveyor Agreement, and agree as follows:

1. The provisions of this First Amendment shall apply to the sale of reclaimed water by the San Elijo JPA to the Reclaimed Water Purveyor commencing July 1, 2014, through June 30, 2021 (this term is referred to hereinafter as the "Term of this First Amendment").
2. Price of Reclaimed Water. For the Term of this First Amendment, the pricing provisions of Section 8 of the Purveyor Agreement are suspended in their entirety, and San Elijo JPA and the Reclaimed Water Purveyor agree that the cost of reclaimed water charged by the San Elijo JPA to Reclaimed Water Purveyor shall increase as follows:

- a) Commencing July 1, 2014, the reclaimed water rate shall be \$1,310 per acre-foot.
 - d) Commencing July 1, 2015, the reclaimed water rate shall be \$1,356 per acre-foot, which equates to an approximate rate increase of three and one-half percent (3.5%) from the July 1, 2014 cost of reclaimed water.
 - e) From July 1, 2016 through June 30, 2021, the rate charged by SEJPA to Reclaimed Water Purveyor for reclaimed water shall escalate at a rate no less than 2% annually and no greater than 5% annually as prescribed through a cost-of-service methodology. In the event that the parties do not reach an agreement on the applicable rate by July 1, a rate increase of three percent (3%) shall go into effect through June 30 of the following year provided that either party may (1) initiate arbitration to determine if a different increase between two percent (2%) and five percent (5%) is appropriate for the applicable July 1 to June 30 time period, or terminate the agreement upon one (1) year's written notice to the other party. In the event either party initiates arbitration, the Parties shall bear their own costs and attorneys' fees incurred related to such arbitration.
3. Reclaimed Water Quantity. For the Term of this First Amendment, the provisions of Section 4 of the Purveyor Agreement are suspended in their entirety, and Reclaimed Water Purveyor and San Elijo JPA agree to the following terms regarding the reclaimed water quantity:
- a) The San Elijo JPA agrees to supply, and Reclaimed Water Purveyor agrees to accept and purchase from the San Elijo JPA, no less than one hundred and twenty (120) acre-feet ("AF") of reclaimed water annually, beginning July 1, 2014, through June 30, 2015, and each July 1 through June 30 thereafter, ending on June 30, 2021. In the event Reclaimed Water Purveyor fails to accept the minimum 120 AF per year for any reason other than the San Elijo JPA's failure to supply such quantity and/or quality of reclaimed water as provided for in the Purveyor Agreement and this First Amendment, Reclaimed Water Purveyor agrees to pay the San Elijo JPA for the difference between the AF accepted by the Reclaimed Water Purveyor during the fiscal year and the minimum 120 AF at the applicable reclaimed water rate stated in this First Amendment.
 - b) Reclaimed Water Purveyor shall not receive "credit" for any acceptance or purchase over the minimum annual purchase volume of 120 AF. Stated differently, if Reclaimed Water Purveyor purchases any amount over the minimum annual purchase volume of 120 AF, Reclaimed Water Purveyor shall not be allowed to "carry over" or "roll over" any amount of such additional purchase to the next year.

- c) Reclaimed Water and domestic potable water used for blending or as supplemental water furnished to Reclaimed Water Purveyor by the San Elijo JPA shall be measured by a totalizing meter installed, owned, operated, and read by the Reclaimed Water Purveyor referenced in Section 4 of the "District Agreement" (as defined and referenced in the Purveyor Agreement, and attached thereto as Attachment 2). The Reclaimed Water Purveyor shall report the water flow usage to the San Elijo JPA at each billing period. For the Term of this First Amendment, fees and charges for reclaimed and supplemental water (which fees and charges do not include price of Reclaimed Water, which has been amended by Paragraph 2 of this First Amendment), and all retrofit loan payments in their entirety, shall be calculated as set forth in Sections 3, 5, and 9 of the Purveyor Agreement, subject to the amendments made by this First Amendment.
4. For the Term of this First Amendment, the Reclaimed Water Purveyor and the San Elijo JPA agree that the Administration Costs, as defined in Section 9 of the Purveyor Agreement, shall be waived and that the San Elijo JPA shall no longer credit Recycled Water Purveyor for any administration costs. In lieu of payment by the San Elijo JPA, the Reclaimed Water Purveyor shall collect its administrative costs through the application of a meter fee or other appropriate means to the end customer.
5. The Reclaimed Water Purveyor shall be responsible for ensuring installation of its reclaimed water flow meter, meter box, and customer-owned backflow prevention and flow control devices, if required, at a location at or near each reclaimed water customer's property boundary, to measure the quantity of reclaimed water supplied to the customer by the San Elijo JPA. The Reclaimed Water Purveyor shall also be responsible for maintaining, calibrating, and reading the reclaimed water flow meter on a regular basis, and reporting the reclaimed water delivered to each customer to the San Elijo JPA at each billing period.
6. Section 5 of the Purveyor Agreement is amended by adding the following: The price of domestic water used for Supplemental Water as defined in Section 5 of the Purveyor Agreement shall be equal to the wholesale price of reclaimed water as set by this amendment. The Reclaimed Water Purveyor shall invoice the San Elijo JPA for Supplemental Water, including applicable meter fees associated with the Supplemental Water supply meter.

Except as expressly stated and amended herein, the remaining terms and conditions of the Purveyor Agreement shall remain in full force and effect. If any provision of the Purveyor Agreement directly conflicts with a provision in this First Amendment, the terms of this First Amendment shall control. The expiration of the provisions of this First Amendment shall not affect the term of the Purveyor Agreement. Upon expiration of the provisions of this First Amendment, and unless the parties execute a written agreement

otherwise, the terms of the Purveyor Agreement, including any other duly executed amendment thereto which has not expired, shall apply.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed and be effective on the date first mentioned above.

**SAN ELIJO
JOINT POWERS AUTHORITY**

CITY OF DEL MAR

By: _____

By: _____

Name: _____

Name: _____

Its: _____

Its: _____

**AGREEMENT FOR SALE OF RECLAIMED WATER
TO THE CITY OF DEL MAR
BY THE SAN ELIJO JOINT POWERS AUTHORITY**

This Reclaimed Water Sales Agreement (AGREEMENT) is made and entered into by and between the San Elijo Joint Powers Authority (JPA) and the City of Del Mar (CITY), a municipal corporation.

RECITALS:

WHEREAS, the JPA will become the producer of reclaimed water (treated wastewater) in accordance with the requirements of Order No. 93-71, Waste Discharge Requirements for the San Elijo Joint Powers Authority Control Facility And San Elijo Water Pollution Control Facility (WPCF), San Diego County (Order No. 93-71), as adopted by the California Regional Water Quality Control Board, San Diego Region (Regional Water Board) on June 21, 1993, which incorporate California's Title 22 Regulations, and amendments thereto; and

WHEREAS, the CITY is responsible for the distribution of potable and reclaimed water within its city wide jurisdiction and outside its jurisdiction to the 22nd District Agricultural Association (DISTRICT); and

WHEREAS, the JPA, CITY and the DISTRICT, recognizing that the use of reclaimed water is a positive and achievable future means of helping to meet the growing water demands within the CITY and Southern California, entered into a separate "Reclaimed Water Sales Agreement" for the production and delivery of reclaimed water to the DISTRICT (the "District Agreement"), a copy of which is attached hereto as Attachment 1; and

WHEREAS, the District Agreement is contingent in part upon the negotiation of an agreement between the JPA and the CITY for the purchase of reclaimed water; and

WHEREAS, the JPA and the CITY desire to enter into this AGREEMENT to satisfy the contingency and further define the mutual rights and obligations of the parties with respect to and consistent with the provisions of the District Agreement;

AGREEMENT

NOW, THEREFORE, in consideration of these recitals and the covenants contained herein, the JPA and the CITY agree as follows:

Date of Execution

November 5, 1997

SECTION 1. SCOPE OF AGREEMENT

The subject matter of this AGREEMENT is the mutual rights and obligations of the CITY and the JPA with respect to the production and delivery of reclaimed water to the DISTRICT under the District Agreement. This AGREEMENT is not intended to cover the production and delivery of reclaimed water to other CITY customers. The sale and delivery of reclaimed water produced by the JPA to the CITY for sale to other CITY customers shall be accomplished by a separate agreement negotiated between the JPA and the CITY. It is intended that only future agreement for the sale and delivery of reclaimed water to the CITY for sale to other CITY customers provide similar pricing and conditions to establish and maintain equity among all CITY customers.

SECTION 2. OWNERSHIP, OPERATION, AND MAINTENANCE RESPONSIBILITIES

The JPA shall at all times operate its WPCF and reclaimed water distribution system in order that the system and delivered water are in conformance with the requirements of the Water Reclamation Law, Water Code Section 13500, et. seq., including those minimum standards for statewide criteria contained in section 13521 of the Water Code, the requirements of the Regional Water Board, including but not limited to, Order No. 93-71, Title 22 of the California Code of Regulations, and the terms of this AGREEMENT.

The JPA shall conduct tests of the reclaimed water being produced in accordance with Order No. 93-71. In addition, the JPA, at its sole expense, shall install a conductivity probe and will monitor, record the results, and maintain records on a continuous basis.

The JPA shall be responsible for the construction, operation, and maintenance of its reclaimed water treatment, storage and distribution system up to the upstream side of the DISTRICT's reclaimed water meter and backflow device including replacement of old/or outdated components or repairs to components, including all pipes, valves, and meters located in public rights of way or easements, damaged by flood, storm, or other causes. The JPA shall also provide customer relation services, such as responding to telephone and written inquiries about reclaimed water.

The JPA shall be responsible for the initial installation of a reclaimed water flow meter and associated backflow prevention devices in a meter box pre-installed by the JPA at a location at or near the DISTRICT's property boundary to measure the quantity of reclaimed water provided to the DISTRICT. The CITY shall own and be responsible for the operation, calibration, and maintenance of the reclaimed water meter and associated backflow prevention devices.

As provided in the District Agreement, the DISTRICT shall be responsible for the installation, operation, and maintenance of any irrigation pipelines, pumps, sprinklers, storage facilities, and appurtenances located downstream of the CITY's reclaimed water meter and

backflow device, and neither the CITY nor the JPA shall assume any responsibility therefor.

SECTION 3. RECLAIMED WATER QUALITY

The JPA shall produce and deliver to the CITY for delivery to the DISTRICT only reclaimed water that meets the requirements of Order No. 93-71. In addition to the requirements of Order No. 93-71, the JPA agrees that the quality of the reclaimed water that will be provided for delivery to the DISTRICT will at all times be of sufficient quality as outlined in Sections 2 and 3 of this AGREEMENT.

From April 1 through September 30 of each year the JPA will provide reclaimed water at 1,000 parts per million of total dissolved solids (TDS) or less, and from October 1 through March 31 of each year the JPA will provide reclaimed water at 1,100 parts per million of TDS or less. The JPA may add domestic water to achieve the above TDS limit. Should domestic water be added for water quality purposes, the quantity of domestic water added to meet these TDS limits shall be included in the total quantity of reclaimed water per contract year specified in Section 4. The CITY is not required to purchase the reclaimed water if the quality of the reclaimed water is not in conformance with the criteria specified in Order No. 93-71 and this AGREEMENT.

To achieve the necessary quality of reclaimed water as set forth in this AGREEMENT, the JPA and the CITY shall work together and with the DISTRICT to achieve such quality through either blending by adding domestic potable water or a higher level of treatment. Any blending of domestic potable water with reclaimed water to enhance the quality of reclaimed water provided by the JPA shall be accomplished by the JPA at its facilities, and the domestic potable water used for blending shall be provided at the domestic potable water rate charged to the JPA by the supplying water agency, which costs may exceed the cost of reclaimed water. In the event DISTRICT requests a higher level of treatment, CITY and JPA shall cooperate with each other and the DISTRICT in that regard to the extent feasible, and the JPA shall charge the CITY only such additional actual costs as are incurred by the JPA to meet the DISTRICT's requested level of higher treatment.

SECTION 4. RECLAIMED WATER QUANTITY

The JPA shall supply to the CITY for delivery to the DISTRICT at the DISTRICT's reclaimed water meter, and the CITY agrees to accept, 150 acre-feet of reclaimed water annually to meet the DISTRICT's estimated annual reclaimed water demand. If the CITY accepts and pays for more than 150 acre-feet of reclaimed water in any given year, the CITY shall be entitled to carry forward credit for every acre-foot (or portion thereof) so purchased over the 150 acre-foot annual use requirement to be applied to future years to meet said average demand. The year for measuring reclaimed water usage begins at the start of reclaimed water service to the DISTRICT and continues on the same date every year.

Should the CITY not accept the per year quantity of reclaimed water specified by this

AGREEMENT for any reason other than the JPA's failure to supply such quantity and/or quality of reclaimed water as provided for in this AGREEMENT, then the JPA shall have the right to charge the CITY and the CITY agrees to pay the JPA the current reclaimed water price for the difference between the quantity of reclaimed water the CITY is obligated to purchase each year from the JPA in accordance with this AGREEMENT and the actual quantity of reclaimed water purchased by the CITY that same year minus any previous years' credits as described hereinabove.

Reclaimed water and domestic potable water used for blending or as supplemental water furnished to the CITY by the JPA shall be measured by a totalizing meter installed, owned, operated, and read by the CITY referenced in Section 4 of the District Agreement. The CITY shall report the water flow usage to the JPA at each billing period. Fees and charges for reclaimed and other water and retrofit loan payments are contained in Sections 3, 5, 8 and 9.

SECTION 5. POTABLE WATER SUPPLEMENTATION

The CITY and the JPA understand that the volume of reclaimed water required will vary and that the months of May through October are anticipated to be the peak periods for usage of reclaimed water by the DISTRICT. The JPA agrees to make every effort to provide reclaimed water to satisfy the demand during these peak periods of usage. If the JPA is unable to supply reclaimed water during times of peak usage, then domestic water will be supplied to supplement the shortfall. Supplemental water is the domestic potable water supplied to meet demand during emergency outages and interruptions of service and to meet peak day demands. Supplemental water is not domestic potable water used to enhance the quality of reclaimed water. Any supplemental domestic potable water provided to the DISTRICT shall be provided at the domestic potable water rate of the water agency supplying the supplemental water for delivery to the DISTRICT. The cost of supplemental potable water may exceed the cost of reclaimed water. The quantity of supplemental water shall be included in the total quantity of reclaimed water per contract year specified in Section 4.

The CITY recognizes and acknowledges that there are other reclaimed water customers, that the JPA does not control the amount of raw wastewater received at the WPCF, and that the availability of reclaimed water cannot be guaranteed above the amount provided in this AGREEMENT. However, the JPA shall make every reasonable effort to satisfy the demand.

SECTION 6. RECLAIMED WATER DELIVERY PRESSURE

Reclaimed water provided by the JPA at the DISTRICT's meter shall be provided at the following pressures: 100psi minimum pressure, and 150psi maximum pressure.

SECTION 7. COMPLIANCE WITH REGULATORY REQUIREMENTS

The JPA agrees to provide reclaimed water for the DISTRICT upon application by the DISTRICT to the CITY for such service and upon certification by the Regulatory Agencies, such

as the California Department of Health Services, The California Regional Water Quality Control Board, San Diego Region and the County Department of Health Services that the DISTRICT is in compliance with applicable regulations and specifications including but not limited to the JPA Rules and Regulations for Reclaimed Water Service set forth in Exhibit A attached to the District Agreement.

SECTION 8. PRICE OF RECLAIMED WATER

The CITY agrees to pay the JPA a price for reclaimed water that shall not exceed 85% of the domestic water rate per acre foot. This rate shall be applied to the reclaimed water portion of the total volume of flow recorded at the DISTRICT's reclaimed water meter. The price of the reclaimed water to the CITY may be adjusted from time-to-time as detailed in Section 8 of Attachment 1 (the District Agreement). The JPA shall provide the CITY the basic calculations of determining reclaimed water costs including the applications of any incentives, rebates, grants and/or loans. The parties agree that if the JPA acquires funding in excess of presently calculated amounts in its State Revolving Fund (SRF) program, it shall advise the CITY and enter into negotiations to consider appropriate adjustments to the cost of purchasing reclaimed water.

Both parties agree that the cost of the reclaimed water to the DISTRICT shall never exceed the price provided in the District Agreement. The term "domestic water rate per acre foot" as used in this Section 8 means the lowest of the total domestic potable water rates for the non-residential class charged per acre foot during a particular billing period by the San Dieguito Water District, The Santa Fe Irrigation District, and the City of Del Mar, including any service availability, demand or similar charges which the DISTRICT would have paid had it been a customer of the water purveyor agency.

SECTION 9. TERMS OF PAYMENT

The JPA will invoice the CITY bi-monthly for reclaimed water, any retrofit loan payments, domestic water used for blending, and any supplemental water delivered to the DISTRICT's reclaimed water meter at the price established in Sections 3, 5, and 8 of this AGREEMENT. Concurrently, the JPA will credit the CITY for the same service period for any administration costs and for any supplemental water provided by the CITY and not separately invoiced to the DISTRICT by the CITY, which will be considered together as credits against the JPA's invoice amount for reclaimed water sales.

"Administration costs" means the CITY's in-house costs for reclaimed water meter installation, calibration, maintenance, repair, replacement, and flow readings, including the costs for calibration, maintenance, repair, and replacement of appurtenant backflow prevention and flow control devices installed by the JPA or others at the site of the reclaimed water meter.

"Administration costs" may also include costs for use permits and mandatory cross-connection control inspections but do not include the costs of invoicing and collecting revenues from the DISTRICT. The JPA agrees to credit the CITY an initial administration cost of \$35.00 per acre-

foot used based on the total volume of reclaimed water flow recorded by the CITY at the DISTRICT's reclaimed water meter. The CITY shall prepare and submit to the JPA justification for its administration costs no later than January 1st of each year. The administration costs may be adjusted by agreement of both parties no later than March 1st of each year. Adjustment of administration costs will not be unreasonably withheld.

The adjusted balance of the JPA's invoice for that period will be paid by the CITY to the JPA within thirty (30) days after receipt of the invoice.

SECTION 10. ACCESS TO RECORDS

The JPA and the CITY shall keep and maintain proper books and records. Such records shall include, but not be limited to, all entries concerning the quantity and quality of reclaimed water delivered to the DISTRICT during the term of this AGREEMENT, all tests performed by the JPA and the CITY concerning the quality of reclaimed water, all reports and associated records required by Order No. 93-71, all complaints, investigations, or other reports associated with the production and delivery of reclaimed water, and all cost information, capital expenditures, maintenance records, and other financial data associated with the production and delivery of reclaimed water to the DISTRICT. All such records except those exempt from disclosure by law shall, upon written request, be made available and subject to inspection by any duly authorized representative of either party, the DISTRICT, the San Diego County Water Authority, the Metropolitan Water District of Southern California, the California and San Diego County Departments of Health Services, and the California Water Quality Control Board, San Diego Region, within 10 days after receipt of such notification

SECTION 11. NOTICE

Notices required or permitted under this AGREEMENT shall be sufficiently given if in writing and if either served personally upon the party to whom it is directed or by deposit in the United States mail, postage prepaid, certified, return receipt requested, addressed to the parties at the following addresses:

CITY: City of Del Mar
 1050 Camino Del Mar
 Del Mar, CA 92014

JPA: San Elijo Joint Powers Authority
 1925 Palomar Oaks Way, Suite 300
 Carlsbad, CA 92008

It shall be the sole responsibility of each party to this AGREEMENT to promptly notify the other of any change of title and/or address as long as this AGREEMENT remains in effect.

SECTION 12. ASSIGNMENT

Neither this AGREEMENT nor any interest therein nor any monies due or to become due thereunder shall be assigned, hypothecated or otherwise disposed of without the prior written consent of the parties to this AGREEMENT, which consent shall not be unreasonably withheld.

SECTION 13. EFFECTIVE DATE

This AGREEMENT shall become effective upon the date on which it is executed by the parties to this AGREEMENT subject to satisfaction of the following contingency. This AGREEMENT is contingent upon the JPA negotiating a separate retrofit agreement with the DISTRICT securing a loan from the JPA for costs related to retrofitting. This contingency shall be fulfilled within six months of the signing of this AGREEMENT with written notice to all parties, or this AGREEMENT will be void.

SECTION 14. TERMINATION OF AGREEMENT

The term of this AGREEMENT shall be from the effective date to the date which is 20 years after the date on which reclaimed water is first available for delivery to the DISTRICT at the real property described in Section 1 of the District Agreement, unless modified or amended in writing by the parties. This AGREEMENT shall continue in full force and effect from year to year after the initial term until any party gives the other party one (1) year written notice of its intention to terminate or re-negotiate the AGREEMENT. Both parties acknowledge SECTION 14 of the District Agreement which provides that in the event the DISTRICT is given notice by either the JPA or the CITY of its intent to terminate or re-negotiate, the DISTRICT shall have the right of first refusal for any extended term purchase agreement of reclaimed water on terms which are acceptable to the JPA, the CITY, and the DISTRICT.

The JPA may terminate this AGREEMENT upon 180 days notice if treatment standards change such that upgraded treatment is required and reclaimed water cannot feasibly be produced and delivered meeting those standards or should the CITY or the DISTRICT breach their respective obligations in any material respect, to include: (1) the DISTRICT repeatedly misuses the reclaimed water; (2) the CITY repeatedly fails to pay for the reclaimed water; (3) the CITY fails to accept the reclaimed water as required; and, (4) the CITY or the DISTRICT fail to maintain necessary facilities.

The CITY may terminate this AGREEMENT upon 180 days notice should the JPA breach its obligations in any material respect, to include: (1) the JPA repeatedly fails to provide the quantity of reclaimed water at the agreed upon price, excepting acts of God where diligent repair is undertaken; (2) the JPA repeatedly fails to provide the appropriate quality of reclaimed water as required in this AGREEMENT; (3) the JPA fails to maintain necessary facilities and records; and (4) the Regional Board commences enforcement action against the JPA for failure or refusal to comply with any of its orders.

SECTION 15. ENTIRE AGREEMENT

This AGREEMENT constitutes the entire understanding between the parties hereto with respect to the subject matter hereof superseding all negotiations, prior discussions and preliminary AGREEMENTS and understandings, written or oral. This AGREEMENT shall not be amended, except by written consent of the parties affected by the amendment, and no waiver or any rights under this AGREEMENT shall be binding unless it is in writing signed by the party waiving such rights. In the event any provision of this AGREEMENT shall be invalid and unenforceable, the other provisions of this AGREEMENT shall be held to be valid and binding on the parties hereto.

In the event of a dispute under this AGREEMENT, neither party shall be deemed to be the party who caused the uncertainty to exist and the prescriptions of Civil Code Section 1654 shall not be applicable to such a dispute under this AGREEMENT.

SECTION 16. BINDING EFFECT

This AGREEMENT shall be binding upon the parties according to its terms and their respective successors in interest and permitted assigns.

SECTION 17. INDEMNIFICATION

The JPA agrees to indemnify, defend, and hold harmless the CITY and its Council Members, officers, consultants, employees, and agents from any and all claims for damage arising out of or related to the JPA's negligent or intentional acts or omissions in the operation and maintenance of the San Elijo WPCF and the reclaimed water distribution facilities upstream of the DISTRICT's reclaimed water meter.

The CITY agrees to indemnify, defend, and hold harmless the JPA and its members, directors, officers, consultants, agents, and employees from any and all claims for damage, suits, or other demands arising out of or related to the CITY's negligent or intentional acts or omissions in the operation and maintenance of the CITY's facilities for distribution of the reclaimed water.

This indemnity paragraph is not intended by the parties to waive any legal rights for defenses and immunities and other legal safeguards and protections from liability which are granted to public agencies and their employees under the California Tort Claims Act.

SECTION 18. RESERVATION OF RIGHTS; NO VESTED RIGHTS

It is hereby expressly understood and agreed that the CITY by execution of this AGREEMENT and the exercise of the rights granted to it by this AGREEMENT shall not acquire any vested right to reclaimed water, and shall not acquire any vested right, title, or interest in or to the JPA's wastewater treatment facilities, reclaimed water distribution system, or any other JPA facilities. The JPA expressly reserves all of its rights except as expressly provided

otherwise herein.

SECTION 19. ATTORNEY'S FEES


If any arbitration proceeding or action at law is brought to enforce or interpret the provisions of this AGREEMENT, the prevailing party shall be entitled to a reasonable attorney's fees and expert witnesses' fees which may be set by the Court in the same action brought for that purpose, in addition to any other relief to which a party may be entitled.

SECTION 20. VENUE

In any action brought by one party of this AGREEMENT against another party to this AGREEMENT to enforce or interpret the provisions of this AGREEMENT, the parties agree that the proper place of venue is in the state courts within San Diego County.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed and effective as of 11/5/97.

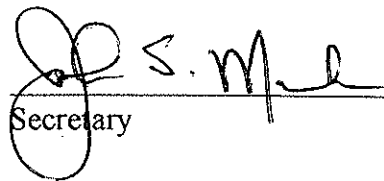
CITY OF DEL MAR:

By: 

SAN ELIJO JOINT POWERS AUTHORITY


Chair of the Board

ATTEST:


Secretary

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

December 8, 2014

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: 2014 YEAR IN REVIEW - RECOGNIZING AGENCY ACHIEVEMENTS AND
SUCCESSSES

RECOMMENDATION

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

DISCUSSION

The San Elijo Joint Powers Authority (SEJPA) is responsible for providing wastewater treatment and disposal; recycled water production, storage, and delivery; operation and maintenance of Member Agency remote facilities; and ocean outfall management. It is the goal of the SEJPA to provide these services using the most sustainable, efficient, and cost-effective approach. The General Manager will provide a brief PowerPoint presentation highlighting notable achievements and successes by the agency for calendar year 2014.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager