

AGENDA
SAN ELIJO JOINT POWERS AUTHORITY
MONDAY JUNE 8, 2015 AT 9:00 AM
SAN ELIJO WATER RECLAMATION FACILITY – CONFERENCE ROOM
2695 MANCHESTER AVENUE
CARDIFF BY THE SEA, CALIFORNIA

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. ORAL COMMUNICATIONS (NON-ACTION ITEM)
5. PRESENTATION OF AWARDS
None
6. * **CONSENT CALENDAR**
7. * APPROVAL OF MINUTES FOR THE MAY 11, 2015 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. * AWARD OF ANNUAL SUPPLIES AND SERVICES CONTRACTS FOR THE SAN ELIJO JOINT POWERS AUTHORITY
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. ADOPTION OF THE SAN ELIJO JOINT POWERS AUTHORITY (SEJPA) FISCAL YEAR 2015-16 BUDGET, INVESTMENT POLICY, AND APPOINTMENT OF TREASURER

1. Adopt Resolution No. 2015-02, Resolution Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2015-16;
2. Adopt Resolution No. 2015-03, Resolution Approving the San Elijo Joint Powers Authority Investment Policy and Guidelines and Appointment of Paul F. Kinkel as SEJPA Treasurer; and
3. Discuss and take action as appropriate.

Staff Reference: General Manager

14. GENERAL MANAGER'S REPORT

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

15. GENERAL COUNSEL'S REPORT

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

16. 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.

17. CLOSED SESSION

A closed session will be held per Government Code Section 54957: Public Employee Performance Evaluation. Title: General Manager.

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

18. ADJOURNMENT

The next regularly scheduled San Elijo Joint Powers Authority Board Meeting will be Monday, July 13, 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: June 3, 2015



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

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON MAY 11, 2015
AT THE
SAN ELIJO WATER RECLAMATION FACILITY

David Zito, Chair

Catherine S. Blakespear, Vice Chair

A meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, May 11, 2015, 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 Zito called the meeting to order at 9:00 a.m.

2. ROLL CALL

Directors Present:

Catherine S. Blakespear
Ginger Marshall
Mark Muir
David Zito
David Ott (Solana Beach Alternate)

Directors Absent:

None

Others Present:

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

Michael Thornton
Christopher Trees
Paul Kinkel
Marisa Buckles
Jennifer Basco

SEJPA Counsel:

Procopio, Cory, Hargreaves & Savitch

Greg Moser

City of Solana Beach

Interim City Manager
Director of Engineering/Public Works

David Ott
Mohammad "Mo" Sammak

City of Encinitas:

Director of Engineering and Public Works
Public Works Management Analyst

Glenn Pruim
Bill Wilson

Roesling Nakamura Terada Architects, Inc.

Joe Mansfield, Principal

3. PLEDGE OF ALLEGIANCE

Chair Zito led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

None

5. PRESENTATION OF AWARDS

General Manager Thornton presented the California Water Environment Association – 2014 Plant of the Year Award (5-20 MGD) to the Board of Directors. Also, the North San Diego Water Reuse Coalition (NSDWRC), of which the SEJPA is a member, was recognized by WaterReuse for Leadership and Generosity in support of the California Direct Potable Reuse Initiative.

6. CONSENT CALENDAR

Moved by Board Member Muir and seconded by Board Member Marshall to approve the Consent Calendar.

Motion carried with unanimous vote of approval.

Consent Calendar:

Agenda Item No. 7	Approval of Minutes for the April 13, 2015 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 Fiscal Year 2015-16 Recommended Budget Update

12. ITEMS REMOVED FROM CONSENT CALENDAR

None

13. BUILDING UPDGRADE PROJECT

General Manager Thornton gave a brief history on the Administration and Operations Buildings at the SEWRF. The 2015 Facility Plan identified significant building deficiencies including FLS (fire, life, safety), ADA accessibility, and seismic code issues. Mr. Thornton stated that the next step is to develop an Alternatives Analysis to

determine the best course of action for the SEJPA. The General Manager stated that the analysis is expected to be completed within 90 days and results will be presented to the Board of Directors at a future meeting. The Board of Directors requested that the analysis include evaluating the feasibility of co-locating the SEJPA's administrative function with the Encina Wastewater Authority, located in Carlsbad, CA.

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

14. CALPERS UNFUNDED ACTUARIAL LIABILITY UPDATE

Paul Kinkel, Director of Finance/Administration gave a brief background of California Public Employees' Retirement System (CalPERS). SEJPA participates in CalPERS' Miscellaneous Risk Pool for its defined benefit retirement plan, which is currently 74% funded. CalPERS has approved a plan to combine several risk pools and amortize the unfunded liability up to 30 years to help to avoid unnecessary increases. Mr. Kinkel stated that the SEJPA is tracking to complete this fiscal year under budget and that the positive budget variance may be in excess of \$100,000. Staff recommends applying any positive FY 2014-15 Budget variances to the unfunded liability.

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

1. Authorize the General Manager to apply positive FY 2014-15 Budget variances to the CalPERS Unfunded Actuarial Liability.

Motion carried with unanimous vote of approval.

15. AWARD OF ENGINEERING CONTRACT FOR THE PRELIMINARY TREATMENT UPGRADE PROJECT – PRELIMINARY DESIGN REPORT

General Manager Thornton stated that the 2015 Facility Plan recommended improvements and equipment upgrades to the Preliminary Treatment Process to address system wear and aging equipment. The majority of the equipment and process tanks have more than 20 years of service, and are in need of replacement. The SEJPA requested and received design proposals from three engineering firms, with Dudek being the strongest candidate. The preliminary design report will be the basis of design for the Preliminary Treatment Upgrade Project. The proposed cost for preparing the preliminary design report is \$55,476, which will be funded by the Headworks/Grit Project Capital Funding.

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

1. Approve the Engineering Service Agreement with Dudek for an amount not to exceed \$55,476.

Motion carried with unanimous vote of approval.

16. GENERAL MANAGER'S REPORT

The General Manager updated the Board of Directors on the following items:

- A public hearing to receive comments on the Programmatic Environmental

Impact Report will be held May 13, 2015 at Olivenhain Municipal Water District.

- Mr. Thornton shared that he spoke at Engage Encinitas Citizens Academy in April, where he highlighted the agency's recycled water program and explained the value of developing a diversified water supply.
- The General Manager's performance review is scheduled for the June Board meeting.
- The SEJPA's service agreement with Rancho Santa Fe Community Services District (RSFCSD) expires in 2020. The RSFCSD is interested in extending the agreement. Staff has been working with their consultant to develop an agreement extension.
- The agreement with Encinitas Ranch Golf Authority (ERGA) expires in one year. The Agreement has a built in option to extend for an additional six years. ERGA has expressed that they would like to exercise the option, as well as to amend/extend the agreement out for an additional ten years.

17. GENERAL COUNSEL'S REPORT

Greg Moser updated the Board of Directors on Proposition 218 litigation. The issue is water pricing – price based on cost of service versus the basic principle of maximizing the beneficial use of water. Several cities, including the City of San Juan Capistrano and the City of Glendale, are currently in litigation for water pricing. On the sewer side, there is a lawsuit in Ramona Water District stating that the EDU method of charging for sewer does not meet Proposition 218 requirements.

18. BOARD MEMBER COMMENTS

None

19. CLOSED SESSION

None

20. ADJOURNMENT

The meeting adjourned at 10:06 a.m. The next Board of Directors meeting will be held on June 8, 2015.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY**PAYMENT OF WARRANTS****15-06****For the Month of May**

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
31549	Alliant Insurance Services, Inc.	Insurance - Liability	Physical damage insurance policy	39.00
31550	American Backflow	Dues & Memberships	Membership	80.00
31551	Arizona Instrument	Equipment Rental/Lease	Loaner H2S analyzer	168.65
31552	Arrowhead	Supplies - Lab	Kitchen and lab supplies	269.28
31553	AT&T	Utilities - Telephone	Phone service - 03/13/15 - 04/12/15	329.19
31554	AT&T	Utilities - Telephone	DSL - 03/10/15 - 04/09/15	89.27
31555	AT&T	Utilities - Telephone	DSL - 03/20/15 - 04/19/15	89.47
31556	Atlas Pumping Service Inc.	Services - Grease & Scum	Grease and scum pumping	832.32
31557	B&B Electronics	Repair Parts Expense	Cell router and antenna	989.05
31558	Barracuda Networks, Inc.	Utilities - Internet	Network back-up	50.00
31559	Barrett Engineered Pumps	Repair Parts Expense	Flap valve	608.69
31560	Boyd Fasteners	Repair Parts Expense	Hex bolts	71.40
31561	The Brickman Group LTD	Services - Landscape	Landscape services - May	385.00
31562	Marisa Buckles	Supplies - Office	Kitchen supplies	33.99
31563	California Water Technologies	Supplies - Chemicals	Ferric Chloride	4,597.60
31564	City National Bank	Interest Expense - AWT Note	Loan Agreement #11-020	74,076.57
31565	Complete Office	Supplies - Office	Office supplies	182.30
31566	Corodata	Rent	Record storage - March	139.00
31567	David Burpeau	Training - Safety	Venomous critters and poisonous plants	220.00
31568	Euronfins Calscience, Inc.	Services - Laboratory	Water sample testing	935.00
31569	Fisher Scientific	Supplies - Shop & Field	DE tube H2S	301.71
31570	Fredricks Electric, Inc.	Services - Maintenance	Gate keypad	170.00
31571	Golden Bell Products	Supplies - Chemicals	Lift station degreaser	410.40
31572	Guardian	Dental/Vision	Dental - May	2,120.16
31573	Harrington Industrial Plastics	Repair Parts Expense	Plumbing supplies	330.76
31574	Health and Human Resource	Employee Assistance Program	May	334.40
31575	Michael Henke	Repair Parts Expense	Centrifugal pump	708.46
31576	Hoch Consulting, APC	Services - Engineering	Project engineering services	8,380.00
31577	Home Depot Credit Services	Supplies - Office	Cabinet and electrical parts	259.65
31578	Kennedy/Jenks Consultants	Services - Engineering	Land ocean outfall and relocation study	25,963.20
31579	The Lawton Group	Services - Intern Program	Weeks worked - 04/13/15 - 05/10/15	1,003.75
31580	Manufacturers Edge	Repair Parts Expense	Submersible double seal	4,502.60
31581	McMaster-Carr Supply Co.	Repair Parts Expense	Repair parts	567.38
31582	Olin Corp - Chlor Alkali	Supplies - Chemicals	Sodium Hypochlorite	3,057.78
31583	Pacific Green Landscape	Services - Landscape	Landscape service - April	1,125.00
31584	Public Employees - Retirement	Retirement Plan - PERS	Retirement - 04/11/15 - 04/24/15	15,863.13
31585	Roesling Nakamura Terada	Services - Professional	Assessment report	1,744.00
31586	RSF Security Systems	Services - Maintenance	On-site service	186.50
31587	San Diego Gas & Electric	Utilities - Gas & Electric	Gas and electric - 03/08/15 - 04/06/15	51,205.67
31588	Sun Life Financial	Life Insurance/Disability	Life and disability insurance - May	1,330.21
31589	Michael Thornton	Supplies - Office	Kitchen supplies	39.99
31590	Trussell Technologies, Inc.	Services - Engineering	Process engineering and evaluation	3,398.00
31591	Unifirst Corporation	Services - Uniforms	Uniform service	297.46
31592	Vantagepoint Transfer Agents	EE Deduction Benefits	457 - ICMA	6,116.73
31593	Vantagepoint Transfer Agents	ICMA Retirement	401a - ICMA	2,797.41
31594	Verizon Wireless	Utilities - Telephone	Cell phone service and equipment	1,234.74
31595	Vology	Licenses	McAfee Endpoint Protection	329.45
31596	VWR International, Inc.	Supplies - Lab	Lab supplies	1,340.89
31597	WageWorks	Payroll Processing Fees	Administration fee and compliance fee	113.00
31598	Aflac	EE Deduction Benefits	Medical and supplemental life insurance	1,040.04
31599	Ag Tech, LLC	Services - Biosolids Hauling	Biosolids hauling - April	13,869.93
31600	AT&T	Utilities - Telephone	Alarm service	390.47
31601	Atlas Pumping Service Inc.	Services - Grease & Scum	Grease and scum pumping	277.44
31602	BankCard Center	Vehicle Maintenance	Seminars, safety, parts, and printing	4,424.17
31603	Barrett Engineered Pumps	Repair Parts Expense	Gorman Rupp pump, seal plate, and gasket	1,156.03
31604	Bob's Crane Service	Equipment Rental/Lease	Crane for pump station generator install	749.00
31605	Brenntag Pacific, Inc.	Supplies - Chem - Odor	Sodium Hydroxide	3,779.39
31606	CDW Government	Licenses	Software license	270.00
31607	EDCO Waste & Recycling Service	Utilities - Trash	Trash service - April	234.21
31608	City of Encinitas	Service - IT Support	SEJPA Admin Network	2,500.00
31609	Global Capacity	Utilities - Internet	T-1 service - June	274.32
31610	GSM Filtration Inc.	Repair Parts Expense	Belts	1,804.22
31611	Hoch Consulting, APC	Services - Professional	Project engineering services	13,965.00
31612	Jani-King of CA, Inc. - SEO	Services - Janitorial	Janitorial service and supplies - May	1,519.06
31613	Jennifer Basco	Subsistence - Travel/Rm & Bd	Mileage	52.54

SAN ELIJO JOINT POWERS AUTHORITY**PAYMENT OF WARRANTS****15-06****For the Month of May**

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
31614	Kennedy/Jenks Consultants	Services - Engineering	Recycled water and outfall engineering services	54,314.15
31615	King Lee Chemical Co.	Supplies - Chemicals	Liquid antiscalant	1,925.10
31616	Paul Kinkel	Subsistence - Travel/Rm & Bd	CWEA Conference	29.46
31617	Konica Minolta	Services - Maintenance	Copier maintenance service	197.47
31618	Casey Larsen	Licenses	SCADA remote access license reimbursement	339.00
31619	The Lawton Group	Services - Intern Program	Weeks worked 04/20/15 - 05/01/15	907.50
31620	R.F. MacDonald Co.	Services - Maintenance	PM service - Boiler #1	914.00
31621	McMaster-Carr Supply Co.	Repair Parts Expense	Railing set, flange gasket, plumbing parts	888.20
31622	Michael R. Welch, Ph.D., P.E.	Services - Professional	Ocean outfall NPDES renewal	13,950.00
31623	Nash Fabricators	Services - Maintenance	Barscreen gear reduction box	400.00
31624	Olin Corp.	Supplies - Chemicals	Sodium Hypochlorite	2,756.43
31625	Olivenhain Municipal Water District	Rent	Pipeline rental payment	6,372.00
31626	Olivenhain Municipal Water District	Services - Lobbying	Deposit due for The Furman Group	6,555.00
31627	Public Employees - Retirement	Retirement Plan - PERS	Retirement - 04/25/15 - 05/08/15	15,863.13
31628	Preferred Benefit Insurance	Dental/Vision	Vision insurance - May	339.70
31629	ProBuild	Vehicle Maintenance	Field and shop supplies, equipment	287.51
31630	Procopio Cory Hargreaves	Services - Legal	General and Labor & Employment - April	4,764.50
31631	Rising Tide Partners	Services - Professional	Solar selection and analysis	4,125.00
31632	RSIS, Inc.	Services - Maintenance	Calibrate equipment	2,434.00
31633	Sigma-Aldrich RTC	Supplies - Lab	Laboratory supplies	167.30
31634	San Dieguito Water District	Utilities - Water	Recycled water	6,502.73
31635	Santa Fe Irrigation District	Utilities - Water (Suppl.)	Recycled water	190.23
31636	Santa Fe Irrigation District	Utilities - Water	Recycled water	69.36
31637	Santa Fe Irrigation District	Services - Professional	Potable reuse study	2,090.50
31638	Santa Fe Irrigation District	SFID Distribution Pipeline	Pipeline purchase payment - April	1,327.48
31639	Smart & Final	Supplies - Office	Kitchen supplies	131.16
31640	Specialty Seals & Accessories	Repair Parts Expense	Sewage pump	842.40
31641	T.S. Industrial Supply	Repair Parts Expense	Section hose, aluminum, and clamp	140.15
31642	Michael Thornton	Subsistence - Travel/Rm & Bd	CWEA conference and meeting	19.90
31643	Toyotalift, Inc.	Vehicle Maintenance	PM service - Forklift	537.28
31644	Christopher A. Trees	Subsistence - Travel/Rm & Bd	CWEA conference	108.99
31645	Trussell Technologies, Inc.	Services - Engineering	Process engineering and water quality services	7,873.00
31646	Unifirst Corporation	Services - Uniforms	Uniform service	279.87
31647	The San Diego Union-Tribune, LLC	Advertising	Legal bids	708.00
31648	Univar USA Inc.	Supplies - Chemicals	Citric acid and hydrochloric acid	997.94
31649	UPS	Postage/Shipping	Mailing parts	108.96
31650	Underground Service Alert/SC	Services - Alarm	Dig alert - April	91.50
31651	Vantagepoint Transfer Agents	EE Deduction Benefits	457 - ICMA	6,116.73
31652	Vantagepoint Transfer Agents	ICMA Retirement	401a - ICMA	2,797.41
31653	VWR International, Inc.	Supplies - Lab	Lab supplies	569.33
31654	WEX Bank	Fuel	Fuel - April	830.55
31655	WorkPartners Occupational	Services - Medical	Vaccinations	595.00
31656	Asbury Environmental Services	Fees - Disposal	Used oil disposal	35.00
31657	AT&T	Utilities - Telephone	Phone service - 04/13/15 - 05/12/15	328.42
31658	AT&T	Utilities - Telephone	DSL - 04/10/15 - 05/09/15	89.36
31659	Atlas Pumping Service Inc.	Services - Grease & Scum	Grease & scum pumping; grit & screenings	2,039.58
31660	Barracuda Networks, Inc.	Utilities - Internet	Network back-up	50.00
31661	California Water Technologies	Supplies - Chemicals	Ferric Chloride	4,564.51
31662	Carlson & Beauloye Air Power	Services - Maintenance	Air compressor service	1,060.92
31663	Corodata	Rent	Record storage - April	154.48
31664	County of San Diego	Fees - Permits	District Fees - DEH2002-HUPFP-129180	1,887.00
31665	Del Mar Blue Print	Printing	Service area map	168.48
31666	Euronfins Calscience, Inc.	Services - Laboratory	Testing water samples	569.00
31667	Golden State Overnight	Postage/Shipping	Mailing lab samples	55.65
31668	Guardian	Dental/Vision	Dental - June	2,039.31
31669	Hach Company	Supplies - Lab	Lab supplies	122.53
31670	Hardy Diagnostics	Supplies - Lab	Lab supplies	605.48
31671	Harrington Industrial Plastics	Repair Parts Expense	Connecting pin, split pin, o-ring rubber	396.82
31672	Health and Human Resource	Employee Assistance Program	June	334.40
31673	The Lawton Group	Services - Intern Program	Weeks worked - 05/04/15 - 05/15/15	914.38
31674	Lee's Lock and Safe	Repair Parts Expense	Padlocks for pump stations	215.40
31675	McMaster-Carr Supply Co.	Repair Parts Expense	Plumbing supplies	517.98
31676	Midas Shop	Vehicle Maintenance	Oil change	31.55
31677	MTGL, Inc.	Services - Contractors	Concrete testing for pump station	397.50
31678	NeWest Construction	Services - Construction	Shaftless conveyor, emergency generator	114,608.00
31679	Olivenhain Municipal Water District	Services - Contractors	Village Park Recycled Water Project	593,544.00

SAN ELIJO JOINT POWERS AUTHORITY**PAYMENT OF WARRANTS****15-06****For the Month of May**

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
31680	OneSource Distributors, Inc.	Services - Professional	Remote support	1,460.00
31681	Pacific Green Landscape	Services - Landscape	Landscape service - May	1,125.00
31682	Pacific Safety Center	Training - Safety	Bobcat safety training	995.00
31683	P.E.R.S.	Medical Insurance - Pers	Health - June	19,213.93
31684	Public Employees- Retirement	Retirement Plan - PERS	Retirement - 05/09/15 - 05/22/15	15,863.13
31685	Rohan & Sons, Inc.	Services - Maintenance	Service HVAC	385.00
31686	RSF Security Systems	Services - Alarm	Security - 06/01/15 - 08/31/15	1,413.00
31687	Santa Fe Irrigation District	Utilities - Water	Recycled water	164.33
31688	San Diego Gas & Electric	Utilities - Gas & Electric	Gas and electric - 04/06/15 - 05/06/15	53,889.53
31689	Specialty Seals & Accessories	Repair Parts Expense	Sludge pump seal	995.38
31690	Test America	Services - Laboratory	Testing water samples	145.00
31691	Thermo Fisher Scientific, LLC	Repair Parts Expense	Switch rocker	31.23
31692	Trussell Technologies, Inc.	Services - Professional	Potable reuse	6,551.17
31693	Unifirst Corporation	Services - Uniforms	Uniform service	242.63
31694	USA Bluebook	Supplies - Shop & Field	Repair parts, sensor, plumbing supplies	944.59
31695	Vantagepoint Transfer Agents	EE Deduction Benefits	457 - ICMA	6,116.73
31696	Vantagepoint Transfer Agents	ICMA Retirement	401a - ICMA	2,797.41
31697	Verizon Wireless	Utilities - Telephone	Cell phones & equipment - 04/08/15 - 05/07/15	1,548.49
31698	VWR International, Inc.	Supplies - Lab	Lab supplies	731.60
31699	WageWorks	Payroll Processing Fees	Administration fee and compliance fee	128.75
	San Elijo Payroll Account	Payroll	Payroll - 05/01/15	59,874.69
	San Elijo Payroll Account	Payroll	Payroll - 05/15/15	71,505.78
	San Elijo Payroll Account	Payroll	Payroll - 05/29/15	59,522.31
				<u>\$1,446,556.38</u>

SAN ELIJO JOINT POWERS AUTHORITY

PAYMENT OF WARRANTS SUMMARY

**For the Month of May
As of May 31, 2015**

PAYMENT OF WARRANTS		\$ 1,446,556.38
Reference Number	15-06	

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 May 31, 2015

<u>FUNDS ON DEPOSIT WITH</u>	<u>AMOUNT</u>
 LOCAL AGENCY INVESTMENT FUND <i>(APRIL 2015 YIELD 0.28%)</i>	
RESTRICTED SRF RESERVE	\$ 630,000.00
UNRESTRICTED DEPOSITS	\$ 6,926,517.95
 CALIFORNIA BANK AND TRUST <i>(APRIL 2015 YIELD 0.01%)</i>	
REGULAR CHECKING	\$ 26,708.92
PAYROLL CHECKING	\$ 5,000.00
 TOTAL RESOURCES	 \$ 7,588,226.87

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 8, 2015

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

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

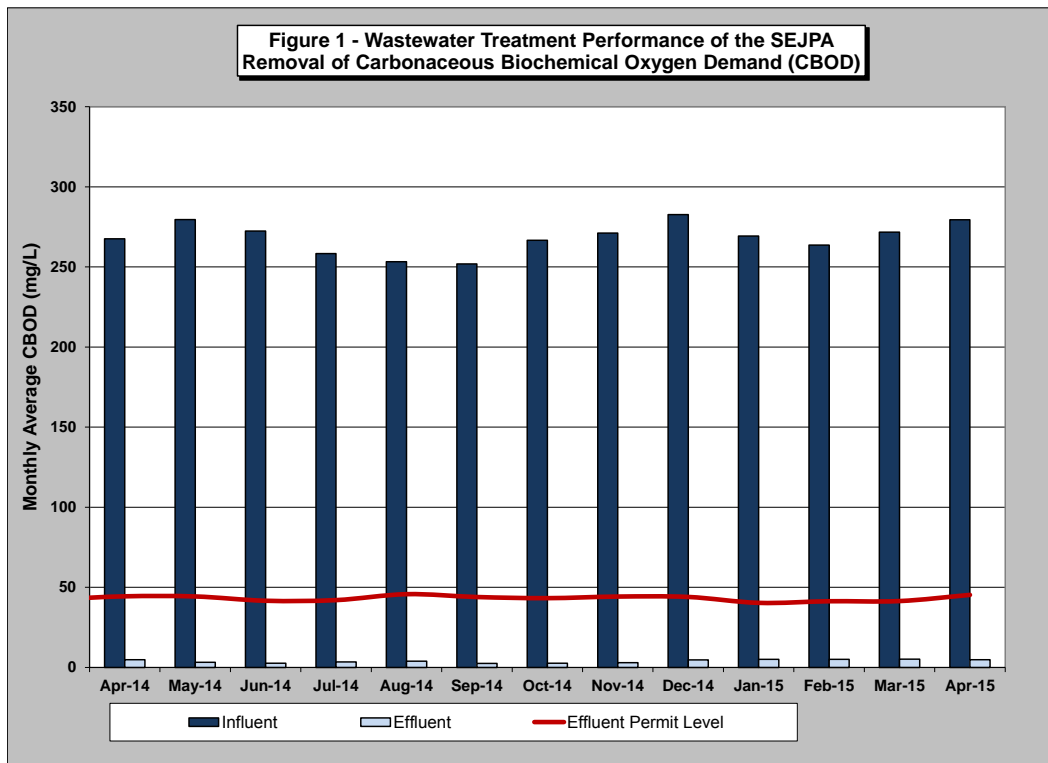
RECOMMENDATION

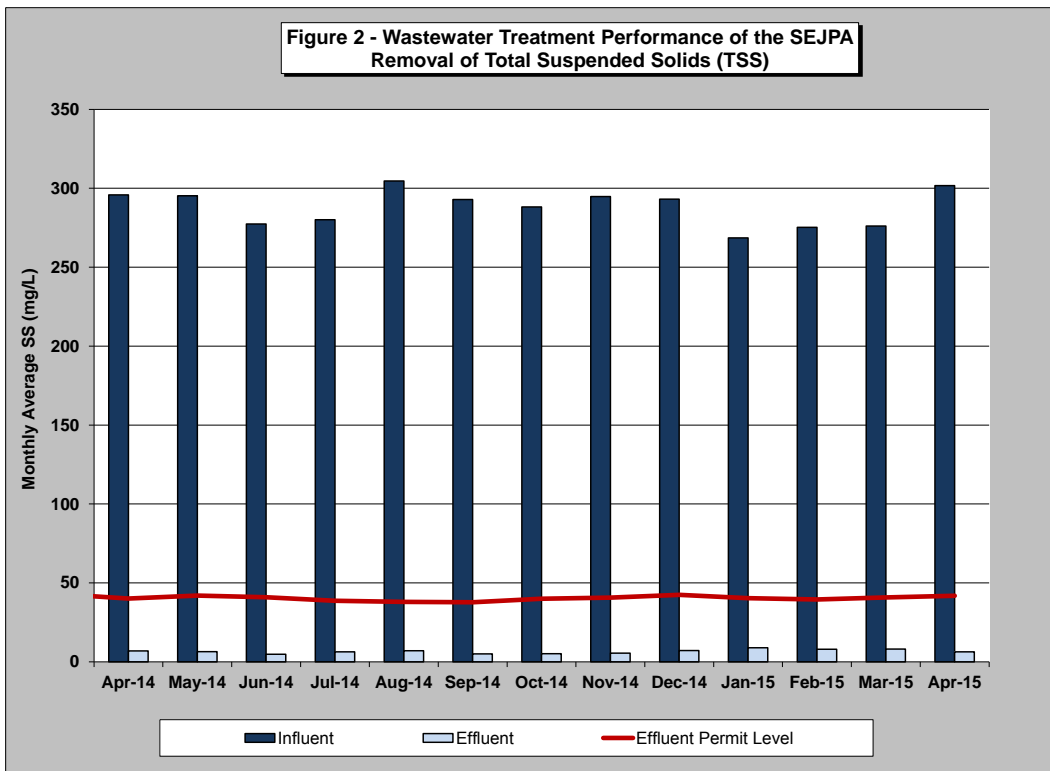
No action required. This memorandum is submitted for information only.

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 April 2015. 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 April, treatment levels for CBOD and TSS were 98.3 and 97.9 percent removal, respectively, (as shown in Figure 1 and Figure 2).





Member Agency Flows

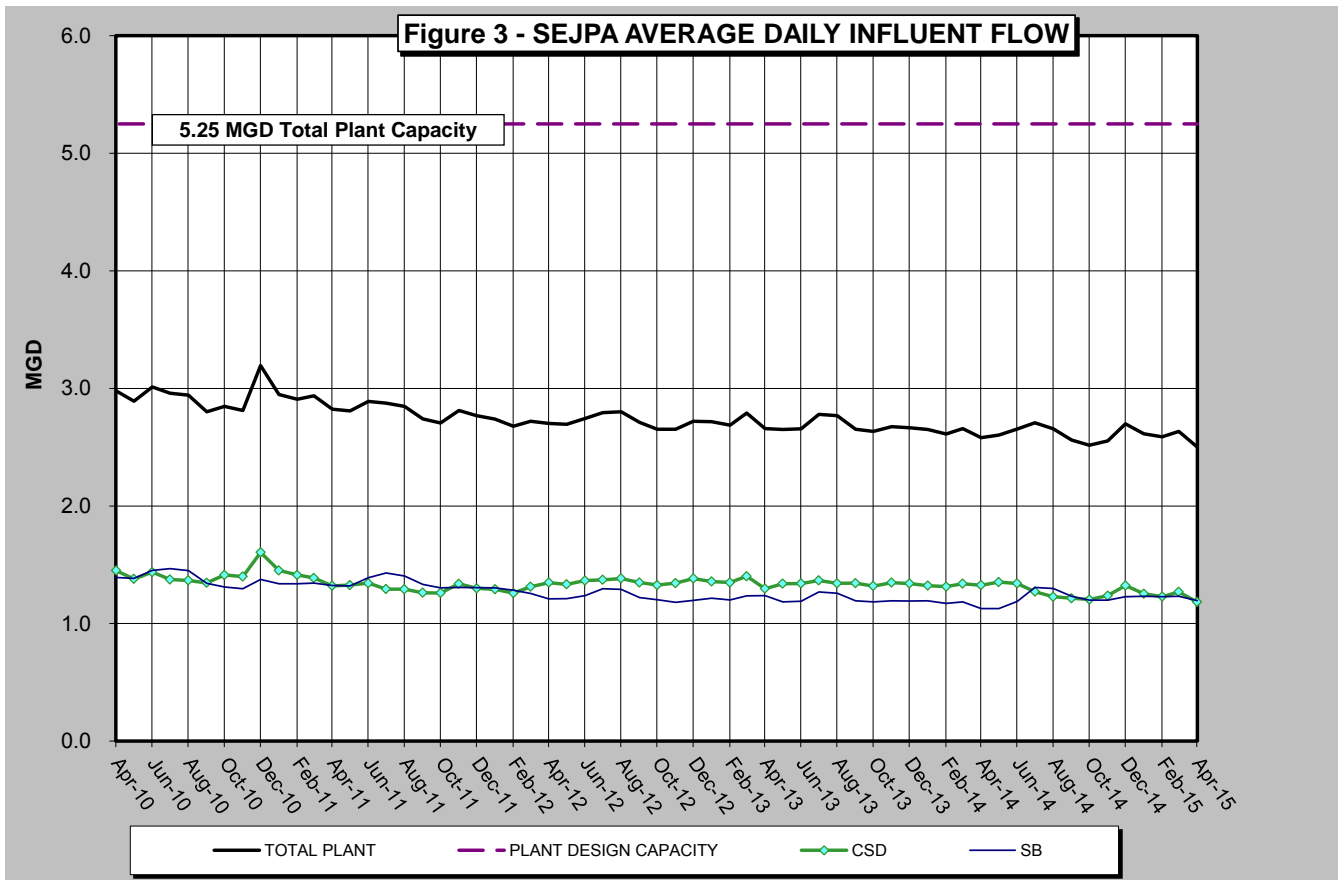
Presented below are the influent and effluent flows for the month of April. Average daily influent flows were recorded for each Member Agency. Total effluent flow was calculated for the San Elijo Water Reclamation Facility.

	April	
	<u>Influent (mgd)</u>	<u>Effluent (mgd)*</u>
Cardiff Sanitary Division	1.183	0.350
City of Solana Beach	1.196	0.354
Rancho Santa Fe SID	0.124	0.036
Total San Elijo WRF Flow	2.503	0.740

* 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.

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 2.6 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 leases 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 April 2015.

	Flow (mgd)
Escondido (Average flow rate)	9.67
Escondido (Peak flow rate)	18.1

Connected Equivalent Dwelling Units

The City of Solana Beach updated the connected EDUs number that is reported to the SEJPA in January 2015. The City of Encinitas and Rancho Santa Fe CSD report their connected EDUs every month. The number of EDUs connected for each of the Member Agencies is as follows:

	Connected (EDU)
Cardiff Sanitary Division	8,366
Rancho Santa Fe SID	504
City of Solana Beach	7,640
San Diego (to Solana Beach)	337
Total EDUs to System	16,847

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 8, 2015

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 April 2015, recycled water demand was 151.74 acre-feet (AF), which was met using 150.70 AF of recycled water and 1.04 AF of supplementation with potable water. This is the highest April demand since the program began.

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 fourteen fiscal years. Figure 3 (attached) shows the monthly recycled water demand for each April since the program began.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Figure 1 - MONTHLY RECYCLED WATER DEMAND

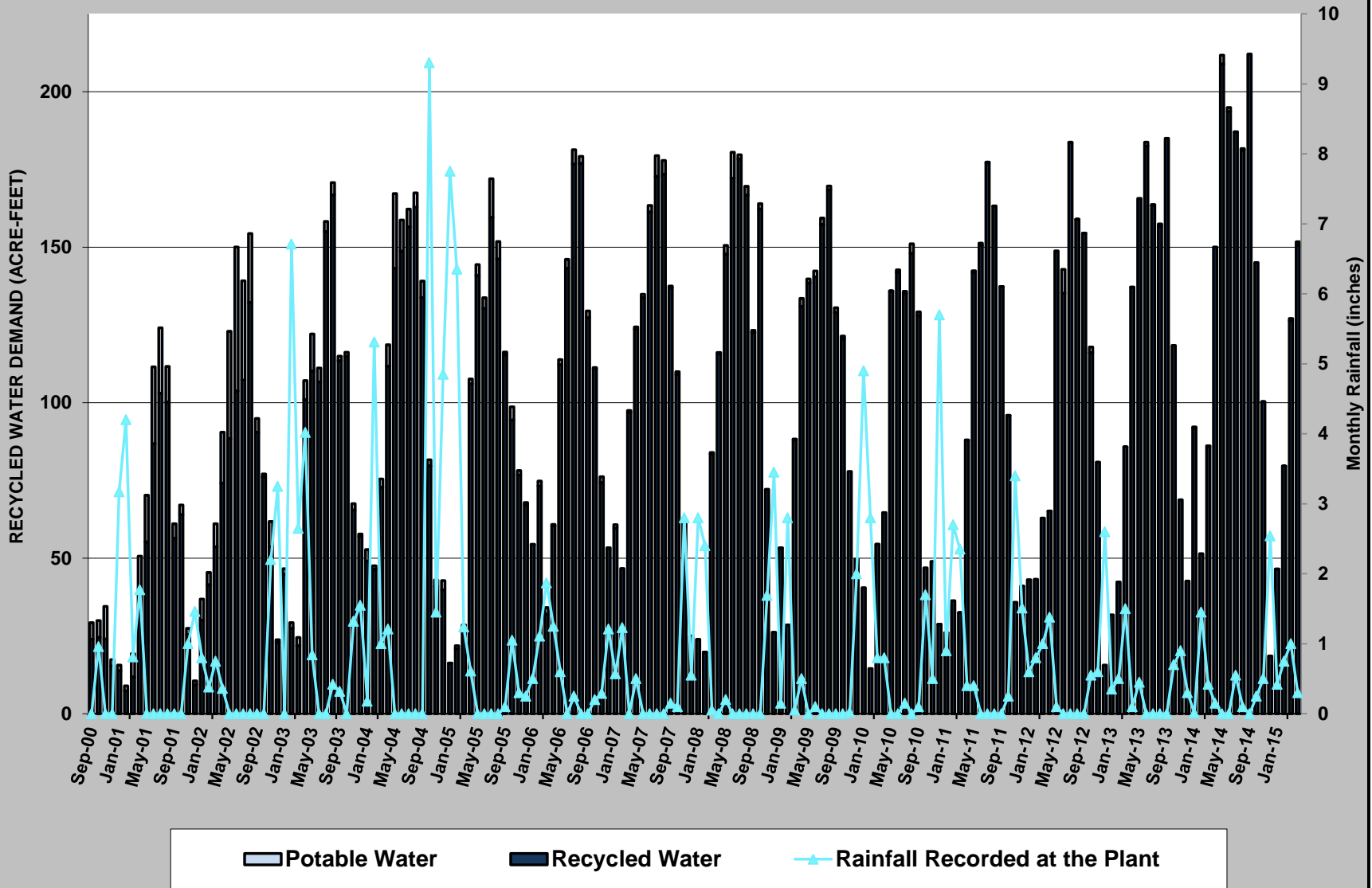


Figure 2 - RECYCLED WATER DEMAND by FISCAL YEAR

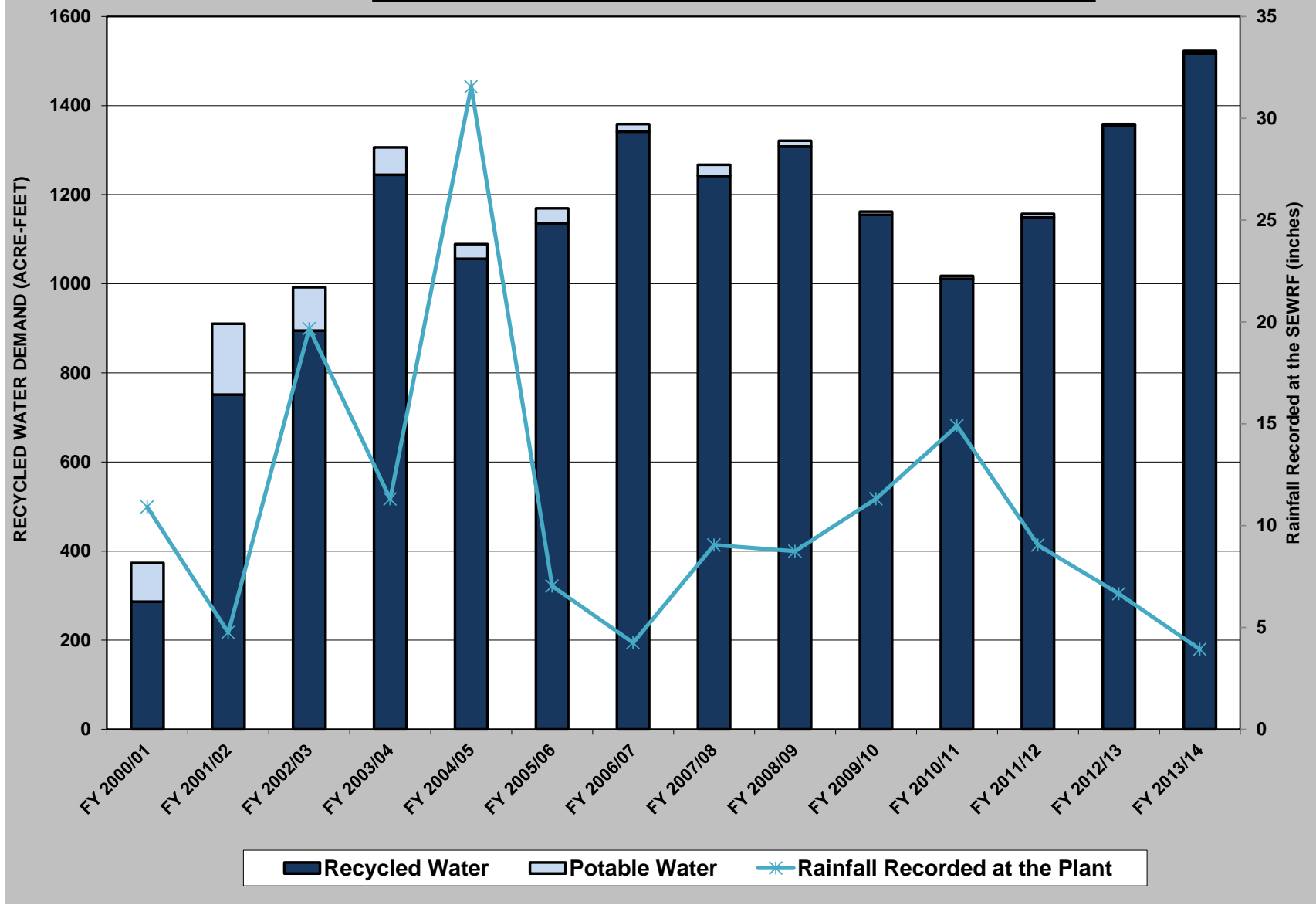
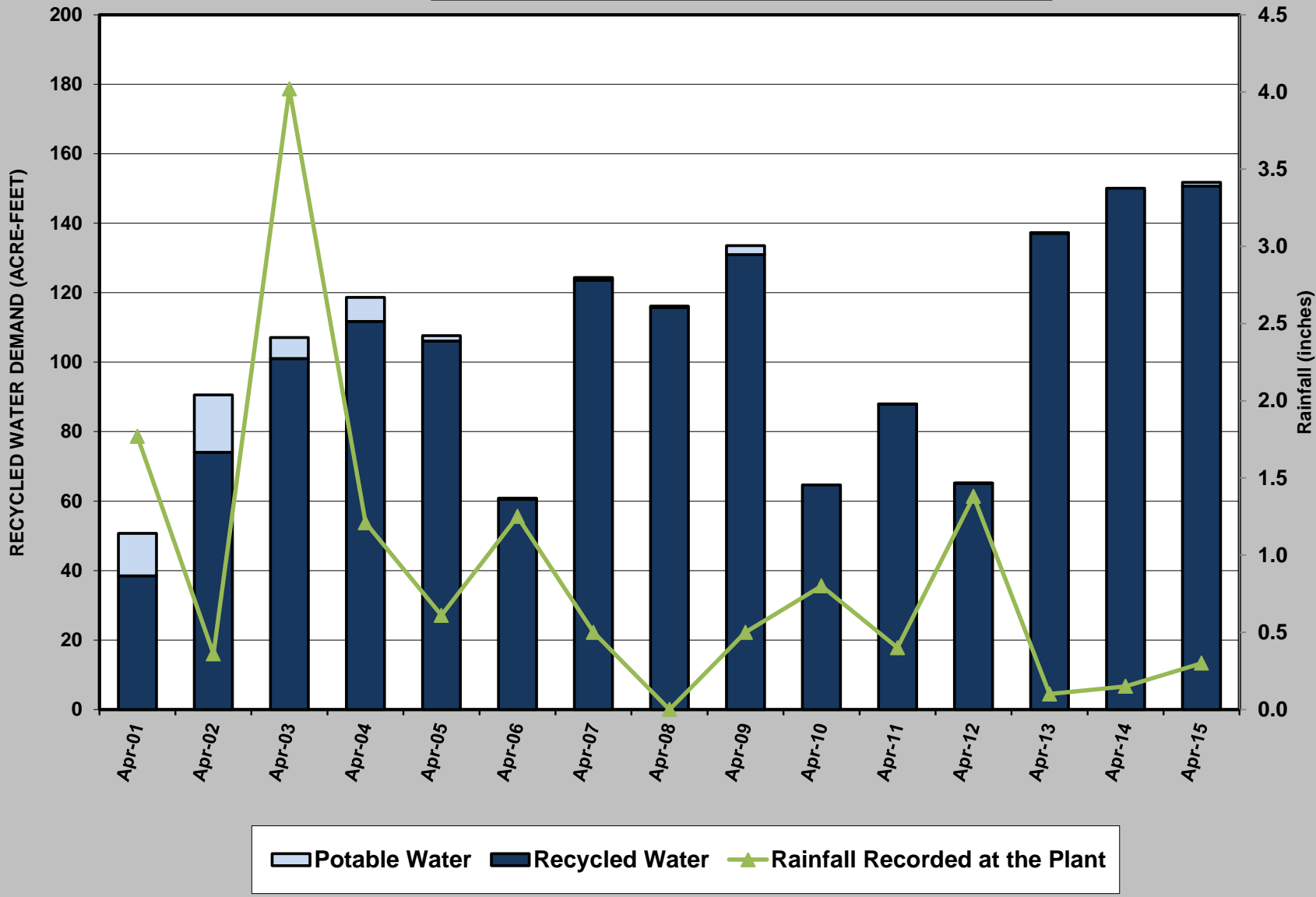


Figure 3 - APRIL RECYCLED WATER DEMAND



*

AGENDA ITEM NO. 11

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 8, 2015

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: Director of Finance/Administration

SUBJECT: AWARD OF ANNUAL SUPPLIES AND SERVICES CONTRACTS FOR THE SAN
ELIJO JOINT POWERS AUTHORITY

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve the recommendations of the Director of Finance/Administration regarding award of supplies and services contracts for ferric chloride, sodium hypochlorite, and grounds maintenance services;
2. Authorize the General Manager to execute the contracts with the lowest responsive bidder; and
3. Discuss and take action as appropriate.

DISCUSSION

The SEJPA uses various chemicals in the treatment process to enhance settling, disinfect the recycled water, control and enhance the treatment process, and control odors. Ferric chloride is used to improve settling in the primary settling tanks and to decrease sulfide generation in the primary treatment and anaerobic digestion processes. Uncontrolled sulfide generation can lead to significant odors, accelerated corrosion, and hazardous confined space conditions. Sodium hypochlorite is used to disinfect the recycled water prior to distribution and to control filament growth in the biological treatment process.

The SEJPA's purchasing policy requires that all purchase contracts in excess of \$35,000 be formally bid. Formal bids are solicited for supplies and services contracts that may have an annual cost in excess of \$35,000. For the Fiscal Year 2015-16, bids for the provision of ferric chloride and for sodium hypochlorite were advertised on April 14, 2015 and publicly opened on May 20, 2015. The grounds maintenance services bid was advertised on April 28, 2015, and publicly opened on May 28, 2015.

The results of the formal bids are as follows:

FERRIC CHLORIDE

<u>Contractor</u>	<u>Unit Cost</u>	<u>Estimated Annual Amount</u>
* California Water Technologies	PER DRY TON: \$463.32	\$41,698.80
Sierra Chemical Co.	No Bid	No Bid
Univar USA, Inc.	PER DRY TON: \$494.64	\$44,517.60
* <i>Low Bidder</i>		

SODIUM HYPOCHLORITE

<u>Contractor</u>	<u>Unit Cost</u>	<u>Estimated Annual Amount</u>
Hasa Inc.	PER GALLON: \$0.990	\$79,200.00
Jones Chemical	PER GALLON: \$0.650	\$52,000.00
* Olin Corp.	PER GALLON: \$0.643	\$51,440.00
Univar USA, Inc.	PER GALLON: \$0.948	\$75,840.00
* <i>Low Bidder</i>		

GROUNDS MAINTENANCE SERVICES

<u>Contractor</u>	<u>Unit Cost</u>	<u>Estimated Annual Amount</u>
Brickman Group, The	\$4,567 per month	\$54,804
Heaviland Landscape Management	No Bid	No Bid
* Pacific Green Landscape, Inc.	\$2,625 per month	\$31,500
* <i>Low Bidder</i>		

It is recommended that the annual supplies and services contracts for provision of ferric chloride, sodium hypochlorite, and grounds maintenance services be awarded to the lowest bidders as noted above. Both the chemical and grounds maintenance service providers have or had contracts with the SEJPA in the past; the contracts were successfully fulfilled. Contract award is contingent upon the verification that the apparent low bidders meet all bid requirements, including bonding and insurance.

FINANCIAL IMPACT

Funds to support these contracts have been incorporated into the Fiscal Year 2015-16 Recommended Budget. An annual cost of \$56,700 was budgeted for the provision of ferric chloride and the apparent low bid is for \$41,698.80. An annual cost of \$57,778 was budgeted for the provision of sodium hypochlorite and the apparent low bid is for \$51,440. An annual cost of \$28,800 was budgeted for the provision of grounds maintenance services and the apparent low bid is for \$31,500 per year. The grounds maintenance contract is a 5-year agreement with a total value of \$157,500.

It is therefore recommended that the Board of Directors:

1. Approve the recommendations of the Director of Finance/Administration regarding award of supplies and services contracts for ferric chloride, sodium hypochlorite, and grounds maintenance services;
2. Authorize the General Manager to execute the contracts with the lowest responsive bidder; and
3. Discuss and take action as appropriate.

Respectfully submitted,



Paul F. Kinkel
Director of Finance/Administration

Attachment 1: AGREEMENT: California Water Technologies for Ferric Chloride

Attachment 2: AGREEMENT: Olin Corporation for Sodium Hypochlorite

Attachment 3: AGREEMENT: Pacific Green Landscape, Inc. for Grounds Maintenance Services

ATTACHMENT 1

AGREEMENT

THIS AGREEMENT is made and entered into on this 1st day of July, 2015, by and between the San Elijo Joint Powers Authority, a municipal corporation, hereinafter referred to as AUTHORITY, and California Water Technologies, LLC, hereinafter referred to as CONTRACTOR.

WITNESSETH:

WHEREAS, on April 14, 2015, AUTHORITY invited bids for the provision of Ferric Chloride per Specifications No. SE 2016-FC.

WHEREAS, pursuant to said invitation, CONTRACTOR submitted a bid which was accepted by AUTHORITY for said services.

NOW THEREFORE, in consideration of their mutual promises, obligations and covenants hereinafter contained, the parties hereto agree as follows:

1. TERM. The term of this Agreement shall be from the date this Agreement is made and entered, as first written above, until June 30, 2016. (Service shall be provided from July 1, 2015 to June 30, 2016.)
2. INCORPORATION BY REFERENCE. The Notice Inviting Bids, the General Bid Terms and Conditions, the Special Bid Terms and Conditions, Bid Submission Form(s), and the Bid Specifications (collectively, "Contract Documents"), are hereby incorporated in and made a part of this Agreement.
3. AUTHORITY'S OBLIGATIONS. For furnishing services or supplies as specified in the Agreement, AUTHORITY will pay and CONTRACTOR shall receive compensation for Ferric Chloride at the unit price of \$463.32 per dry ton. The total amount of Ferric Chloride to be purchased under this Agreement has been estimated to be 90 dry tons per year, but actual usage may be considerably less. In no case will total compensation exceed \$41,698.80. The unit cost and total cost shall include all delivery, tax and shipping charges.

Payments to the CONTRACTOR shall be made within forty-five (45) days after receipt of an original invoice from the CONTRACTOR and provision of said services to AUTHORITY. CONTRACTOR shall invoice no more frequently than monthly for services or supplies provided. Neither AUTHORITY'S acceptance of, nor payment for any of the services, shall be construed to operate as a waiver of any rights under this Agreement or any cause of action arising out of the performance of this Agreement.

4. CONTRACTOR'S OBLIGATIONS. For and in consideration of the payments and agreements hereinbefore mentioned to be made and performed by AUTHORITY, CONTRACTOR agrees with AUTHORITY to furnish the said services and to do everything required by this Agreement and the said specifications. Without limiting the generality of the foregoing, CONTRACTOR warrants on behalf of itself and all subcontractors engaged for the performance of this Agreement that only persons authorized to work in the United States pursuant to the Immigration Reform and Control Act of 1986 and other applicable laws shall be employed in the performance of the work hereunder. In performing services under this Agreement, CONTRACTOR agrees to

comply with all laws, rules and regulations and ordinances, whether federal, state or local, and any and all AUTHORITY policies, procedures, departmental rules or other directives applicable to the services to be performed by provided by AUTHORITY'S General Manager or his designee, to CONTRACTOR. Any changes to AUTHORITY'S policies and procedures that relate to CONTRACTOR will be provided to CONTRACTOR in writing. CONTRACTOR agrees to review such policies, procedures, rules and directives and the contents of which CONTRACTOR will be deemed to have knowledge. CONTRACTOR shall ensure that any report generated under this Agreement complies with California Government Code section 7550.

5. HOLD HARMLESS AND INDEMNIFICATION. CONTRACTOR agrees to defend, indemnify, and hold harmless AUTHORITY, its member agencies (to include the City of Encinitas and the City of Solana Beach), and each of their respective directors, officials, officers, employees, representatives, and agents (collectively, "Indemnified Parties"), from and against all claims, lawsuits, liabilities or damages, including attorney's fees and costs, of whatsoever nature arising out of or in connection with, or relating in any manner to any act or omission of CONTRACTOR, its agents, employees, and subcontractors of any tier and employees thereof in connection with the performance or non-performance of this Agreement. The CONTRACTOR shall thoroughly investigate any and all claims and indemnify the Indemnified Parties and do whatever is necessary to protect the Indemnified Parties as to any such claims lawsuits, liabilities, expenses, or damages.

6. INSURANCE. During the course of the Agreement, CONTRACTOR shall pay for and maintain, in full force and effect, all insurance required by any governmental agency having jurisdiction to require particular insurance of CONTRACTOR in connection with or related to the work covered hereby. CONTRACTOR SHALL FURTHER TAKE OUT AND SHALL FURNISH SATISFACTORY PROOF BY CERTIFICATE OR OTHERWISE AS MAY BE REQUIRED, THAT HE HAS TAKEN OUT COMPREHENSIVE GENERAL LIABILITY INSURANCE AND AUTO LIABILITY WITH AUTHORITY, ITS MEMBER AGENCIES (TO INCLUDE THE CITY OF ENCINITAS AND THE CITY OF SOLANA BEACH), AND EACH OF THEIR RESPECTIVE DIRECTORS, OFFICIALS, OFFICERS, EMPLOYEES, REPRESENTATIVES AND AGENTS ("INSURED PARTIES") NAMED HEREIN AS ADDITIONAL INSUREDS, AS WELL AS ALL OTHER COVERAGE REQUIRED BY THIS AGREEMENT. Insurance carrier shall be satisfactory to AUTHORITY, and insurance shall be purchased from insurance companies with a current A.M. Best rating of no less than A:VII, unless otherwise agreed in writing by AUTHORITY. Insurance shall be in such form approved by AUTHORITY so as to protect all Insured Parties against loss from liability assumed by contract or imposed by law from damages on account of bodily injury, including death resulting therefrom, suffered or alleged to have been suffered by any person or persons, other than employees, resulting directly or indirectly from the negligent performance or execution of this Agreement by CONTRACTOR or any subcontract with CONTRACTOR thereunder, and also to protect all Insured Parties against loss from liability imposed by law for damage to any property, caused directly or indirectly by the negligent performance or execution or the Agreement by CONTRACTOR; which insurance shall also cover accidents arising out of the use and operation of owned, non-owned and hired automobiles, trucks, and/or other mobile equipment. Automobile liability shall be at least as broad as form number CA 0001, covering code 1 (any auto), covering bodily injury and property damage, with a combined single limit of no less than \$1,000,000 per claim for bodily injury and property damage. General liability shall be at least as broad as occurrence form CG 0001,

covering bodily injury, personal injury and property damage. The amounts of coverage of said insurance shall not be less than the following:

Public Liability	\$1,000,000 single limit/\$3,000,000 aggregate
Property Damage	\$1,000,000 single limit/\$3,000,000 aggregate

CONTRACTOR shall further maintain adequate Worker's Compensation Insurance, including occupational disease provisions, under the laws of the State of California and employer's general liability insurance for the benefit of its employees with a combined single limit of no less than \$1,000,000 per claim for bodily injury or disease, and shall require similar insurance to be provided by its subcontractors. A certificate shall be furnished to AUTHORITY showing compliance with above.

Said policies shall have a non-cancellation clause providing that thirty (30) days written notice shall be given to AUTHORITY prior to any material modification or cancellation, and a certificate of such insurance shall be furnished to AUTHORITY by direct mail from CONTRACTOR'S insurance carrier and shall specifically cover any contractual liability incurred hereunder.

All insurance policies shall be on an occurrence basis and cover the period of performance under this Agreement.

The coverage shall contain no special limitations on the scope of protection afforded to the Insured Parties.

CONTRACTOR'S Insurance shall be primary insurance as respects the Insured Parties, and each of them. Any insurance, self-insurance or other coverage maintained by Insured Parties shall be excess of the CONTRACTOR'S insurance and not contribute to it.

CONTRACTOR hereby agrees to waive rights of subrogation which any insurer of CONTRACTOR may acquire from CONTRACTOR by virtue of the payment of any loss. CONTRACTOR agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The workers' compensation policy shall be endorsed with a waiver of subrogation in favor of the Insured Parties for all work performed by the CONTRACTOR, its employees, agents and subcontractors.

Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to Insured Parties.

CONTRACTOR'S insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of insurer's liability.

All insurance policies shall specifically cover any contractual liability incurred pursuant to this Agreement.

Any deductibles or self-insured retention limits must be disclosed to and approved by AUTHORITY prior to execution of this Agreement. At the option of AUTHORITY, either: the insurer shall reduce or eliminate such deductibles as respects the Insured Parties; or CONTRACTOR shall provide a financial guarantee satisfactory to AUTHORITY

guaranteeing payment of losses and related investigations, claim administration and defense expenses.

CONTRACTOR shall furnish to AUTHORITY certificates of insurance prior to the commencement of work under this Agreement, and as may be periodically requested by AUTHORITY. CONTRACTOR shall include all endorsements necessary to comply with this Agreement, including additional insured endorsements, signed by the insurer's representative. Such evidence shall include confirmation that coverage includes or has been modified to include all provisions required by this Agreement. CONTRACTOR shall, upon request of AUTHORITY at any time, deliver to AUTHORITY complete, certified copies of the policies of insurance, including endorsements, and receipts for payment or premiums thereon, required by this Agreement. Failure to obtain the required documents prior to the work beginning shall not waive CONTRACTOR'S obligation to provide them.

If any of the required coverages expire during the term of this Agreement, CONTRACTOR shall deliver the renewal certificate(s) including the general liability and auto liability additional insured endorsements to AUTHORITY at least ten (10) days prior to the expiration date.

In the event that CONTRACTOR employs subcontractors to perform any portion of the services to be performed pursuant to this Agreement, it shall be CONTRACTOR'S responsibility to require and confirm that each subcontractor meets the minimum insurance requirements specified in this Agreement.

7. AMENDMENTS. Any amendment, modification, or variation from the terms of this Agreement shall be in writing and shall be effective only upon written approval by the Manager of the AUTHORITY.
8. TERMINATION. If, during the term of this contract, AUTHORITY determines that CONTRACTOR is not faithfully abiding by any term or condition contained herein, AUTHORITY may notify CONTRACTOR in writing of such defect or failure to perform; which notice must give CONTRACTOR five (5) working days thereafter in which to perform said work or cure the deficiency. If CONTRACTOR has not performed the work or cured the deficiency within five (5) days specified in the notice, such shall constitute a breach of this contract and AUTHORITY may terminate this contract immediately by written notice to CONTRACTOR to said effect. Thereafter, neither party shall have any further duties, obligations, responsibilities, or rights under this Agreement, except, however, any and all indemnification, hold harmless and defense obligations of CONTRACTOR shall remain in full force and effect, and shall not be extinguished, reduced, or in any manner waived by the termination hereof. In said event, CONTRACTOR shall be entitled to the reasonable value of its services performed from the beginning of the period in which the breach occurs up to the day it received AUTHORITY's Notice of Termination, minus any offset from such payment representing AUTHORITY's damages from such breach. AUTHORITY reserves the right to delay any such payment, to allow for a full and complete accounting of costs. In no event, however, shall CONTRACTOR be entitled to receive in excess of the compensation quoted in its bid.
9. STATUS OF CONTRACTOR. CONTRACTOR and its employee(s) are engaged in an independent contractor relationship with AUTHORITY in performing all work, duties and

obligations hereunder. AUTHORITY shall not exercise any control or direction over the methods by which CONTRACTOR shall perform its work and functions. AUTHORITY'S sole interest and responsibility is to ensure that the services covered by this Agreement are performed and rendered in a competent, satisfactory and legal manner. CONTRACTOR represents that its employee(s) have the qualifications and skills necessary to perform the services under this Agreement in a competent, professional manner, without the advice or direction of AUTHORITY. CONTRACTOR will supply all tools, materials and equipment required to perform the services under this Agreement. The parties agree that no work, act, commission or omission of CONTRACTOR or its employee(s) pursuant to this Agreement shall be construed to make CONTRACTOR and its employee(s) the agent, employee or servant of AUTHORITY. CONTRACTOR and its employee(s) are not entitled to receive from AUTHORITY vacation pay, sick leave, retirement benefits, Social Security, workers' compensation, disability benefits, unemployment benefits or any other employee benefit of any kind. CONTRACTOR shall be solely responsible for paying all federal and state employment and income taxes, for carrying workers' compensation insurance and for otherwise complying with all other employment law requirements with respect to CONTRACTOR or its employee(s). To the maximum extent allowable by law, CONTRACTOR agrees to indemnify, defend and hold AUTHORITY harmless from any and all liability, damages or losses (including attorney's fees, costs, penalties and fines) AUTHORITY suffers as a result of (a) CONTRACTOR'S failure to meet its employer obligations, or (b) a third party's designation of CONTRACTOR or its employee as an employee of AUTHORITY, regardless of any actual or alleged negligence by AUTHORITY.

10. ASSIGNMENT. Neither this Agreement nor any duties or obligations under this Agreement may be assigned or subcontracted by CONTRACTOR without the prior written consent of AUTHORITY. AUTHORITY has entered into this Agreement in order to receive the professional services of CONTRACTOR. The provisions of this Agreement shall apply to any subcontractor of CONTRACTOR. AUTHORITY shall have the right to approve any subcontractor agreements, in addition to the written consent required by this section.
11. PROPRIETARY RIGHTS. Any written, printed, graphic, or electronically or magnetically recorded information furnished by AUTHORITY for CONTRACTOR'S use are the sole property of AUTHORITY. CONTRACTOR and its employee(s) will keep any information identified by AUTHORITY as confidential in the strictest confidence, and will not disclose it by any means to any person except with AUTHORITY approval, and only the extent necessary to perform the services under this Agreement. This prohibition also applies to CONTRACTOR'S employees, agents, and subcontractors. On termination of this Agreement, CONTRACTOR will promptly return any confidential information in its possession to AUTHORITY.
12. PARTIAL INVALIDITY. If any non-material provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way.
13. COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same agreement, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

14. PROVISIONS REQUIRED BY LAW. Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed to be inserted herein, and the Agreement shall be read and enforced as though they were included herein. If through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the request of either party, the Agreement shall forthwith be physically amended to make such insertion.
15. GOVERNING LAW. This Agreement and all questions relating to its validity, interpretation, performance, and enforcement (including, without limitation, provisions concerning limitations of actions), shall be governed by and construed in accordance with the laws of the State of California, notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary and without the aid of any canon, custom, or rule of law requiring construction against the draftsman.
16. JURISDICTION, FORUM AND VENUE. The proper jurisdiction, forum and venue for any claims, causes of action or other proceedings concerning this Agreement shall be in the state and federal courts located in the State of California, County of San Diego. AUTHORITY and CONTRACTOR agree not to bring any action or proceeding arising out of or relating to this Agreement in any other jurisdiction, forum or venue. AUTHORITY and CONTRACTOR hereby submit to personal jurisdiction in the State of California for the enforcement of this Agreement and hereby waive any and all personal rights under the law of any state to object to jurisdiction within the State of California for the purposes of any legal action or proceeding to enforce this Agreement, whether on grounds of inconvenient forum or otherwise.
17. COMPLETE AGREEMENT. This written Agreement, including all writings specifically incorporated herein by reference, shall constitute the complete agreement between the parties hereto. No oral agreement, understanding, or representation not reduced to writing and specifically incorporated herein shall be of any force or effect, nor shall any such oral agreement, understanding, or representation be binding upon the parties hereto.
18. AUDIT. AUTHORITY shall have the option of inspecting and/or auditing all records and other written materials used by CONTRACTOR in preparing its statements to AUTHORITY as a condition precedent to any payment to CONTRACTOR. This Agreement is subject to examination and audit of the State Auditor, at the request of AUTHORITY or as part of any audit of AUTHORITY, for a period of three (3) years after final payment under the Agreement. CONTRACTOR shall cooperate with AUTHORITY, including any authorized representatives of AUTHORITY, regarding any such audit at no charge to AUTHORITY.
19. NOTICE. All written notices to the parties hereto shall be sent by United States mail, postage prepaid by registered, certified, or first class mail addressed as follows:

AUTHORITY

General Manager
San Elijo Joint Powers Authority
2695 Manchester Avenue
Cardiff, CA 92007

CONTRACTOR

California Water Technologies, LLC
8851 Dice Road
Santa Fe Springs, CA 90670-2515

Notices shall be deemed communicated as of the day of receipt or the fifth day after mailing, whichever occurs first.

20. PROTECTION OF EXISTING FACILITIES AND NON-INTERFERENCE WITH PLANT OPERATIONS. CONTRACTOR shall perform his duties in such a way that there will be no damage done to existing facilities and all facilities shall be left in the condition they were in prior to the beginning of the contract. CONTRACTOR will also perform all work in such a way that there is no interference with plant operations.
21. AUTHORITY TO EXECUTE AGREEMENT. AUTHORITY and CONTRACTOR do covenant that the individual executing this agreement on their behalf is a person duly authorized and empowered to execute this Agreement for such party.

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

SAN ELIJO JOINT POWERS AUTHORITY

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

CALIFORNIA WATER TECHNOLOGIES, LLC

By: _____ (Signature)
Name: _____ (Print)
Title: _____

ATTACHMENT 2

AGREEMENT

THIS AGREEMENT is made and entered into on this 1st day of July, 2015, by and between the San Elijo Joint Powers Authority, a municipal corporation, hereinafter referred to as AUTHORITY, and Olin Corporation, dba Olin Chlor Alkali Products, hereinafter referred to as CONTRACTOR.

WITNESSETH:

WHEREAS, on April 14, 2015, AUTHORITY invited bids for the provision of Sodium Hypochlorite per Specifications No. SE 2016-SH.

WHEREAS, pursuant to said invitation, CONTRACTOR submitted a bid which was accepted by AUTHORITY for said services.

NOW THEREFORE, in consideration of their mutual promises, obligations and covenants hereinafter contained, the parties hereto agree as follows:

1. TERM. The term of this Agreement shall be from the date this Agreement is made and entered, as first written above, until June 30, 2016. (Service shall be provided from July 1, 2015 to June 30, 2016.)
2. INCORPORATION BY REFERENCE. The Notice Inviting Bids, the General Bid Terms and Conditions, the Special Bid Terms and Conditions, Bid Submission Form(s), and the Bid Specifications (collectively, the "Contract Documents"), are hereby incorporated in and made a part of this Agreement. In the event of any inconsistencies or conflicts in the Contract Documents, the order of precedence from highest to lowest shall be: Any amendments to this Agreement, this Agreement, the Bid Specifications, the Special Bid Terms and Conditions, the General Bid Terms and Conditions, the Notice Inviting Bids and the Bid Submission Form(s).
3. AUTHORITY'S OBLIGATIONS. For furnishing services or supplies as specified in the Agreement, AUTHORITY will pay and CONTRACTOR shall receive compensation for Sodium Hypochlorite at the unit price of \$0.643 per gallon. The total amount of Sodium Hypochlorite to be purchased under this Agreement has been estimated to be 80,000 gallons per year, but actual usage may be considerably less. In no case will total compensation exceed \$51,440. The unit cost and total cost shall include all delivery, tax and shipping charges.

Payments to the CONTRACTOR shall be made within forty-five (45) days after receipt of an original invoice from the CONTRACTOR and provision of said services to AUTHORITY. CONTRACTOR shall invoice no more frequently than monthly for services or supplies provided. Neither AUTHORITY'S acceptance of, nor payment for any of the services, shall be construed to operate as a waiver of any rights under this Agreement or any cause of action arising out of the performance of this Agreement.

4. CONTRACTOR'S OBLIGATIONS. For and in consideration of the payments and agreements hereinbefore mentioned to be made and performed by AUTHORITY, CONTRACTOR agrees with AUTHORITY to furnish the said services and to do everything required by this Agreement and the said specifications. Without limiting the

generality of the foregoing, CONTRACTOR warrants on behalf of itself and all subcontractors engaged for the performance of this Agreement that only persons authorized to work in the United States pursuant to the Immigration Reform and Control Act of 1986 and other applicable laws shall be employed in the performance of the work hereunder. In performing services under this Agreement, CONTRACTOR agrees to comply with all laws, rules and regulations and ordinances, whether federal, state or local, and any and all AUTHORITY policies, procedures, departmental rules or other directives applicable to the services to be performed by provided by AUTHORITY'S General Manager or his designee, to CONTRACTOR. Any changes to AUTHORITY'S policies and procedures that relate to CONTRACTOR will be provided to CONTRACTOR in writing. CONTRACTOR agrees to review such policies, procedures, rules and directives and the contents of which CONTRACTOR will be deemed to have knowledge. CONTRACTOR shall ensure that any report generated under this Agreement complies with California Government Code section 7550.

5. HOLD HARMLESS AND INDEMNIFICATION. CONTRACTOR agrees to defend, indemnify, and hold harmless AUTHORITY, its member agencies (to include the City of Encinitas and the City of Solana Beach), and each of their respective directors, officials, officers, employees, representatives, and agents (collectively, "Indemnified Parties"), from and against all claims, lawsuits, liabilities or damages, including attorney's fees and costs, of whatsoever nature arising out of or in connection with, or relating in any manner to any act or omission of CONTRACTOR, its agents, employees, and subcontractors of any tier and employees thereof in connection with the performance or non-performance of this Agreement. The CONTRACTOR shall thoroughly investigate any and all claims and indemnify the Indemnified Parties and do whatever is necessary to protect the Indemnified Parties as to any such claims lawsuits, liabilities, expenses, or damages.

6. INSURANCE. During the course of the Agreement, CONTRACTOR shall pay for and maintain, in full force and effect, all insurance required by any governmental agency having jurisdiction to require particular insurance of CONTRACTOR in connection with or related to the work covered hereby. CONTRACTOR SHALL FURTHER TAKE OUT AND SHALL FURNISH SATISFACTORY PROOF BY CERTIFICATE OR OTHERWISE AS MAY BE REQUIRED, THAT HE HAS TAKEN OUT COMPREHENSIVE GENERAL LIABILITY INSURANCE AND AUTO LIABILITY WITH AUTHORITY, ITS MEMBER AGENCIES (TO INCLUDE THE CITY OF ENCINITAS AND THE CITY OF SOLANA BEACH), AND EACH OF THEIR RESPECTIVE DIRECTORS, OFFICIALS, OFFICERS, EMPLOYEES, REPRESENTATIVES AND AGENTS ("INSURED PARTIES") NAMED HEREIN AS ADDITIONAL INSUREDS, AS WELL AS ALL OTHER COVERAGE REQUIRED BY THIS AGREEMENT. Insurance carrier shall be satisfactory to AUTHORITY, and insurance shall be purchased from insurance companies with a current A.M. Best rating of no less than A:VII, unless otherwise agreed in writing by AUTHORITY. Insurance shall be in such form approved by AUTHORITY so as to protect all Insured Parties against loss from liability assumed by contract or imposed by law from damages on account of bodily injury, including death resulting therefrom, suffered or alleged to have been suffered by any person or persons, other than employees, resulting directly or indirectly from the negligent performance or execution of this Agreement by CONTRACTOR or any subcontract with CONTRACTOR thereunder, and also to protect all Insured Parties against loss from liability imposed by law for damage to any property, caused directly or indirectly by the negligent performance or execution or the Agreement by CONTRACTOR; which insurance shall also cover accidents arising out of the use

and operation of owned, non-owned and hired automobiles, trucks, and/or other mobile equipment. Automobile liability shall be at least as broad as form number CA 0001, covering code 1 (any auto), covering bodily injury and property damage, with a combined single limit of no less than \$1,000,000 per claim for bodily injury and property damage. General liability shall be at least as broad as occurrence form CG 0001, covering bodily injury, personal injury and property damage. The amounts of coverage of said insurance shall not be less than the following:

Public Liability	\$1,000,000 single limit/\$3,000,000 aggregate
Property Damage	\$1,000,000 single limit/\$3,000,000 aggregate

CONTRACTOR shall further maintain adequate Worker's Compensation Insurance, including occupational disease provisions, under the laws of the State of California and employer's general liability insurance for the benefit of its employees with a combined single limit of no less than \$1,000,000 per claim for bodily injury or disease, and shall require similar insurance to be provided by its subcontractors. A certificate shall be furnished to AUTHORITY showing compliance with above.

Said policies shall have a non-cancellation clause providing that thirty (30) days written notice shall be given to AUTHORITY prior to any material modification or cancellation, and a certificate of such insurance shall be furnished to AUTHORITY by direct mail from CONTRACTOR'S insurance carrier and shall specifically cover any contractual liability incurred hereunder.

All insurance policies shall be on an occurrence basis and cover the period of performance under this Agreement.

The coverage shall contain no special limitations on the scope of protection afforded to the Insured Parties.

CONTRACTOR'S Insurance shall be primary insurance as respects the Insured Parties, and each of them. Any insurance, self-insurance or other coverage maintained by Insured Parties shall be excess of the CONTRACTOR'S insurance and not contribute to it.

CONTRACTOR hereby agrees to waive rights of subrogation which any insurer of CONTRACTOR may acquire from CONTRACTOR by virtue of the payment of any loss. CONTRACTOR agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The workers' compensation policy shall be endorsed with a waiver of subrogation in favor of the Insured Parties for all work performed by the CONTRACTOR, its employees, agents and subcontractors.

Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to Insured Parties.

CONTRACTOR'S insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of insurer's liability.

All insurance policies shall specifically cover any contractual liability incurred pursuant to this Agreement.

Any deductibles or self-insured retention limits must be disclosed to and approved by AUTHORITY prior to execution of this Agreement. At the option of AUTHORITY, either: the insurer shall reduce or eliminate such deductibles as respects the Insured Parties; or CONTRACTOR shall provide a financial guarantee satisfactory to AUTHORITY guaranteeing payment of losses and related investigations, claim administration and defense expenses.

CONTRACTOR shall furnish to AUTHORITY certificates of insurance prior to the commencement of work under this Agreement, and as may be periodically requested by AUTHORITY. CONTRACTOR shall include all endorsements necessary to comply with this Agreement, including additional insured endorsements, signed by the insurer's representative. Such evidence shall include confirmation that coverage includes or has been modified to include all provisions required by this Agreement. CONTRACTOR shall, upon request of AUTHORITY at any time, deliver to AUTHORITY complete, certified copies of the policies of insurance, including endorsements, and receipts for payment or premiums thereon, required by this Agreement. Failure to obtain the required documents prior to the work beginning shall not waive CONTRACTOR'S obligation to provide them.

If any of the required coverages expire during the term of this Agreement, CONTRACTOR shall deliver the renewal certificate(s) including the general liability and auto liability additional insured endorsements to AUTHORITY at least ten (10) days prior to the expiration date.

In the event that CONTRACTOR employs subcontractors to perform any portion of the services to be performed pursuant to this Agreement, it shall be CONTRACTOR'S responsibility to require and confirm that each subcontractor meets the minimum insurance requirements specified in this Agreement.

7. AMENDMENTS. Any amendment, modification, or variation from the terms of this Agreement shall be in writing and shall be effective only upon written approval by the Manager of the AUTHORITY.
8. TERMINATION. If, during the term of this contract, AUTHORITY determines that CONTRACTOR is not faithfully abiding by any term or condition contained herein, AUTHORITY may notify CONTRACTOR in writing of such defect or failure to perform; which notice must give CONTRACTOR five (5) working days thereafter in which to perform said work or cure the deficiency. If CONTRACTOR has not performed the work or cured the deficiency within five (5) days specified in the notice, such shall constitute a breach of this contract and AUTHORITY may terminate this contract immediately by written notice to CONTRACTOR to said effect. Thereafter, neither party shall have any further duties, obligations, responsibilities, or rights under this Agreement, except, however, any and all indemnification, hold harmless and defense obligations of CONTRACTOR shall remain in full force and effect, and shall not be extinguished, reduced, or in any manner waived by the termination hereof. In said event, CONTRACTOR shall be entitled to the reasonable value of its services performed from the beginning of the period in which the breach occurs up to the day it received AUTHORITY's Notice of Termination, minus any offset from such payment representing AUTHORITY's damages from such breach. AUTHORITY reserves the right to delay any

such payment, to allow for a full and complete accounting of costs. In no event, however, shall CONTRACTOR be entitled to receive in excess of the compensation quoted in its bid.

9. STATUS OF CONTRACTOR. CONTRACTOR and its employee(s) are engaged in an independent contractor relationship with AUTHORITY in performing all work, duties and obligations hereunder. AUTHORITY shall not exercise any control or direction over the methods by which CONTRACTOR shall perform its work and functions. AUTHORITY'S sole interest and responsibility is to ensure that the services covered by this Agreement are performed and rendered in a competent, satisfactory and legal manner. CONTRACTOR represents that its employee(s) have the qualifications and skills necessary to perform the services under this Agreement in a competent, professional manner, without the advice or direction of AUTHORITY. CONTRACTOR will supply all tools, materials and equipment required to perform the services under this Agreement. The parties agree that no work, act, commission or omission of CONTRACTOR or its employee(s) pursuant to this Agreement shall be construed to make CONTRACTOR and its employee(s) the agent, employee or servant of AUTHORITY. CONTRACTOR and its employee(s) are not entitled to receive from AUTHORITY vacation pay, sick leave, retirement benefits, Social Security, workers' compensation, disability benefits, unemployment benefits or any other employee benefit of any kind. CONTRACTOR shall be solely responsible for paying all federal and state employment and income taxes, for carrying workers' compensation insurance and for otherwise complying with all other employment law requirements with respect to CONTRACTOR or its employee(s). To the maximum extent allowable by law, CONTRACTOR agrees to indemnify, defend and hold AUTHORITY harmless from any and all liability, damages or losses (including attorney's fees, costs, penalties and fines) AUTHORITY suffers as a result of (a) CONTRACTOR'S failure to meet its employer obligations, or (b) a third party's designation of CONTRACTOR or its employee as an employee of AUTHORITY, regardless of any actual or alleged negligence by AUTHORITY.
10. ASSIGNMENT. Neither this Agreement nor any duties or obligations under this Agreement may be assigned or subcontracted by CONTRACTOR without the prior written consent of AUTHORITY. AUTHORITY has entered into this Agreement in order to receive the professional services of CONTRACTOR. The provisions of this Agreement shall apply to any subcontractor of CONTRACTOR. AUTHORITY shall have the right to approve any subcontractor agreements, in addition to the written consent required by this section.
11. PROPRIETARY RIGHTS. Any written, printed, graphic, or electronically or magnetically recorded information furnished by AUTHORITY for CONTRACTOR'S use are the sole property of AUTHORITY. CONTRACTOR and its employee(s) will keep any information identified by AUTHORITY as confidential in the strictest confidence, and will not disclose it by any means to any person except with AUTHORITY approval, and only the extent necessary to perform the services under this Agreement. This prohibition also applies to CONTRACTOR'S employees, agents, and subcontractors. On termination of this Agreement, CONTRACTOR will promptly return any confidential information in its possession to AUTHORITY.
12. PARTIAL INVALIDITY. If any non-material provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions

will continue in full force and effect without being impaired or invalidated in any way.

13. COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same agreement, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.
14. PROVISIONS REQUIRED BY LAW. Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed to be inserted herein, and the Agreement shall be read and enforced as though they were included herein. If through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the request of either party, the Agreement shall forthwith be physically amended to make such insertion.
15. GOVERNING LAW. This Agreement and all questions relating to its validity, interpretation, performance, and enforcement (including, without limitation, provisions concerning limitations of actions), shall be governed by and construed in accordance with the laws of the State of California, notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary and without the aid of any canon, custom, or rule of law requiring construction against the draftsman.
16. JURISDICTION, FORUM AND VENUE. The proper jurisdiction, forum and venue for any claims, causes of action or other proceedings concerning this Agreement shall be in the state and federal courts located in the State of California, County of San Diego. AUTHORITY and CONTRACTOR agree not to bring any action or proceeding arising out of or relating to this Agreement in any other jurisdiction, forum or venue. AUTHORITY and CONTRACTOR hereby submit to personal jurisdiction in the State of California for the enforcement of this Agreement and hereby waive any and all personal rights under the law of any state to object to jurisdiction within the State of California for the purposes of any legal action or proceeding to enforce this Agreement, whether on grounds of inconvenient forum or otherwise.
17. COMPLETE AGREEMENT. This written Agreement, including all writings specifically incorporated herein by reference, shall constitute the complete agreement between the parties hereto. No oral agreement, understanding, or representation not reduced to writing and specifically incorporated herein shall be of any force or effect, nor shall any such oral agreement, understanding, or representation be binding upon the parties hereto.
18. AUDIT. AUTHORITY shall have the option of inspecting and/or auditing all records and other written materials used by CONTRACTOR in preparing its statements to AUTHORITY as a condition precedent to any payment to CONTRACTOR. This Agreement is subject to examination and audit of the State Auditor, at the request of AUTHORITY or as part of any audit of AUTHORITY, for a period of three (3) years after final payment under the Agreement. CONTRACTOR shall cooperate with AUTHORITY, including any authorized representatives of AUTHORITY, regarding any such audit at no charge to AUTHORITY.
19. NOTICE. All written notices to the parties hereto shall be sent by United States mail, postage prepaid by registered, certified, or first class mail addressed as follows:

AUTHORITY

General Manager
San Elijo Joint Powers Authority
2695 Manchester Avenue
Cardiff, CA 92007

CONTRACTOR

Olin Corporation, dba Olin Chlor
Alkali Products
26700 South Banta Road
Tracy, CA 95304

Notices shall be deemed communicated as of the day of receipt or the fifth day after mailing, whichever occurs first.

- 20. PROTECTION OF EXISTING FACILITIES AND NON-INTERFERENCE WITH PLANT OPERATIONS. CONTRACTOR shall perform his duties in such a way that there will be no damage done to existing facilities and all facilities shall be left in the condition they were in prior to the beginning of the contract. CONTRACTOR will also perform all work in such a way that there is no interference with plant operations.
- 21. AUTHORITY TO EXECUTE AGREEMENT. AUTHORITY and CONTRACTOR do covenant that the individual executing this agreement on their behalf is a person duly authorized and empowered to execute this Agreement for such party.

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

SAN ELIJO JOINT POWERS AUTHORITY

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

OLIN CORPORATION

By: _____ (Signature)
Name: _____ (Print)
Title: _____

ATTACHMENT 3

AGREEMENT

THIS AGREEMENT is made and entered into on this 1st day of July, 2015, by and between the San Elijo Joint Powers Authority, a joint powers authority, hereinafter referred to as AUTHORITY or the OWNER, and Pacific Green Landscape, Inc., hereinafter referred to as CONTRACTOR.

WITNESSETH:

WHEREAS, on April 28, 2015, AUTHORITY invited bids for the provision of Grounds Maintenance Services per Specifications No. SE 2015-20 LS.

WHEREAS, pursuant to said invitation, CONTRACTOR submitted a bid which was accepted by AUTHORITY for said services.

NOW THEREFORE, in consideration of their mutual promises, obligations and covenants hereinafter contained, the parties hereto agree as follows:

1. TERM. The term of this Agreement shall be from the date this Agreement is made and entered, as first written above, until June 30, 2020, with services to commence on July 1, 2015.
2. INCORPORATION BY REFERENCE. The Notice Inviting Bids, the General Bid Terms and Conditions, the Special Bid Terms and Conditions, Bid Submission Form(s), Payment Bond and the Bid Specifications (collectively, the "Contract Documents"), are hereby incorporated in and made a part of this Agreement. In the event of any inconsistencies or conflicts in the Contract Documents, the order of precedence from highest to lowest shall be: Any amendments to this Agreement, this Agreement, the Bid Specifications, the Special Bid Terms and Conditions, the General Bid Terms and Conditions, the Notice Inviting Bids, Payment Bond and the Bid Submission Form(s).
3. AUTHORITY'S OBLIGATIONS. For furnishing services or supplies as specified in the Agreement (the "Work"), AUTHORITY will pay and CONTRACTOR shall receive compensation for Grounds Maintenance Services at the unit price of \$2,625 per month. The total amount of this contract is \$157,500.

Payments to the CONTRACTOR shall be made within forty-five (45) days after receipt of an original invoice from the CONTRACTOR and provision of said services to AUTHORITY. CONTRACTOR shall invoice no more frequently than monthly for services or supplies provided. Neither AUTHORITY'S acceptance of, nor payment for any of the services, shall be construed to operate as a waiver of any rights under this Agreement or any cause of action arising out of the performance of this Agreement.

4. CONTRACTOR'S OBLIGATIONS. For and in consideration of the payments and agreements hereinbefore mentioned to be made and performed by AUTHORITY, CONTRACTOR agrees with AUTHORITY to furnish the said Work and to do everything required by this Agreement and the said specifications. Without limiting the generality of the foregoing, CONTRACTOR warrants on behalf of itself and all subcontractors engaged for the performance of this Agreement that only persons authorized to work in the United States pursuant to the Immigration Reform and Control Act of 1986 and other applicable laws shall be employed in the performance of the work hereunder. In performing services under this Agreement, CONTRACTOR agrees to comply with all

laws, rules and regulations and ordinances, whether federal, state or local, and any and all AUTHORITY policies, procedures, departmental rules or other directives applicable to the services to be performed by provided by AUTHORITY'S General Manager or his designee, to CONTRACTOR. Any changes to AUTHORITY'S policies and procedures that relate to CONTRACTOR will be provided to CONTRACTOR in writing. CONTRACTOR agrees to review such policies, procedures, rules and directives and the contents of which CONTRACTOR will be deemed to have knowledge. CONTRACTOR shall ensure that any report generated under this Agreement complies with California Government Code section 7550.

5. CONTRACTOR DECLARATIONS

The CONTRACTOR declares the Work will be conducted pursuant to the following additional requirements of the State of California:

5.1 Prevailing Wage Scale: Reference is hereby made to the rate of prevailing wage scale established by the State of California Director of Industrial Relations, a copy of which is available for inspection in the AUTHORITY's office, the provisions of which are hereby specified as the rate of prevailing wage to be paid workers on this Work, and the provisions of Article 2, Chapter 1, Part 7, Division 2 (commencing with Section 1770) of the Labor Code shall be complied with. As applicable to the Work and pursuant to Sections 1770 et seq. of the Labor Code, CONTRACTOR and any of CONTRACTOR's subcontractors shall pay not less than the prevailing rate of per diem wages as determined by the Director of the California Department of Industrial Relations. CONTRACTOR shall post a copy of such determination at each job site.

5.1.1 The CONTRACTOR shall be subject to the penalties set forth in Section 1775 of the Labor Code for any violation of prevailing wage requirements.

5.2 Hours of Labor: Eight-hour labor constitutes a legal day's work. The CONTRACTOR shall forfeit, as penalty to the AUTHORITY, twenty-five dollars (\$25.00) for each worker employed in the execution of the Agreement by him or by any subcontractor, for each calendar day during which any worker is required or permitted to labor more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week, except as permitted by the provisions of Article 3, Chapter 1, Part 7, Division 2 (commencing with Section 1810) of the Labor Code of the State of California.

5.3 Apprentices: The CONTRACTOR has the responsibility to comply with the provisions of Section 1777.5 of the Labor Code for all apprenticeable occupations, including but not limited to, employment requirements, training requirements and payment of the prevailing rate of per diem wages for apprentices in the trade to which he or she is registered. Prior to commencing Work on the Project, the CONTRACTOR shall submit contract award information to an applicable apprenticeship program that can supply apprentices to the site of the Work, and shall also submit a copy of such information to the AUTHORITY. Within sixty (60) days after concluding the Work, the CONTRACTOR and each subcontractor shall submit to the AUTHORITY, and to the apprenticeship program a verified statement of the journeyman and apprentice hours performed. Pursuant to Section 1777.5, subdivision (e), this information shall be public. Penalties for violations of Section 1777.5 are set forth in Section 1777.7 of the Labor Code. Information relative to number of apprentices, identifications, wages, hours of employment and standards of working conditions shall be obtained from the Director of the Department of Industrial Relations, who is the Administrative Officer of the California Apprenticeship Council.

5.4 Prohibited Employment Discrimination: Attention is directed to Section 1735 of the California Labor Code, which reads as follows:

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

5.5 Workers' Compensation Insurance: In accordance with the provisions of Article 5, Chapter 1, Part 7, Division 2 (commencing with Section 1860) and Chapter 4, Part 1, Division 4 (commencing with Section 3700) of the California Labor Code, the CONTRACTOR is required to secure the payment of compensation to his employees and shall for that purpose obtain and keep in effect adequate Workers' Compensation Insurance. The undersigned CONTRACTOR is aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for Workers' Compensation claims or to undertake self-insurance in accordance with the provisions of that Code, and will comply with such provisions before commencing the performance of the Work in this Contract.

5.6 Security for Compensation: The CONTRACTOR further agrees to secure the payment of compensation to his employees in accordance with the provisions of Section 3700 of the California Labor Code.

5.7 CONTRACTOR'S License: The CONTRACTOR declares that it possesses a valid California CONTRACTOR's License of the required class **C-27 Landscape Contractor** at the time of signing this Agreement, and shall maintain such license during the term of this Agreement. The CONTRACTOR shall affirm its license number, classification and expiration date as stated on its Bid by signing this Agreement. The following statement is included in accordance with Section 7030 of the California Business and Professions Code:

“Contractors are required by law to be licensed and regulated by the Contractors State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.”

5.8 Payroll Records: The CONTRACTOR shall, and shall require each subcontractor to keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid by each journeyman, apprentice, worker, other employee employed by him or her in connection with the Work. Each payroll record shall contain or be verified by a written declaration that is made under penalty of perjury, stating both the following: (1) The information contained in the payroll record is true and correct; and (2) The employer has complied with the requirements of Sections 1771, 1811, and 1815 for any Work performed by his or her employees on the Project. The payroll records shall be certified, available for inspection, and electronic copies thereof furnished directly to the

Labor Commissioner (A) at least monthly or more frequently, or (B) in a format prescribed by the Labor Commissioner, as prescribed in Section 1776 of the Labor Code. The CONTRACTOR shall inform the OWNER of the location of the records, including the street address, city, and county, and shall, within five working days, provide a notice of a change of location and address. Penalties for noncompliance include those provided at subdivision (g) of Section 1776 of the Labor Code.

5.9 Public Works Contractor Registration Program: CONTRACTOR must be, and must require its subcontractors to be, registered with the Department of Industrial Relations (DIR) prior to execution of this Agreement. All contractors and subcontractors who bid or work on, and/or who are awarded a public works project must register with and pay an annual fee to the DIR. No contractor or subcontractors may be listed on a bid proposal for a public works project unless registered with the DIR pursuant to Labor Code Section 1725.5. No contractor or subcontractor may be awarded a contract for public work on a public works project unless registered with the DIR pursuant to Labor Code Section 1725.5. This project is subject to compliance monitoring and enforcement by the DIR. CONTRACTOR shall not perform any work under this Agreement with a subcontractor who is ineligible to perform work on a public works project pursuant to California Labor Code Sections 1777.1 or 1777.7.

5.10 Compliance with Laws/Rules. In performing the services specified in this Agreement, CONTRACTOR agrees to comply with all laws, rules, regulations and ordinances, whether federal, state or local, and any and all of AUTHORITY's policies, procedures, departmental rules and other directives applicable to the services to be performed and provided by AUTHORITY to CONTRACTOR, including, but not limited to, AUTHORITY's Safety Policies and Procedures. CONTRACTOR will post, and/or will require its subcontractors to post, all job site notices prescribed by law or regulation. CONTRACTOR will perform all services under this Agreement in good faith and in the best interests of OWNER.

6. HOLD HARMLESS AND INDEMNIFICATION. CONTRACTOR agrees to defend, indemnify, and hold harmless AUTHORITY, its member agencies (to include the City of Encinitas and the City of Solana Beach), and each of their respective directors, officials, officers, employees, representatives, and agents (collectively, "Indemnified Parties"), from and against all claims, lawsuits, liabilities or damages, including attorney's fees and costs, of whatsoever nature arising out of or in connection with, or relating in any manner to any act or omission of CONTRACTOR, its agents, employees, and subcontractors of any tier and employees thereof in connection with the performance or non-performance of this Agreement. The CONTRACTOR shall thoroughly investigate any and all claims and indemnify the Indemnified Parties and do whatever is necessary to protect the Indemnified Parties as to any such claims lawsuits, liabilities, expenses, or damages.
7. INSURANCE. During the course of the Agreement, CONTRACTOR shall pay for and maintain, in full force and effect, all insurance required by any governmental agency having jurisdiction to require particular insurance of CONTRACTOR in connection with or related to the work covered hereby. CONTRACTOR SHALL FURTHER TAKE OUT AND SHALL FURNISH SATISFACTORY PROOF BY CERTIFICATE OR OTHERWISE AS MAY BE REQUIRED, THAT HE HAS TAKEN OUT COMPREHENSIVE GENERAL LIABILITY INSURANCE AND AUTO LIABILITY WITH AUTHORITY, ITS MEMBER AGENCIES (TO INCLUDE THE CITY OF ENCINITAS AND THE CITY OF SOLANA BEACH), AND EACH OF THEIR RESPECTIVE DIRECTORS, OFFICIALS, OFFICERS, EMPLOYEES, REPRESENTATIVES AND AGENTS ("INSURED PARTIES") NAMED HEREIN AS ADDITIONAL INSUREDS, AS WELL AS ALL OTHER COVERAGE

REQUIRED BY THIS AGREEMENT. Insurance carrier shall be satisfactory to AUTHORITY, and insurance shall be purchased from insurance companies with a current A.M. Best rating of no less than A:VII, unless otherwise agreed in writing by AUTHORITY. Insurance shall be in such form approved by AUTHORITY so as to protect all Insured Parties against loss from liability assumed by contract or imposed by law from damages on account of bodily injury, including death resulting therefrom, suffered or alleged to have been suffered by any person or persons, other than employees, resulting directly or indirectly from the negligent performance or execution of this Agreement by CONTRACTOR or any subcontract with CONTRACTOR thereunder, and also to protect all Insured Parties against loss from liability imposed by law for damage to any property, caused directly or indirectly by the negligent performance or execution of the Agreement by CONTRACTOR; which insurance shall also cover accidents arising out of the use and operation of owned, non-owned and hired automobiles, trucks, and/or other mobile equipment. Automobile liability shall be at least as broad as form number CA 0001, covering code 1 (any auto), covering bodily injury and property damage, with a combined single limit of no less than \$1,000,000 per claim for bodily injury and property damage. General liability shall be at least as broad as occurrence form CG 0001, covering bodily injury, personal injury and property damage. The amounts of coverage of said insurance shall not be less than the following:

Public Liability	\$1,000,000 single limit/\$3,000,000 aggregate
Property Damage	\$1,000,000 single limit/\$3,000,000 aggregate

CONTRACTOR shall further maintain adequate Worker's Compensation Insurance, including occupational disease provisions, under the laws of the State of California and employer's general liability insurance for the benefit of its employees with a combined single limit of no less than \$1,000,000 per claim for bodily injury or disease, and shall require similar insurance to be provided by its subcontractors. A certificate shall be furnished to AUTHORITY showing compliance with above.

Said policies shall have a non-cancellation clause providing that thirty (30) days written notice shall be given to AUTHORITY prior to any material modification or cancellation, and a certificate of such insurance shall be furnished to AUTHORITY by direct mail from CONTRACTOR'S insurance carrier and shall specifically cover any contractual liability incurred hereunder.

All insurance policies shall be on an occurrence basis and cover the period of performance under this Agreement.

The coverage shall contain no special limitations on the scope of protection afforded to the Insured Parties.

CONTRACTOR'S Insurance shall be primary insurance as respects the Insured Parties, and each of them. Any insurance, self-insurance or other coverage maintained by Insured Parties shall be excess of the CONTRACTOR'S insurance and not contribute to it.

Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to Insured Parties.

CONTRACTOR'S insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of insurer's liability.

All insurance policies shall specifically cover any contractual liability incurred pursuant to this Agreement.

Any deductibles or self-insured retention limits must be disclosed to and approved by AUTHORITY prior to execution of this Agreement. At the option of AUTHORITY, either: the insurer shall reduce or eliminate such deductibles as respects the Insured Parties; or CONTRACTOR shall provide a financial guarantee satisfactory to AUTHORITY guaranteeing payment of losses and related investigations, claim administration and defense expenses.

CONTRACTOR shall furnish to AUTHORITY certificates of insurance prior to the commencement of work under this Agreement, and as may be periodically requested by AUTHORITY. CONTRACTOR shall include all endorsements necessary to comply with this Agreement, including additional insured endorsements, signed by the insurer's representative. Such evidence shall include confirmation that coverage includes or has been modified to include all provisions required by this Agreement. CONTRACTOR shall, upon request of AUTHORITY at any time, deliver to AUTHORITY complete, certified copies of the policies of insurance, including endorsements, and receipts for payment or premiums thereon, required by this Agreement. Failure to obtain the required documents prior to the work beginning shall not waive CONTRACTOR'S obligation to provide them.

If any of the required coverages expire during the term of this Agreement, CONTRACTOR shall deliver the renewal certificate(s) including the general liability and auto liability additional insured endorsements to AUTHORITY at least ten (10) days prior to the expiration date.

In the event that CONTRACTOR employs subcontractors to perform any portion of the services to be performed pursuant to this Agreement, it shall be CONTRACTOR'S responsibility to require and confirm that each subcontractor meets the minimum insurance requirements specified in this Agreement.

8. AMENDMENTS. Any amendment, modification, or variation from the terms of this Agreement shall be in writing and shall be effective only upon approval by the General Manager of the AUTHORITY.
9. TERMINATION. If, during the term of this contract, AUTHORITY determines that CONTRACTOR is not faithfully abiding by any term or condition contained herein, AUTHORITY may notify CONTRACTOR in writing of such defect or failure to perform; which notice must give CONTRACTOR five (5) working days thereafter in which to perform said work or cure the deficiency. If CONTRACTOR has not performed the work or cured the deficiency within five (5) days specified in the notice, such shall constitute a breach of this contract and AUTHORITY may terminate this contract immediately by written notice to CONTRACTOR to said effect. Thereafter, neither party shall have any further duties, obligations, responsibilities, or rights under this Agreement, except, however, any and all indemnification, hold harmless and defense obligations of CONTRACTOR shall remain in full force and effect, and shall not be extinguished, reduced, or in any manner waived by the termination hereof. In said event, CONTRACTOR shall be entitled to the reasonable value of its services performed from the beginning of the period in which the breach occurs up to the day it received AUTHORITY's Notice of Termination, minus any offset from such payment representing AUTHORITY's damages from such breach. AUTHORITY reserves the right to delay any such payment, to allow for a full and complete accounting of costs. In no event, however,

shall CONTRACTOR be entitled to receive in excess of the compensation quoted in its bid.

10. STATUS OF CONTRACTOR. CONTRACTOR and its employee(s) are engaged in an independent contractor relationship with AUTHORITY in performing all work, duties and obligations hereunder. AUTHORITY shall not exercise any control or direction over the methods by which CONTRACTOR shall perform its work and functions. AUTHORITY'S sole interest and responsibility is to ensure that the services covered by this Agreement are performed and rendered in a competent, satisfactory and legal manner. CONTRACTOR represents that its employee(s) have the qualifications and skills necessary to perform the services under this Agreement in a competent, professional manner, without the advice or direction of AUTHORITY. CONTRACTOR will supply all tools, materials and equipment required to perform the services under this Agreement. The parties agree that no work, act, commission or omission of CONTRACTOR or its employee(s) pursuant to this Agreement shall be construed to make CONTRACTOR and its employee(s) the agent, employee or servant of AUTHORITY. CONTRACTOR and its employee(s) are not entitled to receive from AUTHORITY vacation pay, sick leave, retirement benefits, Social Security, workers' compensation, disability benefits, unemployment benefits or any other employee benefit of any kind. CONTRACTOR shall be solely responsible for paying all federal and state employment and income taxes, for carrying workers' compensation insurance and for otherwise complying with all other employment law requirements with respect to CONTRACTOR or its employee(s). To the maximum extent allowable by law, CONTRACTOR agrees to indemnify, defend and hold AUTHORITY harmless from any and all liability, damages or losses (including attorney's fees, costs, penalties and fines) AUTHORITY suffers as a result of (a) CONTRACTOR'S failure to meet its employer obligations, or (b) a third party's designation of CONTRACTOR or its employee as an employee of AUTHORITY, regardless of any actual or alleged negligence by AUTHORITY.
11. ASSIGNMENT. Neither this Agreement nor any duties or obligations under this Agreement may be assigned or subcontracted by CONTRACTOR without the prior written consent of AUTHORITY. AUTHORITY has entered into this Agreement in order to receive the professional services of CONTRACTOR. The provisions of this Agreement shall apply to any subcontractor of CONTRACTOR. AUTHORITY shall have the right to approve any subcontractor agreements, in addition to the written consent required by this section.
12. PROPRIETARY RIGHTS. Any written, printed, graphic, or electronically or magnetically recorded information furnished by AUTHORITY for CONTRACTOR'S use are the sole property of AUTHORITY. CONTRACTOR and its employee(s) will keep any information identified by AUTHORITY as confidential in the strictest confidence, and will not disclose it by any means to any person except with AUTHORITY approval, and only the extent necessary to perform the services under this Agreement. This prohibition also applies to CONTRACTOR'S employees, agents, and subcontractors. On termination of this Agreement, CONTRACTOR will promptly return any confidential information in its possession to AUTHORITY.
13. PARTIAL INVALIDITY. If any non-material provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way.
14. COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same

agreement, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

15. PROVISIONS REQUIRED BY LAW. Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed to be inserted herein, and the Agreement shall be read and enforced as though they were included herein. If through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the request of either party, the Agreement shall forthwith be physically amended to make such insertion.
16. GOVERNING LAW. This Agreement and all questions relating to its validity, interpretation, performance, and enforcement (including, without limitation, provisions concerning limitations of actions), shall be governed by and construed in accordance with the laws of the State of California, notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary and without the aid of any canon, custom, or rule of law requiring construction against the draftsman.
17. JURISDICTION, FORUM AND VENUE. The proper jurisdiction, forum and venue for any claims, causes of action or other proceedings concerning this Agreement shall be in the state and federal courts located in the State of California, County of San Diego. AUTHORITY and CONTRACTOR agree not to bring any action or proceeding arising out of or relating to this Agreement in any other jurisdiction, forum or venue. AUTHORITY and CONTRACTOR hereby submit to personal jurisdiction in the State of California for the enforcement of this Agreement and hereby waive any and all personal rights under the law of any state to object to jurisdiction within the State of California for the purposes of any legal action or proceeding to enforce this Agreement, whether on grounds of inconvenient forum or otherwise.
18. COMPLETE AGREEMENT. This written Agreement, including all writings specifically incorporated herein by reference, shall constitute the complete agreement between the parties hereto. No oral agreement, understanding, or representation not reduced to writing and specifically incorporated herein shall be of any force or effect, nor shall any such oral agreement, understanding, or representation be binding upon the parties hereto.
19. AUDIT. AUTHORITY shall have the option of inspecting and/or auditing all records and other written materials used by CONTRACTOR in preparing its statements to AUTHORITY as a condition precedent to any payment to CONTRACTOR. This Agreement is subject to examination and audit of the State Auditor, at the request of AUTHORITY or as part of any audit of AUTHORITY, for a period of three (3) years after final payment under the Agreement. CONTRACTOR shall cooperate with AUTHORITY, including any authorized representatives of AUTHORITY, regarding any such audit at no charge to AUTHORITY.
20. NOTICE. All written notices to the parties hereto shall be sent by United States mail, postage prepaid by registered or certified mail addressed as follows:

AUTHORITY

General Manager
San Elijo Joint Powers Authority
2695 Manchester Avenue
Cardiff, CA 92007

CONTRACTOR

Pacific Green Landscape, Inc.
8834 Winter Gardens Boulevard
Lakeside, CA 92040

Notices shall be deemed communicated as of the day of receipt or the fifth day after mailing, whichever occurs first.

21. PROTECTION OF EXISTING FACILITIES AND NON-INTERFERENCE WITH PLANT OPERATIONS. CONTRACTOR shall perform his duties in such a way that there will be no damage done to existing facilities and all facilities shall be left in the condition they were in prior to the beginning of the contract. CONTRACTOR will also perform all work in such a way that there is no interference with plant operations.
22. AUTHORITY TO EXECUTE AGREEMENT. AUTHORITY and CONTRACTOR do covenant that the individual executing this agreement on their behalf is a person duly authorized and empowered to execute this Agreement for such party.

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

SAN ELIJO JOINT POWERS AUTHORITY

Michael T. Thornton, P.E.
General Manager

PACIFIC GREEN LANDSCAPE, INC.

By: _____ (Signature)

Name: _____ (Print)

Title: _____

Contractor's License and Expiration Date

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

June 8, 2015

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: ADOPTION OF THE SAN ELIJO JOINT POWERS AUTHORITY (SEJPA)
FISCAL YEAR 2015-16 BUDGET, INVESTMENT POLICY, AND
APPOINTMENT OF TREASURER

RECOMMENDATION

It is recommended that the Board of Directors:

1. Adopt Resolution No. 2015-02, Resolution Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2015-16;
2. Adopt Resolution No. 2015-03, Resolution Approving the San Elijo Joint Powers Authority Investment Policy and Guidelines and Appointment of Paul F. Kinkel as SEJPA Treasurer; and
3. Discuss and take action as appropriate.

DISCUSSION

The Fiscal Year (FY) 2015-16 Recommended Budget was presented publicly to the Board of Directors at the April and May 2015 Board meetings for discussion, comments, and direction. SEJPA staff has reached out to both Member Agencies and the other participating government agencies that the SEJPA serves for comments on the Proposed FY 2015-16 Budget. In addition, the SEJPA has posted the budget on its website for public access. The Member Agencies support the budget, and it is in line with expectations for their rate structures. The SEJPA has received no comments or requested changes. Based on this, the recommended Fiscal Year 2015-16 Budget is being presented to the Board of Directors for adoption under Resolution No. 2015-02.

The total recommended Fiscal Year (FY) 2015-16 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 SEJPA Revenue Bonds) is \$5,795,021. The total recommended FY 2015-16 operating budget for the Water Reclamation Fund (which includes operations and maintenance, as well as debt service expenses) is \$2,361,776. The FY 2015-16 appropriation for the Capital Project Fund is \$1,597,000.

SEJPA management has reviewed in detail all aspects of operations, including debt refinancing to control costs without impacting the agency's ability to perform its vital functions. The proposed budget for all program operating costs will increase by approximately \$362,157. The

Recycled Water Program has the largest single impact with an increase of \$248,995 due to higher variable costs (electricity, chemicals, supplies) related to increased water sales, as well as planning efforts to expand the Recycled Water Program regionally. Wastewater Treatment is budgeted to increase \$62,036 or 2.5 percent as a result of \$23,066 anticipated energy cost increases and \$40,000 for miscellaneous repair projects. Ocean Outfall decreased \$47,075 primarily as a result of the completion of the intensive monitoring program. In addition, the SEJPA contracted with the City of Solana Beach to service two of the City's generators at a budgeted cost of \$9,137 and the City of Del Mar to maintain and service the 21st Street pump station at a cost of \$74,981. All other programs have increased \$14,083 or 1.3 percent.

The recommended FY 2015-16 Budget is now ready for consideration for adoption as presented in the attached Resolution No. 2015-02.

INVESTMENT POLICY

State law requires that the Investment Policy be reviewed and adopted annually. The SEJPA has evaluated alternative investment options including the California Asset Management Program ("CAMP"), however no changes are recommended to the SEJPA investment policy at this time. The SEJPA investment policy allows for investment in the State Local Agency Investment Fund (LAIF) and in the San Diego County Investment Pool. These two tools have been the basis of all investment activity since the SEJPA became independent from the County of San Diego.

In addition, State law requires that a SEJPA Treasurer be appointed annually. The current SEJPA Treasurer is Paul F. Kinkel, Director of Finance/Administration. The General Manager recommends reappointing Mr. Kinkel as the SEJPA Treasurer.

It is therefore recommended that the Board of Directors:

1. Adopt Resolution No. 2015-02, Resolution Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2015-16;
2. Adopt Resolution No. 2015-03, Resolution Approving the San Elijo Joint Powers Authority Investment Policy and Guidelines and Appointment of Paul F. Kinkel as SEJPA Treasurer; and
3. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachment 1: Resolution No. 2015-02, "Resolution Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2015-16"

Attachment 2: Resolution No. 2015-03, "Resolution Approving the San Elijo Joint Powers Authority Investment Policy and Guidelines and Appointment of SEJPA Treasurer"

ATTACHMENT 1

RESOLUTION NO. 2015-02

**RESOLUTION APPROVING THE SAN ELIJO JOINT POWERS AUTHORITY
OPERATING AND CAPITAL IMPROVEMENT BUDGETS
FOR FISCAL YEAR 2015-16**

WHEREAS, the San Elijo Joint Powers Authority (SEJPA) General Manager has submitted for the consideration of the SEJPA Board of Directors proposed SEJPA Operating and Capital Projects Budgets for Fiscal Year 2015-16;

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

1. The Board of Directors has reviewed the proposed Operating Budgets and Capital Projects Budget and the funds included herein for the period of July 1, 2015 through June 30, 2016 and hereby finds that such budgets, as reviewed, are sound plans for the financing of required SEJPA operations and capital improvements during Fiscal Year 2015-16. Such budgets are hereby adopted.

San Elijo JPA Operations and Maintenance Fund	\$ 5,795,021
San Elijo JPA Water Reclamation Operating Fund	2,361,776
San Elijo JPA Capital Projects Fund	<u>1,597,000</u>
Total	<u>\$ 9,753,797</u>

2. The Board of Directors authorizes carrying forward unexpended capital project appropriations and encumbered operating funds for the Fiscal Year 2015-16.

PASSED AND ADOPTED this 8th day of June, 2015, by the following vote:

AYES: Boardmembers:

NOES: Boardmembers:

ABSENT: Boardmembers:

ABSTAIN: Boardmembers:

David Zito, Chairperson
SEJPA Board of Directors

ATTEST:

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

ATTACHMENT 2

RESOLUTION NO. 2015-03

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

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

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

1. The SEJPA Treasurer prepared an Investment Policy and Guidelines in 1996, attached hereto as Exhibit A, and incorporated herein by reference as if set forth in full. In order to comply with prudent financial management practices, these guidelines are reviewed and approved on an annual basis in conjunction with the annual budget adoption.
2. The policy is intended to provide guidelines for the prudent investment of the SEJPA's temporary idle cash and outline the policies for maximizing the efficiency of the SEJPA's cash management system.
3. The investment goal is to enhance the economic condition of the SEJPA while insuring the safety of funds invested.
4. The assignment of Paul F. Kinkel as SEJPA Treasurer for the 2015-16 fiscal year.
5. The Board of Directors of the San Elijo Joint Powers Authority does hereby approve the Investment Policy and Guidelines attached hereto as Exhibit A.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the San Elijo Joint Powers Authority, California, held on this 8th day of June, 2015 by the following vote:

AYES: Boardmembers:

NOES: Boardmembers:

ABSENT: Boardmembers:

ABSTAIN: Boardmembers:

David Zito, Chairperson
SEJPA Board of Directors

ATTEST:

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

**EXHIBIT A
TO
RESOLUTION NO. 2015-03**

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

1. PURPOSE

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

2. OBJECTIVE

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

3. POLICY

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

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

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

- C) Yield. Yield is the average annual return on an investment based on the interest rate, price, and length of time to maturity. The SEJPA attempts to obtain the highest yield possible, provided that the basic criteria of safety and liquidity have been met.

4. INVESTMENT INSTRUMENTS

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

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

5. SAFEKEEPING

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

6. INVESTMENT REPORTS

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

7. INVESTMENT OF BOND FUNDS

In accordance with Government Code Section 53601, moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds . . . may be invested in accordance with the statutory provisions governing the issuance of those bonds, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance as identified in an "Indenture of Trust".

* * * End of Policy * * *