

AGENDA
SAN ELIJO JOINT POWERS AUTHORITY
MONDAY MARCH 13, 2017 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
 - IRWM Grant Funding
6. * **CONSENT CALENDAR**
7. * APPROVAL OF MINUTES FOR THE FEBRUARY 13, 2017 MEETING
8. * APPROVAL FOR PAYMENT OF WARRANTS AND MONTHLY INVESTMENT REPORTS
9. * SAN ELIJO WATER RECLAMATION FACILITY TREATED EFFLUENT FLOWS – MONTHLY REPORT
 1. Receive and file this treatment report documenting the recent NPDES permit violation;
 2. Authorize the General Manager to approve a contract with Trussell Technologies to evaluate nitrification options for an amount not to exceed \$59,600; and
 3. Discuss and take action as appropriate.

Staff Reference: General Manager
10. * SAN ELIJO JOINT POWERS AUTHORITY RECYCLED WATER PROGRAM – MONTHLY REPORT

11. * CONSTRUCTION CONTRACT FOR METER VALVE AND AIR VACUUM VALVE REPLACEMENT PROJECT

1. Authorize the General Manager to enter into a construction contract with A.B. Hashmi, Inc. in the amount of \$71,500; and
2. Discuss and take action as appropriate.

Staff Reference: General Manager

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. BOND FINANCING UPDATE

1. Authorize the General Manager to prepare legal documents for a negotiated bond sale for an amount not to exceed \$22.4 million for Wastewater and Recycled Water Infrastructure; and
2. Discuss and take action as appropriate.

Staff Reference: General Manager

14. APPROVAL OF THE LOCAL PROJECT SPONSOR AGREEMENT FOR THE INTEGRATED WATER RESOURCE SOLUTIONS FOR THE CARLSBAD WATERSHED PROJECT

1. Authorize the General Manager to execute the Local Project Sponsor Agreement;
2. Authorize the General Manager to execute a professional services agreement with Hoch Consulting for grant administration for an amount not to exceed \$100,000;
3. Authorize the General Manager to execute a professional services agreement with Dudek for engineering services for an amount not to exceed \$39,910; and
4. Discuss and take action as appropriate.

Staff Reference: General Manager

15. PROFESSIONAL SERVICES AGREEMENT – ARCHITECTURAL SERVICES FOR BUILDING PROGRAM

1. Authorize General Manager to execute professional services agreement with Roesling, Nakamura, Terada Architects for an amount not to exceed \$507,400;
2. Authorize General Manager to execute professional services agreements for ancillary civil, geotechnical, mechanical, and surveying services associated with the project not to exceed \$45,000; and
3. Discuss and take action as appropriate.

Staff Reference: General Manager

16. GENERAL MANAGER'S REPORT

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

17. GENERAL COUNSEL'S REPORT

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

18. BOARD MEMBER COMMENTS

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

19. CLOSED SESSION

None

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

20. ADJOURNMENT

The next regularly scheduled San Elijo Joint Powers Authority Board Meeting will be Monday, April 10, 2017 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: March 8, 2017

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

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

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON FEBRUARY 13, 2017
AT THE
SAN ELIJO WATER RECLAMATION FACILITY

Ginger Marshall, Chair

Tasha Boerner Horvath, Vice Chair

A meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, February 13, 2017, 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 Marshall called the meeting to order at 9:01 a.m.

2. ROLL CALL

Directors Present:

Ginger Marshall
Tasha Boerner Horvath
David Zito
Joe Mosca

Directors Absent:

None

Others Present:

General Manager
Director of Operations
Director of Finance & Administration
Associate Engineer
Accounting Technician
Administrative Assistant/Board Clerk

Michael Thornton
Christopher Trees
Paul Kinkel
Mike Konicke
Carrie Cook
Jennifer Basco

SEJPA Counsel:

Procopio, Cory, Hargreaves & Savitch

Greg Moser

City of Solana Beach:

City Manager
Director of Engineering/Public Works

Greg Wade
Mohammad "Mo" Sammak

City of Encinitas:

Public Works Management Analyst

Bill Wilson

San Dieguito Water District:

General Manager

Bill O'Donnell

Hilltop Securities Inc.

Mike Cavanaugh

3. PLEDGE OF ALLEGIANCE

Chair Marshall led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

None

5. PRESENTATION OF AWARDS

General Manager Michael Thornton presented the following awards to the Board of Directors:

- CWEA, San Diego Section, 2016 Plant of the Year Award – Medium
- CWEA, San Diego Section, 2016 Administrative Support Person of Year – Carrie Cook

6. CONSENT CALENDAR

Board Member Zito removed Agenda Item No. 11, Recommended Debt Management Policy, from the Consent Calendar.

Moved by Board Member Zito and seconded by Chair Marshall to approve the Amended Consent Calendar.

Motion carried with the following vote of approval:

Agenda Item No. 7 Approval of Minutes for the January 9, 2017 meeting

Agenda Item No. 8 Approval for Payment of Warrants and Monthly Investment Report

AYES: Marshall, Boerner Horvath, Zito
NOES: None
ABSENT: None
ABSTAIN: Mosca

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. 12 Proposed Flexible Employee Classification

AYES: Marshall, Boerner Horvath, Zito, Mosca
NOES: None
ABSENT: None
ABSTAIN: None

13. ITEMS REMOVED FROM CONSENT CALENDAR

Agenda Item No. 11 – Recommended Debt Management Policy. Section 2.A.(i)(c) of the Recommended Debt Management Policy states: “The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%.” Board Member Zito suggested including the condition that if financing will exceed the useful life of an asset, then unanimous approval of the Board of Directors is required.

Moved by Board Member Zito and seconded by Vice Chair Boerner Horvath to approve Agenda Item No. 11, Recommended Debt Management Policy, with additional language included that states that average debt going beyond the life of an asset requires unanimous vote of the Board.

Motion carried with the following vote of approval:

AYES: Marshall, Boerner Horvath, Zito, Mosca
NOES: None
ABSENT: None
ABSTAIN: None

14. SAN ELIJO JOINT POWERS AUTHORITY MID-YEAR REVIEW OF THE FISCAL YEAR 2016-17 OPERATING BUDGET

Director of Finance & Administration, Paul Kinkel, presented the mid-year analysis of the SEJPA’s FY 2016-17 estimated financial forecast. Mr. Kinkel stated that overall, the SEJPA is expected to conclude the fiscal year at or below budget. Programs budgeted by the SEJPA include: Wastewater Treatment, Laboratory Services, Ocean Outfall, Cardiff Pump Stations, Solana Beach Pump Stations, City of Solana Beach Services, Encinitas Pump Stations, Encinitas Storm Water, Solana Beach Storm Water, Del Mar Pump Stations, and Recycled Water. Mr. Kinkel informed the Board of Directors that total expenses for the agency are expected to be \$332,743 or 5.5% below budget. As a result of the change in weather patterns and construction delays with the Village Park project, the overall demand for recycled water is lower than anticipated. The current outlook for the Recycled Water program is approximately 70 acre feet less than budget. However, the Recycled Water program revenues are forecasted higher than budget due to receipt of greater than anticipated grant funding.

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

15. PROPOSED BOND FINANCING TEAM

General Manager Thornton stated that in pursuit of a municipal bond financing strategy for its \$22.4 million infrastructure projects, the SEJPA needs to assemble a financing team, which will include a bond underwriter, bond counsel, and bond disclosure counsel. Staff recommended Hilltop Securities Inc. as the firm that provided the best combination of ability to purchase and hold bonds during volatile market periods, geographical location, and value based approach for structuring the bond issuance. Mr. Thornton stated that Staff recommended Propocio to serve as bond counsel and disclosure counsel. Procopio was selected based on their knowledge of the agency, longstanding relationship of trust and support, and qualifications of the proposed attorney team for this

effort. The General Manager stated that Procopio submitted a proposal not-to-exceed of \$120,000; however, no fee will be billed if the bond transaction is abandoned, and the fee will be payable solely from the bond proceeds.

Moved by Board Member Zito and seconded by Chair Marshall to:

1. Approve Hilltop Securities, Inc. as Bond Underwriter; and
2. Approve Procopio as Bond Counsel and Bond Disclosure Counsel.

Motion carried with unanimous vote of approval.

16. REIMBURSEMENT RESOLUTION FROM THE ISSUANCE OF TAX-EXEMPT BONDS

Paul Kinkel, Director of Finance & Administration, informed the Board of Directors that at the January 2017 Board meeting, Staff presented a Capital Bond Financing Update listing the wastewater projects totaling 22.4 million, and a plan to seek municipal bond financing. Prior to receiving bond funding, the SEJPA may incur costs for the planning, permitting, and design of these projects. For costs to be reimbursed from bond proceeds, and to maintain tax exempt status, the SEJPA must declare its intent to use debt proceeds received after the capital expenditures are made for reimbursement. Mr. Kinkel stated that the proposed Resolution 2017-04, complies with applicable requirements of the Internal Revenue Code, and would allow the SEJPA to reimburse itself for such advanced wastewater project costs from the proceeds of the bonds. The adoption of Resolution 2017-04 does not obligate the SEJPA to issue debt.

Moved by Board Member Zito and seconded by Board Member Mosca to:

1. Adopt Resolution 2017-04; "Resolution of the Board of Directors of the San Elijo Joint Powers Authority Declaring the Official Intent of San Elijo Joint Powers Authority to Reimburse itself from the Proceeds of Debt for Capital Expenditures, Certain Preliminary Expenditures, and Costs of Issuance Temporarily Funded from Revenues or Other Sources".

Motion carried with unanimous vote of approval.

17. GENERAL MANAGER'S REPORT

General Manager Thornton updated the Board of Directors on the progress of the Land Outfall Replacement Project. The General Manager also informed the Board Members that a treatment plant upset occurred last month for a period of 4 to 5 days. He contacted the San Diego Regional Quality Control Board to report the incident.

18. GENERAL COUNSEL'S REPORT

Greg Moser informed the Board of Directors that the California Supreme Court recently ruled that attorney invoices for a case that has been resolved are generally public record, may be discoverable, and may need to be produced in response to public records requests.

19. BOARD MEMBER COMMENTS

Chair Marshall suggested presenting a quick overview of current SEJPA projects at the next Board meeting.

20. CLOSED SESSION

None

21. ADJOURNMENT

The meeting adjourned at 10:11 a.m. The next Board of Directors meeting will be held on March 13, 2017.

Respectfully submitted,

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

Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY**PAYMENT OF WARRANTS****17-03****For the Months of January and February 2017**

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
33934	Accent Awnings	Repair Parts Expense	Awnings	961.00
33935	Ag Tech, LLC	Services - Biosolids Hauling	Biosolids hauling - December	12,493.39
33936	AT&T	Utilities - Telephone	DSL - 12/20/16 - 01/19/17	106.01
33937	Atlas Pumping Service Inc.	Services - Grease & Scum	Grease and scum pumping	2,959.88
33938	Automation Direct	Repair Parts Expense	Switch 5 ports and label holder	166.50
33939	Barracuda Networks, Inc.	Utilities - Internet	Network back-up	50.00
33940	Brenntag Pacific, Inc.	Supplies - Chemicals	Sodium Hydroxide	1,709.75
33941	Calpers	Retirement Plan - PERS	1959 survivor benefits - 07/01/16 - 06/30/17	631.20
33942	Chevron & Texaco Business Card	Fuel	Fuel - January	780.10
33943	Coast Waste Management, Inc.	Services - Grit & Screenings	Service charge - 01/01/17 - 01/31/17	177.39
33944	Complete Office	Supplies - Office	Office supplies	93.29
33945	Carrie Cook	Subsistence - Travel	Seminar	93.89
33946	County of San Diego	Fees - Permits	Facility permit fees	356.00
33947	County of San Diego	Fees - Permits	Facility permit fees	356.00
33948	County of San Diego	Fees - Permits	Facility permit fees	1,318.00
33949	County of San Diego	Fees - Permits	Facility permit fees	356.00
33950	CWEA Membership	Dues & Memberships	Electrical/Instrumentation	98.00
33951	DMV	Services - Other	Safety records - 12/01/16 - 12/31/16	4.00
33952	Dudek & Associates	Services - Professional	Encinitas Ranch RW and Headworks Design	44,492.50
33953	EDCO Waste & Recycling Service	Utilities - Trash	January	237.22
33954	City of Encinitas	Service - IT Support	Admin network - February	2,625.00
33955	Ferrellgas	Fuel	Propane for forklift	59.08
33956	Forte of San Diego	Services - Janitorial	February	1,000.00
33957	Global Capacity	Utilities - Internet	T-1 service - March	296.03
33958	Golden Bell Products	Supplies - Chemicals	Lift station degreaser	452.55
33959	Grainger, Inc.	Repair Parts Expense	Magnetic contactor and overload relay, tools	472.77
33960	Hach Company	Supplies - Lab	Laboratory supplies	1,024.45
33961	Home Depot Credit Services	Supplies - Shop & Field	Tools, shop and field supplies	858.60
33962	Jennifer Basco	Subsistence - Travel; CSRMA	Mileage, Health and Wellness	114.96
33963	Kemira Water Solutions, Inc.	Supplies - Chemicals	Ferric Chloride	3,628.16
33964	The Lawton Group	Services - Intern Program	Weeks worked - 01/09/17 - 01/22/17	1,884.91
33965	McMaster-Carr Supply Co.	Supplies - Shop & Field	Plumbing parts, inspection tags, screws, tubing	861.66
33966	Napa Auto Parts	Supplies - Shop & Field	Air filters, antifreeze, battery, coolant test kit	546.72
33967	Olivenhain Municipal Water District	Rent	Pipeline repayment - January	306.00
33968	Peerless Materials Co., LLC	Supplies - Shop & Field	Shop towels	258.60
33969	Public Employees - Retirement	Retirement Plan - PERS	Retirement - 01/14/17 - 01/27/17	11,762.03
33970	Preferred Benefit Insurance	Dental/Vision	Vision - February	285.20
33971	ProBuild Company, LLC	Supplies - Shop & Field	Repairs, tools, shop and field supplies	714.12
33972	Roesling Nakamura Terada Architects	Services - Professional	Building pre-design	5,393.00
33973	Santa Fe Irrigation District	Utilities - Water	Recycled water	1,187.67
33974	San Dieguito Water District	Utilities - Water	Recycled water	1,425.51
33975	San Dieguito Water District	Utilities - Water	Recycled water	8,337.57
33976	Southern California Fleet	Vehicle Maintenance	Preventive maintenance	853.55
33977	Stoney-Miller Consultants, Inc.	Services - Engineering	Percolation testing	6,401.40
33978	SWRCB	Fees - Permits	Annual permit - 01/01/17 - 12/31/17	1,676.00
33979	Test America	Services - Laboratory	Testing water samples	2,094.50
33980	Christopher A. Trees	Subsistence - Meals	Meeting	54.09
33981	Trussell Technologies, Inc.	Services - Engineering	Process engineering and evaluation	336.00
33982	Unifirst Corporation	Services - Uniforms	Uniform service	351.29
33983	Underground Service Alert/SC	Services - Alarm	Dig alert - January	144.00
33984	USA Bluebook	Supplies - Shop & Field	Washdown nozzle, pumps, and dipper	374.32
33985	Vantagepoint Transfer Agents	EE Deduction Benefits	ICMA - 457	6,771.49
33986	Vantagepoint Transfer Agents	ICMA Retirement	ICMA - 401a	2,995.32
33987	VWR International, Inc.	Supplies - Lab	Laboratory supplies	790.79
33988	WageWorks	Payroll Processing Fees	Admin and compliance fee - December	134.00
33989	WEX Bank	Fuel	Fuel - January	184.26
33990	World Water Works, Inc.	Repair Parts Expense	Cast iron pump and cover	6,484.53

SAN ELIJO JOINT POWERS AUTHORITY**PAYMENT OF WARRANTS****17-03****For the Months of January and February 2017**

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
33991	Wonderware California	Licenses	First License Renewal	7,311.00
33992	Aflac	EE Deduction Benefits	Aflac - February	680.92
33993	Ag Tech, LLC	Services - Biosolids Hauling	Biosolids hauling - January	12,204.29
33994	Airgas USA, LLC	Repair Parts Expense	Rent	193.50
33995	All American First Aid & Safety	Supplies - Office	First aid supplies	514.88
33996	Arbor West Tree Surgeons, Inc.	Services - Contractors	Pruning and shaping trees	5,350.00
33997	Susana Arredondo	Supplies - Lab; CSRMA Wellness	Blender for COD test; Health and wellness	81.74
33998	AT&T	Utilities - Telephone	Phone service - 01/13/17 - 02/12/17	370.73
33999	AT&T	Utilities - Telephone	Alarm service - February	398.48
34000	Atlas Pumping Service Inc.	Services - Grease & Scum	Grease and scum pumping	1,692.38
34001	BankCard Center	Vehicle Maintenance	License, seminar, repairs, and maintenance	4,620.43
34002	Brenntag Pacific, Inc.	Supplies - Chemicals	Sodium Hydroxide	1,492.76
34003	Complete Office	Supplies - Office	Calculator	22.83
34004	Corodata	Rent	Record storage - January	82.07
34005	CS-Amsco	Repair Parts Expense	Seat, shaft seals and couplings	4,474.27
34006	DMV	Services - Other	Safety records - 01/01/17 - 01/31/17	12.00
34007	Dudek & Associates	Services - Professional	Project support (SWAP, Turbo Blowers)	2,896.10
34008	Encina Wastewater Authority	Service - EWA Support	Resource sharing - HR and safety	2,898.83
34009	Forte of San Diego	Services - Janitorial	Janitorial services and supplies	1,358.08
34010	Golden State Overnight	Postage/Shipping	Mail water samples	72.97
34011	Hach Company	Repair Parts Expense	TSS probe holder	570.89
34012	Kennedy/Jenks Consultants	Services - Engineering	Land ocean outfall - Final design	69,346.98
34013	Casey Larsen	Subsistence - Travel	Mileage	6.42
34014	The Lawton Group	Services - Intern Program	Weeks worked - 01/23/17 - 02/12/17	2,256.94
34015	Lomas Santa Fe Country Club	Other Personnel Cost	Deposit	150.00
34016	Marine Taxonomic Services, LTD	Services - Contractors	Offshore water sampling	384.00
34017	McMaster-Carr Supply Co.	Repair Parts Expense	Plumbing supplies	155.12
34018	Public Employees- Retirement	Retirement Plan - PERS	Retirement - 01/28/17 - 02/10/17	11,955.86
34019	Procopio Cory Hargreaves	Services - Legal	General - January	15,347.25
34020	RSF Security Systems	Services - Alarm	Security - 12/01/16 - 05/31/17	2,706.00
34021	Rusty Wallis, Inc.	Services - Maintenance	Odor control and water softener	163.32
34022	Santa Fe Irrigation District	SFID Distribution Pipeline	Pipeline purchase payment - January	238.50
34023	San Diego Gas & Electric	Utilities - Gas & Electric	Gas and electric - 01/05/17 - 02/05/17	44,402.37
34024	Smart & Final	Supplies - Office	Kitchen supplies	168.26
34025	SWRCB-DWOCP	Dues & Memberships	Operator certification	60.00
34026	Sun Life Financial	Life Insurance/Disability	Life and disability insurance - March	1,513.65
34027	Test America	Services - Laboratory	Testing water samples	67.00
34028	Technology Integration Group	Services - Maintenance	Copier	91.47
34029	Unifirst Corporation	Services - Uniforms	Uniform service	349.65
34030	San Diego Union-Tribune	Advertising	Legal advertisement	304.58
34031	Vantagepoint Transfer Agents	EE Deduction Benefits	ICMA - 457	6,769.46
34032	Vantagepoint Transfer Agents	ICMA Retirement	ICMA - 401a	2,993.29
34033	Verizon Wireless	Utilities - Telephone	01/11/17 - 02/10/17	246.78
34034	Verizon Wireless	Utilities - Telephone	Cell phone - 01/08/17 - 02/07/17	583.43
34035	VWR International, Inc.	Supplies - Lab	Laboratory supplies	691.19
34036	Water Environment & Reuse Found.	Dues & Memberships	Membership	2,630.00
34037	Willdan Financial Services	Services - Professional	Bond arbitrage rebate service	2,500.00
34038	WorkPartners Occupational	Services - Medical	Medical service	713.63
34039	Wonderware California	Licenses	First License Renewal	283.30
	San Elijo Payroll Account	Payroll	Payroll - 02/03/17	71,554.31
	San Elijo Payroll Account	Payroll	Payroll - 02/17/17	62,562.10
				\$ 489,074.26

SAN ELIJO JOINT POWERS AUTHORITY

PAYMENT OF WARRANTS SUMMARY

**For the Months of January and February 2017
As of February 28, 2017**

PAYMENT OF WARRANTS \$ 489,074.26
Reference Number 17-03

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 February 28, 2017

FUNDS ON DEPOSIT WITH	AMOUNT
LOCAL AGENCY INVESTMENT FUND <i>(JANUARY 2017 YIELD 0.751%)</i>	
RESTRICTED SRF RESERVE	\$ 630,000.00
UNRESTRICTED DEPOSITS	\$ 6,634,444.73
CALIFORNIA BANK AND TRUST <i>(JANUARY 2017 YIELD 0.01%)</i>	
REGULAR CHECKING	\$ 381,006.90
PAYROLL CHECKING	\$ 5,000.00
 TOTAL RESOURCES	 \$ 7,650,451.63

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

March 13, 2017

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

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

RECOMMENDATION

1. Receive and file this treatment report documenting the recent NPDES permit violation;
2. Authorize the General Manager to approve a contract with Trussell Technologies to evaluate nitrification options for an amount not to exceed \$59,600; and
3. Discuss and take action as appropriate.

DISCUSSION

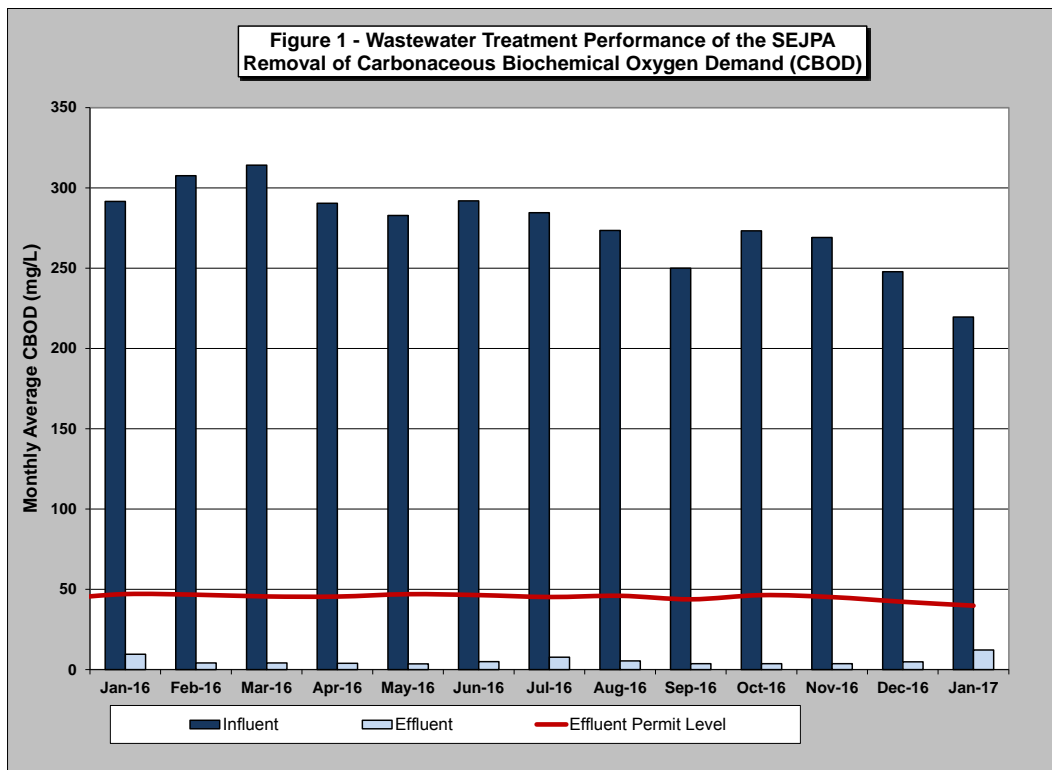
Monthly Treatment Plant Performance and Evaluation

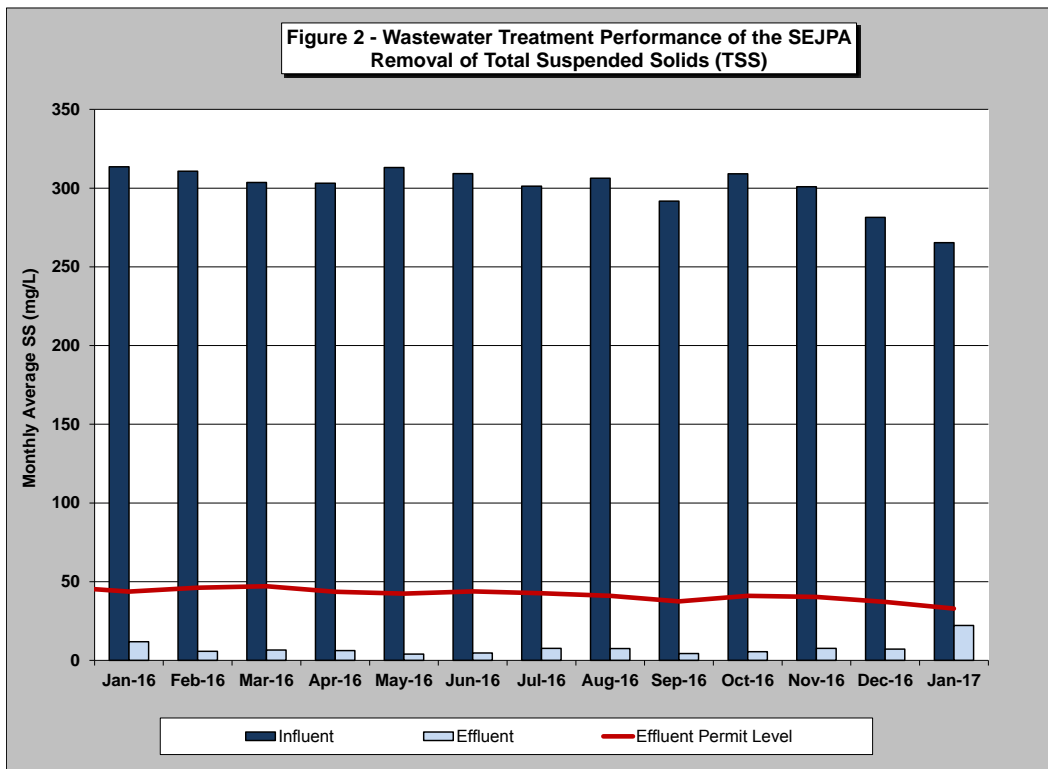
For the month of January 2017, the San Elijo Water Reclamation Facility experienced a biological treatment upset that resulted in non-compliance for NPDES ocean effluent permit requirements. Staff became aware of the treatment system upset on January 18, 2017 and provided notice of the upset event to the Regional Board Staff within 24 hours. Written notice of the treatment system upset was provided in a follow-up report on January 23, 2017. The upset was likely caused by storm events allowing brackish water to enter the sewer collection system resulting in high total dissolved solids (TDS) in the treatment plant, which negatively affected the biological process. SEJPA responded by adding polymer and ferric chloride to the secondary settling tanks, decreasing activated sludge wasting, increasing process sampling, conducting additional microscopic analysis of the activated sludge, increasing plant staffing to monitor and adjust treatment process, importing activated sludge to re-seed the process on January 19, 20, and 21, and retaining process engineering consultant Dr. Shane Trussell to provide peer review and process adjustment recommendations. Staff also requested a proposal from Dr. Trussell to evaluate the potential to convert the existing conventional activated sludge treatment process from a non-nitrifying mode to a nitrifying mode. This is a more robust treatment process and would be less likely to become upset. Also, nitrified effluent is the required treatment mode for potable reuse projects, which could be the direction SEJPA pursues in the future.

Within 4 days, the treatment process was producing permit compliant effluent. Although treatment results were below expectations for roughly 4 days, overall monthly treatment requirements for Carbonaceous Biochemical Oxygen Demand (CBOD) and Total Suspended Solids (TSS) was 94.5 and 91.6 percent removal, respectively, exceeding the minimum treatment requirements of 85%

removal. All other treatment performance requirements were also in compliance except as noted below.

1. Average weekly Total Suspended Solids for week ending 1/21/2017 was 71.8 mg/L (Permit Limit 45 mg/L)
2. Instantaneous Maximum Settleable Solids 1/19/2017 was 34 mL/L (Permit Limit 3.0 mL/L)
3. Instantaneous Maximum Settleable Solids 1/20/2017 was 40 mL/L (Permit Limit 3.0 mL/L)
4. Instantaneous Maximum Settleable Solids 1/21/2017 was 6.0 mL/L (Permit Limit 3.0 mL/L)
5. Average weekly Settleable Solids was 13.5 mL/L (Permit Limit 1.5 mL/L)
6. Average monthly Settleable Solids was 3.3 mL/L (Permit Limit 1.0 mL/L)





Member Agency Flows

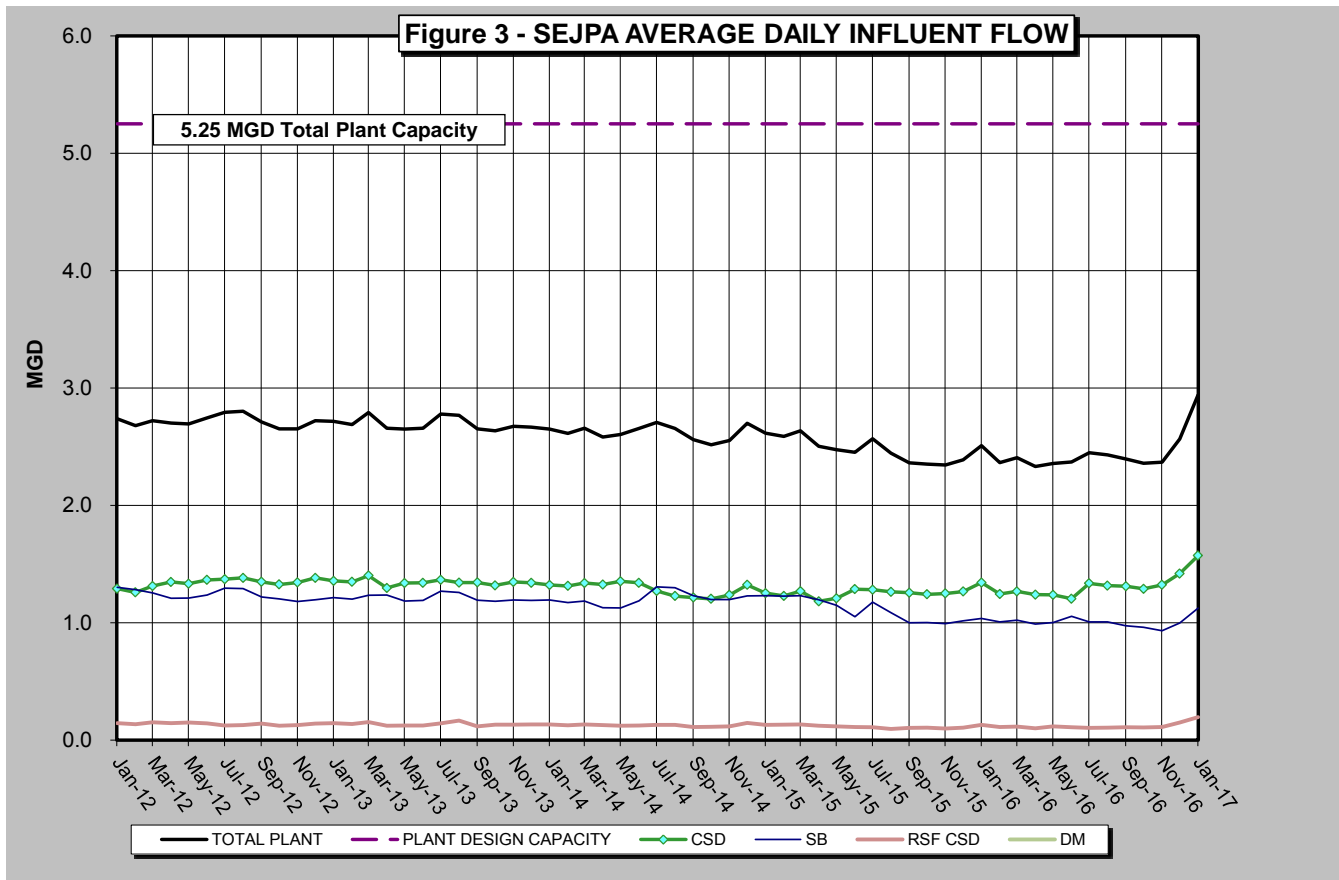
Presented below are the influent and effluent flows for the month of January. Average daily influent flows were recorded for each Member Agency. Total effluent flow was calculated for the San Elijo Water Reclamation Facility. January 2017 is the first month that the City of Del Mar pumped flow to SEJPA. However, due to the treatment process upset and high influent flows associated with the January rain events, the flow was diverted back to San Diego JPA Metro.

	January	
	<u>Influent (mgd)</u>	<u>Effluent (mgd)*</u>
Cardiff Sanitary Division	1.572	1.489
City of Solana Beach	1.125	1.066
Rancho Santa Fe SID	0.197	0.186
City of Del Mar	0.047	0.045
Total San Elijo WRF Flow	2.941	2.786

* 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. 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 2.2 mgd, Rancho Santa Fe Community Service District leases 0.25 mgd, and the City of Del Mar leases 0.60 mgd.



City of Escondido Flows

The average and peak flow rate for the month of January 2017 from the City of Escondido Hale Avenue Resource Recovery Facility, which discharges through the San Elijo Ocean Outfall, is reported below.

	Flow (mgd)
Escondido (Average flow rate)	11.44
Escondido (Peak flow rate)	20.35

Connected Equivalent Dwelling Units

The City of Solana Beach updated the connected EDUs number that is reported to the SEJPA in July 2016. The City of Encinitas and Rancho Santa Fe CSD report their connected EDUs every month. The City of Del Mar has not yet reported the number of connected EDUs. Staff will work with Del Mar to determine this number for a future Board report. The number of EDUs connected for each of the Member Agencies is as follows:

	Connected (EDU)
Cardiff Sanitary Division	8,409
Rancho Santa Fe SID	549
City of Solana Beach	7,683
San Diego (to Solana Beach)	337
City of Del Mar	NA
Total EDUs to System	16,978

FINANCIAL IMPACT

The Wastewater Treatment program has adequate funding and within budget expectation for Wastewater Supplies & Services for the contract with Trussell Technologies not to exceed \$59,600.

It is recommended that the Board of Directors:

1. Receive and file this treatment report documenting the recent NPDES permit violation;
2. Authorize the General Manager to approve a contract with Trussell Technologies to evaluate nitrification options for an amount not to exceed \$59,600; and
3. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachment 1: Trussell Technologies – Nitrification Feasibility Study and Capacity Assessment



March 8, 2017

Christopher Trees, P.E.
Director of Operations
San Elijo Joint Powers Authority
2695 Manchester Avenue
Cardiff by the Sea, CA 92007

Subject: Nitrification Feasibility Study and Capacity Assessment

Dear Chris,

This letter proposal has been prepared in response to recent treatment events experienced by the San Elijo Joint Powers Authority (SEJPA). We applaud the leadership SEJPA has shown with the development of a robust recycled water system in North County San Diego and your continued progressive approach to improve the wastewater treatment process for both permit compliance and enhanced recycled water production. We look forward to working with you to determine the benefits of converting to a nitrifying facility. This project will play a significant role in better defining what will be required to further enhance treatment process reliability and recycled water quality.

We are looking forward to working with you and your staff on this project. I am available to discuss this proposal in further detail as needed.

Respectfully,
Trussell Technologies, Inc.

A handwritten signature in blue ink that reads "R. Trussell". The signature is fluid and cursive, with a long, sweeping underline.

R. Shane Trussell, Ph.D., P.E.

Enclosure: Scope of Work, Duration, and Budget



SCOPE OF WORK

The San Elijo Joint Powers Authority (SEJPA) provides high quality non-potable recycled water to customers in North County San Diego. The San Elijo Water Reclamation Facility (SEWRF) is currently operated in a non-nitrifying mode and the SEJPA is interested in evaluating the potential to convert their existing conventional activated sludge process to a complete nitrification and partial denitrification process to further enhance water quality and treatment plant reliability.

This scope of work describes the tasks that will be performed to evaluate the feasibility and capacity impacts of converting the SEWRF to a nitrification mode.

TASK 1 – Wastewater Characterization

Five (5) years worth of influent flow, raw influent and primary effluent wastewater quality will be requested and analyzed. The data will be evaluated for trends in concentration, load and flows. An evaluation of anticipated performance through the primary clarifiers will be performed for three (3) flow rates – existing flow, flow estimate including Del Mar, and a future flow condition identified by SEJPA for this analysis. A summary of the wastewater characterization will be provided to SEJPA for comment prior to commencing Task 2.

TASK 2 – Biological Modeling with GPS-X

Biological modeling will be performed to treat the influent characteristics developed in Task 1 using both a Modified Ludzig-Ettinger (MLE) and Bardenpho configuration. The solids retention time (SRT), influent flow rate and anoxic/aerobic zone volumes will be varied along with mixed liquor return rates to determine the required airflow rate and effluent quality. The impact of each condition will be evaluated for the impacts on secondary effluent quality and clarifier performance.

TASK 3 – Modeling Results Workshop

A presentation will be prepared to summarize the findings from Tasks 1 and 2 for discussion at the SEWRF. A 4-h workshop will facilitate dialogue on the modeling outcomes to determine the preferred direction for the report preparation.

TASK 4 – Final Report

A draft final report will be prepared that will summarize the assumptions and resulting biological performance with nitrification at the SEWRF. The report will document anticipated capacity restrictions, identify necessary improvements to the secondary treatment process, and provide a cost estimate for implementation. A meeting will be held to review the SEJPA comments on the draft report and the report will then be finalized to incorporate the comments received.



SCHEDULE

The schedule for the proposed project is estimated to be six (6) months.

PROPOSED FEE

Our proposed professional fee for the scope of work outlined above is \$59,600 with the hour details provided in the rate schedule below.



TASK			Budget							
TASK	SUB TASK	DESCRIPTION	TRUSSELL TECHNOLOGIES HOURS					LABOR COST	ODCS	Cost
			PRINCIPAL III	SUP ENG III	SUP ENG II	ENG II	ASS ENG I			
1		Wastewater Characterization	4	0	0	32	56	\$11,028	\$0	\$11,028
	a	Evaluate 5-years of raw wastewater characterization				8	16	\$2,728		\$2,728
	b	Evaluate 5-years of primary effluent quality				8	16	\$2,728		\$2,728
	c	Prepare water quality summary for primary effluent	4			16	24	\$5,572		\$5,572
2		Biological Modeling with GPS-X	10	0	0	80	0	\$12,450	\$0	\$12,450
	a	Model MLE process	2			24		\$3,490		\$3,490
	b	Model bardenpho process	2			24		\$3,490		\$3,490
	c	Optimize biology for nitrogen removal	6			32		\$5,470		\$5,470
3		Modeling Results Workshop	10	4	8	20	24	\$9,862	\$0	\$9,862
	a	Prepare summary presentation to review the results of Task 1 and 2	4	4		16	24	\$6,412		\$6,412
	b	Workshop to discuss outcomes	4		4	4		\$2,220		\$2,220
	c	Meeting minutes	2		4			\$1,230		\$1,230
4		Technical Memorandum	16	26	4	60	80	\$26,260	\$0	\$26,260
	a	Draft feasibility report	8	24	4	40	60	\$19,220		\$19,220
	b	Meeting to discuss report comments	4			4		\$1,480		\$1,480
	c	Final feasibility report	4	2		16	20	\$5,560		\$5,560
Total			40	30	12	192	160	\$ 59,600	\$ -	\$ 59,600

Trussell Technologies Personnel		Rate
Principal Engineer III	R. Shane Trussell	\$245/hr
Supervising Engineer III	Bryan Trussell	\$210/hr
Supervising Engineer II	Eileen Idica	\$185/hr
Engineer II	Brett Faulkner	\$125/hr
Associate Engineer I	Chao-Chun Yang	\$108/hr

*

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

March 13, 2017

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: SAN ELIJO RECYCLED WATER PROGRAM – MONTHLY REPORT

RECOMMENDATION

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

DISCUSSION

Recycled Water Production

For the month of January 2017, recycled water demand was 16.48 acre-feet (AF), which was met using 13.40 AF of recycled water and 3.08 AF of supplementation with potable water. A treatment plant upset in January caused the recycled water production to be unavailable resulting in higher than normal potable water supplementation.

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 sixteen fiscal years. Figure 3 (attached) shows the monthly recycled water demand for each January since the program began operating.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Figure 1 - MONTHLY RECYCLED WATER DEMAND

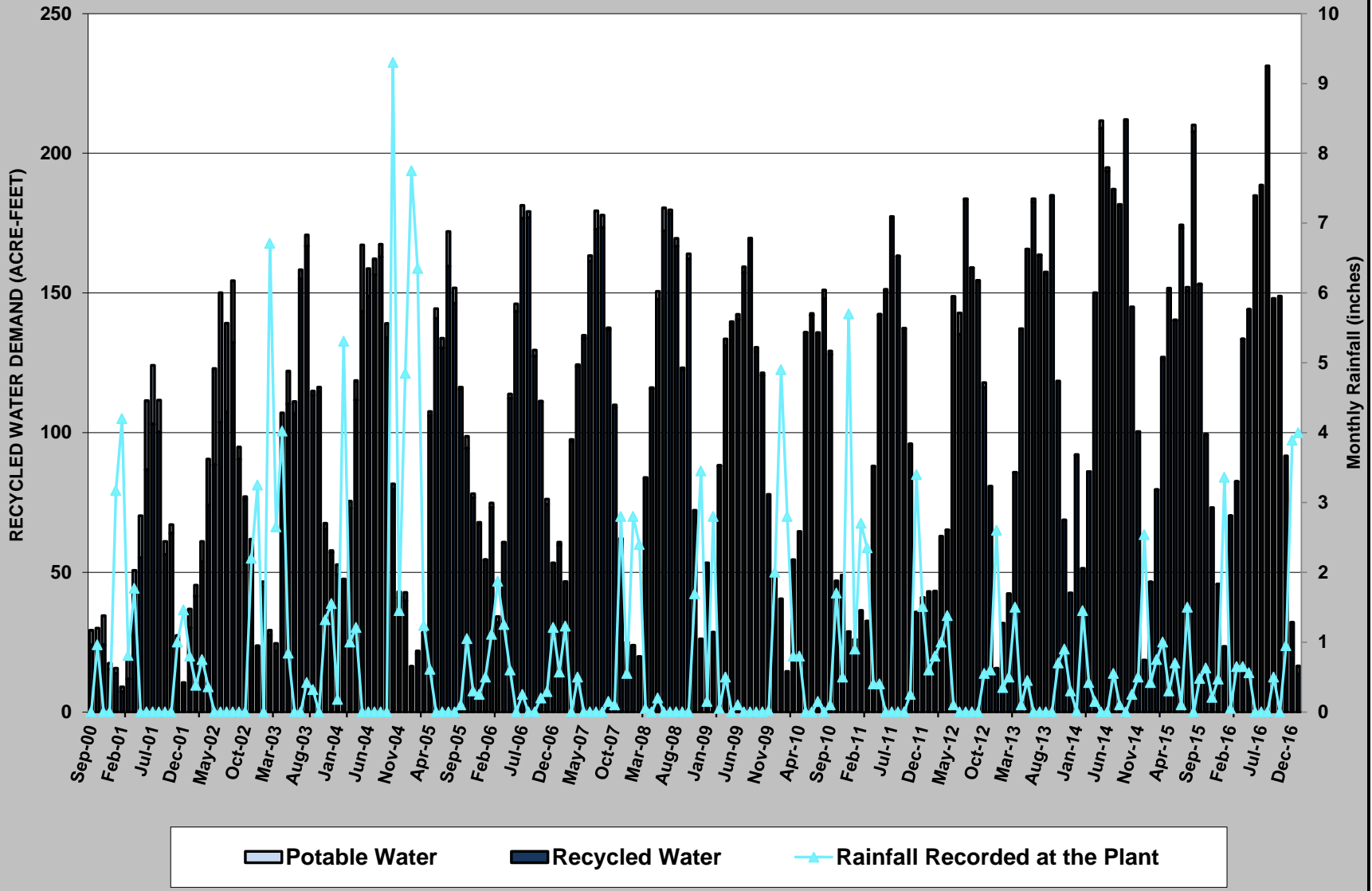


Figure 2 - RECYCLED WATER DEMAND by FISCAL YEAR

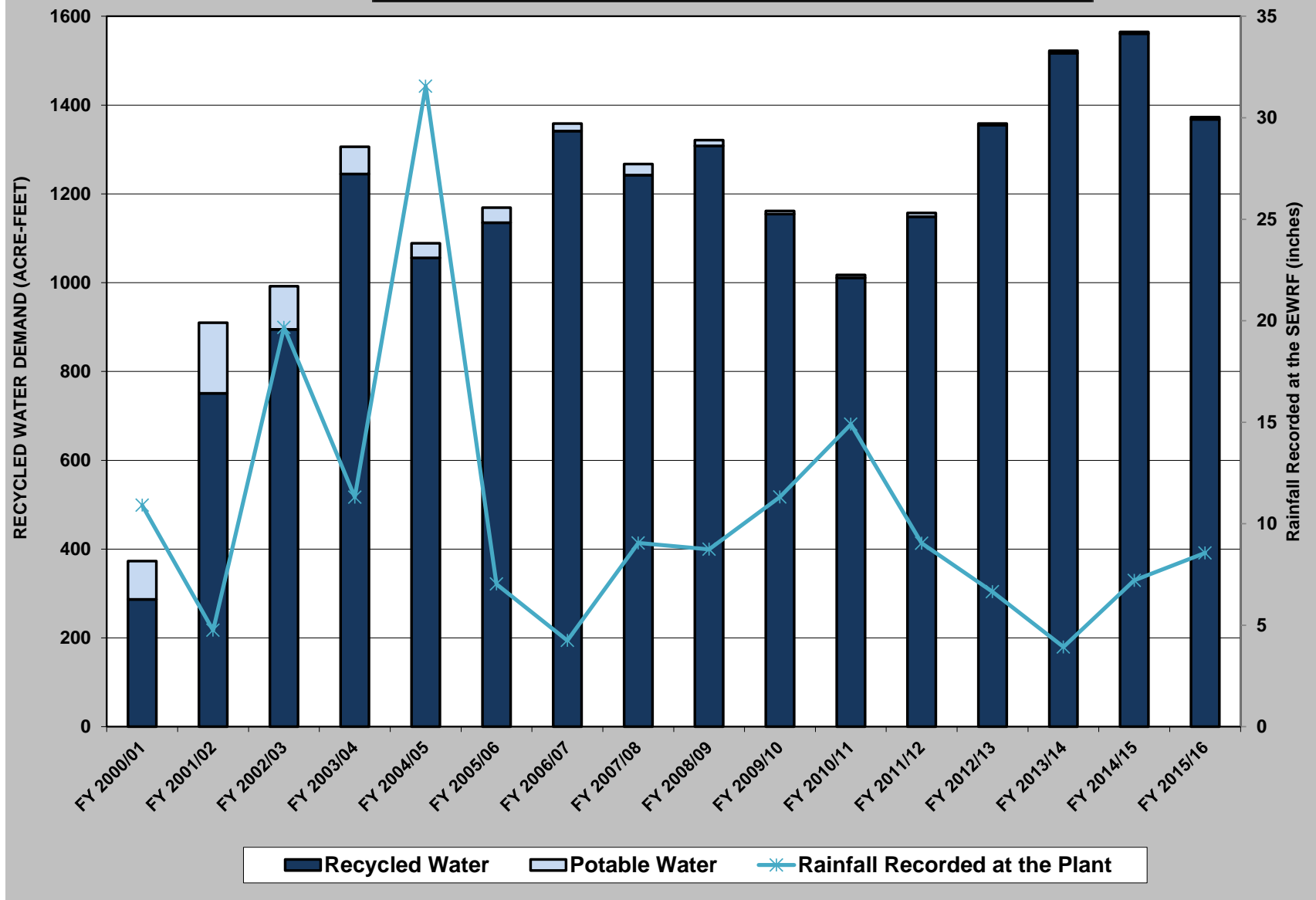
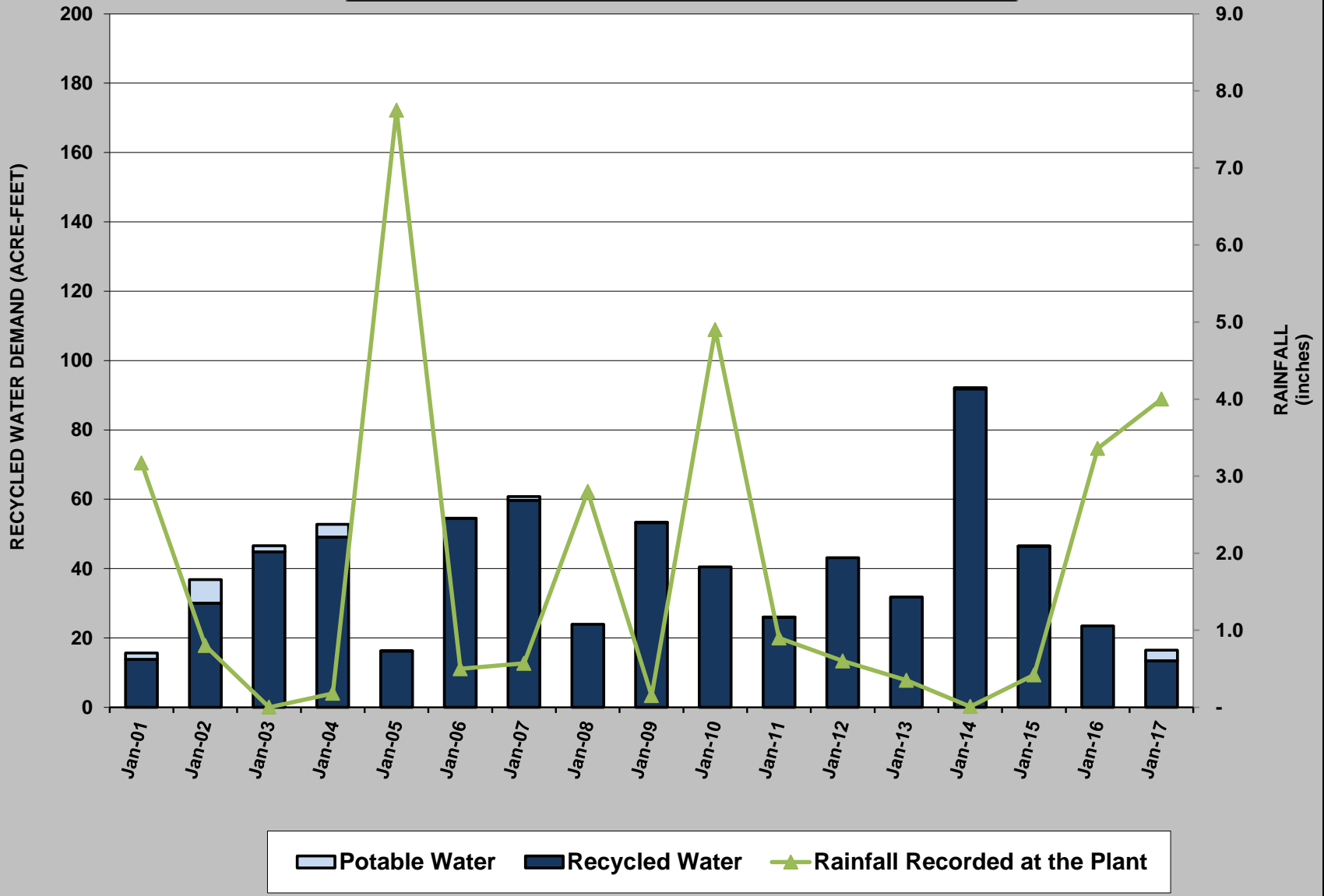


Figure 3 - JANUARY RECYCLED WATER DEMAND



SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

March 13, 2017

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: CONSTRUCTION CONTRACT FOR METER VALVE AND AIR VACUUM
VALVE REPLACEMENT PROJECT

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to enter into a construction contract with A.B. Hashmi, Inc. in the amount of \$71,500; and
2. Discuss and take action as appropriate.

BACKGROUND

The San Elijo Joint Powers Authority (SEJPA) owns and operates a recycled water utility that includes approximately 19 miles of recycled water distribution pipelines located in the cities of Encinitas, Del Mar, and Solana Beach. SEJPA wholesales recycled water to San Dieguito Water District (SDWD), Santa Fe Irrigation District (SFID), Olivenhain Municipal Water District (OMWD), and the City of Del Mar. As the owner and operator of most of the recycled water distribution system, SEJPA has responsibility for maintenance and repairs up to the customer meter, with the exception of OMWD. OMWD assumes responsibility for distribution system pipelines in their service area for which they own.

The recycled water distribution system includes pumps and motors, pipelines, valves, and other appurtenances necessary for the conveyance of water. This infrastructure is inspected and evaluated as part of the SEJPA's asset management program. As a result of recent inspections, the SEJPA identified 24 small valves are leaking or not functioning properly, which require replacement. In addition, the system has 5 air/vacuum release valves that are scheduled to be replaced due to age and wear.

DISCUSSION

Approximately 80 recycled water meter valves were installed in 1999 as part of the original system construction. This contract will replace 24 of the valves, primarily in the southern portion of SEJPA's service area. Staff is currently in the process of inspecting the remaining 56 valves.

The project was advertised in accordance with SEJPA's procurement policy. Three bids were received on Wednesday, March 1, 2017. The low bid was submitted by A.B. Hashmi, Inc.

The construction bids are tabulated below:

A.B. Hashmi, Inc.	\$71,500
Blue Pacific Engineering & Construction	\$88,000
Advanced Construction Services	\$89,000

Staff reviewed the bids for compliance with the Notice Inviting Bids, checked references, and is now recommending award of the construction contract to A.B. Hashmi, Inc.

Staff may seek amending this contract should any of the remaining 56 valves that are currently being inspected need replacement.

FINANCIAL IMPACT

The FY 2016-17 Mid-Year Review estimated \$434,000 of revenue in excess of expense, which is approximately \$110,000 greater than budget. This will provide adequate funding for the project.

It is recommended that the Board of Directors approve the following:

1. Authorize the General Manager to enter into a construction contract with A.B. Hashmi, Inc. in the amount of \$71,500; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachment 1: A.B. Hashmi, Inc. - Amended Bid Submission Form for Air Vacuum Relocation and Angle Meter Stop Replacements

AMENDED BID SUBMISSION FORM

AIR VACUUM RELOCATION AND ANGLE METER STOP REPLACEMENTS

Specification Number SE 2017 AVE

TO: Michael T. Thornton, P.E., General Manager
San Elijo Joint Powers Authority
2695 Manchester Avenue
Cardiff, CA 92007

Dated: 3/1/17

Provision for combination of air vacuum relocation and angle meter stop replacements, as outlined in the Bidding Documents, including without limitation, the Bid Specifications for the San Elijo Water Reclamation Facility to be completed no later than June 30, 2017.

Bidder will complete the Work for the following lump sum price: \$ 71500.00


SEVENTY ONE THOUSAND FIVE HUNDRED (71500.00)
(figures)

BASE BID

Performance of all work indicated in the Specifications, except optional bid items, categorized as follows:

<u>Bid Item</u>	<u>Description</u>	<u>Lump Sum Total</u>
A. General		
1	Mobilization, Demobilization, Contracts, Bonds, Insurance & Permits.	\$ <u>7300.00</u>
B. Sitework		
2	Replacement of five (5) combination air vacuum valves and twenty-four (24) angle meter stops as described in the attached scope of work.	\$ <u>60000.00</u>
C. Miscellaneous		
3	Balance of work included in the overall project scope	\$ <u>4200.00</u>
		Base Bid Total \$ <u>71500.00</u>
<u>Total Bid (Bid Items 1 through 3) – Base Bid</u>		
<u>SEVENTY ONE THOUSAND FIVE HUNDRED</u>		<u>(71500.00)</u>
		(figures)
<hr/>		
(words)		

The Contract will be awarded based on the total bid.

Signature of Authorized Bidder Representative: 
Name of Individual (Typed): AHMAD HASHMI Title: CEO
Firm Name: **A.B. Hashmi, Inc.**
Address: **13066 Deer Canyon Court.**
San Diego, CA 92131
City: SAN DIEGO State: CA Zip: 92131 Telephone: 760-672-8059

END OF BID SCHEDULE

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

March 13, 2017

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: BOND FINANCING UPDATE

RECOMMENDATION

1. Authorize the General Manager to prepare legal documents for a negotiated bond sale for an amount not to exceed \$22.4 million for Wastewater and Recycled Water Infrastructure; and
2. Discuss and take action as appropriate.

BACKGROUND

At the February 2017 Board meeting, Staff presented its recommendation for a municipal bond financing team to fund \$22.4 million for infrastructure projects. Staff outlined its recommendation for selecting Procopio as bond counsel and bond disclosure counsel, which the Board approved.

Staff highlighted its reasoning for considering a negotiated bond sale and, in preparation, had interviewed two underwriters. Staff recommended Hilltop Securities if a negotiated bond sale is selected. The Board approved this recommendation.

Staff also informed the Board that it was in discussions with Fieldman, Rolapp & Associates (FRA) to serve as the financial advisor for the issuance. FRA currently serves as SEJPA's continuing disclosure agent for the 2011 Bonds, and they served as the financial advisor for the successful 2017 Encinitas Bond Refunding.

DISCUSSION

Staff has completed scope and fee negotiations with FRA to serve as the agency's financial advisor. The financial advisor serves as an independent and objective advocate for the SEJPA's financial interests. Furthermore, the advisor will provide planning, plan implementation, assist with credit rating, financial evaluations, transaction management, and continuing disclosure assistance related to the bond issuance.

One of the advisor's roles is to determine the type of bond sale, competitive or negotiated. FRA recommends the SEJPA issue bonds using a negotiated sale. This will provide greater flexibility to enter the market in a volatile post-election bond market to secure the lowest cost of borrowing. Staff has reviewed FRA's recommendation and agrees.

The bond financing team has prepared a proposed schedule to issue bonds prior to the June 17, 2017 Federal Reserve meeting. This may help minimize the effects of a possible interest rate increase.

SEJPA Bond Timeline		March				April				May			
		Week				Week				Week			
Task	Milestone Date	1	2	3	4	1	2	3	4	1	2	3	4
Board Meeting - Receive direction on funding and schedule	March 13	●											
Final Draft of Legal Documents			■	■	■								
Final Draft of Financing Documents						■	■	■	■				
Rating Package to S&P	April 12									●			
City Council Meeting - Approve loan agreements	April 26												●
Receive S&P Rating	April 28												●
Draft Official Statement										■	■	■	■
Pricing Call	May 17												●
Final Official Statement													■
Bond Closing	May 31												●

Staff has and will continue to communicate with the member agencies as part of the bond issue preparation. The proposed schedule includes Member Agency approval at the April 26, 2017 City Council Meetings.

RECOMMENDATION

1. Authorize the General Manager to prepare legal documents for a negotiated bond sale for an amount not to exceed \$22.4 million for Wastewater and Recycled Water Infrastructure; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton
General Manager

Attachment 1: Fieldman, Rolapp & Associates Memorandum re 2017 Wastewater Revenue Bonds – Method of Sale Options

MEMORANDUM

Date: March 1, 2017

To: Mike Thornton, General Manager

From: Jim Fabian, Principal

Re: 2017 Wastewater Revenue Bonds – Method of Sale Options

The San Elijo Joint Powers Authority (“SEJPA”) is considering issuing 2017 Wastewater Revenue Bonds (“2017 Bonds”) to net approximately \$23 million to fund Capital Improvement Projects. In our analysis, we have assumed a publicly sold tax-exempt municipal bond issue with a repayment term of 30 years.

DISCUSSION OF METHOD OF SALE IN THE CURRENT PUBLIC MARKET

The SEJPA can sell bonds in the public market by either a competitive or negotiated sale. In a competitive sale, underwriting firms submit bids on a specified date and time. The lowest all-inclusive fees and interest rate bid wins. A competitive sale provides a transparent and simple interest rate determination process, which generally results in lowest overall cost of borrowing for well-understood transactions. However, this method of sale might not be beneficial for non-standard transactions, infrequent or unknown issuers, and in volatile market conditions, since it could result in timing risk or potentially lead to higher costs.

In a negotiated sale, the interest rates for the financing are determined through a negotiated process. The underwriter in a negotiated sale is selected by the issuer at the onset of the transaction and participates as a member of the financing team. A negotiated method of sale is best for transactions which are atypical, have lower or no ratings, or in circumstances where the issuer accesses the market infrequently. In addition, in volatile market conditions, such as we are currently experiencing, a negotiated sale process allows for early market outreach and premarketing as well as the ability to receive early investor feedback.

The SEJPA used a negotiated sale approach for the issuance of its 2011 Refunding Revenue Bonds (San Elijo Water Reclamation Facility).

The following table summarizes the factors considered in evaluating the appropriate method of sale for a given financing.

MEMORANDUM

COMPARISON OF METHOD OF SALE

General Factors Comparing Competitive and Negotiated Sales		
	COMPETITIVE SALE	NEGOTIATED SALE
Issuer Characteristics		
Market Familiarity	Well-known, established issuer	New or infrequent issuer
Credit Strength	"A" rating or higher	Less than an "A" rating
Policy Goals	Broad, non-specific market participation desired	Policy to include specific firms in distribution
Transaction Characteristics		
Form of Debt	Issue possesses commodity-like characteristics	Issuance is unconventional or uses derivative products
Issue Size and Complexity	Issuance is conventional	Issuance is comparatively large, small, or complex
Market Condition	Stable interest rates	Volatile market
Market Dynamics		
Rate Environment	Financing success not rate dependent	Financing is highly rate-sensitive
Supply and Demand	High demand; Good liquidity	Saturated market; excess supply

While Fieldman, Rolapp & Associates can assist in both a competitive and negotiated sale, it is our recommendation that the SEJPA consider using a negotiated sale of bonds to provide greater flexibility to enter the market in a volatile post-election bond market to secure the lowest cost of borrowing. In addition, the SEJPA has not been in the public market for a while, since the issuance of its 2011 Refunding Revenue Bonds (San Eliso Water Reclamation Facility). Although those bonds are currently rated "AA" by both Standard & Poor's and Fitch, and we expect that the 2017 Bonds will also be highly rated, the fact that the SEJPA has not accessed the bond market for so long and that further market volatility is possible, the risk of underwriting through a competitive bid is increased, which can result in higher fees and/or interest rate bids. In addition, as the Federal Reserve signals a potential increase in the Fed Funds rate and economic conditions evolve in 2017, volatility could be elevated. The expectations in the marketplace at present are that the probability of an increase in the Fed Funds rate as early as March has increased and that factors are supportive of higher rates.

Based on all these considerations, we would recommend that the SEJPA employ a negotiated method of sale for its 2017 Bonds. A review of the 133 water and wastewater transactions priced in California in 2016 shows that 112 of them, totaling \$7.97 billion in par amount, were done on a negotiated basis and 21 of them, amounting to \$1.32 billion, were sold competitively.

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

March 13, 2017

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: APPROVAL OF THE LOCAL PROJECT SPONSOR AGREEMENT FOR THE
INTEGRATED WATER RESOURCE SOLUTIONS FOR THE CARLSBAD
WATERSHED PROJECT

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to execute the Local Project Sponsor Agreement;
2. Authorize the General Manager to execute a professional services agreement with Hoch Consulting for grant administration for an amount not to exceed \$100,000;
3. Authorize the General Manager to execute a professional services agreement with Dudek for engineering services for an amount not to exceed \$39,910; and
4. Discuss and take action as appropriate.

BACKGROUND

Integrated Regional Water Management Planning (IRWMP) was originally derived from Proposition 50, which was passed by California voters in 2002. Proposition 50 stated that IRWM plans should include a description of each region and its participants, regional objectives and priorities, water management strategies, implementation, impacts and benefits, data management, financing, stakeholder involvement, relationship to local planning, and state and federal coordination.

The State of California has since encouraged integrated water resource planning on a regional basis through IRWM plans, and by making certain grant funding programs conditional upon activities contained in IRWMP's.

Several such programs were authorized in 2006 by Proposition 84 (The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act). Proposition 84 authorized \$5.388 billion in general obligation bonds to fund safe drinking water, water quality and supply, flood control, waterway and natural resource protection, water pollution and contamination control, state and local park improvements, public access to natural resources, and water conservation efforts.

In 2007, the San Diego Regional Water Management Group (comprised of the San Diego County Water Authority, City of San Diego, and County of San Diego) collaborated with the Regional Advisory Committee (comprised of water and environmental management stakeholders throughout the San Diego region) to draft the San Diego Integrated Regional Water Management Plan. Completed in late 2007 and subsequently adopted by members of the Regional Water Management Group, the plan seeks to optimize water supply reliability, protect and enhance water quality, provide stewardship of natural resources, and coordinate and integrate water resource management within the region. Additionally, the plan forms the foundation of long-term IRWM planning in the region, fostering coordination, collaboration, and communication among governmental and non-governmental water management stakeholders.

In August 2010, the SEJPA submitted for consideration 2 projects to the Regional Water Management Group for the San Diego region's Round 1 Proposition 84 IRWM grant application. The first project, North San Diego County Cooperative Demineralization, the SEJPA served as the lead agency with the Olivenhain Municipal Water District (OMWD) and the San Elijo Lagoon Conservancy as project partners. The second project, North San Diego County Regional Recycled Water Project (NSDCRRWP), OMWD served as the lead agency and the SEJPA was one of nine partner agencies. Both projects were selected for IRWM San Diego grant funding. Project details include:

- The North San Diego County Cooperative Demineralization Project award value was \$1.05 million, of which SEJPA will receive approximately \$830,000. This project is now complete.
- The NSDCRRWP - Phase I. This project is a collaborative effort of 10 North County cities, water, and wastewater agencies focused on developing infrastructure for expanding recycled water supply and use. The total award value for Phase I is \$1.455 million. SEJPA received approximately \$90,000 for the AWP project. Phase II received \$3.45M in funding and included OMWD's Village Park Recycled water project and pipelines, pumping stations, and other infrastructure to move recycled water from treatment facilities to end users.

On December 8, 2014, the Board approved Resolution No. 2015-01 which acknowledged changes to the original IRWM Plan and memorialized the SEJPA endorsement of the updated plan. The resolution allowed the SEJPA to pursue future IRWM grant funding as a means to help fund recycled water and water quality protection projects.

In 2015, the SEJPA submitted for consideration the Coastal Conservation 101 Project. Project partners included the Cities of Encinitas and Solana Beach, San Dieguito Water District, Santa Fe Irrigation District, Olivenhain Municipal Water District, and the San Elijo Lagoon Conservancy. The project was selected for \$2.5 million grant in January 2016 to expand recycled water service, implement urban runoff pollution control, conduct water quality monitoring associated with the San Elijo Lagoon, and provide educational outreach activities (see Exhibit A for additional project description). The project title was renamed by the grant

administrator to the Integrated Water Resource Solutions for Carlsbad Watershed (Integrated Solutions Project).

DISCUSSION

The Round 4 Proposition 84 IRWM grant agreement was executed on December 19, 2016, between the California Department of Water Resources and the San Diego County Water Authority (SDCWA) acting as the representative for the San Diego IRWMP. This allows the SDCWA to receive the grant funding from the State and distribute payments to the local project sponsors through a local project sponsor agreement. For projects that include multiple agencies or entities, the local project sponsor (or lead agency) must also enter into grant agreement with the partnering agencies (referred to as the local project participants).

For the Integrated Solutions Project, SEJPA will be the Local Project Sponsor (LPS). Attachment 1 is the LPS Agreement between the SEJPA and San Diego County Water Authority for this project. The LPS Agreement establishes the terms of the grant agreement and responsibilities of the local project sponsor. The agreement is intended to ensure that the work elements, as proposed by the project sponsor in the grant application, is completed to an acceptable standard as defined by the granting agency. Grant funding will be on a reimbursement basis, based on grant agreement adherence and acceptability of work.

Upon approval of the Local Project Sponsor agreements, SEJPA will issue Local Project Participant (LPP) agreements with project participants. The terms and conditions of the LPP agreement will mirror the agencies' LPS agreement with SDCWA.

For the management of the grant (invoicing, reporting, performance monitoring, labor compliance), staff recommends retaining Hoch Consulting for a fee not to exceed \$100,000. Hoch Consulting has been managing grants in San Diego County since 2009 and is currently managing seven Prop 84 and Prop 50 grants with over \$10 million in grant funding.

Staff also recommends retaining Dudek for professional engineering services related to recycled water pipeline design for a fee not to exceed \$39,910. This will complete the design, right-of-way, and permitting for the recycled water pipeline on Requeza street.

FINANCIAL IMPACT

The reimbursement grant award for the Integrated Water Resource Solutions for Carlsbad Watershed project is \$2.5 million. Grant administration for the project is \$100,000 of which \$50,000 may be submitted for grant funding and the remaining cost will be funded by the SEJPA. Adequate funding is available for the \$39,910 Dudek recycled water pipeline design in the Recycled Water Capital Program Conveyance and Storage projects.

The grant distribution budget is as follows:

Integrated Water Resource Solutions for the Carlsbad Watershed		
Project Name	Project Element Lead	Proposed Grant Funding
Project Management	SEJPA	\$ 50,000
San Elijo Water Reclamation Facility - LID Project	SEJPA	\$ 375,000
San Elijo Lagoon - Water Monitoring	SAN ELIJO LAGOON CONSERVANCY	\$ 35,000
San Elijo Lagoon - School Outreach Program	SAN ELIJO LAGOON CONSERVANCY	\$ 40,000
SEJPA Recycled Water Pipeline Extensions (Encinitas Ranch/Requeza)	SEJPA/SDWD	\$ 600,000
Encinitas HWY 101 Streetscape and Greenstreet LID Projects	CITY OF ENCINITAS	\$ 200,000
Solana Beach Recycled Water Pipeline Extension (Via De La Valle)	SOLANA BEACH/SFID/SEJPA	\$ 600,000
OMWD Recycled Water Pipeline Extension (Manchester Avenue)	OMWD/SEJPA	\$ 600,000
	TOTAL	\$ 2,500,000

It is recommended that the Board of Directors:

1. Authorize the General Manager to execute the Local Project Sponsor Agreement;
2. Authorize the General Manager to execute a professional services agreement with Hoch Consulting for grant administration for an amount not to exceed \$100,000;
3. Authorize the General Manager to execute a professional services agreement with Dudek for engineering services for an amount not to exceed \$39,910; and
4. Discuss and take action as appropriate.

Respectfully submitted,



Michael Thornton, P.E.
General Manager

Attachment 1: Exhibit A – Work Plan

Attachment 2: Agreement for the Integrated Regional Water Management Program between SEJPA and San Diego County Water Authority – Project No. 6-80044

Attachment 3: Hoch Consulting Professional Services Agreement

Attachment 4: Dudek Professional Engineering Services Agreement

ATTACHMENT 1

EXHIBIT A WORK PLAN

PROJECT DESCRIPTION: Implement multiple streetscape improvements and approximately 4.5 miles of recycled water pipelines in the City of Encinitas and the City of Solana Beach to convert approximately 100 AFY of irrigation from potable water to recycled water, and to decrease flows to the San Elijo Ocean Outfall. This project includes eight components:

Component 1: Highway 101 Streetscape – Reconstruction of Highway 101 from A Street to North Court to include plumbing for recycled water, located just north of Encinitas Boulevard

Component 2: Highway 101 Greenstreet Retrofit – Construct low impact development (LID) streetscape improvements along Highway 101 in the City of Encinitas, which will reduce peak runoff by approximately 4.6%, total runoff by approximately 3.5%, and coliforms reaching the Cottonwood Creek, a 303(d)-listed body of water, by an estimated approximately 45%. The LID elements will be located along Highway 101, just south of Encinitas Boulevard, between E Street and F Street.

Component 3: Manchester Avenue Recycled Water Pipeline – Extend Pipeline No. 1 east along Manchester Avenue in the City of Encinitas to serve Mira Costa College, homeowners associations (HOAs), religious centers, and other customers.

Component 4: Via de la Valle/Highway 101 Recycled Water Pipeline – Extend Pipeline No. 2 west along Via De La Valle in Solana Beach, allowing for conversion of several HOAs, and the City's Coastal Rail Trail to recycled water.

Component 5: Encinitas Ranch / Requeza Street Recycled Water Pipelines – Extend Pipeline No. 3 east adjacent to Paseo De Las Flores in the City of Encinitas to allow for conversion of several HOAs, agricultural sites, and recreational trails to recycled water use. Pipeline No. 4 will also be extended along Requeza Street to serve multiple HOA's.

Component 6: San Elijo Water Reclamation Facility (WRF) LID Project – Construct LID facilities at the San Elijo WRF, which will reduce Total Suspended Solids (TSS) entering San Elijo Lagoon, a 303(d)-listed body of water.

Component 7: San Elijo Lagoon Conservancy (SELC) Water Quality/Quantity Monitoring – Conduct water quality and quantity monitoring in the San Elijo Lagoon. The San Elijo Lagoon, a 303(d) listed body of water that is adjacent to the San Elijo WRF, is a vital and unique ecosystem in the Carlsbad Watershed. This program element proposes to support existing water quality and quantity monitoring efforts in the San Elijo Lagoon and will provide funding for data collection and uploading efforts for approximately two years.

Component 8: SELC Community Outreach – Conduct outreach efforts to transports students from elementary, middle, and high schools (K-12) to key areas in the watershed, such as the Elfin Forest Recreational Reserve and the San Elijo Lagoon, to participate in water conservation/quality education using a state approved curriculum. The proposed support will reach approximately 434 students over two years, including approximately 313 students from Title I low-income schools in Escondido (including Central Elementary, Lincoln Elementary, Farr Elementary, and Felicity Elementary).

ATTACHMENT 2

GRANT AGREEMENT FOR THE INTEGRATED REGIONAL WATER MANAGEMENT PROGRAM RELATED TO 2015 PROPOSITION 84 INTEGRATED REGIONAL WATER MANAGEMENT (IRWM) IMPLEMENTATION GRANT BETWEEN SAN DIEGO COUNTY WATER AUTHORITY AND SAN ELIJO JOINT POWERS AUTHORITY

PROJECT NO. 6-80044
(AGREEMENT NO. 84-4-6-80044)

This Agreement between the San Diego County Water Authority, a county water authority (Water Authority), and San Elijo Joint Powers Authority (San Elijo JPA), a Local Project Sponsor (LPS), sets forth the understanding of the Water Authority and the LPS (collectively Parties) for distribution of a grant award from the State of California Department of Water Resources (State). The Effective Date of this Agreement is _____.

RECITALS:

1. WHEREAS, in November 2006, California voters approved Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act, to assist in financing projects associated with the Integrated Regional Water Management (IRWM) Plan pursuant to Chapter 8 (commencing with Section 79560 Division 26.5 of the California Water Code (CWC)), collectively referred to as IRWM Program.
2. WHEREAS, in September 2013, the IRWM Plan was adopted by the San Diego Regional Water Management Group.
3. WHEREAS, in September 2011 an MOU signed among the City of San Diego, County of San Diego, and Water Authority for the San Diego Regional Water Management Group (RWMG), and the Parties' roles regarding the San Diego IRWM Plan and the division of responsibilities for administration of IRWM grant monies through June 2016.
4. WHEREAS, in May 2016, an amendment to the MOU executed in September 2011 was approved to extend the San Diego Regional Water Management Group (RWMG), and the Parties' roles regarding the San Diego IRWM Plan and the division of responsibilities for administration of IRWM grant monies through June 2019.

The Recitals are incorporated herein, and the Parties do agree as follows:

1. **DEFINITIONS:** The following words and terms, unless otherwise defined, shall mean:
 - a) LPS means Local Project Sponsor. An LPS is a proponent of individual projects that will be funded as part of the IRWM Program grant from the State. The role of an LPS could be performed by entities such as the Water Authority, County of San Diego, City of San Diego, Water Authority member agency, a municipality, a joint powers

- authority, a local public agency, a non-profit 501(c) (3) or a Native American tribe. The LPS for this Agreement is San Elijo Joint Powers Authority (San Elijo JPA).
- b) Grant Agreement means the Grant Agreement no. 4600011516 between the San Diego County Water Authority and the State of California, dated December 19, 2016, for the disbursement of \$31,131,415 in grant funds.
 - c) Project (6– 80044): Integrated Water Resource Solutions for the Carlsbad Watershed.
 - d) LPS Agreement (Agreement): This agreement between the Water Authority and the Local Project Sponsor for the performance of the project and receipt of the grant funds allocated for that project.
2. **TERM OF AGREEMENT:** The term of this Agreement begins on the Effective date and terminates on October 5, 2022 or when all Parties' obligations under this Agreement have been fully satisfied, whichever occurs earlier.
 3. **TOTAL PROJECT COSTS:** The reasonable total cost of the Project is estimated to be \$11,777,322. These costs are summarized in Exhibit B, Budget. The LPS shall fund the difference between the estimate of total project costs and the amount specified in paragraph 4, Grant Amount. The LPS is only responsible for funding the difference for its project (Funding Match and Other Cost Share) as shown on Exhibit B, Budget.
 4. **GRANT AMOUNT:** The maximum amount payable by the State under the LPS Agreement for this Project shall not exceed \$2,500,000.
 5. **LPS COST SHARE:** LPS agrees to fund the difference between the Total Project Cost and the Grant Amount (amount specified in Paragraph 4). Cost Share consists of Funding Match and Additional Cost Share, as documented in Exhibit B. LPS cost share for the project funded through this Agreement is estimated to be \$9,277,322.

Additional Cost Share is the amount necessary to fund the project above the Grant Amount and the Funding Match. The Additional Cost Share for this project is \$600,000. Additional Cost Share will not be reviewed by the Water Authority or the State for invoicing purposes; however, the LPS is required to maintain all financial records associated with the project in accordance with Exhibit G (State and Water Authority Audit Document Requirements and Funding Match Guidelines for Local Project Sponsor).
 6. **FUNDING MATCH:** Funding Match is defined as the minimum amount of LPS Cost Share required, and cannot include other State funds, unless a Disadvantaged Community project waiver is granted. The LPS Funding Match for this project is estimated to be \$8,677,322. LPS's Funding Match may include in-kind services that are part of Exhibit A (Work Plan) and performed after January 1, 2011.

7. LPS RESPONSIBILITIES:

- a) Faithfully and expeditiously perform or cause to be performed all project work as described in Exhibit A (Work Plan) and in accordance with Exhibit B (Budget) and Exhibit C (Schedule).
- b) Accept and agree to comply with all terms, provisions, conditions, and written commitments of this Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by LPS in the grant application, documents, amendments, and communications filed in support of its request for Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 financing.
- c) Comply with all applicable California laws and regulations.
- d) Implement the project(s) in accordance with applicable provisions of the law.
- e) Fulfill its obligations under the LPS and Grant Agreements, and be responsible for the performance of the project.
- f) Perform the scope of work for this project including project construction and management, oversight, compliance and operations and maintenance associated with the project. LPS shall also be solely responsible for work and for persons or entities engaged in work, including, but not limited to, subcontractors, suppliers, and all providers of services under this Agreement. LPS shall fulfill its obligations in a manner that is consistent with this Agreement, the Grant Agreement (4600011516) and the IRWM Program.
- g) Be responsible for all disputes arising out of its contracts for work including, but not limited to, bid disputes and payment disputes with its contractors and consultants or other entities. State or Water Authority will not mediate disputes between the LPS and any other entity regarding performance of work.
- h) Promptly perform, or cause to be performed, all IRWM Program work as described in the scope of work for the Project identified in Exhibit A, Work Plan. LPS shall be responsible for oversight, compliance, and operations and maintenance of Project(s) identified in the Grant Agreement. LPS or its representatives shall perform regular inspections of any construction work in progress.
- i) LPS is solely responsible for design, construction, and operation and maintenance of project(s) identified in Exhibit A. Review or approval of plans, specifications, bid documents, or other construction documents by State or the Water Authority is solely for the purpose of proper administration of grant funds and shall not relieve or limit responsibilities of LPS with regard to its contractual obligations.

- j) Determine insurance and bonding requirements to be imposed on all Consultants/Contractors performing the scope of work on behalf of the LPS. This includes requiring its Consultants/Contractors to name the San Diego County Water Authority its directors, officers, employees and agents and the State of California its directors, officers, employees and agents as additional insured on their Commercial General Liability policy, and the policy shall be endorsed with use of an ISO form CG 20 10 11 85 or a substantially equivalent insurance form.
8. **GENERAL CONDITIONS:** Water Authority shall have no obligation to disburse money for a project under this agreement until LPS has satisfied the following conditions (if applicable):
- a) LPS shall demonstrate the availability of sufficient funds to complete the project, as stated in the Grant Award/Commitment Letter, by submitting the most recent three (3) years of audited financial statements and an Audited Financial Statement Summary.
 - b) LPS must demonstrate compliance with the groundwater compliance options set forth on page 13 and 14 of the IRWM Program Guidelines, dated May 2015.
 - c) For the term of this agreement, LPS submits timely Quarterly Progress Reports as required by Paragraph 19, Submission of Reports.
 - d) LPS submits deliverables as specified in Paragraph 19, Submission of Reports of this Agreement and in Exhibit A, Work Plan.
 - e) Prior to the beginning of construction or implementation activities, LPS shall submit the following to the Water Authority:
 - 1. Final plans and specifications certified by a California Registered Civil Engineer or Geologist as applicable, for the approved project listed in Exhibit A, Work Plan of this Agreement.
 - 2. Environmental Documentation
 - 1. LPS submits to the Water Authority, to be submitted to the State, all applicable environmental permits,
 - 2. Documents that satisfy the CEQA process are received by the Water Authority and the State,
 - 3. State has completed its CEQA compliance review as a Responsible Agency, and
 - 4. LPS receives written concurrence from the State of Lead Agency's CEQA documents and State notice of verification of environmental permit submittal.

State's concurrence of Lead Agency's CEQA documents is fully discretionary and shall constitute a condition precedent to any work (i.e., construction or implementation activities) for which it is required. Once CEQA documentation has been completed, State will consider the environmental documents and decide whether to continue to fund the projects or to require changes, alterations or other mitigation. LPS must also demonstrate that it has complied with all applicable requirements of the National Environmental Policy Act (NEPA) by submitting copies of any environmental documents, including environmental impact statements, Finding of No Significant Impact, and mitigation monitoring program as may be required prior to beginning construction/ implementation.

LPS shall submit environmental documentation listed on the IRWM Environmental Documentation Submittal Requirements provided by the Water Authority from DWR, as applicable.

3. A monitoring plan as required by Paragraph 21, "Project Monitoring Plan Requirements."
9. **DISBURSEMENT BY STATE AND PAYMENT BY WATER AUTHORITY:** Following the review of each invoice, the Water Authority will approve the invoice and disburse payment subject to the availability of funds through normal State and Water Authority processes. Funds will be disbursed by the Water Authority in response to each approved invoice within forty-five (45) days of receipt of funds from the State. No disbursement shall be required at any time in any manner which is in violation of, or in conflict with federal or state laws, or regulations or which may require any rebates to the federal government or any loss of tax-free status on state bonds, pursuant to any federal statute or regulation. Any and all money disbursed by the Water Authority under this Agreement and all interest earned by LPS shall be used solely to pay eligible costs.
10. **ELIGIBLE PROJECT COSTS:** Costs as described in Exhibit A, Work Plan and in accordance with Exhibit B, Budget and Exhibit C, Schedule.

LPS shall apply State funds received only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit B. Eligible project costs include the reasonable costs of studies, engineering, design, land and easement acquisition, legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and project construction. Reasonable administrative expenses may be included as Eligible Project Costs and will depend on the complexity of the project preparation, planning, coordination, construction, acquisitions, and implementation. Reasonable administrative expenses are the necessary costs incidentally but directly related to the projects including the portion of overhead and administrative expenses that are directly related to the projects included in this Agreement in accordance with the standard accounting practices of the LPS. Work performed on the projects after January 17, 2014 shall be eligible for reimbursement with State grant funds.

Costs that are not eligible for reimbursement with State funds cannot be counted as Funding Match. Costs that are not eligible for reimbursement include, but are not limited to the following items:

- a) Costs, other than those noted above, incurred prior to the award date of the Grant.
- b) Operation and maintenance costs, including post construction performance and monitoring costs.
- c) Purchase of equipment not an integral part of a project.
- d) Establishing a reserve fund.
- e) Purchase of water supply.
- f) Monitoring and assessment costs for efforts required after project construction is complete.
- g) Replacement of existing funding sources for ongoing programs.
- h) Travel and per diem costs (per diem includes subsistence and other related costs).
- i) Support of existing agency requirements and mandates (i.e., punitive regulatory agency requirement).
- j) Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a project, as set forth and detailed by engineering and feasibility studies.
- k) Payment of principal or interest of existing indebtedness or any interest payments unless the debt is incurred after execution of this Agreement, unless the Water Authority and the State agree in writing to the eligibility of the costs for reimbursement before the debt is incurred, and the purposes for which the debt is incurred are otherwise eligible costs. However, this will only be allowed as LPS cost share (i.e., Funding Match).
- l) Overhead not directly related to project costs.

11. **METHOD OF PAYMENT:** Submit a copy of invoice for costs incurred and supporting documentation to the IRWM Grant Administrator via the Proposition 84 Webtool (webtool) or another electronic means as directed by the Water Authority's Grant Administrator. Invoices submitted via the webtool shall include the following information:

- a) Reimbursement
 - 1. Costs incurred for work performed in implementing the projects during the period identified in the particular invoice.
 - 2. Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for the projects during the period identified in the particular invoice for the implementation of a project.
 - 3. Invoices shall be submitted on forms provided by the Water Authority and shall meet the following format requirements:
 - (i) Invoices must contain the date of the invoice, the time period covered by the invoice, and the total amount due.

- (ii) Invoices must be itemized based on the categories (i.e., tasks) specified in Exhibit B. The amount claimed for salaries/wages/consultant fees must list the classification or title of each staff/consultant claiming labor costs and include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
- (iii) Sufficient evidence (i.e., receipts, copies of checks or other proof of payment, time sheets) as determined by the Water Authority and the State must be provided for all costs included in the invoice. Additional Cost Share shall be accounted for separately in the progress reports.
- (iv) Each invoice shall clearly delineate those costs claimed for reimbursement from the State's Grant Amount, as depicted in Paragraph 4, Grant Amount and those costs that represent LPS's Funding Match, as applicable, in Paragraph 6, Funding Match.
- (v) The Water Authority will notify the LPS, in a timely manner, when, upon review of an invoice, if the Water Authority or the State determines that any portion or portions of the costs claimed are not eligible costs or are not supported by documentation or receipts acceptable to the Water Authority or the State. LPS may, within fifteen (15) calendar days of the date of receipt of such notice, submit additional documentation to the Water Authority to cure such deficiency(ies). If LPS fails to submit adequate documentation curing the deficiency(ies), the Water Authority will adjust the pending invoice by the amount of ineligible, unsupported or unapproved costs. After the disbursement requirements in Paragraph 8, General Conditions, are met and approved by the Water Authority and the State, the Water Authority, will disburse the whole or portions of State funding to the LPS, following receipt from LPS via US mail, express mail delivery, or from Prop 84 Grants Website (webtool) of an invoice for costs incurred, including the Required Local Cost Share, and timely Quarterly Progress Reports as required by Paragraph 19, Submission of Reports. Invoices shall be submitted no more frequently than quarterly, unless approved in advance by the Water Authority, in arrears, bearing the Grant Agreement, Agreement and the Project Numbers. Invoices submitted beyond the quarterly invoicing schedule must be accompanied by a Progress Report. All invoices must be certified to be true and accurate and submitted by an official representative of the project.

b) Advanced Payment

Water Code §10551 authorizes advance payment by State for projects which are sponsored by a nonprofit organization; a disadvantaged community (DAC); or, the proponent of a project that benefits a DAC. If these projects are awarded less than \$1,000,000 in grant funds, the project proponent may receive an advanced payment of 50% of the grant award; the remaining 50% of the grant award will be reimbursed in arrears. Within seventy-five (75) calendar days of execution of the Grant Agreement, the

LPS shall provide the Water Authority an Advanced Payment Request. The Advanced Payment Request must contain the following:

1. A response from the Local Project Sponsor stating whether it wishes to receive the advanced payment or not.
2. If the Local Project Sponsor is requesting the advanced payment, the request must also include:
 - (i) A funding plan which shows how the advanced funds will be expended within 18 months of this Grant Agreement's execution. (i.e., for what, how much, and when).
 - (ii) A discussion of the Local Project Sponsor's financial capacity to complete the project once the advance funds have been expended.
3. If a Local Project Sponsor is requesting advanced payment, the LPS shall also submit a single Advance Payment Invoice (submitted via the webtool), containing the request of the project to received grant funding. Within sixty (60) calendar days of receiving the Advanced Payment Invoice and subject to the availability of funds, State will authorize payment of the advanced funds sought of fifty percent (50.0%) of the grant award for the qualified project. The Water Authority shall be responsible for the timely distribution of the advanced funds to the individual Local Project Sponsors, estimated to be within 3 weeks of receipt from the State.

The Advance Payment Invoice shall be submitted on forms provided by the Water Authority and shall meet the following format requirements:

1. Invoice must contain the date of the invoice, the time period covered by the invoice, and the total amount due.
2. Invoice must be itemized based on the categories (i.e., tasks) specified in Exhibit B, Budget.
3. Water Authority Grants Administrator will notify the LPS, in a timely manner, when, upon review of an Advance Payment Invoice, the State determines that any portion or portions of the costs claimed are not eligible costs. LPS may, within fifteen (15) calendar days of the date of receipt of such notice, submit additional documentation to cure such deficiency(ies). After the disbursement requirements in Paragraph 8, Basic Conditions (8a and 8b) only are met, State, via the Water Authority, will disburse the whole or portions of State funding to Grantee, following receipt from LPS via the webtool, an invoice for costs incurred, including Cost Share, and timely Progress Reports as required by Paragraph 19, Submission of Reports.

On a quarterly basis, the LPS will submit an Accountability Report to the Water Authority that demonstrates how actual expenditures compare with the scheduled budget. The Accountability Report shall include the following information:

1. An itemization of how advanced funds have been expended to date (Expenditure Summary), including documentation that supports the expenditures (i.e., contractor invoices, receipts, personnel hours, etc.). Invoices must be itemized based on the categories (i.e., tasks) specified in Exhibit B, Budget.
2. A funding plan, which shows how the remaining advanced funds will be expended.
3. Documentation that the funds were placed in a non-interest bearing account, including the dates of deposits and withdrawals from that account.

The Water Authority's Grants Administrator will notify the LPS in a timely manner when, upon review of the Expenditure Summary and notification from the State, that it determines that any portion or portions of the expenditures claimed are not eligible costs. LPS may, within fifteen (15) calendar days of the date of receipt of such notice, submit additional documentation to cure such deficiency(ies). If costs are not consistent with the tasks in Exhibit B, Budget, the Water Authority and the State will reject the claim and remove the costs from the Expenditure Summary.

Once Grantee has expended all advanced funds, then the method of payment will revert to the reimbursement process specified in Paragraph 11a), Method of Payment, Reimbursement, and any remaining requirements of Paragraph 8, General Conditions.

12. **REPAYMENT OF ADVANCES:** The Water Authority may demand repayment from the LPS of all or any portion of the advanced State funding along with interest at the California general obligation bond interest rate at the time the State notifies the Water Authority, as directed by State, and take any other action that it deems necessary to protect its interests for the following conditions:

- a) A project is not being implemented in accordance with the provisions of this Agreement.
- b) LPS has failed in any other respect to comply with the provisions of this Agreement, and if Agreement does not remedy any such failure to Water Authority and State's satisfaction.

Repayment amounts may also include:

- c) Advance funds which have not been expended within 18 months of the Grant Agreement's execution by the Local Project Sponsor.
- d) Actual costs incurred are not consistent with the Exhibit A (Work Plan) activities, not supported, or are ineligible.

e) At the completion of the project, the funds have not been expended.

For conditions 12c) and 12d), repayment may consist of deducting the amount from future reimbursement invoices.

The Water Authority may consider the LPS's refusal to repay the requested advanced amount a substantial breach of this Agreement subject to the default provisions in Paragraph 14, "Default Provisions." If the Water Authority notifies the LPS of its decision to demand repayment or withhold the entire funding amount from the LPS pursuant to this paragraph, this Agreement shall terminate upon receipt of such notice by the Water Authority and the State, through the Water Authority, shall no longer be required to provide funds under this Agreement and the Agreement shall no longer be binding on either party.

13. WITHHOLDING OF GRANT REIMBURSEMENT BY THE WATER

AUTHORITY: If the Water Authority determines that a project is not being implemented in accordance with the provisions of this Agreement, or that LPS has failed in any other respect to comply with the provisions of this Agreement, and if LPS does not remedy any such failure to the Water Authority or State's satisfaction, the Water Authority may withhold from LPS all or any portion of the State funding and take any other action that it deems necessary to protect its interests. Where a portion of the State funding has been disbursed to the LPS and the Water Authority notifies the LPS of its decision not to release funds that have been withheld pursuant to Paragraph 14, Default Provisions, the portion that has been disbursed shall thereafter be repaid immediately with interest at the California general obligation bond interest rate at the time the Water Authority notifies the LPS, as directed by State. The Water Authority may consider the LPS's refusal to repay the requested disbursed amount a contract breach subject to the default provisions in Paragraph 14, Default Provisions." If the Water Authority notifies the LPS of its decision to withhold the entire funding amount from LPS pursuant to this paragraph, this Agreement shall terminate upon receipt of such notice by LPS and the Water Authority shall no longer be required to provide funds under this Agreement and the Agreement shall no longer be binding on either party.

14. DEFAULT PROVISIONS: LPS will be in default under this Agreement if any of the following occur:

- a) Substantial breaches of this Agreement, or any supplement or amendment to it, or any other agreement between LPS and the Water Authority evidencing or securing LPS's obligations.
- b) Making any false warranty, representation, or statement with respect to this Agreement or the application filed to secure this Agreement.
- c) Failure to maintain an IRWM Plan that meets the requirements contained in Part 2.2 of Division 6 of the California Water Code (CWC) commencing with Section 10530.
- d) Failure to operate or maintain projects in accordance with this Agreement.
- e) Failure to make any remittance required by this Agreement.

- f) Failure to comply with Labor Compliance Program requirements, as required by Paragraph 18, Labor Compliance.
- g) Failure to submit timely progress reports.
- h) Failure to routinely invoice the Water Authority.
- i) Failure to meet any of the requirements set forth in Paragraph 15, Continuing Eligibility.

If an event of default occurs, the Water Authority shall provide a notice of default to the LPS and shall give LPS at least five (5) calendar days to cure the default from the date the notice is sent via first-class mail to the LPS. If the LPS fails to cure the default within the time prescribed by the Water Authority, the Water Authority may do any of the following:

- a) Declare the funding be immediately repaid with interest, which shall be equal to State of California general obligation bond interest rate in effect at the time of the default.
- b) Terminate any obligation to make future payments to LPS.
- c) Terminate the Agreement.
- d) Take any other action that it deems necessary to protect its interests.

If the Water Authority finds it necessary to enforce this provision of this Agreement in the manner provided by the law, the LPS agrees to pay all costs incurred by the Water Authority including, but not limited to, reasonable attorneys' fees, legal expenses, and costs.

15. CONTINUING ELIGIBILITY: LPS must meet the following ongoing requirement(s) to remain eligible to receive State funds.

- a) An urban water supplier that receives grant funds governed by this Agreement shall:
 - 1. Maintain compliance with the Urban Water Management Planning Act (CWC§10610 et. seq.) and Sustainable Water Use and Demand Reduction, Part 2.55. of Division 6 (CWC§10608 et. Seq.). Urban water suppliers that submitted AB 1420 compliance Table 2 in 2015 Implementation Grant Application must submit, until June 30, 2016 either:
 - (i) List of tasks to implement the best management practices listed in AB 1420 compliance Table 2 and a corresponding schedule and budget or;
 - (ii) The progress toward the 2015 interim Gallons per Capita per Day (GPCD) target. If not meeting the interim target also include a schedule, financing plan, and budget for achieving the GPCD, as required pursuant to Water Code §10608.24.

By July 1, 2016, all urban water suppliers must submit documentation that demonstrates they are meeting the 2015 interim GPCD target. If not meeting the interim target, also include a schedule, financing plan, and budget for achieving the GPCD, as required pursuant to Water Code §10608.24. Starting June 30,

2017, those urban water suppliers that did not meet their 2015 GPCD target must also submit, by June 30, annual reports that include a schedule, financing plan, and budget for achieving the GPCD (Water Code §10608.24).

2. Have their 2010 UWMP deemed consistent by DWR. The 2015 UWMP update must be submitted to DWR by July 1, 2016. If the 2015 UWMP is not submitted to DWR by July 1, 2016, funding disbursements to the urban water supplier will cease until the 2015 UWMP is submitted. If the 2015 UWMP is deemed inconsistent by DWR, the urban water supplier will be ineligible to receive funding disbursements until the inconsistencies are addressed and DWR deems the UWMP consistent. For more information, visit the following website: <http://www.water.ca.gov/urbanwatermanagement>
- b) An agricultural water supplier receiving grant funding must:
1. Comply with Sustainable Water Use and Demand Reduction requirements outlined in Part 2.55 (commencing with §10608) of Division 6 of the Water Code. Before July 1, 2016, submit a schedule, financing plan, and budget for implementation of the efficient water management practices, required pursuant to Water Code §10608.48.
 2. Have their Agricultural Water Management Plan (AWMP) deemed consistent by DWR. The most recent AWMP update must have been submitted to DWR by December 31, 2015. To maintain eligibility and continue funding disbursements, an agricultural water supply must have their 2015 AWMP deemed consistent by DWR on or before October 1, 2016. For more information, visit the following website: <http://www.water.ca.gov/wateruseefficiency/agricultural/agmgmt.cfm>.
 3. Grantees diverting surface water must maintain compliance with diversion reporting requirements as outlined in Part 5.1 of Division 2 of the Water Code.
 4. Projects with potential groundwater impacts must demonstrate compliance with the groundwater compliance options set forth on pages 14 and 15 of the IRWM Program Guidelines, dated May 2015.
- c) Project Proponents that have been designated as monitoring entities under the California Statewide Groundwater Elevation Monitoring (CASGEM) Program must maintain reporting compliance, as required by CWC§ 10932 and the CASGEM Program.
16. **PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS:** LPS shall be responsible for obtaining any and all permits, licenses, and approvals required for performing any work under this Agreement, including those necessary to perform design, construction, or operation and maintenance of the Projects. LPS shall be responsible for observing and complying with any applicable federal, state, and local laws, rules or regulations affecting any such work, specifically those including, but not limited to, environmental, procurement, and safety laws, rules, regulations, and ordinances. LPS shall provide copies of permits and approvals to the Water Authority.

17. **RELATIONSHIP OF PARTIES:** LPS is solely responsible for design, construction, and operation and maintenance of projects within Exhibit A, Work Plan. Review or approval of plans, specifications, bid documents, or other construction documents by the Water Authority and the State is solely for the purpose of proper administration of funds by the Water Authority or the State and shall not be deemed to relieve or restrict responsibilities of the LPS under this Agreement.
18. **LABOR COMPLIANCE:** LPS agrees to comply with all applicable California Labor Code requirements as stated in D.27 of Exhibit D, Standard Conditions. LPS must, independently or through a third party, adopt and enforce a Department of Industrial Relations-certified Labor Compliance Program (LCP) meeting the requirements of Labor Code Section 1771.5 for projects funded by: Proposition 84 (Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006; PRC Sections 75075 *et seq.*) or other funding source requiring an LCP.

At the Water Authority's request, LPS must promptly provide proof of LPS compliance with this requirement.

19. **SUBMISSION OF REPORTS:** The submittal and approval of all reports is a requirement for the successful completion of this Agreement. Reports shall meet generally accepted professional standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to the Water Authority. All reports shall be submitted to the Water Authority's Grants Administrator, and shall be submitted via the Water Authority's Prop 84 Web tool, or as directed by the Grant Administrator. If requested, LPS shall promptly provide any additional information deemed necessary by the Water Authority for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit E, Report Formats and Requirements. The timely submittal of reports is a requirement for initial and continued disbursement of State funds. Submittal and subsequent approval by the Water Authority and by the State, of a Project Completion Report is a requirement for the release of any funds retained for such projects.
- a) **Progress Reports:** LPS shall submit progress reports on a quarterly basis to meet the State's requirement for disbursement of funds. The reporting period shall not exceed one quarter in length. The report must be submitted by the due date as set by the Water Authority. The progress reports shall be uploaded to the Water Authority's Prop 84 Grant Website (Web tool) or as directed by the Water Authority's Grant Administrator fifteen (15) calendar days after the end of the previous quarter. Quarter period cycle will be determined after execution of this Agreement by the Water Authority. The progress reports shall provide a brief description of the work performed during the reporting period including: LPS's activities, milestones achieved, any accomplishments, deliverables submitted, costs incurred during the period and to date, upcoming work and any problems encountered in the performance of the work under this Agreement. Reporting issues must be resolved within the deadline specified by the Water Authority or an invoice associated with a progress

- report may not be processed. Reporting format is specified in Exhibit E, Report Formats and Requirements.
- b) Accountability Report: LPS shall submit, on a quarterly basis, an Accountability Report containing at a minimum:
1. An itemization of how advanced funds have been expended to date (Expenditure Summary), including documentation that supports the expenditures (i.e., contractor invoices, receipts, personnel hours, etc.). Invoices must be itemized based on the categories (i.e., tasks) specified in Exhibit B.
 2. A funding plan which shows how the remaining advanced funds will be expended.
 3. Provides an accounting of distributing the advanced funds to the appropriate Local Project Sponsor.
 4. Documents that the funds were spent on eligible reimbursable costs.
 5. Documentation that the funds were placed in a non-interest bearing account, including the dates of deposits and withdrawals from that account.
- c) Water Management Status Report: Until June 30, 2016, LPS shall submit status reports on implementation of either AB 1420 status or SBx7-7 water conservation status for the urban water suppliers that submitted an AB 1420 compliance Table 2 in the 2015 Implementation Grant Application. AB 1420 status reports shall be uploaded into the webtool no later than fifteen (15) calendar days after execution of this agreement. SBx7-7 GPCD status reports shall be uploaded via the webtool no later than June 30, 2016. By July 1, 2016 all urban water suppliers must submit an UWMP that demonstrates they are meeting the 2015 interim SBx7-7 GPCD target. If the urban water supplier is not meeting the interim target, then the urban water suppliers must also submit with its UWMP, a schedule, financing plan, and budget for achieving the GPCD (Water Code §10608.24). Starting June 30, 2017, those urban water suppliers that did not meet their 2015 GPCD target must also submit, by June 30, annual reports that include a schedule, financing plan, and budget for achieving the GPCD (Water Code §10608.24). Failure to progress on implementation may result in continuing grant eligibility actions under Paragraph 15, Continuing Eligibility. Before July 1, 2016, all agricultural water suppliers must submit a schedule, financing plan, and budget for implementation of the efficient water management practices, required pursuant to Water Code §10608.48 to comply with Sustainable Water Use and Demand Reduction requirements outlined in Part 2.55 (commencing with §10608) of Division 6 of the Water Code.
- d) Project Completion Report: LPS shall prepare and submit to the Water Authority a separate Project Completion Report for each project. LPS shall submit a Project Completion Report within sixty (60) calendar days of projects completion. Project Completion Report(s) shall include, in part, a description of actual work done, any

changes or amendments to each project, and a final schedule showing actual progress versus planned progress, copies of any final documents or reports generated or utilized during a project and status of goals and targets accomplished by the project. The Project Completion Report shall also include, if applicable, certification of final project by a California Registered Professional (Civil Engineer or Geologist, as appropriate) and consistent with Standard Conditions in Exhibit D. Standard Conditions, Section D. 19, Final Inspections and Certification of Registered Professional. A DWR “Certification of Project Completion” form will be provided by the Water Authority from the State.

- e) Post-Performance Reports: LPS shall submit Post-Performance Reports. Post-Performance Reports shall be submitted to the Water Authority within sixty (60) calendar days after the first operational year of a project has elapsed. This record keeping and reporting process shall be repeated annually for a total of 10 years after the completed projects begins operation and in accordance with the Post Performance Schedule submitted by the LPS with the project Completion Report.

20. OPERATION AND MAINTENANCE OF PROJECT: For the useful life of construction and implementation projects and in consideration of the funding made by the State, LPS agrees to ensure or cause to be performed the commencement and continued operation of each project, and shall ensure or cause each project to be operated in an efficient and economical manner; shall ensure all repairs, renewals, and replacements necessary to the efficient operation of the same are provided; and shall ensure or cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. The State and Water Authority shall not be liable for any cost of such maintenance, management, or operation. LPS or their successors may, with the written approval of the Water Authority, transfer this responsibility to use, manage, and maintain the property. For purposes of this Agreement, “useful life” means period during which an asset, property, or activity is expected to be usable for the purpose it was acquired or implemented; “operation costs” include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses, and “maintenance costs” include ordinary repairs and replacements of a recurring nature necessary for capital assets and basic structures and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures. Refusal of LPS to ensure operation and maintenance of the projects in accordance with this provision may, at the option of the Water Authority, be considered a breach of this Agreement and may be treated as default under Paragraph 14, Default Provisions.

21. PROJECT MONITORING PLAN REQUIREMENTS: LPS Shall develop and submit to the Water Authority a Project Monitoring Plan that incorporates:

- a) Project Performance Monitoring Table requirements outlined in the 2015 Proposition 84 IRWM Implementation Grant Proposal Solicitation Package (pages 20 and 21), and

- b) the guidance provided in Exhibit H, Project Monitoring Plan Guidance. A Project Monitoring Plan shall be submitted to the Water Authority prior to disbursement of State funds for construction or monitoring activities.

22. STATEWIDE MONITORING REQUIREMENTS: LPS shall ensure that all groundwater projects and projects that include groundwater monitoring requirements are consistent with the Groundwater Quality Monitoring Act of 2001 (Part 2.76 (commencing with Section 10780) of Division 6 of California Water Code) and, where applicable, that projects that affect water quality shall include a monitoring component that allows the integration of data into statewide monitoring efforts, including where applicable, the Surface Water Ambient Monitoring Program carried out by the State Water Resources Control Board. See Exhibit F, Requirements for Statewide Monitoring and Data Submittal, for web links and information regarding other State monitoring and data reporting requirements.

23. INDEMNIFICATION:

- a) To the fullest extent permitted by law, the LPS shall:
 - 1. immediately defend, and
 - 2. indemnify the Water Authority, the State, and their directors, officers, and employees from and against all liabilities including, regardless of nature or type arising out of or resulting from LPS' performance of services under this agreement including but not limited to any claims or damages arising from planning, design, construction, maintenance and/or, or any negligent or wrongful act or omission of the LPS or LPS' officers, employees, agents, or subcontractors and in any breach of this Agreement. Liabilities subject to the duties to defend and indemnify include, without limitation all claims, losses, damages, penalties, fines, and judgments; associated investigation and administrative expenses; defense costs, including but not limited to reasonable attorneys' fees; court costs; and costs of alternative dispute resolution. The LPS' obligation to indemnify applies unless it is adjudicated that its liability was caused by the sole negligence or willful misconduct of an indemnified party. If it is finally adjudicated that liability is caused by the comparative active negligence or willful misconduct of an indemnified party, the LPS indemnification obligation shall be reduced in proportion to the established comparative liability of the indemnified party.
- b) The duty to defend is a separate and distinct obligation from the LPS's duty to indemnify. The LPS shall be obligated to defend, in all legal, equitable, administrative, or special proceedings, with counsel approved by the Water Authority and State, the Water Authority and State, their directors, officers, and employees, immediately upon tender to the LPS of the claim in any form or at any stage of an action or proceeding, whether or not liability is established. An allegation or determination of comparative active negligence or willful misconduct by an indemnified party does not relieve the LPS from its separate and distinct obligation to

defend Water Authority and State. The obligation to defend extends through final judgment, including exhaustion of any appeals.

- c) The review, acceptance or approval of the LPS's work or work product by any indemnified party shall not affect, relieve or reduce the LPS's indemnification or defense obligations. This Section survives completion of the services or the termination of this contract. The provisions of this Section are not limited by and do not affect the provisions of this contract relating to insurance.

24. **TERMINATION, IMMEDIATE REPAYMENT, INTEREST:** The Agreement may be terminated by written notice at any time before completion of the IRWM Program at the option of Water Authority or State if LPS breaches the Agreement and has been asked to cure the breach within a reasonable time and fails to do so. If the Agreement is terminated, LPS shall, upon demand, immediately repay to State an amount equal to the amount of grant funds disbursed to LPS. Interest shall accrue on all amounts due at the legal rate of interest allowed by law from the date that notice of termination is mailed to LPS to the date of full repayment.

25. **INSURANCE:**

- a) The LPS shall procure and maintain during the period of performance of this Agreement insurance from insurance companies admitted to do business in the State of California, as set forth in this Section or as additionally required by supplemental condition. An approved combination of pooled and self-insurance coverage is an acceptable alternative for general liability, auto coverage, or workers comp. These policies shall be primary insurance as to the Water Authority so that any other coverage held by the Water Authority shall not contribute to any loss under the LPS's insurance. Coverage may be provided by a combination of primary and excess insurance policies, provided all insurers meet the requirements of this Section.

- b) All insurance shall cover occurrences during the coverage period.

- c) The coverage amount of each policy of insurance shall be as required by the Water Authority.

- 1. The following insurance and limits are required for the agreement:

Commercial General Liability: Coverage at least as broad as ISO form GC 00 01 10 01 Limit per occurrence and aggregate: \$2,000,000

- d) The insurance policies shall be endorsed as follows:

- 1. For the general commercial liability as well as excess or umbrella insurance covering risks within the scope of that type insurance, the San Diego County Water Authority its directors, officers, employees and agents and the State of California its directors, officers, employees and agents are included as additional insureds with regard to liability and defense of suits or claims arising from the operations, products and activities performed by or on behalf of the Named

Insured. The LPS's insurance applies separately to each insured, including insureds added pursuant to this paragraph, against whom claim is made or suit is brought except with respect to the policy limits of liability. The inclusion of any person or entity as an insured shall not affect any right which the person or entity would have as a claimant if not so included. Any failure of the named insureds to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the insureds added pursuant to this paragraph. The additional insured endorsement shall provide coverage at least as broad as ISO form CG 20 10 11 85.

2. The LPS's endorsement of insurance shall include a waiver of any rights of subrogation against the Water Authority, and its directors, officers, employees and agents and the State of California and its directors, officers, employees and agents.
 3. The LPS's insurance shall be primary. Any other insurance or self-insurance available to the Water Authority or persons stated in paragraph (1) shall be in excess of and shall not contribute to the Contractor's insurance.
 4. The insurance shall not be canceled or materially reduced in coverage except after 30 days prior written notice received delivery has been given to the Water Authority, except 10 days' notice shall be allowed for non-payment of premium.
- e) Unless otherwise specified, the insurance shall be provided by an acceptable insurance provider, as determined by the Water Authority, which satisfies the following minimum requirements: An insurance carrier admitted to do business in California and maintaining an agent for process within the state. Such insurance carrier shall maintain a current A.M. Best rating classification of "A- (A minus) " or better and a financial size of \$10 million to \$24 million (Class V) or better, or a Lloyds of London program provided by syndicates of Lloyds of London and other London insurance carriers, providing all participants are qualified to do business in California and the policy provides for an agent for process in the state and the program assures a financial capability at least equal to the required classification and size for admitted insurers.
- f) Certificates of insurance and endorsements shall be provided by the LPS and approved by the Water Authority before execution of the Agreement. Endorsements may be provided on forms provided by the Water Authority, or substantially equivalent forms provided by the insurer.
26. **PERFORMANCE EVALUATION:** Upon completion of this Agreement, LPS's performance will be evaluated by the State and a copy of the evaluation will be placed in the Water Authority and State files and a copy sent to the LPS.
27. **LAWS VENUE:** This Agreement shall be interpreted in accordance with the laws of the state of California. If any action is brought to interpret or enforce any term of this Agreement the action shall be brought in a state or federal court in San Diego County.

28. **ASSIGNMENT:** A Party shall not assign, sublet, or transfer this Agreement or any rights or interest in this Agreement without the written consent of the Water Authority, which may be withheld for any reason.
29. **INTEGRATION:** This Agreement represents the entire understanding of the Parties as to those matters contained herein. No prior oral or written understanding should be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing signed by the Parties.
30. **NOTIFICATION OF WATER AUTHORITY:** LPS shall promptly notify the Water Authority in writing of the following occurrences:
- a) Events or proposed changes that could affect the scope, budget, or work performed under this Agreement. LPS agrees that no substantial change in the scope of a project will be undertaken until written notice of the proposed change has been provided to the Water Authority and the State and the Water Authority has given written approval for such change. Substantial changes generally include changes to the work plan, schedule or term, and budget.
 - b) Any public or media event publicizing the accomplishments and/or results of this Agreement and provide the opportunity for attendance and participation by the Water Authority and State's representatives. LPS shall make such notification at least twenty-one (21) calendar days prior to the event.
 - c) Final inspection of the completed work on a project by a California Registered Professional (Civil Engineer or Geologist, as appropriate), in accordance with Standard Condition D.19 in Exhibit D. LPS shall notify the Water Authority of the inspection date at least twenty-one (21) calendar days prior to the inspection in order to provide the Water Authority and the State the opportunity to participate in the inspection.
31. **NOTICES:** Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Agreement shall be in writing. Notices may be transmitted by any of the following means:
- a) By delivery in person.
 - b) By certified U.S. mail, return receipt requested, postage prepaid.
 - c) By "overnight" delivery service; provided that next-business-day delivery is requested by the sender.
 - d) By electronic means.

Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given five (5) calendar days after the date deposited with the U. S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the

addresses set forth in Paragraph 32. Either Party may, by written notice to the other, designate a different address that shall be substituted for the one below.

32. **PROJECT MANAGERS:** Any party may change its Project Manager upon written notice to the other parties.
- a) Water Authority's Project Manager shall be Mark Stadler, Principal Water Resources Specialist. Water Authority's Project Manager shall be its representative for the administration of this Agreement and shall have full authority to act on behalf of the Water Authority, including authority to execute all payment requests.
 - b) LPS's Project Manager, Michael Thornton, General Manager, shall be its representative for the administration of this Agreement and shall have full authority to act on behalf of LPS, including authority to execute all payment requests, demand, request, consent, or approval that either party desires or is required to give to the other party under this Agreement shall be in writing.
33. **PROJECT REPRESENTATIVES:** The Project Representatives during the term of this Agreement are as follows:

San Elijo Joint Powers Authority
Michael Thornton, P.E.
General Manager
2695 Manchester Avenue
Cardiff by the Sea, CA 92007
Phone: (760) 753-6203 ext. 72
E-mail: Thornton@sejpa.org

San Diego County Water Authority
Loisa Burton
Grant Administrator
4677 Overland Ave.
San Diego CA 92123
Phone: (858) 522-6739
E-mail: lburtonr@sdewa.org

Either party may change its Project Representative or Project Manager upon written notice to the other party.

34. **STANDARD PROVISIONS.** The following Exhibits are attached and made a part of this Agreement by this reference:

- Exhibit A – Work Plan
- Exhibit B – Budget
- Exhibit C – Schedule
- Exhibit D – Standard Conditions
- Exhibit E – Report Formats and Requirements
- Exhibit F – Requirements for Statewide Monitoring and Data Submittal
- Exhibit G – State and Water Authority Audit Document and Funding Match Guidelines for Local Project Sponsor
- Exhibit H – Project Monitoring Plan Guidance

35. **SIGNATURES:** The individuals executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the last date below:

SAN DIEGO COUNTY WATER AUTHORITY

Approved as to form and legality:

By: _____
Robert R. Yamada
Director of Water Resources

By: _____
Rosann Gallien
Deputy General Counsel

Date: _____

Date: _____

SAN ELIJO JOINT POWERS AUTHORITY

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

Date: _____

**EXHIBIT A
WORK PLAN**

PROJECT 6: Integrated Water Resource Solutions for the Carlsbad Watershed

IMPLEMENTING AGENCY: San Elijo Joint Powers Authority (San Elijo JPA)

PROJECT DESCRIPTION: Implement multiple streetscape improvements and approximately 4.5 miles of recycled water pipeline along and adjacent to the Highway 101 corridor in the City of Encinitas and the City of Solana Beach to convert approximately 100 AFY of irrigation from potable water to recycled water, and to decrease flows to the San Elijo Ocean Outfall. This project includes eight components:

Component 1: Highway 101 Streetscape – Reconstruction of Highway 101 from A Street to North Court to include plumbing for recycled water, located just north of Encinitas Boulevard

Component 2: Highway 101 Greenstreet Retrofit – Construct low impact development (LID) streetscape improvements along Highway 101 in the City of Encinitas, which will reduce peak runoff by approximately 4.6%, total runoff by approximately 3.5%, and coliforms reaching the Cottonwood Creek, a 303(d)-listed body of water, by an estimated approximately 45%. The LID elements will be located along Highway 101, just south of Encinitas Boulevard, between E Street and F Street.

Component 3: Manchester Avenue Recycled Water Pipeline – Extend Pipeline No. 1 east along Manchester Avenue in the City of Encinitas to serve Mira Costa College, homeowners associations (HOAs), religious centers, and other customers.

Component 4: Via de la Valle/Highway 101 Recycled Water Pipeline – Extend Pipeline No. 2 west along Via De La Valle in Solana Beach, allowing for conversion of several HOAs, and the City’s Coastal Rail Trail to recycled water.

Component 5: Encinitas Ranch / Requeza Street Recycled Water Pipelines – Extend Pipeline No. 3 east adjacent to Paseo De Las Flores in the City of Encinitas to allow for conversion of several HOAs, agricultural sites, and recreational trails to recycled water use. Pipeline No. 4 will also be extended along Requeza Street to serve multiple HOAs.

Component 6: San Elijo Water Reclamation Facility (WRF) LID Project – Construct LID facilities at the San Elijo WRF, which will reduce Total Suspended Solids (TSS) entering San Elijo Lagoon, a 303(d)-listed body of water.

Component 7: San Elijo Lagoon Conservancy (SELC) Water Quality/Quantity Monitoring – Conduct water quality and quantity monitoring in the San Elijo Lagoon. The San Elijo Lagoon, a 303(d) listed body of water that is adjacent to the San Elijo WRF, is a vital and unique ecosystem in the Carlsbad Watershed. This program element proposes to support

existing water quality and quantity monitoring efforts in the San Elijo Lagoon and will provide funding for data collection and uploading efforts for approximately two years.

Component 8: SELC Community Outreach – Conduct outreach efforts to transports students from elementary, middle, and high schools (K-12) to key areas in the watershed, such as the Elfin Forest Recreational Reserve and the San Elijo Lagoon, to participate in water conservation/quality education using a state approved curriculum. The proposed support will reach approximately 434 students over two years, including approximately 313 students from Title I low-income schools in Escondido (including Central Elementary, Lincoln Elementary, Farr Elementary, and Felicity Elementary).

Budget Category (a): Direct Project Administration

Task 1 Project Management

Manage grant agreement including compliance with grant requirements, and preparation and submission of supporting grant documents and coordination with the Grantee. Prepare invoices including relevant supporting documentation for submittal to DWR via the Grantee. This task also includes administrative responsibilities associated with the project such as coordinating with partnering agencies and managing consultants/contractors.

Deliverables:

- Environmental Information Form (EIF)
- Financial Statements
- Invoices
- Other Applicable Project Deliverables

Task 2 Labor Compliance Program

Take all measures necessary to ensure compliance with applicable California Labor Code requirements, including, preparation and implementation of a labor compliance program or including any payments to the Department of Industrial Relations under Labor Code Section 1771.3.

Deliverables:

- Proof of labor compliance upon request

Task 3 Reporting

Prepare progress reports detailing work completed during reporting period as outlined in Exhibit G of this Agreement. Submit reports to the Grantee for review and inclusion in a progress report to be submitted to DWR.

Prepare Draft Project Completion Report and submit to DWR via the Grantee for DWR Project Manager's comment and review no later than 90 days after project completion. Prepare Final Report addressing Grantee/DWRs comments. The report shall be prepared and presented in accordance with the provision of Exhibit G.

Deliverables:

- Project Progress Reports
- Project Completion Report

Budget Category (b): Land Purchase/Easement

Task 4 Land Purchase/Easement

Prepare and file easement documents to acquire easement for land associated with Component 5: Encinitas Ranch/Requeza Street Recycled Water Pipelines. Land purchase or easement acquisition is not required for the other components of this project.

Deliverables:

- All relevant documentation regarding property ownership transfer or acquisition of easement including final recorded deed and title report

Budget Category (c): Planning/Design/Engineering and Environmental Documentation

Task 5 Feasibility Studies

No feasibility studies will be prepared for the proposed project.

Task 6 CEQA Documentation

Preparation of environmental documentation for each component of the project. All components that do not qualify for a CEQA exemption require Tribal notifications (per PRC §75102) and will be complete during the CEQA process. Components 7 and 8 are not considered “projects” under CEQA and do not require any CEQA documentation. It is anticipated that the remaining components require the following CEQA documentation:

Component 1– Preparation and circulation of a Notice of Preparation and a draft Environmental Impact Report (EIR), filing Notices of Completion and Determination, and preparation of a letter stating no legal challenges (or addressing legal challenges).

Component 2– Preparation and filing of a Notice of Exemption (NOE), and a letter stating no legal challenges (or addressing legal challenges).

Component 3 – Preparation of an Initial Study and anticipated Mitigated Negative Declaration (MND), filing MND and Notice of Determination (NOD), and a letter stating no legal challenges (or addressing legal challenges).

Component 4 – Preparation of lead agency determination that the project is exempt from CEQA, filing of a NOE, and a letter stating no legal challenges (or addressing legal challenges).

Component 5 – Preparation of an Initial Study and anticipated MND, filing MND and NOD, and a letter stating no legal challenges (or addressing legal challenges).

Component 6 – Preparation and filing of a NOE and a letter stating no legal challenges (or addressing legal challenges).

Deliverables:

- Copy of Notices of Preparation
- Draft and Final EIR, NOE, MND
- Copy of Notices of Determination
- No Legal Challenges letters

Task 7 Permitting

Obtain all necessary federal, state, and local permits. No permits are necessary for Components 6, 7, or 8. Permits may include:

Component 1 – Preparation of a local Coastal Development Permit (City of Encinitas), inclusive of a Citizen Participation Plan, and a North County Transit District (NCTD) Permit.

Component 2 – Preparation of a local Coastal Development Permit.

Component 3 – Preparation of a local Coastal Development Permit and potentially a Caltrans Encroachment Permit, if work is required to extend into the CalTrans right-of-way.

Component 4 – Preparation of a NTCD Encroachment Permit.

Component 5 – Preparation of a local Coastal Development Permit and a City of Encinitas Right of Way Permit.

Additional permits may be required and will be obtained as necessary.

Deliverables:

- Copy of all required permits

Task 8 Design

Complete preliminary design including geotechnical investigations, topographic survey, preliminary cost estimates, preliminary design reports, final design plans and specifications as described in the subtasks below. Components 7 and 8 do not require design activities.

Component 1 – Complete preliminary and final design including: preliminary plans, preliminary drainage study, preliminary cost estimate, storm water management plan, traffic impact analysis, final design plans.

Component 2 – Complete preliminary and final design including the following supporting work: project cost estimate and final design plans and specification.

Component 3 – Complete preliminary and final design including the following supporting work: topographic survey, project cost estimate, and final design plans.

Component 4 – Complete preliminary and final design including the following supporting work: preliminary design report, topographic survey, project cost estimate, and final design plans and specification.

Component 5 – Complete preliminary and final design including the following supporting work: topographic survey, project cost estimate, and final design plans.

Component 6 – Complete preliminary and final design including the following supporting work: project cost estimate, and final design plans and specification.

Deliverables:

- Copies of Preliminary Drainage Study, Stormwater Management Plan, and Traffic Impact Analysis Reports
- Topographic Survey
- Engineer’s Cost Estimate
- 100% Design Plans and Specifications

Task 9 Project Monitoring Plan

Develop and submit a Project Monitoring Plan. Along with the Project Performance Measures Table provided by DWR Project Manager, the Project Monitoring Plan (as described in Exhibit J) will include baseline conditions, a brief discussion of monitoring systems to be used, methodology of monitoring, frequency of monitoring, and location of monitoring points.

Deliverables:

- Project Monitoring Plan

Budget Category (d): Construction/Implementation

Task 10 Construction Contracting

Activities necessary to secure a contractor and award the contract for components 1 through 6 include: develop bid documents, prepare advertisement and contract documents for construction contract bidding, conduct pre-bid meeting, bid opening and evaluation, selection of the contractor, award of contract, and issuance of notice to proceed.

Deliverables:

- Bid documents
- Proof of Advertisement
- Award of contract
- Notice to proceed

Task 11 Construction Administration

Manage contractor submittal review, answer requests for information, and issue work directives. Construction will be observed by a competent field inspector or construction manager who will document pre-construction conditions, maintain daily inspection reports, prepare change orders, address questions of the contractor, review the project schedule, review submittals and pay requests, and notify the contractor of deficient work. Construction administration is necessary for components 1 through 6.

Deliverables:

- Notice of Completion

Task 12 Construction/Implementation Activities

Construction/Implementation activities likely include, but are not limited to the following:

Subtask 12.1: Highway 101 Streetscape – Construction includes mobilization, traffic control, demolition of pavement, curb and gutter, ac berms, ac pavement, concrete sidewalk, signs, mailboxes, guardrails, streetlights, pull boxes, stop signs, benches, trash cans, and trees. Additional construction includes approximately: 3,000 cubic yards (CY) of cut and fill; 4,000 linear feet (LF) of storm drain; 18,000 sq. ft. of bioretention area, water appurtenance relocations and adjustments; 88,000 sq. ft. of sidewalk installation; 110,000 sq. ft. of asphalt replacement; 91,763 sq. ft. of irrigation system improvements; 91,763 sq. ft. of soil, plantings, establishments; and 80 street lights installed along the Highway 101 corridor from A Street to North Court.

Subtask 12.2: Highway 101 Greenstreet Retrofit – Construction includes approximately: 20 days of traffic control, construction BMPs; 60 LF of curb and gutter removal; 5,600 sq. ft. of asphalt removal; 370 LF of curb and gutter; 5,600 of permeable pavement; 100 CY of structural layer; 920 sq. ft. of fine grading; 370 LF hydraulic restriction layer; 110 sq. ft. mortared cobble energy dissipater; 100 CY of soil media; 920 sq. ft. of vegetation; 8 CY of mulch.

Subtask 12.3: Manchester Avenue Recycled Water Pipeline – Construct approximately 5,280 LF of PVC reclaimed water pipeline along Manchester Ave., including mobilization and demobilization, traffic control, trenching, excavation, bedding, and backfill, shoring (if required), PVC pipe and appurtenance installation and testing, dewatering, and paving.

Subtask 12.4: Via De La Valle/Highway 101 Recycled Water Pipeline – Construct approximately 6,240 LF of PVC reclaimed water pipeline along Via de la Valle Avenue, including mobilization and demobilization, traffic control, trenching, excavation, bedding, and backfill, shoring (if required), PVC pipe and appurtenance installation and testing, and paving.

Subtask 12.5: Encinitas Ranch/Requeza Street Recycled Water Pipelines – Construct approximately 7,250 LF of PVC recycled water pipeline adjacent to Paseo De Las Flores and Requeza St., including mobilization and demobilization, traffic control, trenching, excavation,

bedding, backfill, shoring (if required), PVC pipe and appurtenance installation and testing, and paving. The Encinitas Ranch pipeline extension also requires construction of a booster pump station.

Subtask 12.6: San Elijo WRF LID Project – Mobilization/demobilization, demolition (asphalt, curb and gutter, and earthwork), grading, constructing new curb and gutter, saw cutting existing curb and gutter, installing permeable pavers, and constructing bioretention areas.

Subtask 12.7: SELC Water Quality/Quantity Monitoring – Maintain existing data monitoring equipment, replace outdated data monitoring equipment, collect data from existing data monitoring equipment, collect grab samples, analyze grab samples, prepare report on data monitored, and upload data to California Environmental Data Exchange Network (CEDEN) database.

Subtask 12.8: SELC Community Outreach – Provide multiple field trips from schools in Encinitas and Escondido to the San Elijo Lagoon. SELC will provide programming on the living watershed to students K-12 via a state-approved curriculum.

Deliverables:

- Photographic documentation
- Engineer's certification
- Water Quality/ Quantity Monitoring Report
- Documentation of number of student's reached for component 12.8

EXHIBIT B
BUDGET

Project Budget					
Project 6: Integrated Water Resource Solutions for the Carlsbad Watershed					
Budget Category		Grant Amount	Funding Match	Additional Cost Share	Total Cost
(a)	Direct Project Administration	\$ 50,000	\$ 75,000	-	\$ 125,000
(b)	Land Purchase	-	\$ 10,000	-	\$ 10,000
(c)	Planning/Design/ Engineering/ Environmental Documentation	\$ 236,898	\$ 1,452,433	-	\$ 1,689,331
(d)	Construction/ Implementation	\$ 2,213,102	\$ 7,139,889	\$ 600,000	\$ 9,952,991
Grand Total		\$ 2,500,000	\$ 8,677,322	\$ 600,000	\$11,777,322

**EXHIBIT C
SCHEDULE**

Project 6: Integrated Water Resource Solutions for the Carlsbad Watershed			
Budget Category/Task		Start Date	End Date
(a)	Direct Project Administration	1/1/2016	5/31/2021
Task 1	Project Management	1/1/2016	5/31/2021
Task 2	Labor Compliance Program	12/14/2015	2/26/2021
Task 3	Reporting	1/1/2016	5/31/2021
(b)	Land Purchase/Easement	N/A	N/A
Task 4	Land Purchase/Easement	N/A	N/A
(c)	Planning/Design/Engineering/ Environmental Documentation	9/1/2013	11/30/2018
Task 5	Feasibility Studies and Planning Efforts	N/A	N/A
Task 6	CEQA Documentation	1/1/2015	10/31/2017
Task 7	Permitting	12/1/2014	8/21/2018
Task 8	Design	9/1/2013	11/30/2018
Task 9	Project Monitoring Plan	1/1/2016	2/28/2017
(d)	Construction/Implementation	2/29/2016	2/26/2021
Task 10	Construction Contracting	5/1/2016	2/28/2020
Task 11	Construction Administration	8/1/2016	2/26/2021
Task 12	Construction/Implementation	2/29/2016	2/26/2021
12.1	Highway 101 Streetscape	3/1/2019	2/26/2021
12.2	Highway 101 Greenstreet Retrofit	4/1/2018	12/31/2019
12.3	Manchester Avenue Recycled Water Pipeline	5/1/2018	10/31/2019
12.4	Via de la Valle/Highway 101 Recycled Water Pipeline	12/14/2015	8/31/2016
12.5	Encinitas Ranch/Requeza Street Recycled Water Pipeline	5/1/2017	10/31/2018
12.6	San Elijo WRF LID Project	5/1/2017	3/30/2018
12.7	SELC Water Quality/Quantity Monitoring	2/29/2016	3/30/2018
12.8	SELC Community Outreach	2/29/2016	3/30/2018

EXHIBIT E
STANDARD CONDITIONS

1. **ACCOUNTING AND DEPOSIT OF FUNDING DISBURSEMENT:**

- a) Separate Accounting of Funding Disbursements and Interest Records: Local Project Sponsor shall account for the money disbursed pursuant to this Local Project Sponsor Agreement separately from all other LPS funds. LPS shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. LPS shall keep complete and accurate records of all receipts, disbursements, and interest earned on expenditures of such funds. LPS shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by the Water Authority and the State at any and all reasonable times.
- b) Fiscal Management Systems and Accounting Standards: The LPS agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of state law, this Agreement or the 2015 Proposition 84, Integrated Regional Water Management (IRWM) Implementation Grant Agreement (4600011516).
- c) Disposition of Money Disbursed: All money disbursed pursuant to this Agreement shall be deposited, administered, and accounted for pursuant to the provisions of applicable law.
- d) Remittance of Unexpended Funds: LPS shall remit to the Water Authority any unexpended funds that were disbursed to the LPS under this Agreement and were not used to pay Eligible Project Costs within a period of thirty (30) calendar days from the final disbursement from the Water Authority to the LPS of funds or, within fifteen (15) calendar days of the expiration of the Agreement, whichever comes first.

2. **ACKNOWLEDGEMENT OF CREDIT:** LPS shall include appropriate acknowledgement of credit to the State and to all cost-sharing partners for their support when promoting the Project or using any data and/or information developed under this Agreement. During construction of the project, LPS shall install a sign at a prominent location, which shall include a statement that the project is financed under the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, administered by State of California, Department of Water Resources. LPS shall notify the Water Authority that the sign has been erected by providing a site map with the sign location noted and a photograph of the sign.

3. **AIR OR WATER POLLUTION VIOLATION:** Under State laws, the LPS shall not be:

- a) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district;
 - b) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or
 - c) finally determined to be in violation of provisions of federal law relating to air or water pollution.
4. **AMENDMENT:** This Agreement may be amended at any time by mutual agreement of the Parties, except insofar as any proposed amendments are in any way contrary to applicable law. Requests by the LPS for amendments must be in writing stating the amendment request and the reason for the request. The Water Authority and the State shall have no obligation to agree to an amendment.
 5. **AMERICANS WITH DISABILITIES ACT:** By signing this Agreement, LPS assures the Water Authority and the State that *it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101 et seq.)*, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.
 6. **APPROVAL:** This Agreement is of no force or effect until signed by all parties to the agreement. LPS may not submit invoices or receive payment until all required signatures have been obtained.
 7. **AUDITS:** The State or the Water Authority reserves the right to conduct an audit at any time between the execution of this Agreement and the completion of Project, with the costs of such audit borne by the Water Authority or the State. After completion of the Project, the State or the Water Authority may require LPS to conduct a final audit to State's specifications at LPS expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. For post completion audits initiated by the Water Authority, costs of independent auditor firm will be borne by the Water Authority provided that no misappropriation of funds is discovered as a result of such audit. Failure or refusal by LPS to comply with this provision shall be considered a breach of this Agreement, and the Water Authority or the State may elect to pursue any remedies provided in Paragraph 13, Withholding of Grant Reimbursement by the Water Authority (or take any other action it deems necessary to protect its interests).

Pursuant to Government Code Section 8546.7, the LPS shall be subject to the examination and audit by the California State Auditor and the Water Authority for a period of three years after completion of Grant Agreement no. 4600011516. All records of Local Project Sponsor and its subcontractors shall be preserved for at least three (3) years after Grant Agreement no. 460011516 between the State and the Water Authority is completed or after final billing or by October 2, 2025, whichever is later. Please see Exhibit G (Water Authority and State Audit Document Requirements and Funding

Match Guidelines), for a listing of documents/records that the State Auditors and the Water Authority will need to review in case of an audit.

8. **BUDGET CONTINGENCY:** If the State's Budget Act of the current year covered under this Agreement does not appropriate sufficient funds for the Proposition 84 Implementation Grant Program, this Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of State and the Water Authority to make any payments under this Agreement. In this event, the Water Authority shall have no liability to pay any funds whatsoever to the LPS or to furnish any other considerations under this Agreement and LPS shall not be obligated to perform any provisions of this Agreement. Nothing in this Agreement shall be construed to provide LPS with a right of priority for payment over any other LPS.

The Water Authority will not make payments of any kind, including advances or reimbursements, until State funding is made available by the State Treasurer. If the State ceases payment, the Water Authority has no obligation to make payments for any work done and not reimbursed by the State.

If the State funding for any fiscal year after the current year covered by this Agreement is reduced or deleted by the State's Budget Act for purposes of this program, the Water Authority shall have the option to either cancel this Agreement with no liability occurring to the Water Authority, or offer an amendment that reflects the reduced amount.

9. **CALIFORNIA CONSERVATION CORPS:** As required in Water Code Section 79038(b), LPS shall examine the feasibility of using the California Conservation Corps or community conservation corps to accomplish the habitat restoration, enhancement and protection activities listed in the Exhibit A, Work Plan, and shall use the services of one of these organizations whenever feasible.

10. **CEQA:** Activities funded under this Agreement, regardless of funding source, must be in compliance with the California Environmental Quality Act (CEQA) (Public Resources Code §21000 *et seq.*). Information on CEQA may be found at the following links:

Environmental Information: <http://resources.ca.gov/ceqa/>

California State Clearinghouse Handbook:

https://www.opr.ca.gov/docs/SCH_Handbook_2012.pdf

11. **CHILD SUPPORT COMPLIANCE ACT:** For any Agreement in excess of \$100,000, the LPS acknowledges in accordance with Public Contract Code 7110, that:
- a) The LPS recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and

- compliance with earnings assignment orders, as provided in Chapter 8 (commencing with Section 5200) of Part 5 of Division 9 of the Family Code; and
- b) The LPS, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
12. **CLAIMS DISPUTE:** Any claim that LPS may have regarding performance of this Agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the *IRWM Program Manager, within fifteen (15) days of the LPS's knowledge of the claim. The Water Authority and the LPS shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.*
13. **COMPETITIVE BIDDING AND PROCUREMENTS:** LPS shall comply with all applicable laws and regulations regarding securing competitive bids and undertaking competitive negotiations in LPS's contracts with other entities for acquisition of goods and services and construction of public works with funds provided by State, via the Water Authority, under this Agreement.
14. **COMPUTER SOFTWARE:** LPS certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.
15. **CONFLICT OF INTEREST:** All participants are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code, Section 1090 and Public Contract Code, Sections 10410 and 10411, for State conflict of interest requirements.
- a) **Current State Employees:** No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
- b) **Former State Employees:** For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or

- she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.
- c) Employees of the LPS: Employees of the LPS shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act, Cal. Gov't Code § 87100 *et seq.*
 - d) Employees and Consultants to the LPS: Individuals working on behalf of a LPS may be required by the Department to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.
16. **DELIVERY OF INFORMATION, REPORTS, AND DATA:** LPS agrees to expeditiously provide throughout the term of this Agreement, such reports, data, information, and certifications as may be reasonably required by the Water Authority and the State.
17. **DISPOSITION OF EQUIPMENT:** LPS shall provide to the Water Authority, not less than forty-five (45) calendar days prior to submission of the final invoice, an itemized inventory of equipment purchased with funds provided by the State, via the Water Authority. The inventory shall include all items with a current estimated fair market value of more than \$5,000.00 per item. Within seventy-five (75) calendar days of receipt of such inventory the Water Authority shall provide the LPS with a list of the items on the inventory that the State will take title to. All other items shall become the property of the LPS. The Water Authority shall arrange for delivery from the LPS to the State, the items for which the State will take title. Cost of transportation, if any, shall be borne by the State.
18. **DRUG-FREE WORKPLACE CERTIFICATION:** Certification of Compliance: By signing this Agreement, LPS, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Government Code 8350 *et seq.*) and have or will provide a drug-free workplace by taking the following actions:
- a) Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code Section 8355(a)(1).
 - b) Establish a Drug-Free Awareness Program, as required by Government Code Section 8355(a)(2) to inform employees, contractors, or subcontractors about all of the following:

1. The dangers of drug abuse in the workplace,
 2. LPS's policy of maintaining a drug-free workplace,
 3. Any available counseling, rehabilitation, and employee assistance programs, and
 4. Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.
- c) Provide, as required by Government Code Sections 8355(a)(3), that every employee, contractor, and/or subcontractor who works under this Agreement:
1. Will receive a copy of the LPS' drug-free policy statement, and
 2. Will agree to abide by terms of LPS' condition of employment, contract or subcontract.

19. **FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED**

PROFESSIONAL: Upon completion of the Project, LPS shall provide for a final inspection and certification by the appropriate registered professional (California Registered Civil Engineer or Geologist) that the project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Agreement. LPS shall notify the Water Authority of the inspection date at least twenty-one (21) calendar days prior to the inspection in order to provide the Water Authority and the State the opportunity to participate in the inspection.

20. **LPS COMMITMENTS:** LPS accepts and agrees to comply with all terms, provisions, conditions and commitments of this LPS Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by the LPS in its application, documents, amendments, and communications filed in support of its request for funding.

21. **LPS NAME CHANGE:** Water Authority's approval is required to change the LPS's name as listed on this Agreement. Upon receipt of legal documentation of the name change the Water Authority will process an amendment to the Agreement after receipt of State approval. Payment of invoices presented with a new name cannot be paid prior to approval by the Water Authority and the State of said amendment.

22. **GOVERNING LAW:** This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

23. **INDEPENDENT CAPACITY:** LPS, its agents and employees in the performance of this Agreement, shall act in an independent capacity and not as officers, employees, or agents of the Water Authority or the State.

24. **INSPECTION OF BOOKS, RECORDS, AND REPORTS:** During regular office hours, each Party and their duly authorized representatives shall have the right to inspect

and to make copies of any books, records, or reports of either party pertaining to this Agreement or matters related hereto. Each Party shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Agreement. Failure or refusal by LPS to comply with this provision shall be considered a breach of this Agreement, and the Water Authority or the State may withhold disbursements to LPS or take any other action it deems necessary to protect its interests.

25. **INSPECTIONS OF PROJECT BY STATE:** State and the Water Authority shall have the right to inspect the work being performed at any and all reasonable times during the term of the Agreement. This right shall extend to any subcontracts, and LPS shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Agreement with the Water Authority.
26. **INVOICE DISPUTES:** In the event of an invoice dispute, payment will not be made until the dispute is resolved and a corrected invoice submitted. Failure to use the webtool or the physical address exactly as directed or provided may result in return of the invoice to the LPS. Payment shall be deemed complete upon deposit of the payment, properly addressed, postage prepaid, in the United States mail. Any claim that LPS may have regarding the performance of this Agreement including, but not limited to claims for additional compensation or extension of time, shall be submitted to the IRWM Project Manager within thirty (30) calendar days of LPS's knowledge of the claim. The Water Authority and LPS shall then attempt to negotiate a resolution of such claim and process an amendment to the Agreement to implement the terms of any such resolution.
27. **LABOR CODE COMPLIANCE:** The LPS will be required to keep informed of and take all measures necessary to ensure compliance with applicable California Labor Code requirements, including, but not limited to, Section 1720 *et seq.* of the California Labor Code regarding public works, limitations on use of volunteer labor (California Labor Code Section 1720.4), labor compliance programs (California Labor Code Section 1771.5) and payment of prevailing wages for work done and funded pursuant to these Guidelines, including any payments to the Department of Industrial Relations under Labor Code Section 1771.3.
28. **NONDISCRIMINATION:** During the performance of this Agreement, LPS and its contractors or subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), marital status, and denial of medial and family care leave or pregnancy disability leave. LPS and its contractors or subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. LPS and its contractors or subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) *et seq.*) and the applicable regulations promulgated there under (California Code of Regulations, Title 2,

Section 7285 *et seq.*). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. LPS and its contractors or subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

LPS shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

29. **NO DISCRIMINATION AGAINST DOMESTIC PARTNERS:** For contracts over \$100,000 executed or amended after January 1, 2007, the LPS certifies by signing this Agreement, under penalty of perjury under the laws of State of California that LPS is in compliance with Public Contract Code Section 10295.3.
30. **OPINIONS AND DETERMINATIONS:** Where the terms of this Agreement provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.
31. **PERFORMANCE AND ASSURANCES:** LPS agrees to faithfully and expeditiously perform or cause to be performed all Project work as described in Exhibit A “Work Plan” and to apply State funds received, via the Water Authority, only to Eligible Project Costs in accordance with applicable provisions of the law. If the Water Authority must enforce this provision by legal action, LPS shall pay all costs incurred by the Water Authority including, but not limited to, reasonable attorney’s fees, legal expenses, and other costs.
32. **PRIORITY HIRING CONSIDERATIONS:** If this Agreement includes services in excess of \$200,000, the LPS shall give priority consideration in filling vacancies in positions funded by the Agreement to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.
33. **PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT WATER AUTHORITY AND STATE PERMISSION:** The LPS shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Projects, or with LPS’s service of water, without prior permission of the Water Authority. LPS shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of LPS to meet its obligations under this Agreement, without prior written permission of the Water Authority. Water Authority may require that the proceeds from the disposition of any real or personal property be remitted to the Water Authority.

34. **REMEDIES NOT EXCLUSIVE:** The use by either party of any remedy specified herein for the enforcement of this Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.
35. **RETENTION:** Notwithstanding any other provision of this Agreement, the Water Authority shall, for each project, withhold five percent (5.0%) until January 1, 2018 and ten percent (10.0%), thereafter, of the funds requested by LPS for reimbursement of Eligible Costs. Each project in this Agreement will be eligible to release its respective retention when that project is completed and LPS has met requirements of Paragraph 18, "Submissions of Reports" as follows: At such time as the "Project Completion Report" required under Paragraph 19, Submission of Reports, is submitted to and approved by the Water Authority, the Water Authority after receipt of funds from the State shall disburse the retained funds as to that project to LPS, except in the case of the last project to be completed under Grant Agreement no. 4600010901, in which case retention for such project will not be disbursed until the "Grant Completion Report" is submitted to and approved by the Water Authority and the State.
36. **RIGHTS IN DATA:** LPS agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes and other written or graphic work produced in the performance of this Agreement shall be made available to the State and the Water Authority and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act., Cal. Gov't Code §6250 *et seq.* LPS may disclose, disseminate and use in whole or in part, any final form data and information received, collected and developed under this Agreement, subject to appropriate acknowledgement of credit to State for financial support. LPS shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so. The State shall have the right to use any data described in this paragraph for any public purpose.
37. **SEVERABILITY:** Should any portion of this Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Agreement shall continue as modified.
38. **STATE AND WATER AUTHORITY REVIEWS:** The Parties agree that review or approval of projects applications, documents, permits, plans, and specifications or other project information by the state and the Water Authority is for administrative purposes only and does not relieve the LPS of their responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the projects.
39. **SUSPENSION OF PAYMENTS:** This Agreement may be subject to suspension of payments or termination, or both, and LPS may be subject to debarment if the State or the Water Authority determines that:
- a) LPS, its contractors, or subcontractors have made a false certification, or
 - b) LPS, its contractors, or subcontractors violate the certification by failing to carry out the requirements in this Agreement.

40. **SUCCESSORS AND ASSIGNS:** This Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Agreement or any part thereof, rights hereunder, or interest herein by the LPS shall be valid unless and until it is approved by the Water Authority and made subject to such reasonable terms and conditions as the Water Authority may impose.
41. **TERMINATION BY LPS:** Subject to the Water Authority and State approval which may be reasonably withheld, LPS may terminate this Agreement and be relieved of contractual obligations. In doing so, LPS must provide a reason(s) for termination. LPS must submit all progress reports summarizing accomplishments up until termination date.
42. **TERMINATION FOR CAUSE:** Subject to the right to cure under Paragraph 14, Default Provisions of this Agreement, the State may terminate this Agreement and be relieved of any payments if LPS fails to perform the requirements of this Agreement at the time and in the manner herein, provided including but not limited to reasons of default under Paragraph 14, Default Provisions.
43. **TERMINATION WITHOUT CAUSE:** The Water Authority may terminate this Agreement without cause with at least thirty (30) days advance written notice. The LPS shall be reimbursed for all reasonable expenses incurred up to the date of termination.
44. **THIRD PARTY BENEFICIARIES:** The parties to this Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or any duty, covenant, obligation or understanding established herein.
45. **TIMELINESS:** Time is of the essence in this Agreement.
46. **TRAVEL:** LPS agrees that travel and per diem costs shall NOT be eligible for reimbursement with State funds, and shall NOT be eligible for computing LPS cost match. Travel includes the costs of transportation, subsistence, and other associated costs incurred by personnel during the term of this LPS Agreement.
47. **WAIVER OF RIGHTS:** No provision of this Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties that from time to time either party may waive any of its rights under this Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.
48. **WORKERS' COMPENSATION:** LPS affirms that it is aware of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and LPS affirms that it will comply with such

provisions before commencing the performance of the work under this Agreement and will make its contractors and subcontractors aware of this provision.

EXHIBIT E
REPORT FORMATS AND REQUIREMENTS

The following reporting formats should be utilized. Please obtain the Water Authority's approval before submitting a report in an alternative format.

QUARTERLY PROGRESS REPORT

Progress Reports shall generally use the following format. This format may be modified as necessary to effectively communicate information.

Local Project Sponsor shall submit Quarterly Progress Reports on a consistent basis to meet the Water Authority's and State's requirements for disbursement of funds. The quarterly progress report should describe the work performed during the reporting period. For each project, discuss the following at the task level, as organized in Exhibit A Work Plan.

Project Status

Describe the work performed during the time period covered by the report, organized by Exhibit A, "Work Plan" tasks/subtasks/categories, including but not limited to:

- Updates on all ongoing tasks.
- Estimates of the percent (%) complete.
- Discussion of any project related work completed this reporting period.
- Milestones or deliverables completed/submitted during the reporting period.
- Scheduling concerns and issues encountered that may delay completion of the task.
- Photo documentation, as required.

Labor Compliance

- Describe labor compliance status for the project.

Cost Information

For each project provide the following:

- Costs-to-date categorized by Grant, Funding Match and "Other Costs", as applicable.
- Percent (%) of total project costs completed.
- A brief description of any DWR approved amendments during the period.
- Estimated project costs to be invoiced (billed) to the Water Authority next quarter.

- If billing prior costs, a certification that costs has never been billed previously must be stated.

EQUIPMENT INVENTORY

Description of item purchased, quantity and total amount of any equipment purchased over \$5,000.

Schedule Information

A list of any changes approved to the Schedule in accordance with Local Project Sponsor Agreement and a revised schedule, by task, *if* changed from latest reported schedule.

Anticipated Activities Next Quarter

Discuss the following at the project level, as organized in Exhibit A Work Plan:

- Description of anticipated activities for the next reporting period.
- Anticipated billing (cash flow) to the Water Authority next reporting period.

ACCOUNTABILITY REPORT (As applicable)

LPS shall submit, on a quarterly basis, an Accountability Report containing at a minimum:

- An itemization of how advanced funds have been expended to date (Expenditure Summary), including documentation that supports the expenditures (i.e., contractor invoices, receipts, personnel hours, etc.). Invoices must be itemized based on the categories (i.e., tasks) specified in Exhibit B.
 - A funding plan which shows how the remaining advanced funds will be expended.
 - Provides an accounting of distributing the advanced funds to the appropriate Local Project Sponsor.
 - Documents that the funds were spent on eligible reimbursable costs.
 - Documentation that the funds were placed in a non-interest bearing account, including the dates of deposits and withdrawals from that account.
 - Any other information, required in the Accountability Form provided by the State, via the Water Authority.

PROJECT COMPLETION REPORT

Project Completion Reports shall generally use the following format.

EXECUTIVE SUMMARY

Should include a brief summary of project information and include the following items:

- Brief description of work proposed to be done in the original Grant application.
- Description of actual work completed and any deviations from Exhibit A. List any official amendments to this Local Project Sponsor's Agreement, with a short description of the amendment.

Reports and/or Products

The following items should be provided, unless previously submitted as a deliverable:

- Electronic copies of any data collected, not previously submitted.
- Provide a copy of any final technical report or study, produced for this project as described in the Work Plan, if applicable.
- As-built drawings.
- Final geodetic survey information.
- Project photos.
- Discussion of problems that occurred during the work and how those problems were resolved.
- A final project schedule showing actual progress versus planned progress.

Costs and Dispositions of Funds

Provide a list showing the following:

- The date each invoice was submitted to the Water Authority and the State.
- The amount of the invoice.
- The date the check was received.
- The amount of the check (If a check has not been received for the final invoice, then state this in this section.).
- A summary of the payments made by the LPS for meeting its cost sharing obligations under this Local Project Sponsor Agreement.
- A summary of final funds disbursement including:
 - Labor cost of personnel of agency/ major consultant /sub-consultants. Indicate personnel, hours, rates, type of profession and reason for consultant (i.e., design, CEQA work, etc.).
 - Project cost information, shown by material, equipment, labor costs, and any change orders.
 - Any other incurred cost detail.
- A statement verifying separate accounting of funding disbursements.
- Summary of project cost including the following items:
 - Accounting of the cost of project expenditure;
 - Include all internal and external costs not previously disclosed; and
 - A discussion of factors that positively or negatively affected the project cost and any deviation from the original project cost estimate.

Additional Information

- Benefits derived from the project, with quantification of such benefits provided, if applicable.

- A final project schedule showing actual progress versus planned progress as shown in Exhibit B.
- Certification from a California Registered Professional (Civil Engineer or Geologist, as appropriate) that the project was conducted in accordance with the approved work plan and any approved modifications thereto.

Submittal schedule for the Post Performance Report and an outline of the proposed reporting format.

POST-PERFORMANCE REPORT

Report should be concise, and focus on how (each/the) project is actually performing compared to its expected performance; whether the project is being operated and maintained, and providing intended benefits as proposed.

Reports and/or products

- Time period of the annual report (i.e., January 2016 through December 2016).
- Short project description.
- Discussion of the project benefits.
- An assessment of any explanations for any differences between the expected versus actual project benefits in meeting IRWM priorities as stated in the original IRWM Implementation Grant application. Where applicable, the reporting should include quantitative metrics, for example, new acre-feet of water produced that year, acres of wildlife habitat added, etc.
- Summary of any additional costs and/or benefits deriving from the project since its completion, if applicable.
- Continued reporting on meeting the Output Indicators and Targets discussed in the Project Monitoring Plan discussed in Paragraph 21 of this Agreement.
- Any additional information relevant to or generated by the continued operation of the project.

EXHIBIT F

REQUIREMENTS FOR STATEWIDE MONITORING AND DATA SUBMITTAL

Surface and Groundwater Quality Data:

Groundwater quality and ambient surface water quality monitoring data that include chemical, physical, or biological data shall be submitted to the State as described below, with a narrative description of data submittal activities included in project reports, as described in Exhibit E (Report Formats and Requirements).

Surface water quality monitoring data shall be prepared for submission to the California Environmental Data Exchange Network (CEDEN). The CEDEN data templates are available on the CEDEN website. Inclusion of additional data elements described on the data templates is desirable. Data ready for submission should be uploaded to your CEDEN Regional Data Center via the CEDEN website. CEDEN website: <http://www.ceden.org>.

If a project's Work Plan contains a groundwater ambient monitoring element, groundwater quality monitoring data shall be submitted to the State for inclusion in the State Water Resources Control Board's Groundwater Ambient Monitoring and Assessment (GAMA) Program Information on the GAMA Program can be obtained at: http://www.waterboards.ca.gov/gama/geotracker_gama.shtml. If further information is required, the Grantee can contact the State Water Resources Control Board (SWRCB) GAMA Program.

Groundwater Level Data:

LPS shall submit to DWR groundwater level data collected as part of this grant. Water level data must be submitted using the California Statewide Groundwater Elevation Monitoring (CASGEM) online data submission system. LPS should use their official CASGEM Monitoring Entity or Cooperating Agency status to gain access to the online submittal tool and submit data. If the data is from wells that are not part of the monitoring network, the water level measurements should be classified as voluntary measurements in the CASGEM system. If the LPS is not a Monitoring Entity or Cooperating Agency, please contact your DWR grant project manager for further assistance with data submittal. The activity of data submittal should be documented in appropriate progress or final project reports, as described in Exhibit E (Report Formats and Requirements). Information regarding the CASGEM program can be found at <http://www.water.ca.gov/groundwater/casgem/>.

EXHIBIT G

STATE AND WATER AUTHORITY AUDIT DOCUMENT REQUIREMENTS AND FUNDING MATCH GUIDELINES FOR LOCAL PROJECT SPONSOR

The list below details the documents/records that State Auditors typically review if an Agreement is being audited. Local project sponsor should ensure that such records are maintained for each State-funded Program/Project. Where applicable, this list of documents also includes documents relating to the local project sponsor's funding match which will be required for audit purposes.

Internal Controls:

1. Organization chart (i.e., Agency's overall organization chart and organization chart for this Agreement's funded project).
2. Written internal procedures and flowcharts for the following:
 - a) Receipts and deposits.
 - b) Cash disbursements.
 - c) State reimbursement requests.
 - d) State funding expenditure tracking.
 - e) Guidelines, policies, and procedures on State-funded Program/Project.
3. Audit reports of the Local Project Sponsor's internal control structure and/or financial statements within the last two (2) years.
4. Prior audit reports on State-funded Program/Project.
5. Advance payment request, Accountability Report and other documents supporting advance payment expenditures, as applicable.

State Funding:

1. Original Local Project Sponsor's Agreement, any approved amendment(s), including budget modification documents.
2. A list of all bond-funded grants, loans or subventions received from the State.
3. A list of all other funding sources for each Program/Project.

Contracts:

1. All subcontractor and consultant contracts and related, if applicable.
2. Contracts between the Water Authority and the Local Project Sponsor, member agencies, and project partners as related to the State-funded Program/Project.

Invoices:

1. Invoices from vendors and subcontractors for expenditures submitted to the Water Authority and the State, for payments under the Agreement.

2. Documentation supporting subcontractor invoices to the Water Authority and the State reimbursement requests and related Local Project Sponsor Agreement budget line items.
3. Reimbursement requests submitted to the State, via the Water Authority, for the Agreement.

Cash Documents:

1. Receipts (copies of warrants) showing payments received from the State, via the Water Authority.
2. Deposit slips and bank statements showing deposit of the payments received from the Water Authority.
3. Cancelled checks or disbursement documents showing payments made to vendors, subcontractors, consultants, and/or agents under the Local Project Sponsor's Agreement.

Accounting Records:

1. Ledgers showing receipts and cash disbursement entries for State funding.
2. Ledgers showing receipts and cash disbursement entries of other funding sources.
3. Bridging documents that tie the general ledger to reimbursement requests submitted to the Water Authority and for the Agreement.

Administration Costs:

1. Provide Cost Allocation model and methodology, if applicable, for allocating administration and overhead costs.
2. Supporting documents showing the calculation of administration costs.

Personnel:

1. List of all contractors and Local Project Sponsor's staff that worked on the State-funded Program/Project.
2. Payroll records including timesheets and ledgers for staff of the local project sponsor.
3. Supporting documentation showing labor rates and indirect labor rate methodology.

Project Files:

1. All supporting documentation maintained in the Program/Project files.
2. All Agreement-related correspondence.

Funding Match Guidelines:

Funding Match consists of non-State funds including in-kind services. In-kind services are defined as work performed or items contributed (i.e., dollar value of non-cash contributions) by the Local Project Sponsor (and potentially other parties involved) directly related to the execution of the scope of work (i.e., volunteer services, equipment use, and facilities). The cost of in-kind service can be counted as funding match in-lieu of actual funds (or revenue)

provided by the local project sponsor. Other funding match and in-kind service eligibility conditions may apply. Provided below is guidance for documenting funding match with and without in-kind services.

- a) Although tracked separately, in-kind services shall be documented and, to the extent feasible, supported by the same methods used by the Local Project Sponsor for its own employees. Such documentation should include the following:
 1. Detailed description of the contributed item(s) or service(s).
 2. Purpose for which the contribution was made (tied to Local Project Sponsor's Work Plan).
 3. Name of contributing organization and date of contribution.
 4. Real or approximate value of contribution. Who valued the contribution and how the value was determined (i.e., actual, appraisal, fair market value, etc.), and justification of rate (See item #2, below).
 5. For contributed labor, the person's name, the work performed, the number of hours contributed, and the pay rate applied.
 6. If multiple sources exist, these should be summarized on a table with a summation of cumulative charges.
 7. Source of contribution and whether it was provided by, obtained with, or supported by government funds.
- b) Rates for volunteer or in-kind services shall be consistent with those paid for similar work in the Local Project Sponsor's organization. For example, volunteer service of clearing vegetation performed by an attorney shall be valued at a fair market value for clearing vegetation, not the rate for professional legal services. In those instances, in which the required skills are not found in the recipient organization, rates shall be consistent with those paid for similar work in the labor market. Paid fringe benefits that are reasonable, allowable and allocable may be included in the valuation.
- c) Funding match contribution (including in-kind services) shall be for costs and services directly attributed to activities included in the Local Project Sponsor's Agreement Work Plan. These services, furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as in-kind if the activities are an integral and necessary part of the State-funded Program/Project under the Agreement.
- d) Cash contributions made to a Program/Project shall be documented as revenue and in-kind services as expenditure. These costs should be tracked separately in the Local Project Sponsor's accounting systems.

EXHIBIT H

PROJECT MONITORING PLAN GUIDANCE

Introduction

Please include a brief description of the project (maximum ~150 words) including project location, implementation elements, and need for project (what problem will the project address).

Project Monitoring Plan Components

The Project Monitoring Plan should contain responses to the following questions:

- What are the anticipated project physical benefits?
- What are the corresponding numeric targets for each project benefit?
- How will proposed numeric targets be measured?
- What are the baseline conditions?
- When will the targets be met (upon project completion, five years after completion, etc.)?
- How often will monitoring be undertaken (monthly, yearly, etc.)?
- Where are the monitoring point locations (i.e., meter located at stream mile...)? Include relevant maps.
- How will the project be maintained (i.e., irrigation, pest management, weed abatement)?
- What will be the frequency and duration of maintenance proposed activities?
- Are there any special environmental considerations (i.e., resource agency requirements, permit requirements, CEQA/NEPA mitigation measures)?
- Who is responsible for collecting the samples (who is conducting monitoring and/or maintenance)?
- How, and to whom, will monitoring results be reported (i.e., paper reports, online databases, public meetings)?
- What adaptive management strategies will be employed if problems are encountered during routine monitoring or maintenance?
- What is the anticipated life of the project?

ATTACHMENT 3



Hoch Consulting
3255 Moccasin Avenue
San Diego, CA 92117
(tel.) 858-431-9767
ahoch@hochconsulting.com
www.hochconsulting.com

February 8, 2017

Mr. Michael Thornton, P.E.
General Manager
San Elijo Joint Powers Authority
2695 Manchester Avenue
Cardiff by the Sea, CA 92007

Subject: Integrated Water Resource Solutions for the Carlsbad Watershed (Project 6-80044)
Grant Administration Proposal

Dear Mr. Thornton:

As a Local Project Sponsor (LPS), in collaboration with six other entities, the San Elijo Joint Powers Authority (SEJPA) recently received an LPS agreement for \$2.5 million in grant funding for the Integrated Water Resource Solutions for the Carlsbad Watershed Project as part of Round 4 funding of Proposition 84. The Integrated Water Resource Solutions for the Carlsbad Watershed Project is a collaboration between six public agencies and one non-government organization to conserve potable water usage while providing environmental and social benefits. The project includes seven separate construction elements (including four reclaimed water pipelines, two low impact development streetscape projects, and one renewable energy facility) and two implementation projects (including water quality/quantity monitoring in the San Elijo Lagoon and educational outreach to school children). Grant administration will involve significant coordination and organizational efforts to collect data from all project partners and provide grant deliverables for the project. Hoch Consulting has over eight years of experience with the IRWM program and administered the Round 1 North San Diego County Cooperative Demineralization Project to successful completion. Hoch Consulting is pleased to present this proposal for grant administration services for the Integrated Water Resource Solutions for the Carlsbad Watershed Project. The following summarizes Hoch Consulting's proposed scope of services, schedule, and budget.

Proposed Scope of Services:

Task 1: Project Management

Hoch Consulting will manage the Integrated Water Resource Solutions for the Carlsbad Watershed Project grant, including identifying and assisting SEJPA with compliance with grant requirements, preparation and submission of supporting grant documents, and coordination with IRWM regional manager, the San Diego County Water Authority (SDCWA). Hoch Consulting will also prepare

invoices including relevant supporting documentation for submittal to DWR via SDCWA. Invoice preparation includes tracking all project costs in a format compatible with SDCWA and DWR and grant contract requirements. It is anticipated that SEJPA and project partners will track project element costs on internal accounting software and provide raw cost/invoicing data to Hoch Consulting. This task also includes administrative responsibilities associated with the project such as coordinating with partnering agencies, executing local project partner contracts, managing consultants/contractors (e.g. labor compliance consultant), preparation of contract amendments, and meeting attendance/facilitation.

Task 2: Reporting

Hoch Consulting will prepare and submit all reporting documentation required by the grant contract. Reports are anticipated to include quarterly progress reports from project initiation through project completion and a project completion report. Report preparation includes aggregating information from all project partners, preparing and submitting draft and final reports, and responding to comments from SDCWA and DWR to the satisfaction of SDCWA and DWR.

Task 3: Project Performance Monitoring Plan

Hoch Consulting will prepare a project performance monitoring plan in conformance with the grant requirements. In general, the project performance monitoring plan will document the proposed project benefits and the means by which the project benefits will be monitored. The project performance monitoring plan will be prepared to the satisfaction of SDCWA and DWR.

Schedule and Fee:

The services proposed are anticipated to be completed by October 31, 2021. Hoch Consulting proposes to perform the scope of services on a time-and-material basis not to exceed \$100,000, as summarized in the attached fee proposal.

Hoch Consulting greatly appreciates the opportunity to work for the SEJPA. If you have any questions about this proposal, please do not hesitate to contact me.

Sincerely,
Hoch Consulting



Adam Hoch, P.E., QSD
President/Principal Engineer
License No. C77635

Attachments: Fee Proposal

Conservation 101 Grant Administration - Fee Proposal

Hoch Consulting

SEJPA - Integrated Water Resource Solutions for the Carlsbad Watershed Grant Administration Fee Proposal		Hoch Consulting	
Classification	Hoch Consulting		Total Fees
	Principal (\$125/hr)	Total Cost	Total
Task 1: Project Management	420	\$ 52,500.00	\$ 52,500.00
Task 2: Reporting	340	\$ 42,500.00	\$ 42,500.00
Task 3: Project Performance Monitoring Plan	40	\$ 5,000.00	\$ 5,000.00
Total	800	\$ 100,000.00	\$ 100,000.00

March 7, 2017

Mike Thornton, PE, General Manager
San Elijo Joint Powers Authority
2695 Manchester Avenue
Cardiff by the Sea, California 92007

Subject: Proposal for the Recycled Water Pipeline Extension Design on Requeza Street

Dear Mr. Thornton,

Dudek appreciates the opportunity to provide the following proposal to the San Elijo Joint Powers Authority (SEJPA) for the Recycled Water Pipeline Extension Design on Requeza Street. The following sections of this proposal outline Dudek's understanding and approach, scope of services, and fee estimate for this project.

Project Understanding and Approach

PIPELINE DESIGN

The project consists of expanding the existing recycled water system along Requeza Street between Beach Street and Westlake Street. The total length of pipeline for this component is approximately 1,140 feet. The proposed alignment is shown in Figure 1 on the following page.

The proposed pipeline will connect to an extension of the recycled water system recently installed as part of the Manzanita Cove development just west of Westlake Street on Requeza Street. Connection to the existing system will be accomplished by removing a 3-foot section of pipe and thrust block at the west end of the existing pipeline and continuing the alignment using the remaining bell end. It is assumed that a 6-inch DR-14 C900 PVC pipeline will be required for the length of this pipeline as a continuation of this original design. The pipeline will continue west and the alignment will be adjusted to provide proper clearance from existing utilities. The pipeline will terminate with a cap, thrust block and blow off just west of the trail entrance as demonstrated in Figure 1.

Services/meters will be designed throughout the alignment including the following locations:

- Beach Street HOA (2-inch Meter)
- Villa Blanca (1.5-inch Meter)
- Encinitas Village (2-inch Meter)
- Brogan and Jones (1.5-inch Meter)
- Regal View (no existing meter propose 2-inch connection)

Figure 2 on the following page presents these recycled water users and their expected yearly demand. Services will be designed per the Water Agency Standards with meters to be installed in the future by the San Dieguito Water District.

FIGURE 1. PIPELINE ALIGNMENT

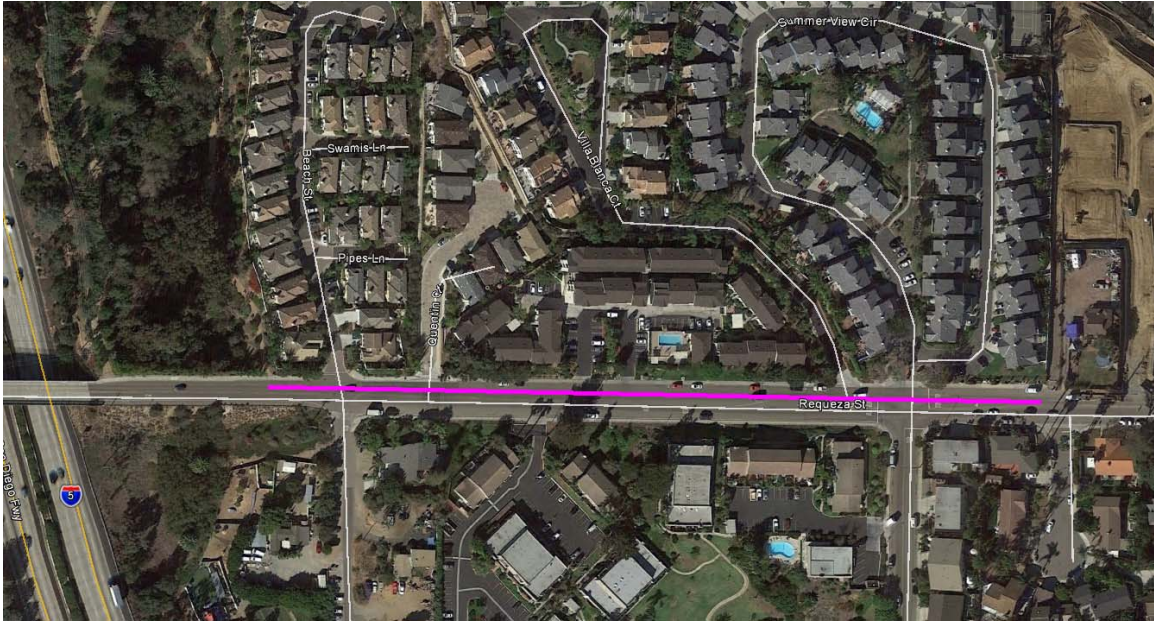
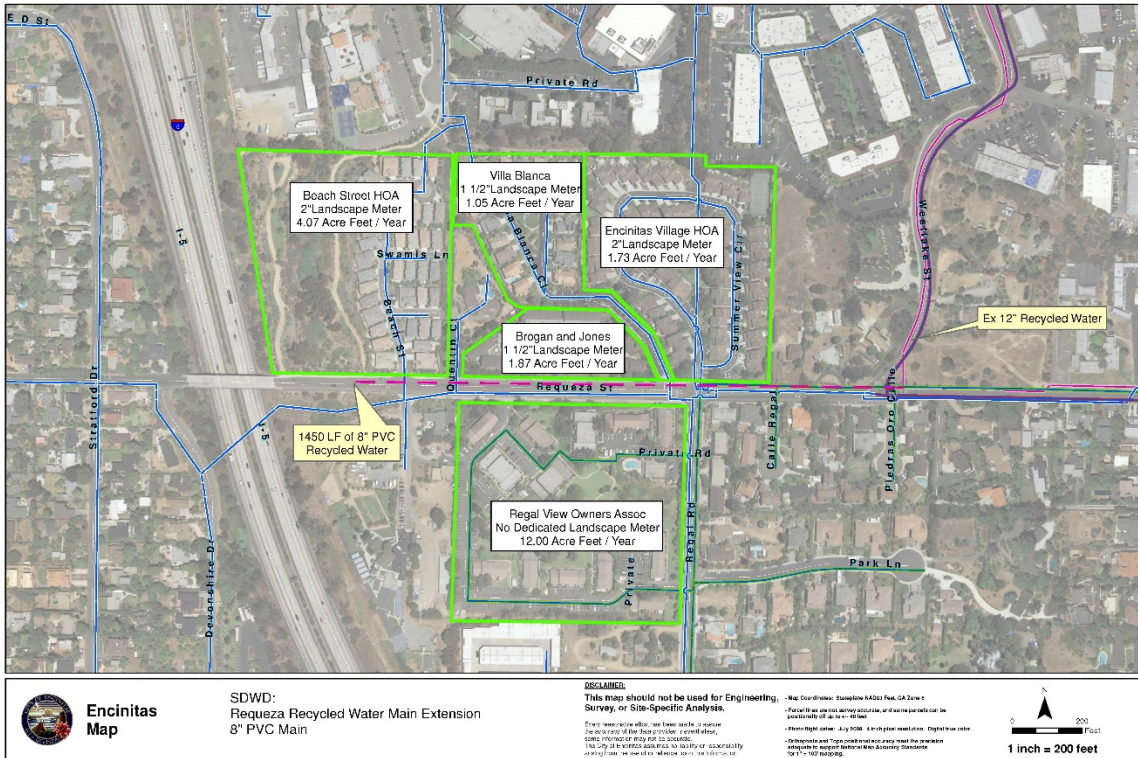


FIGURE 2. PROPOSED SERVICE CONNECTIONS



Scope of Work

TASK I - PRELIMINARY DESIGN

Utility Research

Dudek will conduct a search for utilities along the proposed alignment. Typical coordination includes identification of utilities within the vicinity and contacting utilities to request record drawings of existing facilities. The utility provided facility maps will be transferred to autocad and added to the project design

Surveying

Dudek will utilize the services of San Dieguito Engineering to prepare a topographic survey of the alignment. The survey will consist of a series of ground shots to verify the datum and LIDAR Arial imaging to provide a contour representation. Existing water meters, sewer manholes, electrical pull boxes, power poles, storm drain inlets and other surface features representing underground utilities will also be located for representation in the base design drawings.

Geotechnical

Subsurface investigations are not anticipated to be necessary at this time. In the event that SEJPA requires subsurface testing and a geotechnical report, Dudek will solicit proposals from qualified consultants and negotiate a contract amendment with the District for the reimbursable cost of the additional services.

TASK 2 – DESIGN PHASE SERVICES

Dudek will prepare and submit progress plans, specifications and construction cost estimates during the design stage to coordinate with the stakeholders regarding design specifics and gain feedback on specific design challenges and details. Copies of the design submittals will be provided to SEJPA, the City of Encinitas (City), and the San Dieguito Water District (SDWD) for review and permitting.

Dudek will submit progress PS&E packages at the 50% and 90% stages of design. Plan and profile drawings will be drawn at a scale of 1"=20'. Benchmark description and basis of bearing for construction staking will be shown on the drawings. The design will conform to SDWD (WAS) design standards and the standard specifications for Public Works Construction (Greenbook). The plan set will include:

- A title sheet/vicinity map/sheet index
- Notes sheet
- (3) Plan and profile sheets
- Meter and connection detail sheet

Pipeline Design

The proposed 6-inch diameter pipeline will be designed with an anticipated cover of 36-inches. Anticipated dry and/or wet utility conflicts will be shown. SEJPA has indicated the connection point alignment biases the north side of the street to favor construction of the development connection. This alignment will likely have conflicts with utilities heading west requiring the alignment to shift to the south side of Requeza Street. Dudek will provide a design which avoids utility conflicts while maintaining an efficient alignment.

Specifications

Concurrent with the development of the construction plans, Dudek will prepare the project construction bid form, and technical specifications. We understand that SEJPA will provide the standard front-end construction specifications sections including the notice inviting bids, contract and related forms, general provisions, and general conditions. Specifications can be formatted per Greenbook or Construction Specifications Institute (CSI) format.

50% Design Package

Dudek will prepare the base design plans in AutoCAD. 50% design plans will include cover sheet, notes sheet, and plan and profile sheets (plan view only at 50%). A list of technical specifications sections will be included as well as a 50% design estimate of probable construction cost. Digital copies of the project drawings, technical specs table of contents and construction cost estimate will be submitted for review. A review meeting will be held approximately two weeks following submittal to discuss SEJPA comments to the submittal.

90% Design Package

The 90% design package will include complete design plans, including title and note sheets, plan and profile sheets, and connection details. Dudek intends to utilize the WAS standards for both details and technical specifications as appropriate for the construction process. Additional technical specifications will be added as needed or required. Dudek anticipates that SEJPA will provide the "front end" specifications consisting of general requirements, contract and bidding requirements. A 90% design level estimate of probable construction cost will also be prepared. Digital copies of the project drawings, contract specifications, and anticipated construction schedule and construction cost estimate will be submitted for Review by the stakeholders. A review meeting will be held approximately two weeks following the submittal to discuss any comments.

Final Submittal

Following the 90% design review meeting, Dudek will finalize the construction documents incorporating any remaining comments. Final printing of plans will be on mylar and signed by the Engineer in Charge. One (1) set of full size plans on mylar, one hard copy of the front-end and technical specifications, construction cost estimate and anticipated construction schedule will be submitted to SEJPA for public bidding.

TASK 3 – COASTAL DEVELOPMENT PERMIT AND CITIZEN PARTICIPATION PLAN

Dudek will complete and submit a Planning Application with the City of Encinitas for a Coastal Development Permit (CDP) through the Local Coastal Program. Dudek will attend the Planning Commission Hearing where the CDP will be considered for approval. Dudek will prepare documents, complete mailings, attend meetings and manage the required Citizen Participation Plan (CPP). It is assumed that SEJPA will pay the CDP and CPP filing fees

TASK 4 - BID SUPPORT SERVICES

Dudek will support SEJPA during the bidding phase as follows. Responding to contractor questions and preparation of addendums as needed. It is assumed that two (2) contractor submitted RFIs will be submitted and three (3) addendums will be required during the bid phase. Time required responding to additional RFIs or to draft additional addendums will be billed on a time and materials basis.

TASK 5 - CONSTRUCTION PHASE SERVICES

Dudek will support the District during the construction phase as needed, responding to contractor requests for information (RFIs), provide clarifications, review and respond to submittals and prepare record drawings from contractor red line markups. It is assumed that ten (10) submittals and three (3) RFIs will be submitted during the construction phase. Effort required responding to additional submittals and RFIs will be billed on a time and materials basis. Dudek will utilize District provided consolidated redline plans post construction for preparation of record drawings.

TASK 6 - PROJECT MANAGEMENT

Successful project management of the design process is essential to ensure quality workmanship within the scheduled allotment of time and in strict accordance with the scope of work. Strong lines of communication between Dudek and SEJPA will be established early in the project and be maintained throughout completion. Progress meetings will be held both internally for quality control and externally with District staff, generally following submittal reviews, to discuss work accomplished, upcoming events, design clarifications, transmission of design-critical information and monitoring of work progress relative to the schedule. An overall project budget and work schedule will also be maintained throughout the project utilizing an earned value tracking system.

The kickoff meeting will be held immediately following receipt of the notice to proceed. The primary objective of this meeting is to establish project protocol, finalize the project schedule, and identify key technical issues.

Following each submittal a review meeting will be scheduled between Dudek and SEJPA to discuss the project. Meetings are anticipated following the Draft 50% Design Review, and 90% Design Review submittals. The goal of each meeting is unique:

The 50% design review is to evaluate the completeness of the PS&E package, review constructability and identify additional information necessary.

The 90% design review is considered 'near-final' quality and is anticipated to only include minor adjustments to the presentation of information with the goal of printing to mylar as the final submittal.

It is our experience that projects can sometimes require adjustment of design goals, contract work scope and fee during the design process. Dudek welcomes the opportunity to meet the project requirements as authorized by SEJPA, as our ultimate goal is to meet and exceed the needs of our valued clients.

Quality Control and Quality Assurance is vitally important on any project. Dudek will continue to implement our stringent QA/QC program throughout the design process and in final preparation of the PS&E package. The major component of our QA/QC program is review of the design prior to each submittal, by either a senior engineer or principal engineer not directly related with the project. For this project Mike Metts will continue to provide quality control review for SEJPA. The goal of this review is to identify any potential design or constructability challenges related to the project.

EXCLUSIONS

Scope for a geotechnical evaluation, and full-time construction management oversight is not included in this proposal. If requested, Dudek will provide these services for an additional fee. It is

assumed that all construction phase submittals will be provided in digital form. If SEJPA prefers to receive paper copies of submittals they shall be provided at no additional cost and additional time may be added to the schedule as necessary. It is assumed that cross-connection testing will be a part of the Construction management and inspection scope of work.

The project includes the installation of new recycled water service pipelines to existing irrigation meter locations for the use of recycled water on private property. The conversion from potable water to recycled water for irrigation may require additional evaluation of sprinkler head placement, spray patterns, drainage, and signage. The post-meter conversion evaluation, design and improvements associated with the conversion to recycled water are not included at this time.

Estimated Fee and Schedule

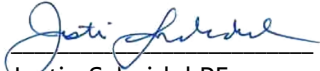
An itemized schedule, showing tasks and man-hours with the applicable billing rate for each task is presented in the table below. All direct and indirect expenses, subconsultants, reimbursable, and other related project fees and costs are included. To complete the design portion of the project an estimated ten (10) weeks are required after receipt of the notice to proceed.

TABLE 1. DUDEK FEE ESTIMATE

	Project Team Role:	Labor Hours and Rates			TOTAL DUDEK HOURS	DUDEK LABOR COSTS	Subconsultant	TOTAL FEE
		Project Manager	Project Engineer	CAD Designer				
	Team Member:	J. Scheidel	A. Coulter	P. Caligiuri			San Dieguito Engineering	
	Billable Rate :	\$190	\$145	\$145			Fee	
Task 1	Preliminary Design							
1.1	Utility Research	1	8	8	17	\$ 2,510		\$ 2,510
1.2	Surveying		2	4	6	\$ 870	\$9,660	\$ 10,530
	Subtotal Task 1	1	10	12	23	\$ 3,380	\$ 9,660	\$ 13,040
Task 2	Design Phase Services							
2.1	50% Design Package	2	32	40	74	\$ 10,820		\$ 10,820
2.2	90% Design Package	2	24	4	30	\$ 4,440		\$ 4,440
2.3	Final Design	2	8	4	14	\$ 2,120		\$ 2,120
	Subtotal Task 2	6	64	48	118	\$ 17,380	\$ -	\$ 17,380
Task 3	Coastal Development Permit and CPP							
3.1	Coastal Development Permit	2	8		10	\$ 1,540		\$ 1,540
3.2	Coastal Participation Plan	4	8		12	\$ 1,920		\$ 1,920
	Subtotal Task 3	6	16		22	\$ 3,460	\$ -	\$ 3,460
Task 4	Bid Support Services							
4.1	Addendum Preparation	2	6		8	\$ 1,250		\$ 1,250
4.2	Respond to RFIs	2	4		6	\$ 960		\$ 960
	Subtotal Task 4	4	10		14	\$ 2,210	\$ -	\$ 2,210
Task 5	Construction Phase Services							
5.1	Respond to RFIs	4			4	\$ 760		\$ 760
5.2	Submittal Review					\$ -		\$ -
5.3	Complete As-Built Drawings	2		8	10	\$ 1,540		\$ 1,540
	Subtotal Task 5	6		8	14	\$ 2,300	\$ -	\$ 2,300
Task 6	Project Management							
6.1	Meetings (up to 3)	6			6	\$ 1,140		\$ 1,140
6.2	Project Management / QC	2			2	\$ 380		\$ 380
	Subtotal Task 6	8			8	\$ 1,520	\$ -	\$ 1,520
Total Non-Optional Hours and Fee		31	100	68	199	\$30,250	\$ 9,660	\$ 39,910
<i>Percent of Hours:</i>		<i>16%</i>	<i>50%</i>	<i>34%</i>	<i>100%</i>			

We appreciate the SEJPA's consideration to provide consulting services for the Recycled Water Pipeline Extension Design on Requeza Street. We hope that our proposed project approach, highly qualified team and relevant project experience are favorable in the selection of a design consultant for your project. If you have any questions or wish to discuss our qualifications, please contact Justin Scheidel at 760.479.4102 or jscheidel@dudek.com.

Sincerely,



Justin Scheidel PE
Project Manager

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

March 13, 2017

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: PROFESSIONAL SERVICES AGREEMENT – ARCHITECTURAL SERVICES
FOR BUILDING PROGRAM

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize General Manager to execute professional services agreement with Roesling, Nakamura, Terada Architects for an amount not to exceed \$507,400;
2. Authorize General Manager to execute professional services agreements for ancillary civil, geotechnical, mechanical, and surveying services associated with the project not to exceed \$45,000; and
3. Discuss and take action as appropriate.

BACKGROUND

In 2015, the San Elijo Joint Powers Authority (SEJPA) completed a detailed assessment of the equipment, buildings, and capital assets at the San Elijo Water Reclamation Facility (SEWRF). These findings were documented in the 2015 Facility Plan, which provided recommendations for capital projects over the next 10 years.

The Facility Plan identified significant deficiencies with the Administration and Operations buildings, which included seismic, fire suppression, ADA access, and other code issues. In addition, both buildings lack the necessary workspace for the current workforce.

The SEJPA initiated a Building Improvement Program (BIP) to develop options to replace or modernize the existing buildings. SEJPA retained the services of Roesling Nakamura Terada Architects, Inc. (RNT Architects) to develop a Building Needs Assessment to evaluate existing facilities against current building standards, identify site constraints, and assess workspace requirements.

RNT Architects also prepared a Building Alternatives Analysis to identify and examine potential building alternatives that would meet SEJPA building needs. This evaluation recommended that

the new building be located at the facility entrance, which has adequate space for the building and significantly improves public access and site security.

The findings of these studies were presented in the Preliminary Design Report accepted by the Board in September 2016. The recommended building option (Figure 1) includes a single building located near the facility entrance that consolidates the Administration, Operations, and Laboratory functions; and replaces the existing Operations Building with a pre-engineered maintenance shop. The preferred building alternative was selected based on project cost, ability to address liability and risk issues, adaptability to meet future needs and opportunities, and compatibility with other planned projects. The Board approved this recommendation and authorized the General Manager to obtain professional service proposals for completing final design and permitting.

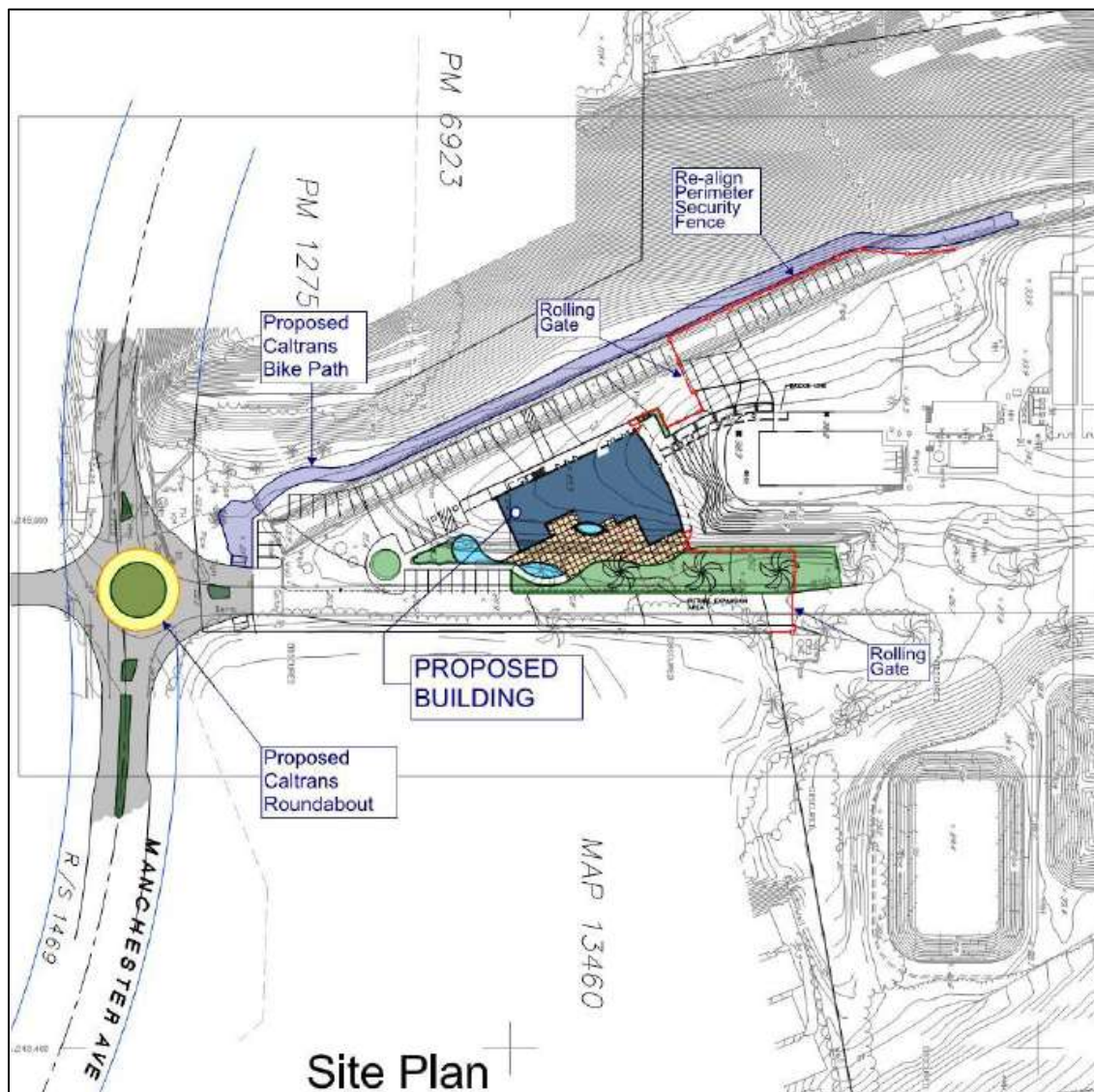


Figure 1. Preliminary design of site entrance including integration with proposed Caltrans North Coastal Corridor improvements.

DISCUSSION

The SEJPA requested proposals from five architectural firms for the project. The submitted proposals provided details of their experience with similar projects, team member resumes, and sub consultants, and outlines of their approach for developing the project. The firms that submitted the top three responsive proposals were selected for interviews. Upon completion of the interview process, Staff selected Roesling, Nakamura, Terada Architects based on their qualifications, team continuity, design concepts, experience, and project references.

The proposed project timeline is presented in the Figure 2 below.

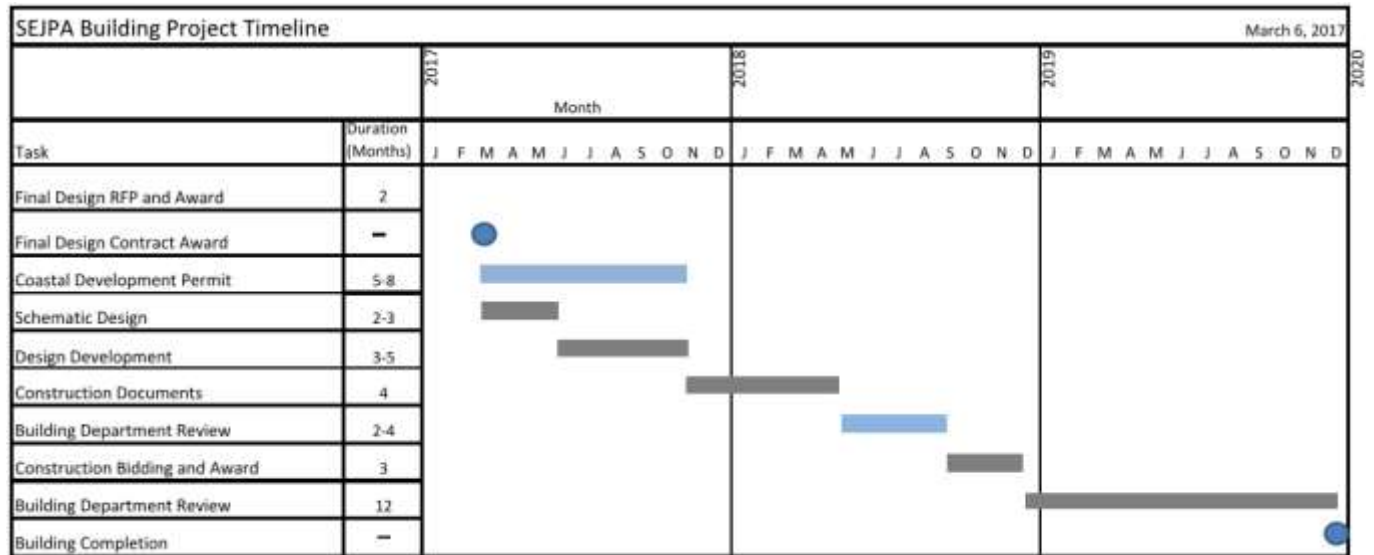


Figure 2. SEJPA Building Project Timeline

FINANCIAL IMPACT

The preliminary design provides an estimated building project cost of \$7.4 Million. For FY 2016-17, the SEJPA has budgeted approximately \$700,000 in capital funding for the project. The agency proposes to obligate approximately \$552,400 for the design permitting, and architectural services during construction. The remaining project costs are proposed to be financed through tax-free municipal bonds. This planned capital expenditure is incorporated into the member agencies' sewer rates and will not cause an unplanned increase. SEJPA will also seek to partner with Caltrans and other agencies to fund and build some of the proposed site improvements including the regional bike path. In addition, SEJPA will examine opportunities to combine planned internal capital projects to streamline project administration and delivery to optimize construction scheduling and minimize overall costs.

It is recommended that the Board of Directors:

1. Authorize General Manager to execute professional services agreement with Roesling, Nakamura, Terada Architects for an amount not to exceed \$507,400;
2. Authorize General Manager to execute professional services agreements for ancillary civil, geotechnical, mechanical, and surveying services associated with the project not to exceed \$45,000; and
3. Discuss and take action as appropriate.

Respectfully submitted,

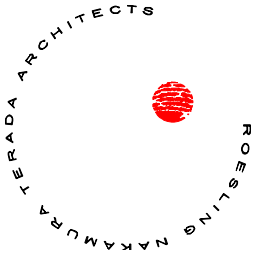


Michael T. Thornton, P.E.
General Manager

Attachment 1: RNT Fee Proposal for SEJPA Building Program Design Services

ATTACHMENT 1

Roesling Nakamura Terada Architects
www.rntarchitects.com
363 Fifth Ave | Ste 202 | San Diego CA 92101 | P 619.233.1023 | F 619.233.0016



Ralph Roesling
Kotaro Nakamura
Mun Ying Kung
Chikako Terada
Lisa Gelfand
Joe Mansfield
Rommel Olaes
Raul Diaz

March 7, 2017

Mike Thornton
General Manager
SAN ELIJO JOINT POWERS AUTHORITY
2695 Manchester Avenue
Cardiff by the Sea, CA 92007-7077

Re: SEJPA Building Program Design Services

Subject: Fee Proposal

Dear Mike;

We are pleased to submit this proposal for the design services for the SEJPA Building Program. We understand that the recently completed SEJPA Preliminary Design Report for the Building Improvement Program has been filed and accepted with the Board. This proposal is for the design, City of Encinitas approval, and bid support for the project.

Scope of Work

We understand the Scope of Work for the project will be the improvements identified in the Building Improvement Program (BIP) identified in the Preliminary Design Report (PDR) dated December 7, 2017.

A general overview of the scope is:

- 12,500-14,000 square foot, two- story Administration and Operations building.
- Approximately 1600 square foot pre-engineered Shop building.
- Sitework improvements associated with the BIP as identified in the PDR.

SEJPA Building Program Design
Fee Proposal
Page 1
March 7, 2017

Scope of Services

An overview of the tasks and services for completing the project are:

- Task 1 - Discretionary review and approval (Coastal Development Permit (CDP) from the City of Encinitas)
- Task 2 - Construction Document preparation
- Task 3 – City of Encinitas Approvals
- Task 4 - Bid support
- Task 5 - Expanded Services

The following is a more detailed explanation of services provided for each task.

Task 1 – Coastal Development Permit processing

- General – Prepare CDP application.
- Architectural – Prepare Site Plan, Floor Plans, Roof Plan, Elevations, and color renderings and exterior finishes material board.
- Civil - Preliminary Drainage Study. Prepare study documenting existing and proposed drainage patterns and systems, including hydrology map, hydraulic calculations and narrative of the project.
- Civil - Preliminary Grading and Drainage Plan. Prepare plan, including preliminary earthwork quantities, storm water drainage improvements and storm water BMPs as required per SWQMP.
- Civil – Slope Analysis
- Civil – Preliminary Storm Water Quality Management Plan (SWQMP). Prepare plan in conformance with City of Encinitas BMP Design Manual.
- Landscape – Preliminary Landscape Plan
- Electrical – Preliminary Lighting Plan
- Approval – Respond to plan review comments and obtain approval.

Task 2 – Construction Document Preparation

This phase will include Architectural, Civil, Structural, Mechanical, Plumbing, Electrical and Landscape design and construction document preparation. This includes:

Schematic Design (SD)

- Validate PDR layouts for the site and building floor plans.
- Prepare Architectural elevations, sections, roof and reflected ceiling plans.
- Prepare preliminary Civil, Structural, Mechanical, Plumbing and Electrical layouts.
- Prepare outline specifications.
- Prepare cost estimate.

Design Development (DD)

- Prepare DD drawings and specifications for Architectural, Civil, Structural, Mechanical, Electrical, Plumbing and Landscape disciplines.
- Develop three-dimensional Building Information Modeling (BIM), using REVIT program.
- Prepare Structural Calculations.
- Prepare Mechanical Title 24 Energy Calculations.
- Prepare Plumbing fixture counts, water, sewer and gas demand calculations.
- Prepare DD cost estimate.

Construction Documents (CD)

- Prepare CD drawings and specifications for Architectural, Civil, Structural, Mechanical, Electrical, Plumbing and Landscape disciplines (Submit for SEJPA review at 50% and 90% milestones).
- Refine three-dimensional BIM model.
- Prepare cost estimates at 50% & 90% CD milestones.
- Prepare exterior and interior color boards for building selection of building finishes.

Task 3 – City of Encinitas Approvals

- Submit drawings and calculations to the City of Encinitas Building Department.
- Submit Civil Grading and Utility Plans City of Encinitas Engineering Department.
- Respond to City of Encinitas plan review comments.
- Prepare "Permit Ready" Bid Documents.

- Prepare final cost estimate.

Task 4 - Bid Assistance

- Assist SEJPA in bidder prequalification process.
- Assist SEJPA with Bid Advertisement.
- Attend pre-bid conference.
- Answer bidder's questions and prepare addendums as required.
- Assist SEJPA in evaluating bids.

Task 5 – Expanded Services

- Topographic Survey Update
- Geotechnical Services

To accomplish the services, we propose the following:

Task 1 - Coastal Development Permit Processing	\$63,800
Task 2 - Construction Document Preparation	\$394,110
Task 3 – City of Encinitas Approvals	\$25,490
Task 4 - Bid Assistance	\$10,000
Task 5 – Expanded Services	\$14,000
Total	\$507,400

For a detailed breakdown of the fee, see Attachment A – Fee Matrix.

The following items are not included from scope of services:

- FEMA CLOMR/LOMR or HEC-RAS Analysis
- Off-site Improvements
- Campus Electrical Service Upgrade
- Plan Review Fees
- Reimbursable expenses for printing

Please review and call me if you have any questions or comments. Thank you again for the opportunity to submit this proposal.

Sincerely,

A handwritten signature in blue ink that reads "Joe Mansfield". The signature is fluid and cursive, with the first name "Joe" and last name "Mansfield" clearly legible.

Joe Mansfield, Principal
ROESLING NAKAMURA TERADA ARCHITECTS, INC.

Cc: Mike Konicke, SEJPA

Attachment

ATTACHMENT A - FEE MATRIX

SAN ELIJO JOINT POWERS AUTHORITY BUILDING IMPROVEMENT PLAN

Phase/Task	Architect	Civil	Structural	MEP	Landscape	Subtotal
Task 1 - Coastal Development Permit						
<i>Arch.</i> Preliminary Site Plan	3,000					3,000
Preliminary Floor Plans	3,500					3,500
Preliminary Roof Plan	2,500					2,500
Preliminary Elevations	6,000					6,000
Coord. & Processing	5,000					5,000
<i>Civil</i> Research & Site Evaluation		2,000				2,000
Prelim. Grading & Drainage Plan		13,000				13,000
Prelim. Drainage Study		6,500				6,500
Slope Analysis		1,000				1,000
Prelim. Storm Water Quality Management Plan (SWQMP)		8,000				8,000
Coord. & Processing		7,500				7,500
<i>Ldsc.</i> Prelim. Planting & Irrig. Plans					4,800	4,800
<i>MEP</i> Prelim. Lighting Plan					1,000	1,000
Task 1 Total						\$63,800

Task 2 - Construction Documents						
Schematic Design	22,000	5,000	5,500	10,000	4,200	46,700
Design Development	64,000	12,800	12,000	20,000	9,200	118,000
Construction Documents	112,500	35,100	22,320	40,950	18,540	229,410
Task 2 Total						\$394,110

Task 3 - City of Encinitas Approvals						
Plan Review Processing	12,500	3,900	2,480	4,550	2,060	25,490
Task 3 Total						\$25,490

Task 4 - Bid Assistance						
	6,000	1,200	700	1,500	600	\$10,000
Task 4 Total						\$10,000

Task 4 - Expanded Services						
Topographic Survey						9,000
Geotechnical Services						5,000
Task 2 Total						\$14,000