

AGENDA
REGULAR BOARD MEETING OF THE
SAN ELIJO JOINT POWERS AUTHORITY
DECEMBER 12, 2023 AT 8:30 A.M.
SAN ELIJO WATER CAMPUS – BOARD MEETING ROOM
2695 MANCHESTER AVENUE
CARDIFF BY THE SEA, CALIFORNIA

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. ORAL COMMUNICATIONS/PUBLIC COMMENT PERIOD (NON-ACTION ITEM)
5. AWARDS AND RECOGNITION
6. * **CONSENT CALENDAR**
7. * [APPROVAL OF MINUTES FOR OCTOBER 17, 2023 MEETING](#)
- 8a. * [APPROVAL FOR PAYMENT OF WARRANTS AND MONTHLY INVESTMENT REPORTS – OCTOBER](#)
- 8b. * [APPROVAL FOR PAYMENT OF WARRANTS AND MONTHLY INVESTMENT REPORTS – NOVEMBER](#)
- 9a. * [WASTEWATER TREATMENT REPORT – SEPTEMBER](#)
- 9b. * [WASTEWATER TREATMENT REPORT – OCTOBER](#)
- 10a.* [RECYCLED WATER REPORT – SEPTEMBER](#)
- 10b.* [RECYCLED WATER REPORT – OCTOBER](#)
11. * [REPORTABLE MEETINGS](#)
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. [FY 2022-23 FINANCIAL AUDIT REPORT ACCEPTANCE](#)

1. Accept and file the FY 2022-23 Audited Financial Statements for San Elijo Joint Powers Authority;
2. Accept and file the FY 2022-23 SAS 114 Letter; and
3. Discuss and take action as appropriate.

Staff Reference: Director of Finance and Administration

14. [SAN ELIJO JOINT POWERS AUTHORITY FISCAL YEAR 2022-23 OPERATING AND DEBT SERVICE EXPENSES END OF YEAR REVIEW](#)

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

Staff Reference: Director of Finance and Administration

15. [RECYCLED WATER COST OF SERVICE STUDY](#)

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

Staff Reference: Director of Finance and Administration

16. [AWARD CONSTRUCTION CONTRACT FOR THE WANKET RECYCLED WATER PIPELINE PROJECT](#)

1. Authorize the General Manager to award and execute a contract for the construction of the Wanket Recycled Water Pipeline Project to Ahrens Mechanical and execute contract in the lump sum amount of \$1,176,500; and
2. Discuss and take action as appropriate.

Staff Reference: Director of Infrastructure & Sustainability

17. [CAPITAL PROGRAM UPDATE](#)

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

Staff Reference: Director of Infrastructure & Sustainability

18. [GENERAL MANAGER'S REPORT](#)

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

19. GENERAL COUNSEL'S REPORT

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

20. 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.

21. CLOSED SESSION

None.

22. ADJOURNMENT

The next regularly scheduled San Elijo Joint Powers Authority Board Meeting will be Tuesday, January 16, 2024 at 8:30 a.m.

NOTICE:

The San Elijo Joint Powers Authority's open and public meetings comply with 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 are 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 generally held on the third Tuesday of each month, with no scheduled meetings in July.

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 on the SEJPA website at www.sejpa.org, and in the following locations:

San Elijo Water Campus (formerly known as San Elijo Water Reclamation Facility),
2695 Manchester Avenue, Cardiff, California
City of Encinitas, 505 South Vulcan Avenue, Encinitas, California
City of Solana Beach, 635 South Highway 101, Solana Beach, California

The notice was posted at least 72 hours prior to the meeting, in accordance with Government Code Section 54954.2(a).

Date: December 7, 2023

A handwritten signature in black ink, appearing to read 'M. Thornton', is 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 OCTOBER 17, 2023
AT THE SAN ELIJO WATER CAMPUS

David Zito, Chair

Tony Kranz, Vice Chair

A meeting of the Board of Directors of San Elijo Joint Powers Authority (SEJPA) was held Tuesday, October 17, 2023, at 8:30 a.m., at the San Elijo Water Campus.

1. CALL TO ORDER

Chair Zito called the meeting to order at 8:31 a.m.

2. ROLL CALL

Directors Present:

David Zito
Tony Kranz
Kristi Becker
Kellie Hinze

Others Present:

General Manager	Michael Thornton
Director of Operations	Chris Trees
Director of Infrastructure and Sustainability	Tom Falk
Director of Finance and Administration	Amy Chang
Management Analyst I	Abby Schlenk

SEJPA Counsel:

Procopio	Kevin Davis
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City of Solana Beach:

Director of Engineering/Public Works	Mohammad "Mo" Sammak
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Trussell Technologies:

President	Shane Trussell
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3. PLEDGE OF ALLEGIANCE

Board Chair, David Zito, led the Pledge of Allegiance.

4. ORAL COMMUNICATION/PUBLIC COMMENT PERIOD

None.

5. AWARDS AND RECOGNITION

None.

6. CONSENT CALENDAR

Moved by Board Member Becker and seconded by Vice Chair Kranz to approve the Consent Calendar.

Agenda Item No. 7	Approval of Minutes for the September 19, 2023 Board Meeting
Agenda Item No. 8	Approval for Payment of Warrants and Monthly Investment Report - September
Agenda Item No. 9	Wastewater Treatment Report
Agenda Item No. 10	Recycled Water Report
Agenda Item No. 11	Reportable Meetings
Agenda Item No. 12	Wanket Tank Refurbishment, Pipeline, and Recycled Water Valve Replacement – Reject Bid and Revised Strategy for Project Delivery

Motion carried with the following vote of approval:

AYES:	Zito, Kranz, Becker, Hinze
NOES	None
ABSENT:	None
ABSTAIN:	None

14. AIR AND WATER REGULATORY INFORMATION UPDATE

SEJPA operates and maintains a variety of infrastructure that requires compliance with 34 permits from 6 regulating agencies. Joined by President of Trussell Technologies Dr. Shane Trussell, Staff briefed the Board on the following significant regulatory trends:

- Per- and Polyflouroalkyl Substances (PFAS), a large, complex group of synthetic chemicals that will soon be regulated in drinking water;
- Potable reuse regulations including adopted rules for indirect potable reuse and imminent rules for direct potable reuse; and
- Air emission regulations that govern use of biogas.

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

15. GENERAL MANAGER'S REPORT

General Manager, Michael Thornton, shared on his attendance to the Water Environment Federation's Technical Exhibition and Conference (WEFTEC) in Chicago, accompanied by Director of Operations, Chris Trees, and Director of Infrastructure & Sustainability, Tom Falk. General Manager Thornton described the national conference as a "meeting of the minds" on the impressive, emerging technologies in the wastewater and recycled water industry.

16. GENERAL COUNSEL'S REPORT

Legal Counsel, Kevin Davis, announced that the Governor signed Assembly Bill 557, extending the allowance for virtual board meetings during a state-issued state of emergency until January 2026.

17. BOARD MEMBER COMMENTS

None.

18. CLOSED SESSION

None.

19. ADJOURNMENT

The meeting adjourned at 9:30 a.m. The next Board of Directors meeting is scheduled to be held on Tuesday, November 14, 2023 at 8:30 a.m.

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

For the Month of October 2023

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
42832	Akeso Occupation Health	Services - Medical	Covid 19 test and Hepatitis B vaccine	\$ 218.00
42833	Allied Storage Containers	Equipment Rental/Lease	20' and 40' storage containers - 09/30/23 - 10/27/23	359.89
42834	Concepcion Yani Barraquan	Subsistence - Travel/Rm & Bd	Employee reimbursement - various	901.83
42835	Black & Veatch	Services - Engineering	Dewatering facilities upgrades through - 08/04/23	24,570.00
42836	California Water Technologies	Supplies - Chem - Ferric Chlo	Ferric chloride solution	11,296.76
42837	D&H Water Systems	Supplies - Chemicals	Acetate buffer solution	588.41
42838	Denali Water Solutions LLC	Services - Biosolids Hauling	Biosolids hauling and reuse	59,551.12
42839	EDCO Waste & Recycling Service	Utilities - Trash	September	521.95
42840	Enthalpy Analytical, LLC	Services - Laboratory	Laboratory toxicity testing services for Jul 2023	1,050.00
42841	Eurofins Calscience, LLC	Services - Laboratory	Testing water samples	2,008.00
42842	Evoqua Water Technologies	Supplies - Chem - Odor	Bioxide	9,107.96
42843	Excel Landscape, Inc.	Services - Maintenance	Grounds maintenance service - Sep	4,382.00
42844	Hardy Diagnostics	Supplies - Lab	Various lab supplies	486.04
42845	JWC Environmental	Repair Parts Expense	Belt press #1 grinder	14,554.87
42846	LiftOff,LLC	Licenses	Licenses - Office 365,Exchange, Project and Azure	17,773.20
42847	Liquid Environmental Solution	Services - Grease & Scum	Roll off box	2,570.00
42848	McMaster-Carr Supply Co.	Supplies - Shop & Field	Various supplies	1,000.50
42849	Mission Square	ICMA Retirement	ICMA - 401a	5,640.34
42850	Mission Square - 304175	EE Deduction Benefits	ICMA - 457	7,642.09
42851	Cosby Oil Company, Inc	Fuel	Fuel - Sep	1,412.05
42852	ProBuild Company, LLC	Supplies - Shop & Field	Various shop and field supplies	300.14
42853	Procopio Cory Hargreaves	Services - Legal	General, Labor and employment	8,073.00
42854	Rising Tide Partners, LLC	Services - Professional	Communications services	2,675.00
42855	Robert Half International, Inc	Services - Temp	Temp service	2,682.60
42856	RSF Security Systems	Services - Alarm	Cellular fire system monitoring - 10/01/23 - 10/31/23	49.00
42857	San Dieguito Water District	Utilities - Water	Water	1,230.08
42858	Underground Service Alert/SC	Services - Alarm	Dig alert, Safe excavation board	136.64
42859	VEGA Americas, Inc	Repair Parts Expense	Adjustable bracket for level sensor	512.63
42860	Volt Management Corp	Services - Temp	Internship program	4,516.79
42861	Benefits Coordinators Corp.	Dental/Vision	Vision - Oct	331.20
42862	WageWorks	Payroll Processing Fees	Admin fee - Sep	155.00
42863	A-Check Global	Preemployment Screening	New employee	583.47
42864	Adam Kaye	Services - Professional	Public communications	1,300.00
42865	Aflac	EE Deduction Benefits	Aflac - Oct	571.70
42866	Airgas USA, LLC	Vehicle Maintenance	Vehicle maintenance - F-750	596.15
42867	ALS Group USA, Corp	Services - Laboratory	Biogas sampling	2,210.00
42868	Amy Chang	Subsistence - Travel/Rm & Bd	Employee reimbursement - CalPERS conference and mileage	1,121.43
42869	Applied Industrial Tech.	Repair Parts Expense	Euroseal	90.55
42870	Ardurra Group, Inc	Services - Engineering	Wanket tank refurbish support from 08/01/23 - 08/31/23	1,425.00
42871	AT & T	Utilities - Telephone	Alarm service - Sep	380.22
42872	American Water Chemicals, Inc.	Supplies - Chemicals	Antiscalant	9,937.42
42873	Black & Veatch	Services - Engineering	Dewatering facilities upgrades through 09/01/23	13,640.90
42874	Boot World, Inc.	Uniforms - Boots	Safety boots	438.84
42875	Brenntag Pacific, Inc	Supplies - Chem - Odor	Sodium hydroxide	2,017.08
42876	CA. Office Cleaning, Inc.	Services - Janitorial	Office and window cleaning	3,195.00
42877	CWEA	Seminars/Education	CWEA attendance fees - T. Falk #425691	50.00
42878	CDM Smith	Services - Engineering	Services from 08/06/2023 - 09/02/2023	7,255.80
42879	CDW Government	Supplies - Office	Laptops and monitor	2,624.43
42880	Corodata	Rent	Record storage - Sep	115.15
42881	California Society of Municipal Officers	Dues & Memberships	Membership - E. Zito	50.00
42882	CWEA Membership	Dues & Memberships	Certification renewal fees - T. Hutchinson	98.00
42883	Enthalpy Analytical, LLC	Services - Laboratory	Laboratory toxicity testing services for Aug 2023	1,050.00
42884	Environmental Express, Inc.	Supplies - Lab	BOD bottles	762.65
42885	Evoqua Water Technologies	Supplies - Chem - Odor	Bioxide	9,136.27
42886	Grainger, Inc.	Shop Tools and Equip.	Socket	46.18
42887	Unifirst First Aid Corp	Supplies - Safety	First aid supplies	118.13
42888	Hardy Diagnostics	Supplies - Lab	Various supplies	1,874.02
42889	Harrington Industrial Plastics	Repair Parts Expense	Strainer for rinse pump	211.82
42890	ICMA Membership Renewals	Dues & Memberships	Membership - A. Chang	200.00
42891	Idexx Distribution, Inc.	Supplies - Lab	Various supplies	3,070.42
42892	Integrated Aqua Systems, Inc	Repair Parts Expense	Pump	3,162.46
42893	Lawson Products Inc.	Supplies - Shop & Field	Hardware	1,574.70
42894	Leaf & Cole, LLP	Services - Accounting	Audit services	4,140.00
42895	MBC Applied Environmental	Services - Professional	Region nine kelp survey	5,194.84
42896	McMaster-Carr Supply Co.	Tools and Repair Parts Expense	Various supplies	2,092.37
42897	MetLife - Group Benefits	Dental/Vision	Dental - Nov	2,458.65
42898	Micronics Engineered	Repair Parts Expense	Belt press wires	426.60
42899	Midas Shop	Vehicle Maintenance	Starter repair - F250 Super Duty	577.95
42900	Mission Square	ICMA Retirement	ICMA - 401a	6,165.45
42901	Mission Square - 304175	EE Deduction Benefits	ICMA - 457	7,844.62
42902	Napa Auto Parts	Vehicle Maintenance	Battery	236.35
42903	Cosby Oil Company, Inc	Fuel	Fuel - Oct	1,691.67
42904	NSI Solutions, Inc.	Supplies - Lab	Lab supplies	78.00
42905	Olin Corp - Chlor Alkali	Supplies - Chem - Odor	Procurement of sodium hypochlorite	11,258.73
42906	Olivenhain Municipal Water Dis	Rent, Services - Maintenance	Pipeline rental payment, Wanket reservoir maint	14,706.60
42907	Pacific Pipeline Supply	Tools and Repair Parts Expense	Various supplies	1,814.67
42908	Plant Tek Inc.	Services - Maintenance	Palm treatment	2,700.00
42909	ProBuild Company, LLC	Supplies - Safety	Various supplies	328.36
42910	Procopio Cory Hargreaves	Services - Legal	General, Labor and employment	7,800.00
42911	Radwell International, Inc.	Repair Parts Expense	Marsh bellofram for belt press 1	357.66
42912	Ralph Chaney	Services - Other	Rattlesnake removal	75.00
42913	Robert Half International, Inc	Services - Temp	Temp service	2,474.88
42914	Rusty Wallis, Inc.	Services - Maintenance	Water softener, tank service and salt bags	402.56
42915	Santa Fe Irrigation District	Utilities - Water (Suppl.)	1722 Lomas Santa Fe Dr - 08/02/23 - 10/02/23	3,540.21
42916	Santa Fe Irrigation District	SFID Distribution Pipeline	Pipeline purchase payment	3,518.60

**SAN ELIJO JOINT POWERS AUTHORITY
PAYMENT OF WARRANTS
For the Month of October 2023**

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
42917	San Dieguito Water District	Utilities - Water	Water	2,523.73
42918	SWRCB - ELAP Fees	Fees - Permits	ELAP - 2024 renewal fees	4,250.00
42919	Terminix Processing Center	Services - Maintenance	Pest control service	441.00
42920	Thatcher Company of California	Supplies - Chemicals	Aluminum sulfate	7,468.81
42921	Transcat, Inc	Services - Maintenance	Pipette calibration service	109.91
42922	Christopher A. Trees	Subsistence - Travel/Rm & Bd	Employee reimbursement - WEFTEC Conference	2,538.62
42923	USA Bluebook	Supplies - Lab, repair parts	Various supplies	5,863.76
42924	Vaughn Irrigation Services, Inc	Repair Parts Expense	Various supplies	1,142.15
42925	Verizon Wireless	Utilities - Telephone	Cellphone service and equipment - 09/08/23 - 10/07/23	1,563.00
42926	Volt Management Corp	Services - Temp	Internship program	8,457.80
42927	WateReuse	Dues & Memberships	2024 Annual Membership Dues - SEJPA	1,587.00
42928	Water Environment Federation	Dues & Memberships	Membership - M.Thornton #01763627	361.00
42929	WM Corporate Services, Inc.	Services - Grit & Screenings	Roll off bins - 09/01/23 - 09/30/23	450.00
On-line 836	Public Employees- Retirement	Retirement Plan - PERS	Retirement - 09/16/23 - 09/29/23	19,758.97
On-line 837	ReadyRefresh	Supplies - Lab	Kitchen and lab supplies	1,395.24
On-line 838	BankCard Center	Supplies - Safety	Various supplies	8,003.66
On-line 839	P.E.R.S.	Medical Insurance - Pers	Health - Nov	32,758.16
On-line 840	Public Employees- Retirement	Retirement Plan - PERS	Retirement 09/30/23 - 10/13/23	20,845.69
On-line 841	San Diego Gas & Electric	Utilities - Gas & Electric	Gas and electric - 09/08/23 - 10/06/23	114,343.49
On-line 842	Sun Life Financial	Life Insurance/Disability	Life and disability - Nov	2,569.83
	San Elijo Payroll Account	Payroll	Payroll - 10/06/2023	94,452.77
	San Elijo Payroll Account	Payroll	Payroll - 10/20/2023	114,670.84
				<u><u>\$ 780,654.08</u></u>

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

**For the Month of October 2023
As of October 31, 2023**

PAYMENT OF WARRANTS \$ 780,654.08

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 SEJPA, including the Member Agency commitment in their operating budgets to support the operations of SEJPA, are expected to be adequate to meet SEJPA's obligations over the next six months. I also certify that SEJPA's investment portfolio complies with the SEJPA's investment policy.



Amy Chang
Director of Finance & Administration

SAN ELIJO JOINT POWERS AUTHORITY
STATEMENT OF FUNDS AVAILABLE FOR PAYMENT OF WARRANTS
AND INVESTMENT INFORMATION

As of October 31, 2023

FUNDS ON DEPOSIT WITH	AMOUNT
LOCAL AGENCY INVESTMENT FUND <i>(OCTOBER 2023 YIELD 3.670%)</i>	\$ 16,145,392.08
CALIFORNIA BANK AND TRUST <i>(OCTOBER 2023 YIELD 0.01%)</i>	2,095,776.21
U.S. Bank <i>(OCTOBER 2023 YIELD 4.40%)</i>	15,187,676.68
PARS <i>(OCTOBER 2023 INVESTMENT RETURN -2.37%)</i>	576,516.00
TOTAL RESOURCES	<u>\$ 34,005,360.97</u>

SAN ELIJO JOINT POWERS AUTHORITY

PAYMENT OF WARRANTS

For the Month of November 2023

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
42930	Abila	Licenses	Accounting software support and subscription	341.24
42931	Akeso Occupation Health	Services - Medical	Hearing test and new hire	330.00
42932	Allied Storage Containers	Equipment Rental/Lease	20' and 40' storage containers - 10/28/23 - 11/24/23	359.89
42933	AT&T	Utilities - Telephone	Phone service - 09/13/23 - 10/12/23	639.04
42934	Atara Equipment LTD	Repair Parts Expense	Biosolids conveyor parts	1,809.00
42935	American Water Works Assoc.	Dues & Memberships	Membership - M. Henke	106.00
42936	Backflow Services, Inc.	Services - Maintenance	Backflow service	1,714.00
42937	bkm OfficeWorks, LLC	Supplies - Office	Office furniture - T. Falk	1,949.80
42938	California Water Technologies	Supplies - Chem - Ferric Chlo	Ferric chloride solution	11,301.98
42939	The Coast News Group	Advertising	Newspaper ad - Wanket tank recycled water pipeline project	292.50
42940	CWEA Membership	Dues & Memberships	Certification and membership - D. Verdon and C. Larsen	324.00
42941	Denali Water Solutions LLC	Services - Biosolids Hauling	Biosolids hauling and reuse	4,873.97
42942	Westbound Solar 2, LLC	Utilities - Solar Power	Solar - Sep	11,735.76
42943	EDCO Waste & Recycling Svc	Utilities - Trash	Oct	485.95
42944	Encina Wastewater Authority	Services - Laboratory	Heterotrophic plate count analysis	162.00
42945	City of Encinitas	Service - IT Support	Admin network and licenses - Jul	8,511.29
42946	City of Encinitas	Service - IT Support	Admin network and licenses - Aug	8,511.29
42947	City of Encinitas	Service - IT Support	Admin network and licenses - Sep	8,511.29
42948	City of Encinitas	Service - IT Support	Admin network and licenses - Oct	7,030.19
42949	EnvirGreen Electronic Rec	Services - Other	E - waste recycling	99.00
42950	Environmental Sampling Supply,	Supplies - Lab	Lab supplies	55.77
42951	Eurofins Calscience, LLC	Services - Laboratory	Testing water samples	856.00
42952	Excel Landscape, Inc.	Services - Landscape	French drain	2,696.91
42953	Thomas C Falk	Subsistence -Travel	Employee reimb - WEFTEC conference	3,515.28
42954	Fisher Scientific	Supplies - Lab	Lab supplies	1,245.78
42955	Golden Bell Products	Supplies - Chemicals	Lift station degreaser	471.41
42956	Hardy Diagnostics	Supplies - Lab	Various supplies	2,839.78
42957	Idexx Distribution, Inc.	Supplies - Lab	Enterococci and E. Coli	1,293.28
42958	McMaster-Carr Supply Co.	Supplies - Shop & Field	Various supplies	3,901.26
42959	Mission Square	ICMA Retirement	ICMA - 401a	6,028.88
42960	Mission Square - 304175	EE Deduction Benefits	ICMA - 457	24,111.17
42961	Cosby Oil Company, Inc	Fuel	Fuel - Oct	860.34
42962	Olin Corp - Chlor Alkali	Supplies - Chem - Odor	Procurement of sodium hypochlorite	11,166.96
42963	Olivenhain Municipal Water Dis	Rent, Lobbying, Prop 1 Rd 1 Proj 6	Pipeline rental payment - Oct, IRWM Prop 1 reimb, Consulting fee	759,750.00
42964	OneSource Distributors, Inc.	Repair Parts Expense	Pull tape, power supply and tower	2,661.79
42965	Otis Elevator Company	Services - Maintenance	Elevator maintenance from 10/01/23 - 10/31/23	190.00
42966	Pacific Pipeline Supply	Repair Parts and Tools and Equip.	Alpha flange, Grit washer, Hand wheel wrenches and valve clow	3,550.73
42967	Polydyne Inc.	Supplies - Chem - Polymer	Clarifloc - WE-007	16,356.45
42968	Powerflo Product's Inc	Repair Parts Expense	Pump parts	3,389.83
42969	ProBuild Company, LLC	Shop Tools and Equip.	Paint mixer	14.66
42970	Radwell International, Inc.	Repair Parts Expense	Pump VFD part and input module	510.36
42971	Robert Half International, Inc	Services - Temp	Temp service	1,386.00
42972	Rockwell Solutions	Repair Parts Expense	Digester chopper parts	3,539.00
42973	RSF Security Systems	Services - Alarm	Code change service and cellular fire system monitoring	99.00
42974	Santa Fe Irrigation District	Utilities - Water	Water	107.51
42975	San Dieguito Water District	Utilities - Water (Suppl.)	Water	743.99
42976	Seacliff Mechanical Svc, LLC	Services - Maintenance	HVAC services	2,800.00
42977	State Water Resources Control	Fees - Permits	Recycled water review - 3790105	1,577.00
42978	Terminix Processing Center	Services - Maintenance	Pest control service	103.00
42979	Michael Thornton	Subsistence - Travel/Rm & Bd	Employee reimbursement - WEFTEC conference	2,448.79
42980	Christopher A. Trees	Direct Salaries and Wages	Employee reimbursement - Health and wellness	120.00
42981	Tyler Cook	Supplies - Chemicals	Employee reimbursement - Soda ash	742.08
42982	USA Bluebook	Supplies - Lab, Shop tools and equip.	Various supplies	2,283.12
42983	Verizon Wireless	Utilities - Telephone	09/11/23 - 10/10/23	623.62
42984	Void			-
42985	Volt Management Corp	Services - Temp	Intern program and temp services	10,317.22
42986	Benefits Coordinators Corp.	Dental/Vision	Vision - Nov	331.20
42987	VWR International, Inc.	Supplies - Lab	Arium ro-cleaning set	174.87
42988	WageWorks	Payroll Processing Fees	Admin fee - Oct	155.00
42989	Sterling Infosystems, Inc	Preemployment Screening	New employee	158.97
42990	Southern Ca. Chapter - ABPA	Seminars/Education	2023 Conference - M.Piper	150.00
42991	Adam Kaye	Services - Professional	Public communications	700.00
42992	Affordable Drain Services	Services - Maintenance	Jet/Vac Truck and drain cleaning	920.00
42993	Aflac	EE Deduction Benefits	Aflac - Nov	755.68
42994	Albertsons Companies	Services - Medical	Flu vaccinations	161.00
42995	Ardurra Group, Inc	Services - Engineering	Wanket tank refurbish support from 09/01/23 - 09/30/23	5,114.55
42996	AT&T	Utilities - Telephone	Alarm service - Oct	380.22
42997	Atara Equipment LTD	Repair Parts Expense	Biosolids conveyor parts	4,221.00
42998	Brax Process and Pump Equip.	Services - Maintenance	Digester 2 rebuild services	35,054.80
42999	Brenntag Pacific, Inc	Supplies - Chemicals	Sodium hydroxide, Citric acid and Soda ash	11,066.71
43000	CA. Office Cleaning, Inc.	Services - Janitorial	Office and window cleaning	3,195.00
43001	California Water Technologies	Supplies - Chem - Ferric Chlo	Ferric chloride solution	10,498.07
43002	CASA	Dues & Memberships	Membership - Agency	14,730.00
43003	City National Bank	Interest Expense - AWT Note	Loan agreement - # 11- 020 - #24	74,076.57
43004	Corodata	Rent	Record storage - Oct	118.85
43005	CSMFO	Dues & Memberships	2024 CSMFO Membership renewal - A. Chang	135.00
43006	D & R Crane, Inc.	Services - Maintenance	Crane inspections	2,320.00
43007	Denali Water Solutions LLC	Services - Biosolids Hauling	Biosolids hauling and reuse	20,296.71
43008	Environmental Express, Inc.	Supplies - Lab	Various lab supplies	796.74
43009	Eurofins Calscience, LLC	Services - Laboratory	Testing water samples	2,879.00
43010	Fluid Components International	Services - Maintenance	Annual field service - Gas meter calibrations	1,799.51
43011	The Hardwood & Hardware Co.	Supplies - Shop & Field	Various supplies	165.56
43012	Hardy Diagnostics	Supplies - Lab	Various supplies	527.33

**SAN ELIJO JOINT POWERS AUTHORITY
PAYMENT OF WARRANTS
For the Month of November 2023**

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
43013	Harrington Industrial Plastics	Repair Parts Expense	Strainer and slotted pin	504.39
43014	Hoch Consulting, APC	Services - Professional	Prop 1 Rd 1 project 6 and 7	14,520.00
43015	Kelsey Structural, APC	Services - Engineering	Design of headworks cover plate rebuild	14,775.00
43016	Lawson Products Inc.	Repair Parts Expense	Various supplies	2,130.71
43017	McMaster-Carr Supply Co.	Repair Parts Expense	Various supplies	1,152.45
43018	MetLife - Group Benefits	Dental/Vision	Dental - Dec	2,934.88
43019	Midas Shop	Vehicle Maintenance	Auto service	1,158.68
43020	Mission Square	ICMA Retirement	ICMA - 401a	6,010.72
43021	Mission Square - 304175	EE Deduction Benefits	ICMA - 457	7,209.06
43022	Cosby Oil Company, Inc	Fuel	Fuel - Nov	829.94
43023	NSI Solutions, Inc.	Supplies - Lab	Lab supplies	232.00
43024	The Nyhart Company	Services - Accounting	Actuarial service	6,550.00
43025	Olin Corp - Chlor Alkali	Supplies - Chem - Odor	Procurement of sodium hypochlorite	11,341.30
43026	Olivenhain Municipal Water Dis	Rent, Lobbying, Prop 1 Rd 1 Proj 6	Pipeline rental payment - October, IRWM Prop 1 reim., Consulting fee	9,810.00
43027	OneSource Distributors, Inc.	Repair Parts Expense	Analog input for controller, remote and compact power supply	4,225.18
43028	Otis Elevator Company	Services - Maintenance	Elevator maintenance from 11/01/23 - 11/30/23	190.00
43029	Peerless Materials Co., LLC	Supplies - Shop & Field	Oil pads and rag box	727.53
43030	Michael Piper	Subsistence - Meals	Employee reimbursement Safety lunch	127.48
43031	Procopio Cory Hargreaves	Services - Legal	General	2,730.00
43032	Radwell International, Inc.	Repair Parts Expense	Pump VFD part and input module	1,839.43
43033	Rincon Consultants Inc	Services - Professional	As-needed grant support and environmental services	1,221.00
43034	Robert Half International, Inc	Services - Temp	Temp service	4,224.02
43035	Rusty Wallis, Inc.	Services - Maintenance	Water softener, tank service and salt bags	334.73
43036	Santa Fe Irrigation District	Utilities - Water	Water	510.44
43037	Santa Fe Irrigation District	SFID Distribution Pipeline	Pipeline reimbursement	3,298.55
43038	San Dieguito Water District	Utilities - Water	Water	2,449.29
43039	Seaciff Mechanical Svc, LLC	Services - Maintenance	Installation of condensate pump and float for HVAC	2,035.00
43040	Siemens Industry, Inc.	Repair Parts Expense	Transmitter	2,029.69
43041	Southern Contracting Comp.	Services - Maintenance	Wire replacement for belt press 1	7,458.00
43042	SpeedTech Lights Inc	Repair Parts Expense	Supreme control box	55.39
43043	T.S. Industrial Supply	Supplies - Shop & Field	Hoses for digester cleanout	1,319.14
43044	Terminix Processing Center	Services - Maintenance	Pest control service	544.00
43045	Tesco Controls	Services - Professional	SCADA support services	1,815.00
43046	Unifirst Corporation	Services - Uniforms, Safety Supplies	Uniform service and gloves	2,602.12
43047	UPS	Postage/Shipping	Shipping	77.63
43048	Underground Service Alert/SC	Services - Alarm	Dig alert, Safe excavation board	126.14
43049	USA Bluebook	Supplies - Lab, Tools and Equip.	Various supplies	3,236.77
43050	Valley CM, Inc.	Services - Contractors	Management and inspection services	6,503.50
43051	Volt Management Corp	Services - Temp	Intern program and temp services	6,003.59
43052	VWR International, Inc.	Supplies - Lab	Standards	161.66
43053	WateReuse	Dues & Memberships	California conference sponsorship	6,000.00
43054	Webster Bank, N.A.	Interest Expense - RW	2023 Recycled water loan	394,760.42
On-line 843	CA. Dept. of Tax & Fee Admin.	Accrued Sales Tax Payable	Use tax - 07/01/23 - 09/30/23	437.00
On-line 844	Public Employees- Retirement	Retirement Plan - PERS	Retirement - 10/14/23 - 10/27/23	19,855.77
On-line 845	ReadyRefresh	Supplies - Lab	Kitchen and lab supplies	1,035.49
On-line 846	BankCard Center	Supplies - Safety	Various supplies	16,017.80
On-line 847	P.E.R.S.	Medical Insurance - Pers	Health - Dec	31,912.85
On-line 848	Public Employees- Retirement	Retirement Plan - PERS	Retirement - 10/28/23 - 11/10/23	18,738.25
On-line 849	San Diego Gas & Electric	Utilities - Gas & Electric	Gas and electric - 10/07/23 - 11/06/23	102,950.85
On-line 850	Sun Life Financial	Life Insurance/Disability	Life and disability - Dec	2,591.92
On-line 851	WM Corporate Services, Inc.	Services - Grit & Screenings	10 yard roll off disposal	3,445.19
	San Elijo Payroll Account	Payroll	Payroll - 11/03/2023	123,771.95
	San Elijo Payroll Account	Payroll	Payroll - 11/17/2023	97,334.57
				<u>\$ 2,086,183.97</u>

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

**For the Month of November 2023
As of November 30, 2023**

PAYMENT OF WARRANTS

\$ 2,086,183.97

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 SEJPA, including the Member Agency commitment in their operating budgets to support the operations of SEJPA, are expected to be adequate to meet SEJPA's obligations over the next six months. I also certify that SEJPA's investment portfolio complies with the SEJPA's investment policy.



Amy Chang
Director of Finance & Administration

SAN ELIJO JOINT POWERS AUTHORITY
STATEMENT OF FUNDS AVAILABLE FOR PAYMENT OF WARRANTS
AND INVESTMENT INFORMATION

As of November 30, 2023

FUNDS ON DEPOSIT WITH	AMOUNT
LOCAL AGENCY INVESTMENT FUND <i>(OCTOBER 2023 YIELD 3.670%)</i>	\$ 16,145,392.08
CALIFORNIA BANK AND TRUST <i>(NOVEMBER 2023 YIELD 0.01%)</i>	769,448.55
U.S. Bank <i>(NOVEMBER 2023 YIELD 4.40%)</i>	15,244,535.49
PARS <i>(OCTOBER 2023 YIELD -2.37%)</i>	576,516.00
TOTAL RESOURCES	<u>\$ 32,735,892.12</u>

*

AGENDA ITEM NO. 9a

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

December 12, 2023

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: WASTEWATER TREATMENT REPORT - SEPTEMBER

RECOMMENDATION

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

DISCUSSION

Monthly Treatment Plant Performance and Evaluation

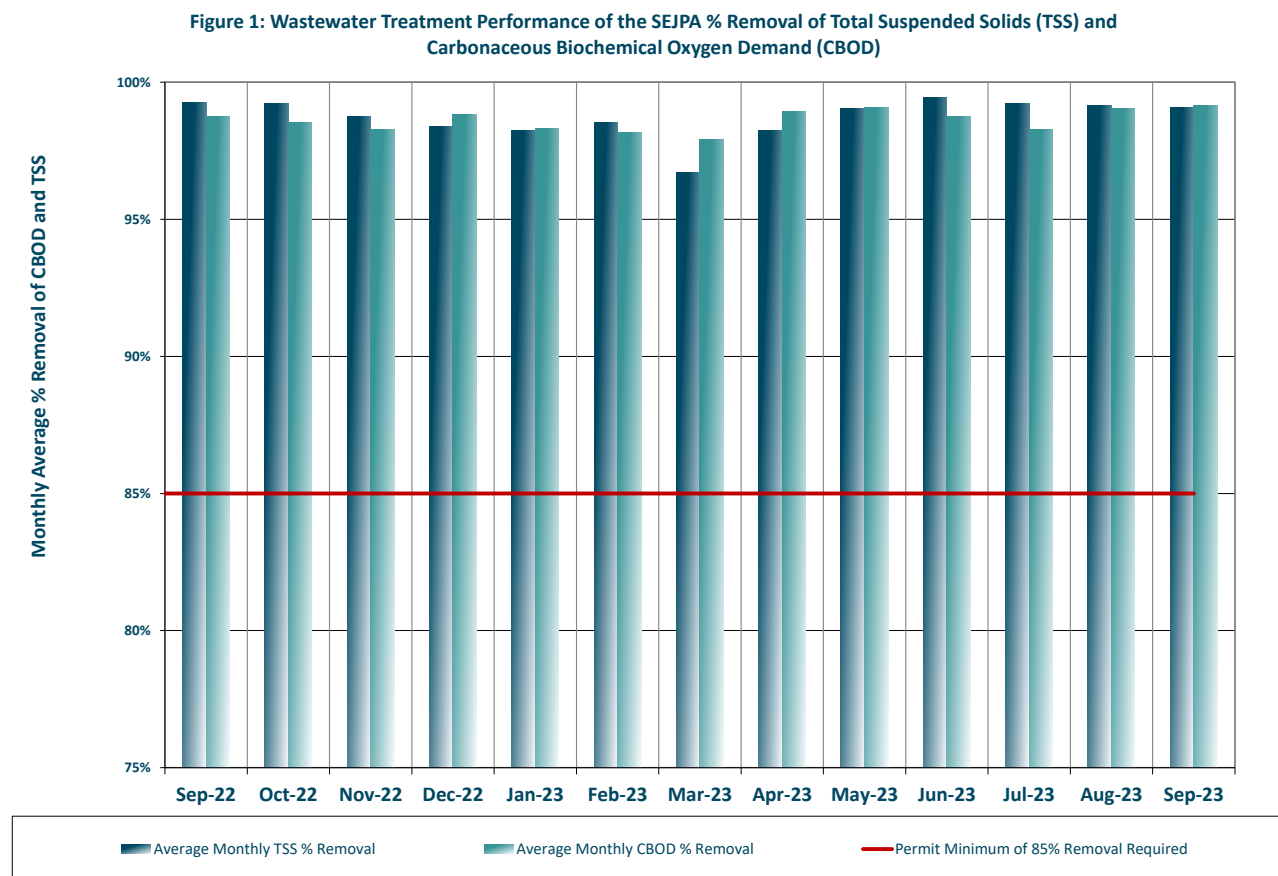
Wastewater treatment for the San Elijo Joint Powers Authority (SEJPA) met all National Pollutant Discharge Elimination System (NPDES) ocean effluent limitation requirements for the month of September 2023. The primary indicators of treatment performance include the removal of Total Suspended Solids (TSS) and Carbonaceous Biochemical Oxygen Demand (CBOD). The SEJPA is required to remove a minimum of 85 percent of the TSS and CBOD from the wastewater. Treatment levels for **TSS** and **CBOD** were **99.2** and **99.0** percent removal, respectively, during the month of September.

Exceptional Water Treatment

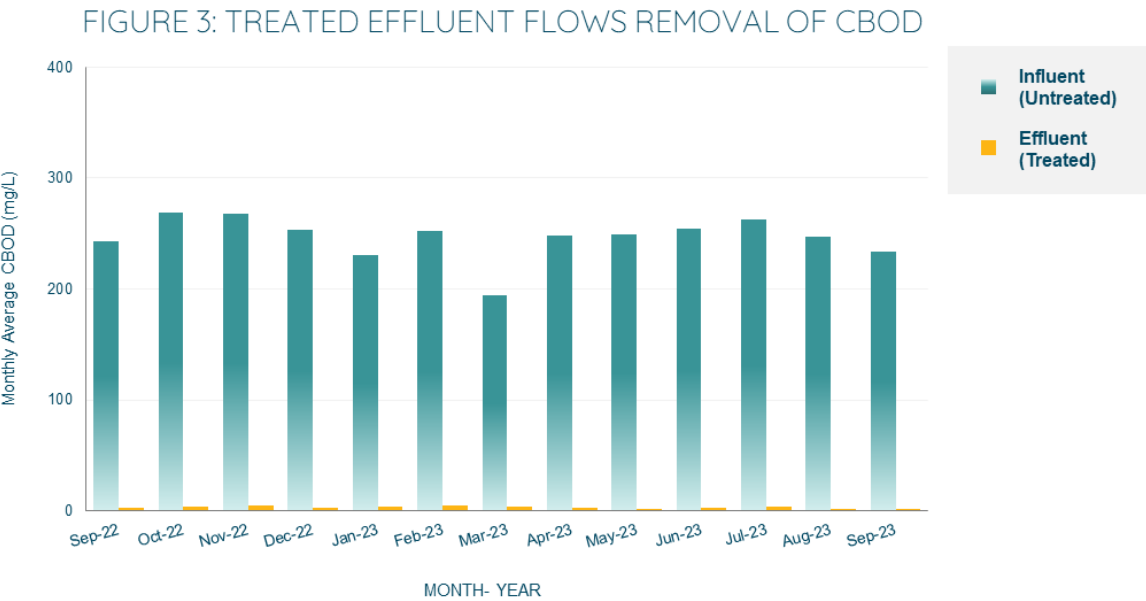
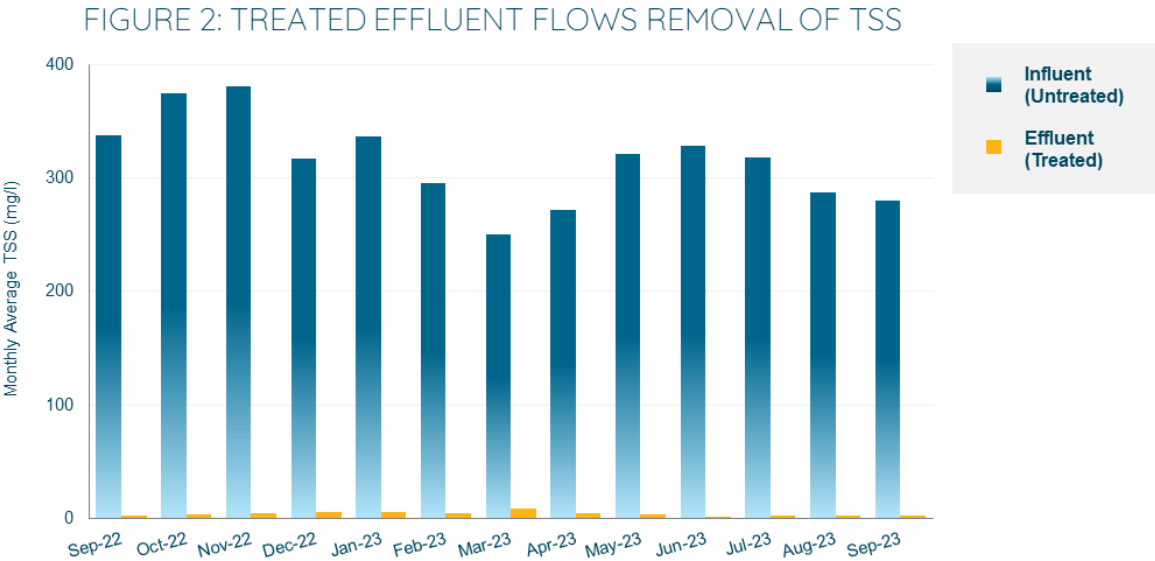
Treatment Removed
99.2% of TSS

Treatment Removed
99.0% of CBOD

Figure 1 (below) shows historic treatment performance trends for the removal of TSS and CBOD over the last 13 months compared to the permit minimum removal requirement of 85%.



Figures 2 and 3 (below) show historic influent vs effluent TSS and CBOD concentration fluctuations in the strength of the wastewater being received and discharged by the SEJPA.



Member Agency Flows

Table 1 (below) presents the influent and effluent flows for the month of September. Average daily influent flows were recorded for each Member Agency. Total effluent flow was calculated for the San Elijo Water Campus. Approximately 62% of the influent flow was diverted for recycled water use in September.

TABLE 1 - INFLUENT AND EFFLUENT FLOWS IN SEPTEMBER

SEPTEMBER			
	Influent (mad)	Recycled Water (mad)	Effluent (mad)*
Cardiff Sanitaru Division	1.161	0.802	0.359
City of Solana Beach	0.885	0.611	0.274
Rancho Santa Fe SID	0.161	0.112	0.049
City of Del Mar	0.371	0.256	0.115
Total San Elijo Water Campus Flow	2.578	1.781	0.797

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

Table 2 (below) presents the historical average and unit influent rates per month for each of the Member Agencies during the past 3 years. It also presents the number of connected Equivalent Dwelling Units (EDUs) for each of the Member Agencies during this same time.

TABLE 2 - SAN ELIJO WATER CAMPUS MONTHLY REPORT - FLOWS AND EDUS

MONTH	AVERAGE DAILY INFLUENT FLOW RATE (MGD)					CONNECTED EDUs					AVERAGE UNIT INFLUENT FLOW RATE (GAL/EDU/DAY)				
	CSD	RSF	SB	DM	TOTAL PLANT	CSD	RSF	SB	DM	TOTAL EDUS	CSD	RSF	SB	DM	TOTAL PLANT
Sep-20	1.225	0.151	0.956	0.362	2.694	8,540	578	8,110	2,616	19,844	143	261	118	146	136
Oct-20	1.197	0.142	0.940	0.316	2.595	8,543	579	8,110	2,616	19,848	140	245	116	128	131
Nov-20	1.200	0.142	0.927	0.341	2.610	8,543	579	8,110	2,616	19,848	140	245	114	138	131
Dec-20	1.217	0.141	0.893	0.304	2.555	8,543	579	8,110	2,616	19,848	142	244	110	123	129
Jan-21	1.238	0.150	0.909	0.323	2.620	8,543	579	8,110	2,616	19,848	145	259	112	129	132
Feb-21	1.224	0.151	0.926	0.306	2.607	8,548	579	8,110	2,616	19,853	143	261	114	121	131
Mar-21	1.291	0.160	0.968	0.332	2.751	8,548	579	8,110	2,616	19,853	151	277	119	131	139
Apr-21	1.232	0.160	0.925	0.320	2.637	8,552	579	8,110	2,616	19,857	144	277	114	129	133
May-21	1.189	0.157	0.932	0.323	2.601	8,552	579	8,110	2,616	19,857	139	271	115	130	131
Jun-21	1.218	0.148	0.938	0.358	2.662	8,554	579	8,110	2,616	19,859	142	256	116	145	134
Jul-21	1.183	0.144	0.972	0.435	2.734	8,554	579	8,124	2,616	19,873	138	249	120	178	138
Aug-21	1.178	0.150	0.966	0.480	2.774	8,556	579	8,124	2,616	19,875	138	259	119	196	140
Sep-21	1.153	0.129	0.948	0.353	2.583	8,557	579	8,124	2,616	19,876	135	223	117	144	130
Oct-21	1.225	0.126	0.885	0.329	2.565	8,557	579	8,124	2,616	19,876	143	218	109	139	129
Nov-21	1.156	0.131	0.911	0.329	2.527	8,557	581	8,124	2,616	19,878	135	226	112	135	127
Dec-21	1.264	0.145	0.913	0.310	2.632	8,557	581	8,124	2,616	19,878	148	250	112	127	132
Jan-22	1.174	0.140	0.906	0.357	2.577	8,557	581	8,124	2,616	19,878	137	241	112	145	130
Feb-22	1.113	0.158	0.929	0.300	2.500	8,557	581	8,124	2,616	19,878	130	272	114	120	126
Mar-22	1.176	0.142	0.946	0.307	2.571	8,557	581	8,124	2,616	19,878	137	245	116	123	129
Apr-22	1.134	0.140	0.875	0.315	2.464	8,557	582	8,124	2,616	19,879	133	241	108	129	124
May-22	1.146	0.140	0.877	0.301	2.464	8,557	582	8,124	2,616	19,879	134	241	108	123	124
Jun-22	1.133	0.138	0.921	0.452	2.644	8,557	583	8,124	2,616	19,880	132	237	113	184	133
Jul-22	1.124	0.129	0.948	0.438	2.639	8,557	583	8,142	2,616	19,898	131	221	116	179	133
Aug-22	1.163	0.133	0.929	0.448	2.673	8,557	583	8,142	2,616	19,898	136	228	114	185	134
Sep-22	1.139	0.125	0.904	0.381	2.549	8,557	584	8,142	2,616	19,899	133	214	111	158	128
Oct-22	1.083	0.128	0.890	0.295	2.396	8,557	584	8,142	2,616	19,899	127	219	109	122	120
Nov-22	1.205	0.124	0.879	0.336	2.544	8,557	585	8,142	2,616	19,900	141	212	108	138	128
Dec-22	1.186	0.133	0.906	0.374	2.599	8,557	585	8,142	2,616	19,900	139	228	111	151	131
Jan-23	1.630	0.200	0.979	0.379	3.188	8,557	585	8,142	2,616	19,900	190	342	120	153	160
Feb-23	1.323	0.167	0.930	0.371	2.791	8,557	585	8,142	2,616	19,900	155	286	114	149	140
Mar-23	1.892	0.255	1.044	0.392	3.583	8,557	585	8,142	2,616	19,900	221	436	128	154	180
Apr-23	1.244	0.187	0.915	0.303	2.649	8,557	586	8,142	2,616	19,901	145	319	112	123	133
May-23	1.184	0.167	0.879	0.295	2.525	8,557	586	8,142	2,616	19,901	138	285	108	120	127
Jun-23	1.185	0.144	0.891	0.413	2.633	8,557	586	8,142	2,616	19,901	136	282	109	171	132
Jul-23	1.160	0.146	0.949	0.446	2.701	8,557	586	8,166	2,616	19,925	136	249	116	182	136
Aug-23	1.242	0.177	0.954	0.494	2.867	8,559	586	8,166	2,622	19,933	145	302	117	200	144
Sep-23	1.161	0.161	0.885	0.371	2.578	8,559	586	8,166	2,622	19,933	136	275	108	152	129

CSD: Cardiff Sanitary Division

RSF: Ranch Santa Fe Community Service District

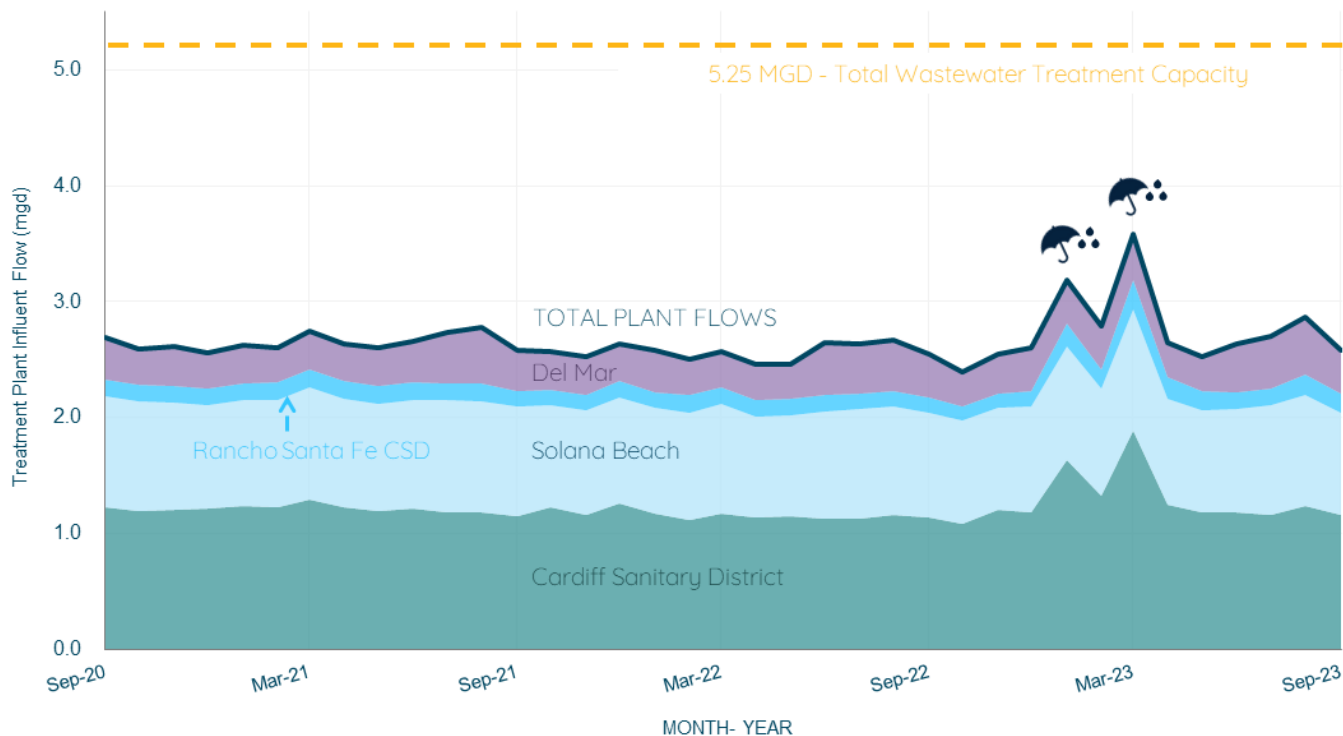
SB: Solana Beach

DM: City of Del Mar

EDU: Equivalent Dwelling Unit

Figure 4 (below) presents the 3-year historical average daily flows per month for each Member Agency. This is to provide a historical overview of the average flow treated for each agency. Also shown in Figure 4 is the total wastewater treatment capacity of the water campus, 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.

FIGURE 4: SEJPA AVERAGE DAILY FLOWS OVER THE PAST 3 YEARS



City of Escondido Flows

The average and peak flow rate for the month of September 2023 from the City of Escondido's Hale Avenue Resource Recovery Facility, which discharges through the San Elijo Ocean Outfall, is reported below in Table 3.

TABLE 3 – CITY OF ESCONDIDO FLOWS

	Flow (mgd)
Escondido (Average flow rate)	8.52
Escondido (Peak flow rate)	17.9

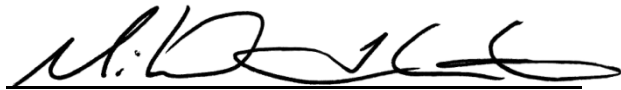
Connected Equivalent Dwelling Units

The Cities of Encinitas, Solana Beach and Del Mar updated the number of connected EDUs that are reported to the SEJPA in August 2023. The Rancho Santa Fe CSD update their connected EDUs report every month. The number of EDUs connected for each of the Member Agencies and lease agencies is reported in Table 4 below.

TABLE 4 – CONNECTED EDUs BY AGENCY

	Connected (EDU)
Cardiff Sanitary Division	8,559
Rancho Santa Fe SID	586
City of Solana Beach	7,829
San Diego (to Solana Beach)	337
City of Del Mar	2,622
Total EDUs to System	19,933

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

December 12, 2023

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: WASTEWATER TREATMENT REPORT - OCTOBER

RECOMMENDATION

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

DISCUSSION

Monthly Treatment Plant Performance and Evaluation

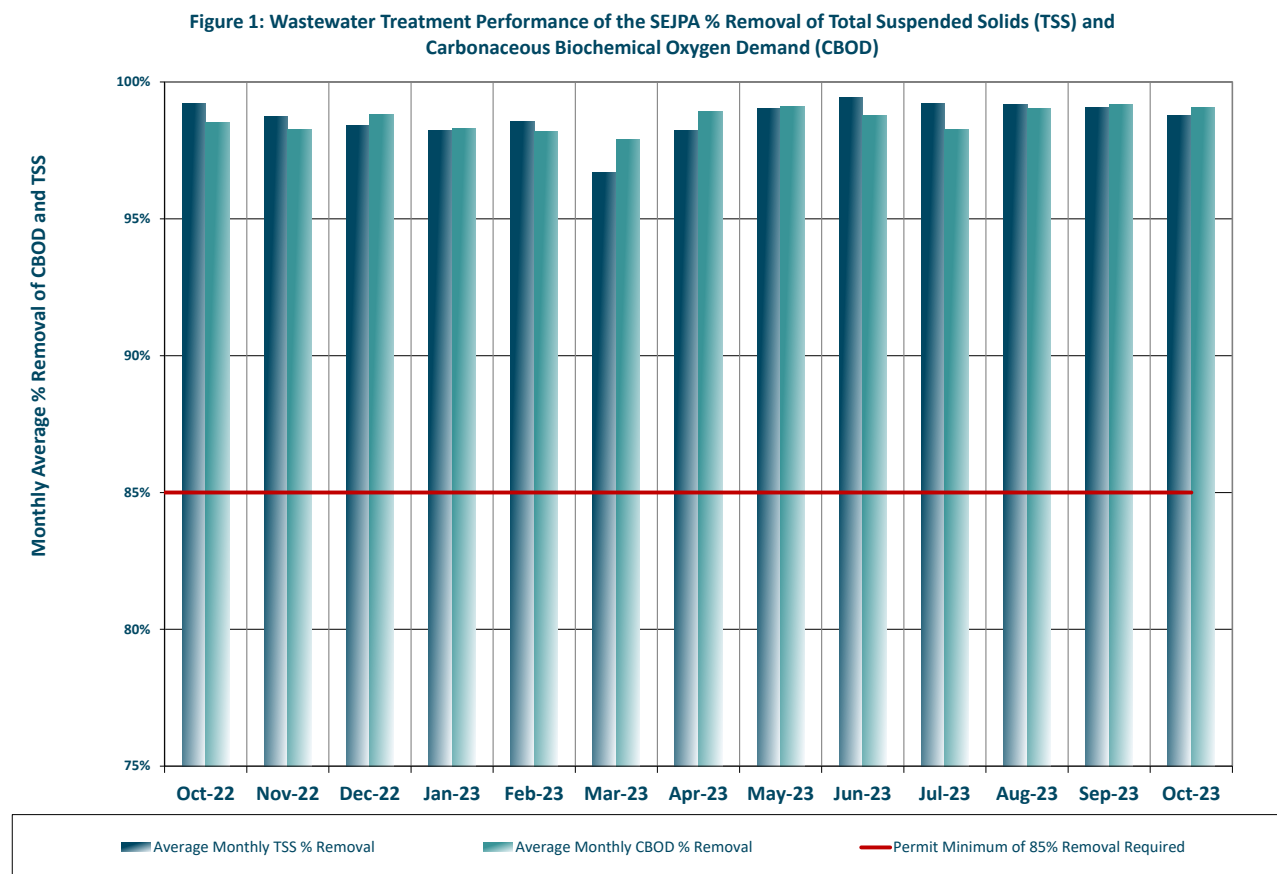
Wastewater treatment for the San Elijo Joint Powers Authority (SEJPA) met all National Pollutant Discharge Elimination System (NPDES) ocean effluent limitation requirements for the month of October 2023. The primary indicators of treatment performance include the removal of Total Suspended Solids (TSS) and Carbonaceous Biochemical Oxygen Demand (CBOD). The SEJPA is required to remove a minimum of 85 percent of the TSS and CBOD from the wastewater. Treatment levels for **TSS** and **CBOD** were **98.8** and **99.1** percent removal, respectively, during the month of October.

Exceptional Water Treatment

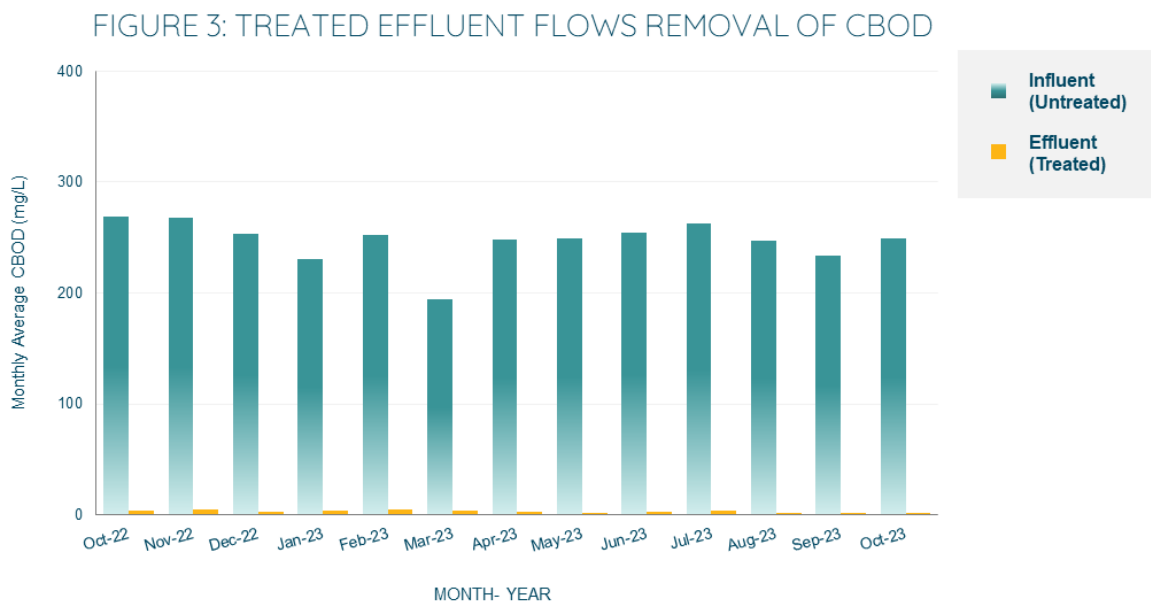
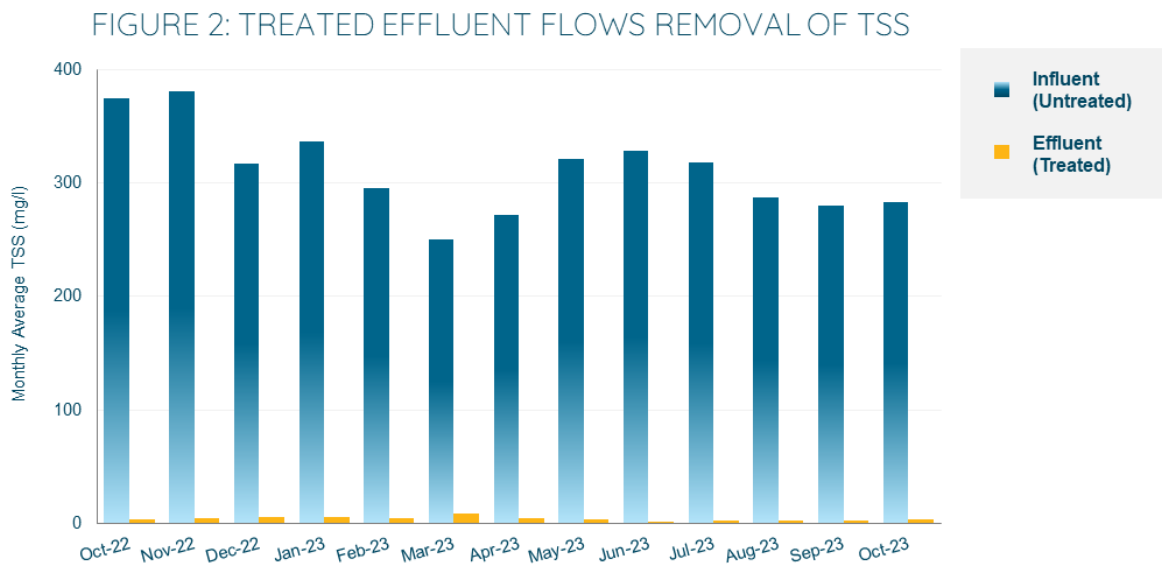
Treatment Removed
98.8% of TSS

Treatment Removed
99.1% of CBOD

Figure 1 (below) shows historic treatment performance trends for the removal of TSS and CBOD over the last 13 months compared to the permit minimum removal requirement of 85%.



Figures 2 and 3 (below) show historic influent vs effluent TSS and CBOD concentration fluctuations in the strength of the wastewater being received and discharged by the SEJPA.



Member Agency Flows

Table 1 (below) presents the influent and effluent flows for the month of October. Average daily influent flows were recorded for each Member Agency. Total effluent flow was calculated for the San Elijo Water Campus. Approximately 66% of the influent flow was diverted for recycled water use in October.

TABLE 1 - INFLUENT AND EFFLUENT FLOWS IN OCTOBER

OCTOBER			
	Influent (mad)	Recycled Water (mad)	Effluent (mad)*
Cardiff Sanitaru Division	1.125	0.741	0.384
Citu of Solana Beach	0.87	0.573	0.297
Rancho Santa Fe SID	0.163	0.107	0.056
Citu of Del Mar	0.308	0.203	0.105
Total San Elijo Water Campus Flow	2.466	1.624	0.842

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

Table 2 (below) presents the historical average and unit influent rates per month for each of the Member Agencies during the past 3 years. It also presents the number of connected Equivalent Dwelling Units (EDUs) for each of the Member Agencies during this same time.

TABLE 2 - SAN ELIJO WATER CAMPUS MONTHLY REPORT - FLOWS AND EDUS

MONTH	AVERAGE DAILY INFLUENT FLOW RATE (MGD)					CONNECTED EDUs					AVERAGE UNIT INFLUENT FLOW RATE (GAL/EDU/DAY)				
	CSD	RSF	SB	DM	TOTAL PLANT	CSD	RSF	SB	DM	TOTAL EDUS	CSD	RSF	SB	DM	TOTAL PLANT
Sep-20	1.225	0.151	0.956	0.362	2.694	8,540	578	8,110	2,616	19,844	143	261	118	146	136
Oct-20	1.197	0.142	0.940	0.316	2.595	8,543	579	8,110	2,616	19,848	140	245	116	128	131
Nov-20	1.200	0.142	0.927	0.341	2.610	8,543	579	8,110	2,616	19,848	140	245	114	138	131
Dec-20	1.217	0.141	0.893	0.304	2.555	8,543	579	8,110	2,616	19,848	142	244	110	123	129
Jan-21	1.238	0.150	0.909	0.323	2.620	8,543	579	8,110	2,616	19,848	145	259	112	129	132
Feb-21	1.224	0.151	0.926	0.306	2.607	8,548	579	8,110	2,616	19,853	143	261	114	121	131
Mar-21	1.291	0.160	0.968	0.332	2.751	8,548	579	8,110	2,616	19,853	151	277	119	131	139
Apr-21	1.232	0.160	0.925	0.320	2.637	8,552	579	8,110	2,616	19,857	144	277	114	129	133
May-21	1.189	0.157	0.932	0.323	2.601	8,552	579	8,110	2,616	19,857	139	271	115	130	131
Jun-21	1.218	0.148	0.938	0.358	2.662	8,554	579	8,110	2,616	19,859	142	256	116	145	134
Jul-21	1.183	0.144	0.972	0.435	2.734	8,554	579	8,124	2,616	19,873	138	249	120	178	138
Aug-21	1.178	0.150	0.966	0.480	2.774	8,556	579	8,124	2,616	19,875	138	259	119	196	140
Sep-21	1.153	0.129	0.948	0.353	2.583	8,557	579	8,124	2,616	19,876	135	223	117	144	130
Oct-21	1.225	0.126	0.885	0.329	2.565	8,557	579	8,124	2,616	19,876	143	218	109	139	129
Nov-21	1.156	0.131	0.911	0.329	2.527	8,557	581	8,124	2,616	19,878	135	226	112	135	127
Dec-21	1.264	0.145	0.913	0.310	2.632	8,557	581	8,124	2,616	19,878	148	250	112	127	132
Jan-22	1.174	0.140	0.906	0.357	2.577	8,557	581	8,124	2,616	19,878	137	241	112	145	130
Feb-22	1.113	0.158	0.929	0.300	2.500	8,557	581	8,124	2,616	19,878	130	272	114	120	126
Mar-22	1.176	0.142	0.946	0.307	2.571	8,557	581	8,124	2,616	19,878	137	245	116	123	129
Apr-22	1.134	0.140	0.875	0.315	2.464	8,557	582	8,124	2,616	19,879	133	241	108	129	124
May-22	1.146	0.140	0.877	0.301	2.464	8,557	582	8,124	2,616	19,879	134	241	108	123	124
Jun-22	1.133	0.138	0.921	0.452	2.644	8,557	583	8,124	2,616	19,880	132	237	113	184	133
Jul-22	1.124	0.129	0.948	0.438	2.639	8,557	583	8,142	2,616	19,898	131	221	116	179	133
Aug-22	1.163	0.133	0.929	0.448	2.673	8,557	583	8,142	2,616	19,898	136	228	114	185	134
Sep-22	1.139	0.125	0.904	0.381	2.549	8,557	584	8,142	2,616	19,899	133	214	111	158	128
Oct-22	1.083	0.128	0.890	0.295	2.396	8,557	584	8,142	2,616	19,899	127	219	109	122	120
Nov-22	1.205	0.124	0.879	0.336	2.544	8,557	585	8,142	2,616	19,900	141	212	108	138	128
Dec-22	1.186	0.133	0.906	0.374	2.599	8,557	585	8,142	2,616	19,900	139	228	111	151	131
Jan-23	1.630	0.200	0.979	0.379	3.188	8,557	585	8,142	2,616	19,900	190	342	120	153	160
Feb-23	1.323	0.167	0.930	0.371	2.791	8,557	585	8,142	2,616	19,900	155	286	114	149	140
Mar-23	1.892	0.255	1.044	0.392	3.583	8,557	585	8,142	2,616	19,900	221	436	128	154	180
Apr-23	1.244	0.187	0.915	0.303	2.649	8,557	586	8,142	2,616	19,901	145	319	112	123	133
May-23	1.184	0.167	0.879	0.295	2.525	8,557	586	8,142	2,616	19,901	138	285	108	120	127
Jun-23	1.185	0.144	0.891	0.413	2.633	8,557	586	8,142	2,616	19,901	136	282	109	171	132
Jul-23	1.160	0.146	0.949	0.446	2.701	8,557	586	8,166	2,616	19,925	136	249	116	182	136
Aug-23	1.242	0.177	0.954	0.494	2.867	8,559	586	8,166	2,622	19,933	145	302	117	200	144
Sep-23	1.161	0.161	0.885	0.371	2.578	8,559	586	8,166	2,622	19,933	136	275	108	152	129
Oct-23	1.125	0.163	0.870	0.308	2.466	8,559	587	8,166	2,622	19,934	131	278	107	125	124

CSD: Cardiff Sanitary Division

RSF: Ranch Santa Fe Community Service District

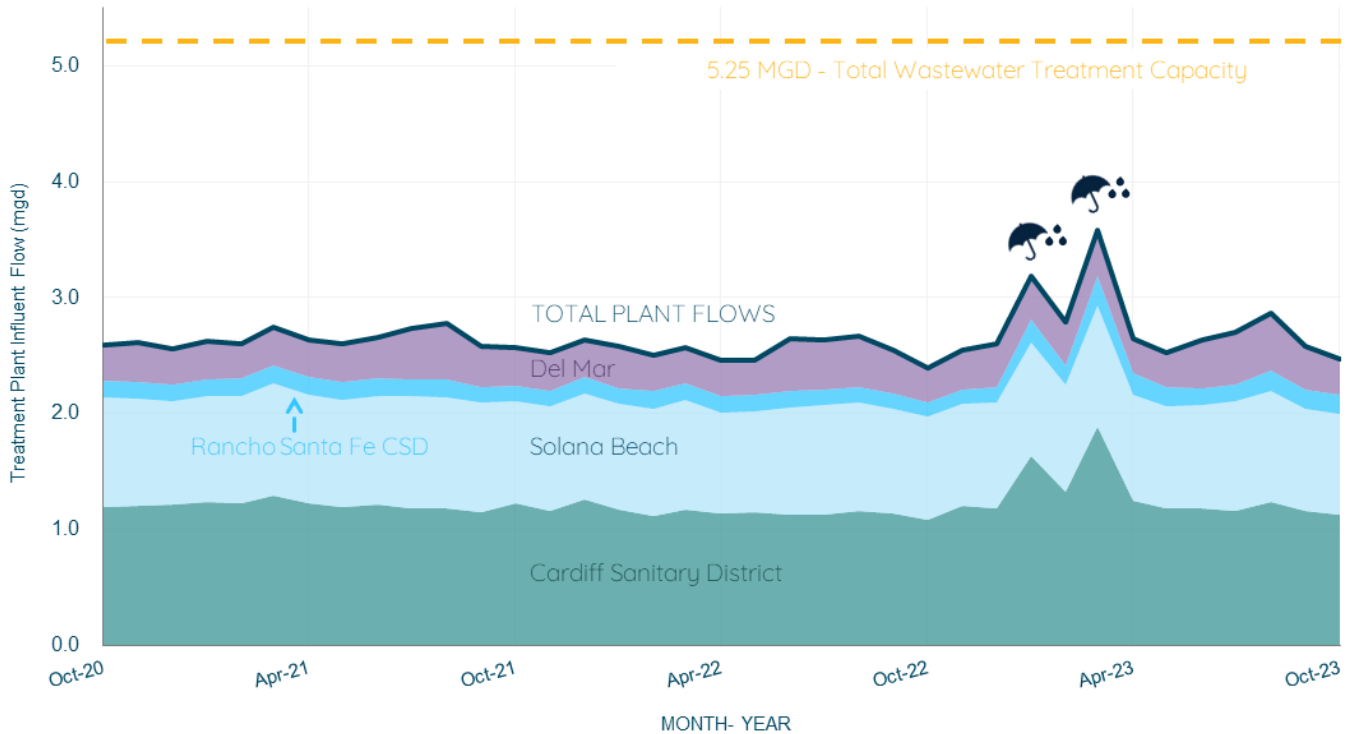
SB: Solana Beach

DM: City of Del Mar

EDU: Equivalent Dwelling Unit

Figure 4 (below) presents the 3-year historical average daily flows per month for each Member Agency. This is to provide a historical overview of the average flow treated for each agency. Also shown in Figure 4 is the total wastewater treatment capacity of the water campus, 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.

FIGURE 4: SEJPA AVERAGE DAILY FLOWS OVER THE PAST 3 YEARS



City of Escondido Flows

The average and peak flow rate for the month of October 2023 from the City of Escondido's Hale Avenue Resource Recovery Facility, which discharges through the San Elijo Ocean Outfall, is reported below in Table 3.

TABLE 3 – CITY OF ESCONDIDO FLOWS

	Flow (mgd)
Escondido (Average flow rate)	9.42
Escondido (Peak flow rate)	18.1

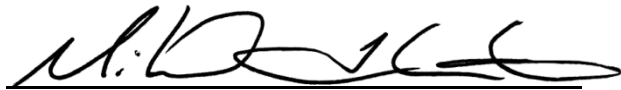
Connected Equivalent Dwelling Units

The Cities of Encinitas, Solana Beach and Del Mar updated the number of connected EDUs that are reported to the SEJPA in August 2023. The Rancho Santa Fe CSD update their connected EDUs report every month. The number of EDUs connected for each of the Member Agencies and lease agencies is reported in Table 4 below.

TABLE 4 – CONNECTED EDUs BY AGENCY

	Connected (EDU)
Cardiff Sanitary Division	8,559
Rancho Santa Fe SID	587
City of Solana Beach	7,829
San Diego (to Solana Beach)	337
City of Del Mar	2,622
Total EDUs to System	19,934

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

*

AGENDA ITEM NO. 10a

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

December 12, 2023

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: RECYCLED WATER REPORT - SEPTEMBER

RECOMMENDATION

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

DISCUSSION

Recycled Water Production

For the month of September 2023, recycled water demand was 162.9 acre-feet (AF), which was met using 161.7 AF of recycled water and supplemented with 0.6 AF of potable water. September demand was 17.9% below budget expectations of 198 AF. SEJPA recycled water demand relies heavily on outdoor irrigation water and rainfall can impact demand.

Figure 1 (attached) provides a graphical view of annual recycled water demand spanning the last 10 fiscal years, with the overlay of annual rainfall. Since the recycled water program primarily serves outdoor irrigation, annual demand is reduced during wet periods and increases during times of drought. Figure 2 (attached) shows the monthly recycled water demand for each September for the last ten years to provide a year-over-year comparison. Figure 3 (attached) compares budget versus actual recycled water sales for FY 2023-24.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

FIGURE 1: RECYCLED WATER DEMAND AND RAINFALL COMPARISON

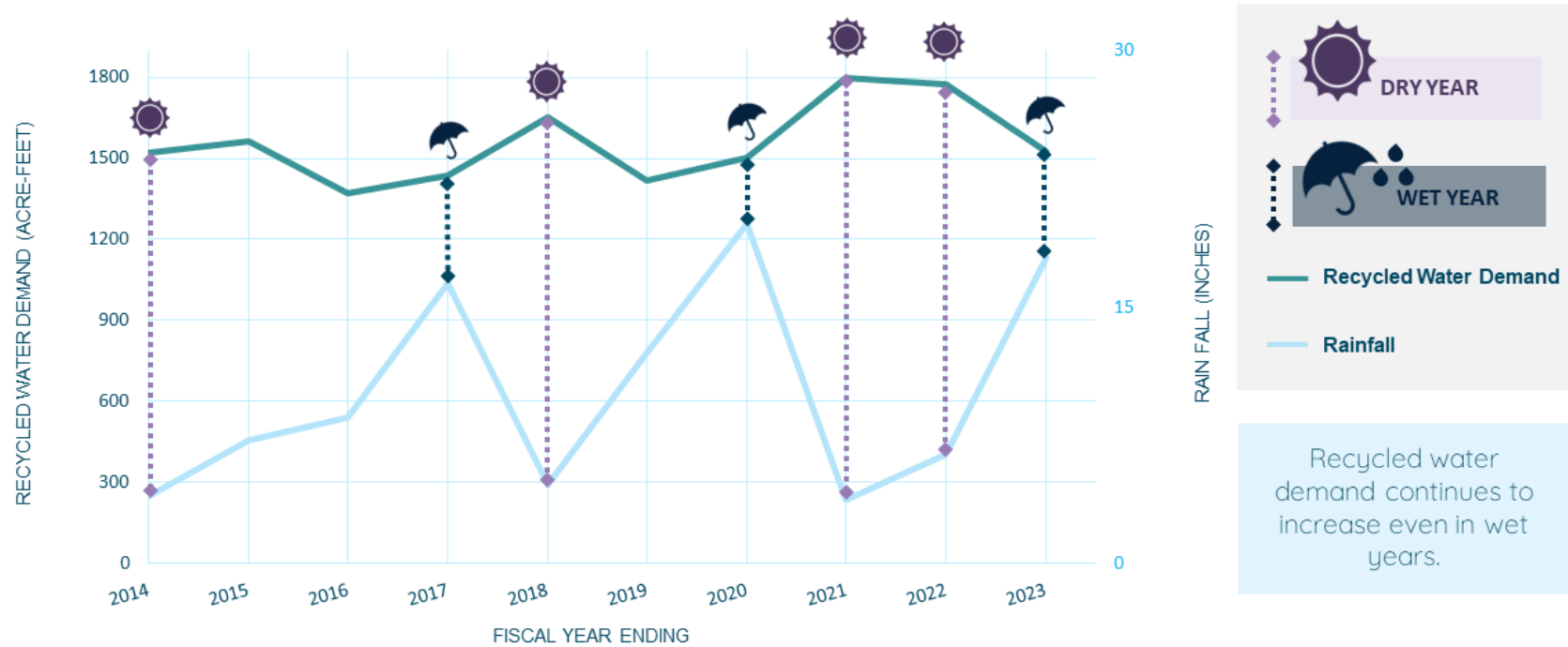


FIGURE 3: SEPTEMBER RECYCLED WATER DEMAND

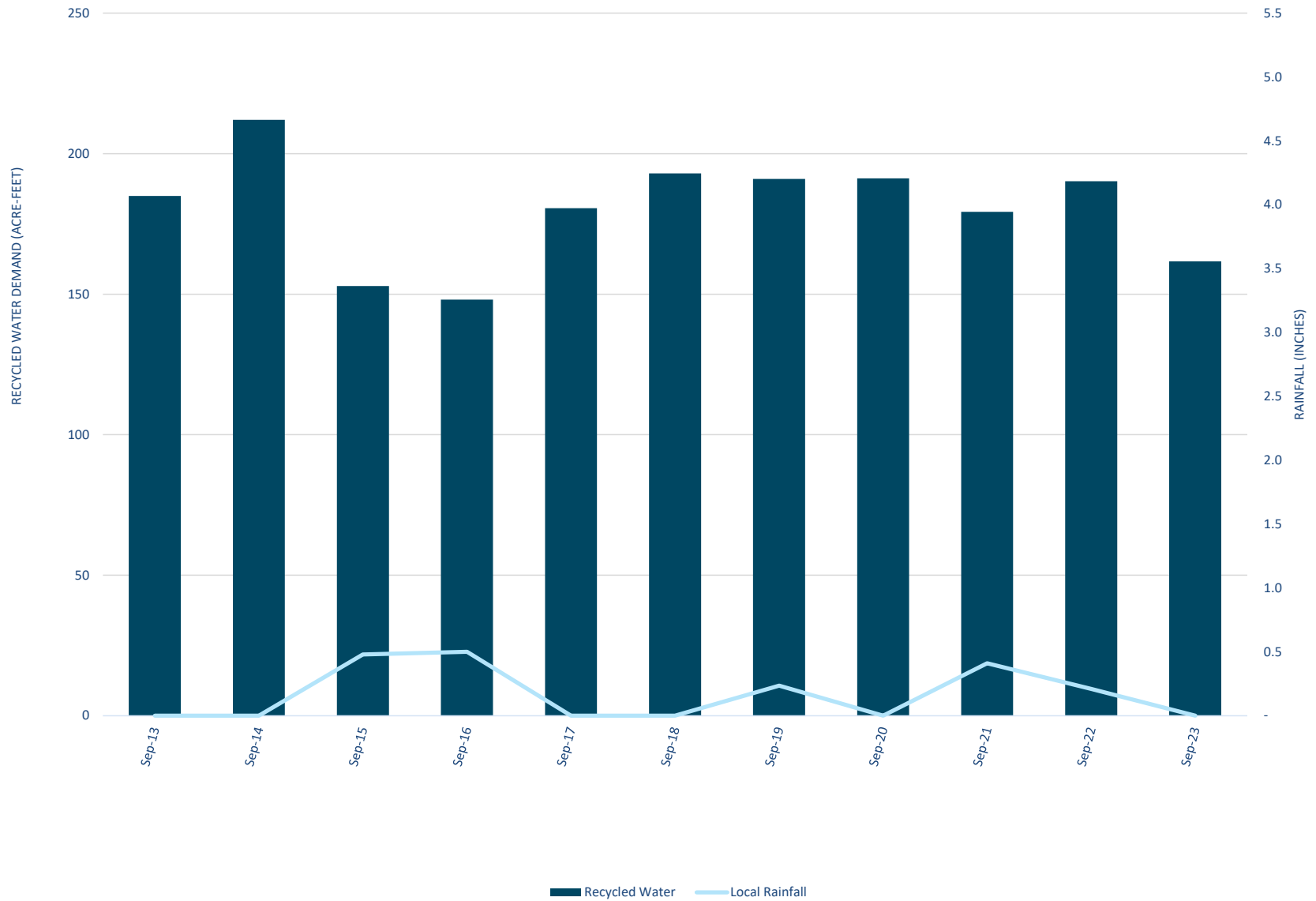
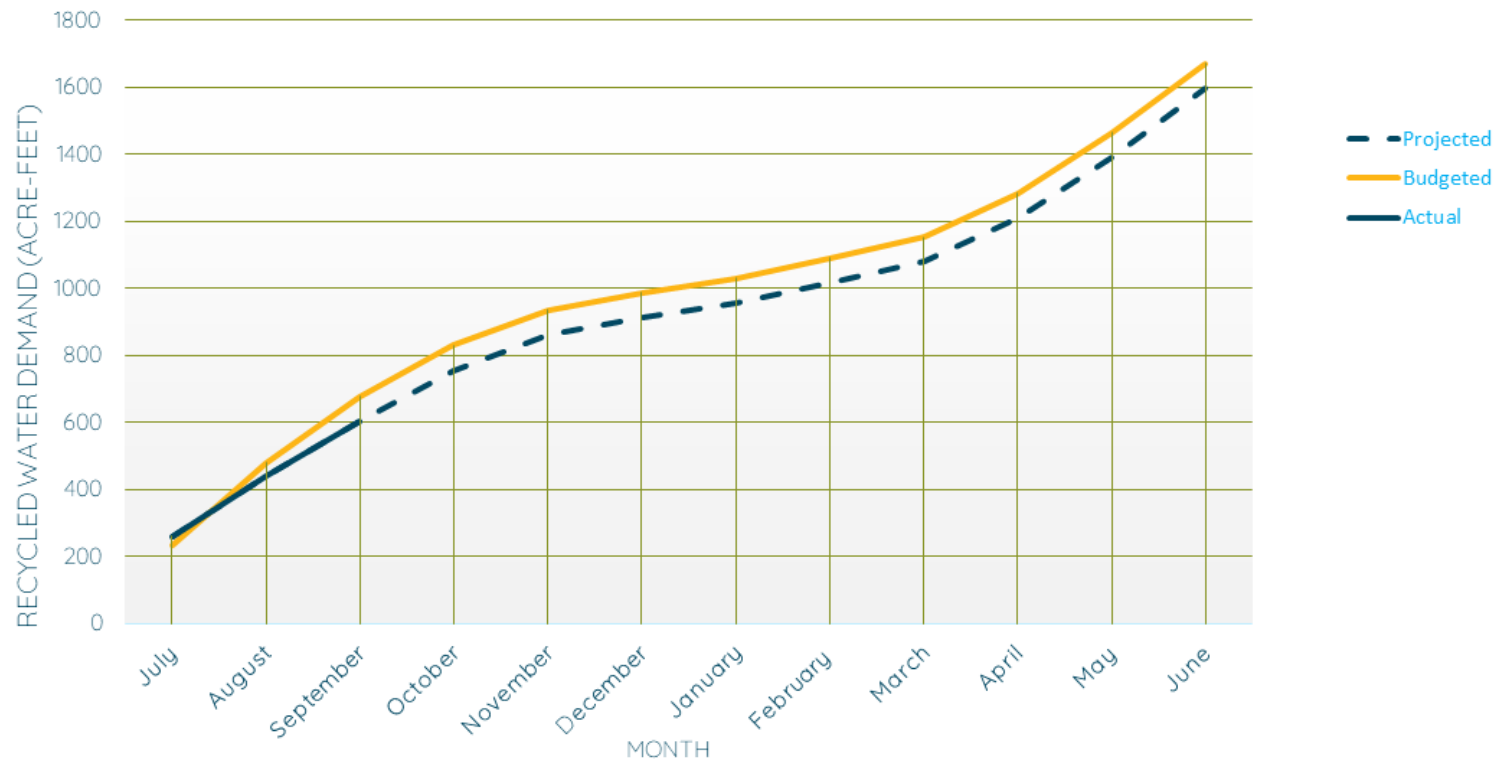


FIGURE 3: FY2023/24 CUMULATIVE DEMAND VS BUDGET



*

AGENDA ITEM NO. 10b

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

December 12, 2023

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: RECYCLED WATER REPORT - OCTOBER

RECOMMENDATION

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

DISCUSSION

Recycled Water Production

For the month of October 2023, recycled water demand was 160.1 acre-feet (AF), which was met using 160.0 AF of recycled water and supplemented with 0.1 AF of potable water. October demand was 4.7% above budget expectations of 153 AF. SEJPA recycled water demand relies heavily on outdoor irrigation water and rainfall can impact demand.

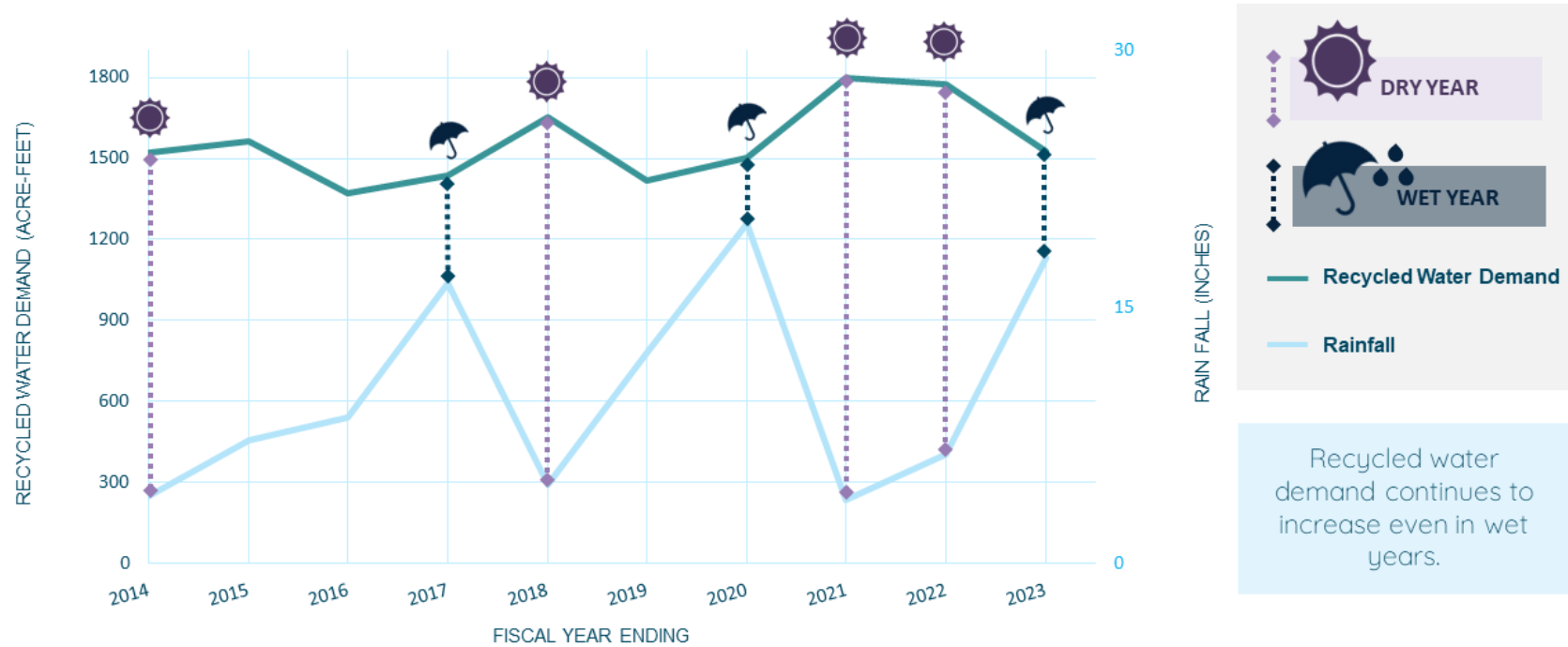
Figure 1 (attached) provides a graphical view of annual recycled water demand spanning the last 10 fiscal years, with the overlay of annual rainfall. Since the recycled water program primarily serves outdoor irrigation, annual demand is reduced during wet periods and increases during times of drought. Figure 2 (attached) shows the monthly recycled water demand for each October for the last ten years to provide a year-over-year comparison. Figure 3 (attached) compares budget versus actual recycled water sales for FY 2023-24.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

FIGURE 1: RECYCLED WATER DEMAND AND RAINFALL COMPARISON



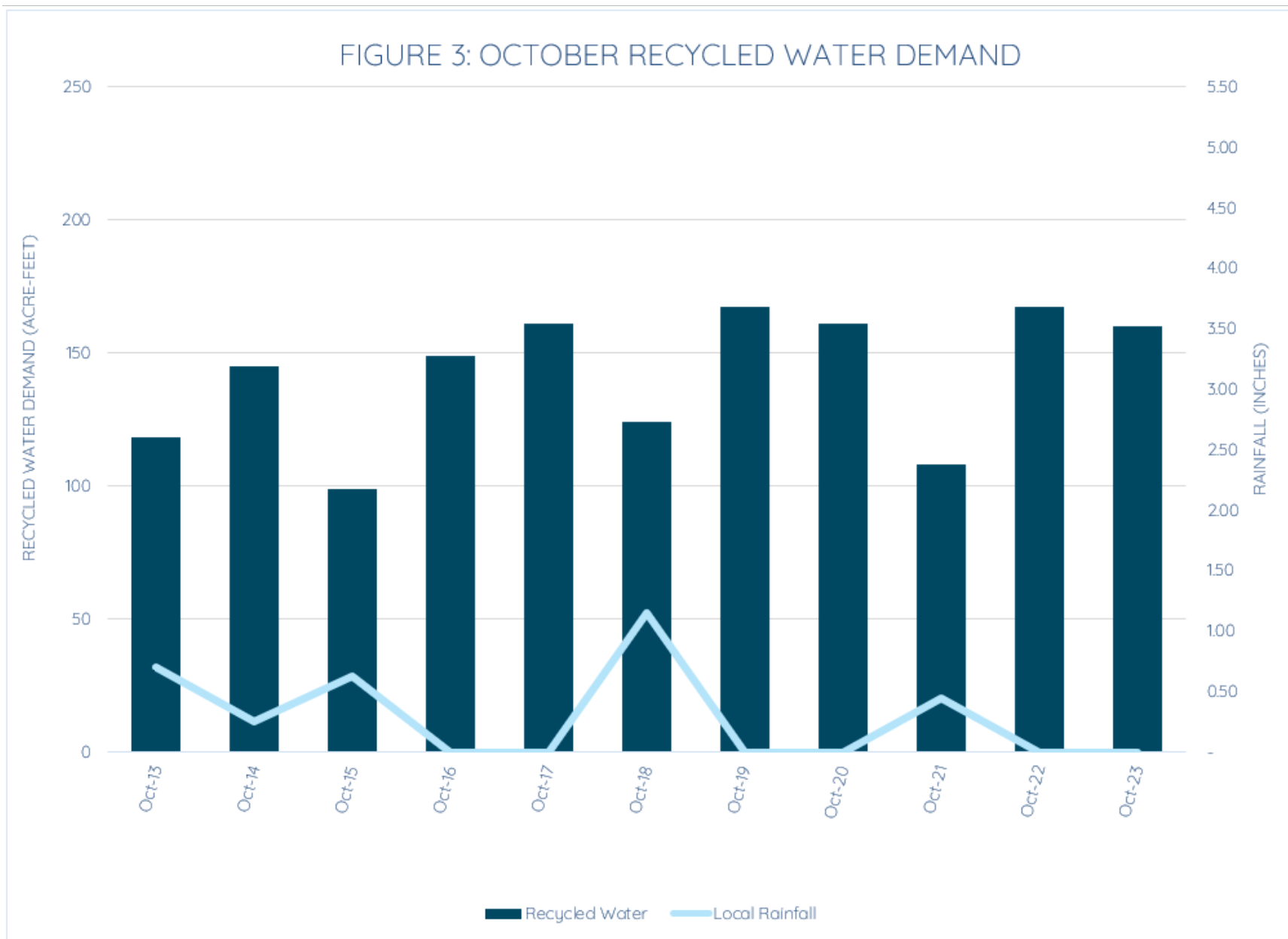
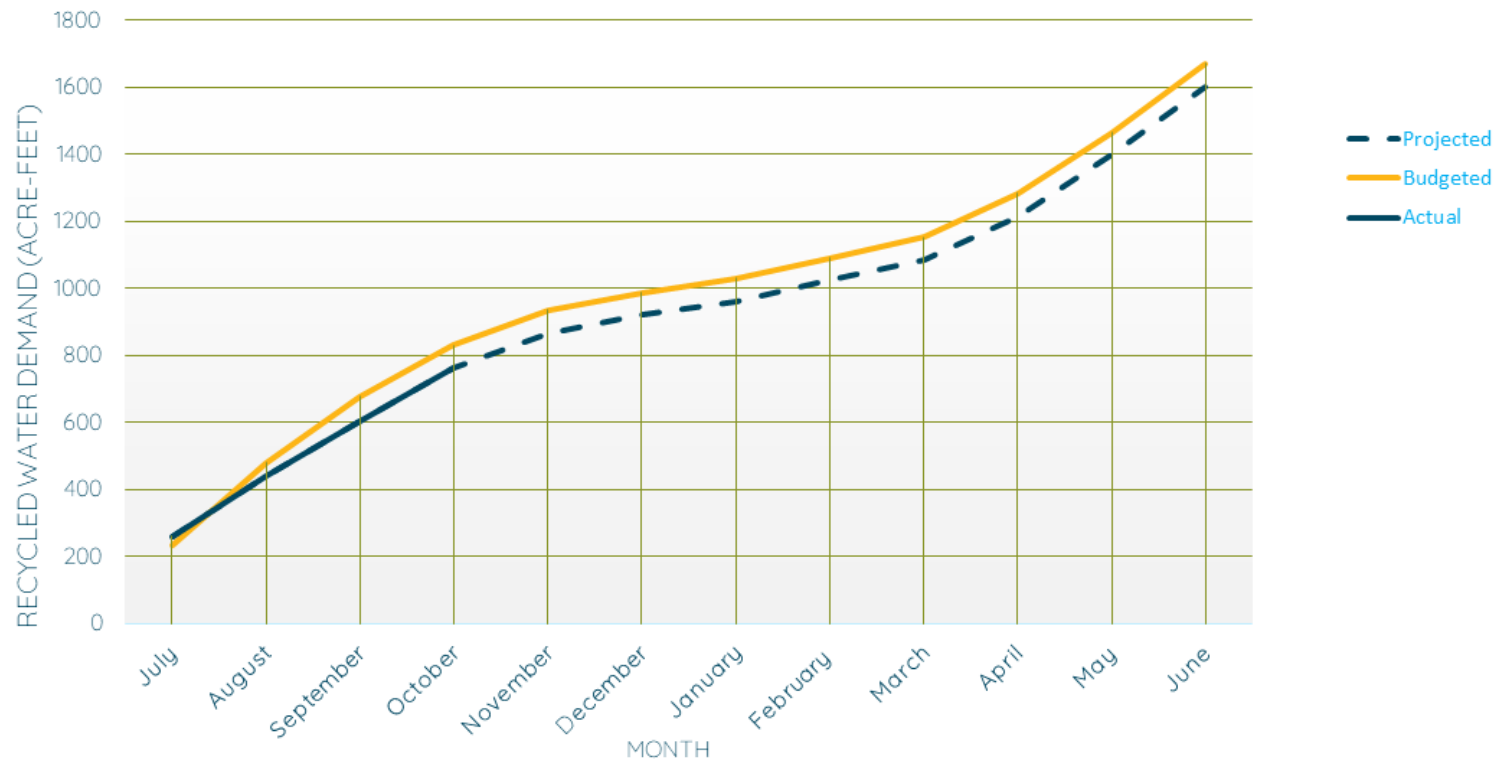


FIGURE 3: FY2023/24 CUMULATIVE DEMAND VS BUDGET



*

AGENDA ITEM NO. 11

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

December 12, 2023

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: REPORTABLE MEETINGS

RECOMMENDATION

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

BACKGROUND

The General Manager or his designee may meet monthly with one or more Board Members in preparation for the Board Meeting.

DISCUSSION

The following meetings have taken place since the previous Board Meeting:

1. Meeting to review Board Meeting Agenda with Board Chair Zito on October 12, 2023.

FINANCIAL IMPACT

Per the SEJPA Restatement Agreement, SEJPA pays the Board Member \$160 for each reportable meeting. These meetings are accounted for in our annual budget.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

December 12, 2023

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: Director of Finance and Administration

SUBJECT: FY 2022-23 FINANCIAL AUDIT REPORT ACCEPTANCE

RECOMMENDATION

It is recommended that the Board of Directors:

1. Accept and file the FY 2022-23 Audited Financial Statements for San Elijo Joint Powers Authority;
2. Accept and file the FY 2022-23 SAS 114 Letter; and
3. Discuss and take action as appropriate.

BACKGROUND

San Elijo Joint Powers Authority (SEJPA) is required by California Government Code and Board policy to conduct an annual audit of its financial records. Leaf & Cole, LLP was awarded a professional service agreement at the May 18, 2021 Board meeting for a 3-year period with an option to extend the contract annually for the following two years. The agreement provides for an audit of the financial records, to express an opinion on the financial statements, and to attend a Board meeting to present the year-end audit report to SEJPA's Board of Directors.

DISCUSSION

The financial audit of SEJPA for FY 2022-23 has been completed and it is the auditor's opinion that SEJPA's June 30, 2023 financial statements are presented fairly in all material aspects. The audit was performed in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. As part of the audit, Leaf & Cole, LLP is required by professional standards to communicate specific information related to the audit to the Board of Directors. This communication to those charged with governance (auditor's SAS 114 letter) includes information related to accounting practices, audit difficulties, disagreements with management (if any), management representations, corrected and uncorrected misstatements, and other audit findings, issues or matters. Upon completion of the audit, Leaf & Cole, LLP stated that no

transactions were noted where there was a lack of authoritative guidance or consensus. In addition, there were no difficulties or disagreements with management in performing and completing the audit.

The audited financial statements include the following sections:

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statement
- Required Supplementary Information
- Supplementary Information
- Other Information

Mr. Michael Zizzi, CPA, a Partner for Leaf & Cole, LLP, will present a summary of audit findings to the Board of Directors and answer questions.

RECOMMENDATION

It is therefore recommended that the Board of Directors:

1. Accept and file the FY 2022-23 Audited Financial Statements for San Elijo Joint Powers Authority;
2. Accept and file the FY 2022-23 SAS 114 Letter; and
3. Discuss and take action as appropriate.

Respectfully submitted,



Amy Chang
Director of Finance & Administration

Attachment 1: San Elijo Joint Powers Authority, Financial Statements and Independent Auditors' Report for the Year Ended June 30, 2023

Attachment 2: FY 2022-23 SAS 114 Letter

Attachment 1

SAN ELIJO JOINT POWERS AUTHORITY
FINANCIAL STATEMENTS
JUNE 30, 2023

DRAFT



Leaf & Cole, LLP
Certified Public Accountants

**SAN ELIJO JOINT POWERS AUTHORITY
FINANCIAL STATEMENTS
JUNE 30, 2023**

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Leaf & Cole, LLP
*Certified Public Accountants
A Partnership of Professional Corporations*

Independent Auditor's Report

To the Board of Directors
San Elijo Joint Powers Authority
2695 Manchester Avenue
Cardiff by the Sea, California 92007-7077

Opinion

We have audited the accompanying financial statements of the business-type activities and the remaining fund information of the San Elijo Joint Powers Authority ("SEJPA"), as of and for the year June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the San Elijo Joint Powers Authority, as of June 30, 2023, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's minimum audit requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of San Elijo Joint Powers Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of San Elijo Joint Powers Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 43 to 46 as identified in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise San Elijo Joint Powers Authority's basic financial statements. The combining schedule of net position, the combining schedule of revenues, expenses and changes in net position, and the combining schedule of cash flows are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedule of net position, combining schedule of revenues, expenses, and changes in net position and combining schedule of cash flows are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the operating budget comparison schedule - wastewater and the operating budget comparison schedule - recycled but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be material misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to described it in our report.

San Diego, California
December __, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the financial performance of San Elijo Joint Powers Authority ("SEJPA") provides an overview of SEJPA's financial activities for the year ended June 30, 2023. Please read it in conjunction with SEJPA's financial statements which begin on page 9.

Financial Statements

This discussion and analysis provides an introduction and a brief description of SEJPA's financial statements, including the relationship of the statements to each other and the significant differences in the information they provide. SEJPA's financial statements include six components.

- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows
- Statement of Fiduciary Net Position
- Statement of Changes in Fiduciary Net Position
- Notes to the Financial Statements

The statement of net position and statement of fiduciary net position include all of SEJPA's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Net position may be displayed in three categories:

- Net Investment in Capital Assets
- Restricted Net Position
- Unrestricted Net Position

The statement of net position and statement of fiduciary net position provide the basis for computing rate of return, evaluating the capital structure of SEJPA and assessing its liquidity and financial flexibility.

The statement of revenues, expense and changes in net position and statement of changes in fiduciary net position present information which shows how SEJPA's net position changed during the year. All of the current year's revenues and expenses are recorded when the underlying transaction occurs, regardless of the timing of the related cash flows. The statement of revenues, expenses, and changes in net position and statement of changes in fiduciary net position measure the results of SEJPA's operations over the past year and determines whether SEJPA has recovered its costs through user charges for services and other revenues.

The statement of cash flows provides information regarding SEJPA's cash receipts and cash disbursements in its business-type activities during the year. This statement may report cash activity in four categories:

- Operating
- Noncapital and related financing
- Capital and related financing
- Investing

This statement differs from the statement of revenues, expenses and changes in net position because the statement accounts only for transactions that result in cash receipts or cash disbursements.

The notes to the financial statements provide a description of the accounting policies used to prepare the financial statements and present material disclosures required by generally accepted accounting principles that are not otherwise present in the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Financial Statements (Continued)

Financial Highlights

Net position increased by \$1,187,777 in the business-type activities and \$340,970 in the fiduciary fund for the year ended June 30, 2023.

Revenues totaled \$13,899,860 in the business-type activities and \$343,430 in the fiduciary fund for the year ended June 30, 2023, an increase of \$1,114,616 in the business-type activities resulting from a significant increase in member agency assessments and operating contributions from members offset by a decrease in state grants.

Expenses totaled \$12,712,083 in the business-type activities for the year ended June 30, 2023. Expense increased \$1,692,806 or 15.29% over the previous year primarily due to increases depreciation, personnel, and utilities.

Financial Analysis of SEJPA

Net Position

The following is a summary of the statements of net position for the business-type activities at June 30:

	<u>2023</u>	<u>2022</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
<u>Assets:</u>				
Current and other assets	\$ 53,184,664	\$ 40,843,633	\$ 12,341,031	30.21%
Capital assets	<u>63,312,465</u>	<u>65,425,121</u>	<u>(2,112,656)</u>	(3.23)%
Total Assets	<u>116,497,129</u>	<u>106,268,754</u>	<u>10,228,375</u>	9.62%
<u>Deferred Outflows of Resources</u>	<u>2,246,837</u>	<u>923,666</u>	<u>1,323,171</u>	43.25%
<u>Liabilities:</u>				
Current liabilities	5,189,863	4,861,288	328,575	6.75%
Noncurrent liabilities	<u>38,418,708</u>	<u>27,005,689</u>	<u>11,413,019</u>	42.26%
Total Liabilities	<u>43,608,571</u>	<u>31,866,977</u>	<u>11,741,594</u>	36.84%
<u>Deferred Inflows of Resources</u>	<u>1,026,263</u>	<u>2,404,088</u>	<u>(1,377,825)</u>	(34.25)%
<u>Net Position:</u>				
Net investment in capital assets	39,274,730	40,652,157	(1,377,427)	(3.50)%
Unrestricted	<u>34,834,402</u>	<u>32,269,198</u>	<u>2,565,204</u>	7.94%
Total Net Position	<u>\$ 74,109,132</u>	<u>\$ 72,921,355</u>	<u>\$ 1,187,777</u>	1.62%

Net position increased by \$1,187,777 in the business-type activities from fiscal year 2022 to 2023. Net investment in capital assets decreased \$1,377,427 in fiscal year 2023. This decrease is the result of depreciation expense exceeding the amount spent on capital assets. In addition, in the current year, the SEJPA issued \$10,120,000 in long-term debt.

Unrestricted net position (those that can be used to finance day-to-day operations) increased \$2,565,204 primarily due to the change in net position and the decrease in net investment in capital assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Financial Analysis of SEJPA (Continued)

Revenues, Expenses and Change in Net Position

The following is a summary of revenues, expenses and changes in net position in the business-type activities for the years ended June 30:

	<u>2023</u>	<u>2022</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
<u>Revenues:</u>				
Operating contributions from members	\$ 4,367,172	\$ 3,858,608	\$ 508,564	13.17%
Charges for services to other government agencies	5,611,922	5,471,608	140,314	2.56%
Other nonoperating revenue	1,430,273	1,307,331	122,942	9.40%
Member agency assessments	2,369,487	1,436,701	932,786	64.92%
State grants	121,006	710,996	(589,990)	(87.57)%
Total Operating Revenues	<u>13,899,860</u>	<u>12,785,244</u>	<u>1,114,616</u>	8.71%
<u>Expenses:</u>				
Operating expenses	11,718,136	10,164,493	1,553,643	15.28%
Nonoperating expenses	993,947	860,784	133,163	15.46%
Total Expenses	<u>12,712,083</u>	<u>11,025,277</u>	<u>1,686,806</u>	15.29%
Increase in Net Position	<u>\$ 1,187,777</u>	<u>\$ 1,759,967</u>	<u>\$ (572,190)</u>	48.17%

Capital Assets

Capital assets consist of the following at June 30:

	<u>2023</u>	<u>2022</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Construction in progress	\$ 1,807,214	\$ 1,500,754	\$ 306,460	20.42%
Plant equipment	108,381,890	107,952,404	429,486	0.39%
Lab equipment	67,811	74,584	(6,773)	(9.98)%
Office equipment	55,091	76,136	(21,045)	(38.20)%
Vehicles	488,234	488,234	-	0.00%
Subtotal	110,800,240	110,092,112	708,128	0.64%
Accumulated depreciation	<u>(47,487,775)</u>	<u>(44,666,991)</u>	<u>(2,820,784)</u>	6.31%
Total Capital Assets, Net	<u>\$ 63,312,465</u>	<u>\$ 65,425,121</u>	<u>\$ (2,112,656)</u>	(3.33)%

The net change to capital assets for fiscal year 2023 totaled \$(2,112,656) as depreciation expense exceeded capital additions such as the solid treatment process, the emergency generator and other projects.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Financial Analysis of the SEJPA (Continued)

Long-Term Debt

The following is a summary of long-term debt at June 30:

	<u>2023</u>	<u>2022</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
2017 Revenue Bonds	\$ 21,980,375	\$ 22,525,600	\$ (545,225)	2.48%
Loan payable	10,120,000	-	10,120,000	100.00%
Private placement loan payable	1,052,086	1,153,413	(101,327)	9.63%
SFID Reimbursement Agreement	262,681	394,456	(131,775)	50.16%
Solana Beach Reimbursement Agreement	424,544	432,554	(8,010)	1.88%
SDG&E financing agreement	213,553	266,941	(53,388)	24.99%
Total Long-Term Debt	<u>\$ 34,053,239</u>	<u>\$ 24,772,964</u>	<u>\$ 9,280,275</u>	37.47%

The total long-term debt increased by \$9,280,725 primarily due to the issuance of a \$10,120,000 loan agreement offset by principal payments on the 2017 Revenue Bonds and the private placement loan payable.

Economic Factors

Consistent with the prior year, SEJPA's fiscal year 2023-24 sanitary fund operations and maintenance budget is \$7,254,491. The water reclamation budget is \$2,720,132. Sales of reclaimed water are budgeted to be 1,637 acre-feet in the upcoming year.

Contingency funding for each program area has been reviewed and budgeted on the basis of the potential for unforeseen events within each activity area. For all programs, the amount in contingency funding is \$209,000, which is the same as last year's budget levels.

The capital project program will have a budget of \$6,570,000 during the upcoming year. This is primarily for improvements to the reclamation program.

Costs of sanitary services are allocated on the basis of percentage of use, as indicated by measured flows, or level of effort, as appropriate. On the basis of connected equivalent dwelling units (EDU's) for wastewater treatment provided to the member agencies, the budgeted cost is approximately \$227 per EDU per year for 2023-24. This represents a 12.6% increase from 2022-23. The Encinitas Ranch Golf Course pays a set annual price for interruptible water service. For the remaining water agencies, recycled water sales are based on individual contracts which may include minimum annual purchase volumes and negotiated water rates. These revenues are supplemented by incentives from the Metropolitan Water District and the San Diego County Water Authority.

On October 8, 2012, the Board adopted a resolution to amend the contract between CalPERS and SEJPA. This resolution amended the contract to include Section 20475 (Difference Level of Benefits) for new Miscellaneous Members of the Public Employees' Retirement System, Section 21353 (2% at 60 Full Formula), and Section 20037 (Three-Year Final Compensation). This resolution is applicable to all SEJPA employees entering membership for the first time in the miscellaneous classification after June 30, 2012. The lower benefit payout will result in a lower contribution rate for the SEJPA workforce. All employees will pay the full employee portion of the CalPERS retirement benefit.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Contacting the Authority's Financial Manager

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of SEJPA's finances and to demonstrate SEJPA's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact SEJPA, at (760) 753-6203, ext. 73.

DRAFT

SAN ELIJO JOINT POWERS AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS

Current Assets: (Notes 1, 2, 3 and 4)

Cash and cash equivalents	\$ 21,115,187
Due from other governmental agencies	752,849
Accrued interest receivable	464,743
Prepaid expenses	97,837
Current portion of loans receivable	490,000
Total Current Assets	<u>22,920,616</u>

Noncurrent Assets: (Notes 1, 2, 4, 5 and 13)

Restricted Assets:	
Cash and cash equivalents	<u>10,015,504</u>
Total Restricted Assets	<u>10,015,504</u>
Lease receivable	443,544
Loans receivable, net of current portion	19,805,000
Capital Assets:	
Nondepreciable	1,807,214
Depreciable, net of accumulated depreciation	<u>61,505,251</u>
Total Capital Assets	<u>63,312,465</u>
Total Noncurrent Assets	<u>93,576,513</u>
TOTAL ASSETS	<u>116,497,129</u>

DEFERRED OUTFLOWS OF RESOURCES: (Notes 1, 11 and 12)

Deferred outflows related to pensions	2,193,920
Deferred outflows related to OPEB	<u>52,917</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,246,837</u>

The accompanying notes are an integral part of the financial statements.

SAN ELIJO JOINT POWERS AUTHORITY
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2023

LIABILITIES

Current Liabilities: (Notes 3, 6, 7, 8, 9 and 10)

Accounts payable	\$ 345,994
Accrued liabilities	479,468
Accrued interest payable	326,490
Due to other government agencies	106,434
Due to other funds	309,000
Unearned revenue	2,567,902
Current portion of revenue bonds	490,000
Current portion loan payable	310,000
Current portion of private placement loan payable	105,576
Current portion of SDG&E financing agreement	53,388
Current portion of compensated absences	95,611
Total Current Liabilities	<u>5,189,863</u>

Noncurrent Liabilities: (Notes 1, 6, 7, 8, 9, 10, 11 and 12)

Long-Term Debt:

Revenue bonds, net of current portion	21,490,375
Loan payable	9,810,000
Private placement loan payable, net of current portion	946,510
SFID reimbursement agreement payable	262,681
Solana Beach reimbursement agreement payable	424,544
SDG&E financing agreement, net of current portion	160,165
Total Long-Term Debt	<u>33,094,275</u>

Other Noncurrent Liabilities:

Net pension liability	4,365,491
Net OPEB obligation	451,426
Compensated absences, net of current portion	507,516
Total Other Noncurrent Liabilities	<u>5,324,433</u>

Total Noncurrent Liabilities	<u>38,418,708</u>
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Total Liabilities	<u>43,608,571</u>
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DEFERRED INFLOWS OF RESOURCES: (Notes 1 and 11, 12 and 13)

Deferred inflows related to pensions	461,657
Deferred inflows related to OPEB	144,526
Deferred inflows related to leases	420,080
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,026,263</u>

Commitments and Contingencies (Notes 11, 12 and 13)

NET POSITION:

Net investment in capital assets	39,274,730
Unrestricted	34,834,402
Total Net Position	<u>\$ 74,109,132</u>

The accompanying notes are an integral part of the financial statements.

SAN ELIJO JOINT POWERS AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

Operating Revenues:

Charges for services to other government agencies	\$ 5,611,922
Contributions from City of Encinitas	2,494,938
Contributions from City of Solana Beach	1,872,234
Total Operating Revenues	<u>9,979,094</u>

Operating Expenses:

Personnel costs	4,152,052
Depreciation and amortization	2,872,927
Contracted services	1,386,457
Utilities	1,329,018
Supplies	889,711
Repair parts expense	343,807
Disposal services	252,807
Permit/purveyor fees	147,322
Insurance	137,912
Rent	103,349
Miscellaneous	102,774
Total Operating Expenses	<u>11,718,136</u>

Operating Loss	<u>(1,739,042)</u>
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Nonoperating Revenues (Expenses):

Investment income	1,349,667
State grants	121,006
Other	39,675
Rental income	40,931
Loss on disposal of capital assets	(1,248)
Interest expense	(992,699)
Total Nonoperating Revenues (Expenses)	<u>557,332</u>

Loss Before Capital Contributions	<u>(1,181,710)</u>
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Capital Contributions:

Member agency assessments	2,369,487
Total Capital Contributions	<u>2,369,487</u>

Change in Net Position	1,187,777
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Net Position at Beginning of Year, Restated	<u>72,921,355</u>
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NET POSITION AT END OF YEAR	<u>\$ 74,109,132</u>
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The accompanying notes are an integral part of the financial statements.

**SAN ELIJO JOINT POWERS AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

Cash Flows From Operating Activities:

Cash received from customers	\$ 10,871,263
Cash payments to suppliers for goods and services	(5,232,847)
Cash payments to employees for services	(3,878,010)
Net Cash Provided by Operating Activities	<u>1,760,406</u>

Cash Flows From Noncapital and Related Financing Activities:

Rental and other nonoperating income	80,606
Net Cash Provided by Noncapital and Related Financing Activities	<u>80,606</u>

Cash Flows From Capital and Related Financing Activities:

Acquisition and construction of capital assets	(761,519)
Proceeds from long-term debt	10,120,000
Principal paid on long-term debt	(769,500)
Interest paid on long-term debt	(1,027,898)
Proceeds of state grants	121,006
Capital contributions	2,369,487
Net Cash Provided by Capital and Related Financial Activities	<u>10,051,576</u>

Cash Flows From Investing Activities:

Proceeds from loans receivable	475,000
Investment income	1,203,197
Net Cash Provided by Investing Activities	<u>1,678,197</u>

Net Increase in Cash and Cash Equivalents 13,570,785

Cash and Cash Equivalents at Beginning of Year 17,559,906

CASH AND CASH EQUIVALENTS AT END OF THE YEAR \$ 31,130,691

(Continued)

The accompanying notes are an integral part of the financial statements.

**SAN ELIJO JOINT POWERS AUTHORITY
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

Reconciliation of Operating Loss to

Net Cash Provided by Operating Activities:

Operating loss	\$ (1,739,042)
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**Adjustments to reconcile operating loss to
net cash provided by operating activities:**

Depreciation	2,872,927
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Change in assets and liabilities:

Due from other governmental agencies	901,581
Prepaid expenses	(19,666)
Lease receivable	19,309
Deferred outflows related to pensions	(1,333,850)
Deferred outflows related to OPEB	10,679
Accounts payable	(520,024)
Accrued liabilities	326,104
Due to other government agencies	(76,579)
Due to other funds	124,000
Unearned revenue	90,631
Net pension liability	2,481,975
Net OPEB obligation	(19,237)
Compensated absences	19,423
Deferred inflows related to pensions	(1,346,332)
Deferred Inflows related to OPEB	11,280
Deferred inflows related to leases	(42,773)
Net Cash Provided by Operating Activities	\$ 1,760,406

Cash and Cash Equivalents:

Financial Statement Classification

Cash and cash equivalents	\$ 21,115,187
Restricted cash and cash equivalents	10,015,504
Total Cash and Cash Equivalents	\$ 31,130,691

The accompanying notes are an integral part of the financial statements.

**SAN ELIJO JOINT POWERS AUTHORITY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Post-Employment Benefits Trust</u>
ADDITIONS:	
Contributions	\$ 309,000
Investment income	<u>34,430</u>
Total Additions	<u>343,430</u>
DEDUCTIONS:	
Administrative fees	<u>2,460</u>
Total deductions	<u>2,460</u>
Change in Net Assets	340,970
Net Position - Beginning of Year - Restated	<u>577,737</u>
Net Position - End of year	<u><u>\$ 918,707</u></u>

The accompanying notes are an integral part of the financial statements.

**SAN ELIJO JOINT POWERS AUTHORITY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Post-Employment Benefits Trust</u>
ADDITIONS:	
Contributions	\$ 309,000
Investment income	<u>34,430</u>
Total Additions	<u>343,430</u>
DEDUCTIONS:	
Administrative fees	<u>2,460</u>
Total deductions	<u>2,460</u>
Change in Net Assets	340,970
Net Position - Beginning of Year - Restated	<u>577,737</u>
Net Position - End of year	<u><u>\$ 918,707</u></u>

The accompanying notes are an integral part of the financial statements.

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1 - Organization and Significant Accounting Policies:

Organization

San Elijo Joint Powers Authority (SEJPA) was established on June 17, 1987 with the power to own, operate, maintain and upgrade the San Elijo Water Reclamation Facility (WRF) through an agreement between the Cardiff Sanitation District (Cardiff) and the Solana Beach Sanitation District (Solana Beach)(the member agencies). SEJPA which is governed by a board consisting of four members, two from each member agency; serves as a wastewater treatment facility for the member agencies as well as portions of Rancho Santa Fe Community Services District, Improvement Areas 2 and 3, City of Del Mar and portions of the City of San Diego. On July 1, 1990, the City of Solana Beach succeeded to the powers and responsibilities of the Solana Beach Sanitation District; and on October 18, 2001, the City of Encinitas succeeded to the powers and responsibilities of the Cardiff Sanitation District.

Under the agreement establishing SEJPA, Cardiff retained its right to 56% of the available treatment capacity of the plant, and Solana Beach retained its right to the remaining 44%. In May 1989 through an agreement between SEJPA and the member agencies to upgrade and expand the WRF; Solana Beach paid Cardiff to increase its ownership percentage and capacity rights to 50%.

SEJPA and the City of Escondido are joint owners and users, 21% and 79% respectively, of the San Elijo Ocean Outfall which is generally comprised of a regulator station, effluent pump station, and piping extending from an on-shore location out into the ocean.

SEJPA adopted resolution 2019-001 creating Employment Benefits Trust, San Elijo Joint Powers Authority. Funding of the irrevocable trust provides restricted funds that may be used at the Board's discretion to smooth the pension expense that can fluctuate due to changes in investment market conditions and CalPERS policies, in addition to making additional contributions to reduce the Unfunded Actuarial Liability (UAL).

The criteria used in determining the scope of the reporting entity is based on the provisions of GASB Cod. Sec, 2100 "Defining the Financial Reporting Entity". SEJPA is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because SEJPA appoints a voting majority of the component units board, or because the component unit will provide a financial benefit or impose a financial burden on SEJPA. SEJPA has no component units.

Significant Accounting Policies

A summary of SEJPA's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Method of Accounting

SEJPA utilizes accounting principles appropriate for an enterprise fund to record its activities. Accordingly the statement of net position and the statement of revenues, expenses, and changes in net position have been prepared using the economic resources measurement focus and the accrual basis of accounting.

The Post-Employment Benefits Trust is used to account for contributions and distributions, related to the miscellaneous plan of San Elijo Joint Powers Authority.

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1 - Organization and Significant Accounting Policies: (Continued)

Method of Accounting (Continued)

SEJPA has not elected to apply the option allowed in GASB Cod. Sec. P80.103 “Proprietary Fund Accounting and Financial Reporting” and, as a consequence, will continue to apply GASB statements and interpretations.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

SEJPA recognizes revenue from charges for services to other government agencies and contributions from its members when they are earned. Operating activities generally result from providing services and producing and delivering goods. As such, SEJPA considers charges for services to other government agencies and contributions from the cities to be operating revenues.

Allowance for Doubtful Accounts

Bad debts are recognized on the allowance method based on historical experience and management’s evaluation of outstanding receivables. Management believes that all amounts due from other government agencies and loans receivable were fully collectible; therefore no allowance for doubtful accounts was recorded at June 30, 2023.

Leases

SEJPA is a lessor as detailed in Note 13. SEJPA recognizes a lease receivable and a deferred inflow of resources.

At the commencement of the lease, SEJPA initially measures the lease receivable at the present value of the payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently the deferred inflows of resources is recognized as revenue over the lease term.

Key estimates and judgments include how SEJPA determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

- SEJPA used the 3% annual increase in the lease as the discount rate.
- The lease term includes the noncancellable period of the lease as well as any extensions available to the lessee. SEJPA expects that the lessee will exercise those options, fully. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1 - Organization and Significant Accounting Policies: (Continued)

Capital Assets

Capital assets purchased or acquired with a cost exceeding \$15,000 and an estimated useful life of more than one year are reported at historical cost. Donated capital assets, donated works of art, and similar items, and capital assets received in service concession agreements are reported at acquisition value. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Upon sale or disposition of property and equipment, the asset account is relieved of the cost and the accumulated depreciation account is charged with depreciation taken prior to the sale and any resultant gain or loss is credited or charged to earnings. Depreciation is calculated on the straight-line method over the following estimated useful lives:

Plant equipment	5 - 50 years
Lab equipment	5 - 40 years
Office equipment	5 - 20 years
Vehicles	5 years

Depreciation totaled \$2,872,927 for the year ended June 30, 2023.

Amortization

2017 Revenue Bonds

The original issue premium on the 2017 Revenue bonds is being amortized on the straight-line method over 30 years. Amortization expense totaled \$70,225 for the year ended June 30, 2023 and is included in interest expense.

Compensated Absences

Employees are entitled to accrue vacation leave up to a maximum amount equal to twice the employees' annual accrual rate, after which accrual ceases until the balance accrued falls below the maximum accumulation (208 - 368 hours, depending on length of service). Upon separation of employment, accrued vacation benefits that have not been used are paid to the employee. Sick leave benefits may be accrued up to a maximum of 1,000 hours after which accrual ceases. Employees who are not terminated for cause and have given SEPJA 14 calendar days written notice are paid for 50% of the sick leave balance upon separation. Accumulated and unpaid vacation and sick-leave totaling \$603,127 is accrued when incurred and included in noncurrent liabilities at June 30, 2023.

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1 - Organization and Significant Accounting Policies: (Continued)

Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources represents a consumption of net position that applies to future periods and so will not be recognized as an outflows of resources (expense) until that time. SEJPA has the following items that qualify for reporting in this category:

- Deferred outflows related to Other Post-Employment Benefits (OPEB) equal to differences between actual and expected experience and adjustments due to difference in proportions.
- Deferred outflows related to pensions equal to employer contributions made after the measurement date of the net pension liability, differences between actual and expected experience, and adjustment due to differences in proportions.

In addition to liabilities, the statement of net position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. SEJPA has the following that qualify for reporting in this category:

- Deferred inflows related to OPEB resulting from the net difference between expected and actual experience and adjustments due to differences in proportions.
- Deferred inflows related to pensions resulting from the net difference between projected and actual earnings on pension plan investments, and differences between actual and required contributions.
- Deferred inflows related to leases resulting from the net differences between the amounts collected and the revenue recognized under the lease.

Risk Management

SEJPA is a member of the California Sanitation Risk Management Authority (CSRMA). CSRMA is a risk-pooling self-insurance authority created under provisions of California Government Code Sections 6500 et. seq. The purpose of CSRMA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. Each insured agency pays for its proportionate share of its individually contracted insurance coverage and consulting services. At June 30, 2023, SEJPA participated in the programs of CSRMA as follows:

General Liability including Bodily Injury, Property Damage, Public Entity Errors and Omissions, Employment Practices Liability and Automobile Liability - The CSRMA Pooled Liability (shared risk) Program provides \$25,750,000 per occurrence and in aggregate. CSRMA is self-insured up to \$15,750,000 and additional \$10,000,000 in excess insurance has been purchased to bring the total limit of liability coverage to \$25,750,000. SEJPA has a \$100,000 deductible in the CSRMA Pooled Liability Program.

**SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 1 - Organization and Significant Accounting Policies: (Continued)

Significant Accounting Policies (Continued)

Risk Management (Continued)

Property Damage - \$76,729,162 in scheduled values through the APIP Property Program with a \$1,000,000,000 shared loss limit per occurrence with a \$25,000 deductible. Coverage includes: all risk property coverage, mobile equipment, auto physical damage and boiler and machinery. SEJPA has a \$25,000 deductible for boiler and machinery coverage.

Faithful Performance/Employee Dishonesty Bond - Insured up to \$2,000,000 with a \$2,500 deductible. Coverage includes: employee dishonesty, faithful performance forgery or alteration, computer fraud, money and securities theft, disappearance and destruction.

Workers' Compensation - SEJPA participates in CSRMA's Workers' Compensation Program, which currently self-insures the first \$750,000 of each claim. The members have no deductible or self-insured retention. Excess insurance provides statutory limits for Workers' Compensation and \$750,000 for each accident or each employee for disease in limits for Employers Liability.

SEJPA pays annual premiums for this coverage. They are subject to retrospective adjustments based on claims experienced. The nature and amounts of the adjustments cannot be estimated and are charged to expense as invoiced. SEJPA's insurance expense totaled \$137,912 for the year ended June 30, 2023. There were no instances in the past three years where a settlement exceeded SEJPA's coverage.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS website.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined time frames. For this report, the following time frames are used:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	June 30, 2022 to June 30, 2023

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1 - Organization and Significant Accounting Policies: (Continued)

Significant Accounting Policies (Continued)

Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Other Postemployment Benefit Programs of San Elijo Joint Powers Authority (OPEB Plan), and additions to/deductions from the OPEB Plan's fiduciary net position have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following time frames are used:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	June 30, 2022 to June 30, 2023

Fair Value Measurements

Fair value accounting standards define fair value, establish a framework for measuring fair value, outline a fair value hierarchy based on inputs used to measure fair value and enhance disclosure requirements for fair value measurements. The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 or 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

- Level 1 inputs are quoted prices in active markets for identical investments that the investment manager has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the investment.

SEJPA's statement of net position includes the following financial instruments that are required to be measured at fair value on a recurring basis:

- Investments in the California Local Agency Investment Fund (LAIF) are considered Level 2 assets and are reported at the fair value of the underlying assets as provided by LAIF.
- Investment in mutual funds are considered Level 1 assets and are reported at fair value based on quoted prices in active markets for identical assets at the measurement date.

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1 - Organization and Significant Accounting Policies: (Continued)

Significant Accounting Policies (Continued)

Economic Dependency

SEJPA received approximately 43% of its operating revenues from its member agencies for the year ended June 30, 2023.

Cash and Cash Equivalents

For purposes of the statement of cash flows, SEJPA considers all investment instruments purchased with a maturity of three months or less to be cash equivalents.

Subsequent Events

In preparing these financial statements, SEJPA has evaluated events and transactions for potential recognition or disclosure through December ___, 2023, the date the financial statements were available to be issued.

Note 2 - Cash and Cash Equivalents:

Investments Authorized by the California Government Code and SEJPA's Investment Policy

The table below identifies the investment types that are authorized for SEJPA by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of SEJPA, rather than the general provision of the California Government Code or SEJPA's investment policy:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Quality Requirements
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Bankers Acceptances	180 days	40%	None
Commercial Paper	270 days	25%	A1
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20%	None
Medium-Term Notes	5 years	30%	A Rating
Mutual Funds	N/A	20%	Multiple

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 2 - Cash and Cash Equivalents: (Continued)

Investments Authorized by the California Government Code and SEJPA's Investment Policy (Continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Quality Requirements
Money Market Mutual Funds	N/A	20%	Multiple
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-Through Securities	5 years	20%	AA Rating
Time Deposits	5 years	None	None
California Local Agency Investment Fund (LAIF)	N/A	None	None
County Pooled Investments	N/A	None	None

Investments Authorized by the California Government Code and the SEJPA's Investment Policy

SEJPA's Investment Policy is more restrictive than the California Government Code. SEJPA may invest in the California Local Agency Investment Fund and the San Diego County Pooled Money Investment account.

Cash and cash equivalents held by the SEJPA were comprised of the following at June 30, 2023:

	Maturity in Years	
	1 Year or Less	Total
Cash on hand	\$ 180	\$ 180
California Local Agency Investment Fund (LAIF)	21,517,782	21,517,782
Deposits with financial institutions	(400,231)	(400,231)
Open-ended money market funds	10,012,960	10,012,960
Mutual funds	609,706	609,706
Total Cash and Cash Equivalents	<u>\$ 31,740,397</u>	<u>\$ 31,740,397</u>
Statement of Net Position:		
Cash and cash equivalents	\$ 21,115,187	\$ 21,115,187
Restricted cash and cash equivalents	10,015,504	10,015,504
Total Statement of Net Position	<u>31,130,691</u>	<u>31,130,691</u>
Statement of Fiduciary Net Position:		
Cash	609,706	609,706
Total Statement of Fiduciary Net Position	<u>609,706</u>	<u>609,706</u>
Total Cash and Cash Equivalents	<u>\$ 31,740,397</u>	<u>\$ 31,740,397</u>

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 2 - Cash and Cash Equivalents: (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. SEJPA manages its exposure to interest rate risk by purchasing shorter term investments so that a portion of the portfolio is maturing over time as necessary to provide the cash flows and liquidity needed for operations.

Information about the sensitivity of the fair values of SEJPA's investments to market interest rate fluctuations is provided in the previous table that shows the distribution of SEJPA's investments by maturity at June 30, 2023.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of the year end for each investment type:

	<u>Rating as of Year End Standard & Poor's</u>
California Local Agency Investment Fund	Not Rated
Mutual Funds	Not Rated

Concentration of Credit Risk

Concentration of credit is the risk of loss attributed to the magnitude to SEJPA's investment in a single issue.

The investment policy of SEJPA contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. SEJPA holds no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of SEJPA's total investments at June 30, 2023.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, SEJPA will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) SEJPA will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and SEJPA's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure SEJPA's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 2 - Cash and Cash Equivalents: (Continued)

Custodial Credit Risk (Continued)

At June 30, 2023, none of SEJPA's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts. At June 30, 2023, no SEJPA investments were held by the same broker-dealer (counterparty) that was used by SEJPA to buy the securities.

Investment in State Investment Pool

SEJPA is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code under the oversight of the Treasurer of the State of California. The fair value of SEJPA's investment in this pool is reported in the accompanying financial statements at amounts based upon SEJPA's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The statement of cash flows has been prepared by considering all investment instruments purchased with a maturity of three months or less to be cash equivalents. Following is a detail at June 30, 2023:

California Local Agency Investment Fund (LAIF)	\$ 21,517,782
Open-ended money market mutual funds	10,012,960
Deposits with financial institutions	(400,231)
Cash on hand	180
Total	<u>\$ 31,130,691</u>

Note 3 - Due From Other Government Agencies:

SEJPA provides reclaimed water and wastewater treatment to a variety of governmental agencies within San Diego County. The following is a detail of amounts owed to/from SEJPA by these agencies at June 30, 2023:

San Diego County Water Authority	\$ 327,805
Santa Fe Irrigation District	103,368
Olivenhain Municipal Water District	93,235
San Dieguito Water District	76,464
Other	62,811
City of Del Mar	21,535
City of Encinitas	7,933
22 nd District Agricultural Association	2,212
Rancho Santa Fe Community Services District #2 and #3	(874)
City of Solana Beach	(11,298)
City of Escondido	(36,776)
Total	<u>\$ 646,415</u>

Financial Statement Classification:

Due from other government agencies	\$ 752,849
Due to other government agencies	(106,434)
Total	<u>\$ 646,415</u>

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 4 - Loans Receivable:

The City of Encinitas and the City of Solana Beach have entered into the fourth amendment and restated loan agreements with SEJPA. The loans bear interest from 2% to 4%. Principal and interest are payable semi-annually four days prior to each September 1 and March 1 of each year, in order to provide SEJPA with sufficient funds to service the debt on the 2017 Revenue Bonds (See Note 7). Loans receivable consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
City of Solana Beach	\$ 10,147,500	\$ 10,385,000
City of Encinitas	<u>10,147,500</u>	<u>10,385,000</u>
Subtotal	20,295,000	20,770,000
Less current portion	<u>(490,000)</u>	<u>(475,000)</u>
Total	<u>\$ 19,805,000</u>	<u>\$ 20,295,000</u>

Note 5 - Capital Assets:

Capital assets consist of the following at June 30:

	Balance at June 30, 2022	Additions	Deletions	Balance at June 30, 2023
Capital Assets Not Being Depreciated:				
Construction in progress	\$ 1,500,754	\$ 456,226	\$ (149,766)	\$ 1,807,214
Capital Assets Being Depreciated:				
Plant equipment	107,952,404	455,057	(25,571)	108,381,890
Lab equipment	74,584	-	(6,773)	67,811
Office equipment	76,136	-	(21,045)	55,091
Vehicles	488,234	-	-	488,234
Total Capital Assets Being Depreciated	<u>108,591,358</u>	<u>455,057</u>	<u>(53,389)</u>	<u>108,993,026</u>
Less: Accumulated depreciation for:				
Plant equipment	(44,235,181)	(2,811,007)	24,574	(47,021,614)
Lab equipment	(66,068)	(1,019)	6,773	(60,314)
Office equipment	(75,471)	(415)	20,795	(55,091)
Vehicles	(290,271)	(60,485)	-	(350,756)
Net Capital Assets Being Depreciated	<u>63,924,367</u>	<u>(2,417,869)</u>	<u>(1,247)</u>	<u>61,505,251</u>
Net Capital Assets	<u>\$ 65,425,121</u>	<u>\$ (1,961,643)</u>	<u>\$ (151,013)</u>	<u>\$ 63,312,465</u>

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 6 - Noncurrent Liabilities:

Noncurrent liabilities consist of the following at June 30, 2023:

	Balance at June 30, 2022	Additions	Deletions	Balance at June 30, 2023	Due Within One Year	Due in More Than One year
Long-Term Debt:						
2017 Revenue Bonds	\$ 20,770,000	\$ -	\$ (475,000)	\$ 20,295,000	\$ 490,000	\$ 19,805,000
Original issue premium	1,755,600	-	(70,225)	1,685,375	-	1,685,375
Loan payable	-	10,120,000	-	10,120,000	310,000	9,810,000
Private placement loan payable	1,153,413	-	(101,327)	1,052,086	105,576	946,510
Reimbursement agreements payable:						
Santa Fe Irrigation	394,456	-	(131,775)	262,681	-	262,681
Solana Beach	432,554	-	(8,010)	424,544	-	424,544
SDG&E financing agreement	266,941	-	(53,388)	213,553	53,388	160,165
Total Long-Term Debt	<u>24,772,964</u>	<u>10,120,000</u>	<u>(839,725)</u>	<u>34,053,239</u>	<u>958,964</u>	<u>33,094,275</u>
Other Noncurrent Liabilities:						
Compensated absences	583,704	291,007	(271,584)	603,127	95,611	507,516
Total OPEB liability	470,663	41,276	(60,513)	451,426	-	451,426
Net pension liability	1,883,516	3,196,256	(714,281)	4,365,491	-	4,365,491
Total Other Noncurrent Liabilities	<u>2,937,883</u>	<u>3,528,539</u>	<u>(1,046,378)</u>	<u>5,420,044</u>	<u>95,611</u>	<u>5,324,433</u>
Total Noncurrent Liabilities	<u>\$ 27,710,847</u>	<u>\$ 13,648,539</u>	<u>\$ (1,886,103)</u>	<u>\$ 39,473,283</u>	<u>\$ 1,054,575</u>	<u>\$ 38,418,708</u>

Note 7 - Revenue Bonds:

2017 Revenue Bonds

On June 21, 2017, SEJPA issued \$22,115,000 of 2017 Revenue Bonds (Clean Water Projects) (the "Bonds") that were funded on July 6, 2017. The Bonds were issued for the purpose of funding facilities and improvements as part of SEJPA's capital improvement plan. SEJPA entered into *Series 2017 Loan Agreements* with the City of Encinitas and the City of Solana Beach (together the "Cities") to assist in the financing of the Cities' respective shares of the Bond. Each *Series 2017 Loan Agreement* is an absolute and unconditional obligation of the City of Encinitas and the City of Solana Beach, respectively, to make payments from and secured by a pledge of system revenues and other funds of each respective City lawfully available therefore and does not constitute an obligation of the other City. Each of the Cities has agreed to pay its respective loan installments from its system comprised of gross revenues derived from its respective wastewater collection and disposal system (including SEJPA's treatment of wastewater collected by its system) after the deduction of operation and maintenance expenses, in an amount sufficient to pay the annual principal and interest due under its respective *Series 2017 Loan Agreement*. In addition, each City has made covenants under its respective *Series 2017 Loan Agreement* regarding the collection of its System Revenues, and SEJPA has made certain covenants with respect to the operation and maintenance of its facilities.

The 2017 Revenue Bonds are payable in annual principal installments from \$435,000 to \$1,285,000 beginning March 1, 2020 through March 1, 2047. Interest payments are due semi-annually on September 1 and March 1 beginning September 1, 2017. Interest rates on the revenue bonds range from 3% to 5%. The revenue bonds outstanding totaled \$20,295,000 and accrued interest totaled \$282,725 at June 30, 2023, respectively. The 2017 revenue bonds are special obligations of SEJPA, secured by a first lien on the pledge of all of the revenues.

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 7 - Revenue Bonds: (Continued)

2017 Revenue Bonds (Continued)

The Loan Installments paid by Encinitas would pay approximately 50% of the total debt service on the Bonds and the Loan Installments paid by Solana Beach would pay approximately 50% of the debt service on the Bonds.

Debt service requirements of the Revenue Bonds are as follows:

<u>Years Ended</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 490,000	\$ 848,175
2025	510,000	828,575
2026	535,000	803,075
2027	560,000	776,325
2028	590,000	748,325
2029 - 2033	3,415,000	3,268,875
2034 - 2038	4,250,000	2,440,800
2039 - 2043	5,090,000	1,590,313
2044 - 2047	4,855,000	494,800
Total	<u>\$ 20,295,000</u>	<u>\$ 11,799,263</u>

Note 8 - Loan Agreement:

In May 2023, SEJPA entered into a Loan Agreement with Webster Bank National Association in the amount of \$10,120,000, to provide funds to finance capital improvements and pay costs of issuance of the Loan Agreement. Interest accrues at 4.58% on the unpaid balance and is payable in forty (40) semi-annual payments of principal ranging from \$154,000 to \$376,000 plus interest. The Loan Agreement outstanding at June 30, 2023 totaled \$10,120,000. Accrued interest totaled \$40,127 at June 30, 2023. SEJPA's obligation to pay the loan repayments is a special obligation limited solely to the net revenues as defined in the Loan Agreement. SEJPA has covenanted that it will fix, prescribe, and collect rates, fees, and charges sufficient to generate net revenues at least equal to 115% of the loan repayments and the principal of and interest on all outstanding parity obligations coming due and payable during such fiscal year.

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 8 - Loan Agreement: (Continued)

Debt service requirements on the Loan Agreement are as follows:

<u>Years Ended June 30:</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 310,000	\$ 468,982
2025	333,000	445,497
2026	349,000	430,039
2027	365,000	413,895
2028	382,000	396,972
2029 - 2033	2,190,000	1,702,730
2034 - 2038	2,747,000	1,146,031
2039 - 2043	3,444,000	448,084
	<u>\$ 10,120,000</u>	<u>\$ 5,452,230</u>

Note 9 - Private Placement Loan Payable:

In November 2011, SEJPA entered into a private placement loan payable with Municipal Finance Corporation in the amount of \$2,000,000 to fund advanced water treatment improvements (Advanced Water Treatment Project) at the San Elijo Water Reclamation Facility. Interest accrues at 4.15% on the unpaid principal balance and is payable in forty (40) semi-annual payments of \$74,077 including principal and interest and continue through December 2031. The private placement loan payable outstanding totaled \$1,052,086 at June 30, 2023. Accrued interest totaled \$3,638 at June 30, 2023. SEJPA's obligation to pay the loan repayments is a special obligation limited solely to the net revenues as defined in the loan agreement. SEJPA has covenanted that it will fix, prescribe and collect rates, fees and charges sufficient to generate net revenues at least equal to 115% of the amount of the maximum annual debt service.

Debt service requirements on the private placement loan payable are as follows:

<u>Years Ended June 30</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 105,576	\$ 42,577
2025	110,003	38,151
2026	114,615	33,538
2027	119,421	28,732
2028	124,428	23,725
2029 - 2032	478,043	40,493
	<u>\$ 1,052,086</u>	<u>\$ 207,216</u>

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 10 - Reimbursement Agreements Payable:

SFID

The Santa Fe Irrigation District (SFID) constructed a reclaimed water distribution pipeline extension of 3,400 linear feet to SEJPA's reclaimed water distribution system in order to extend SEJPA's existing recycled water distribution system and enable the SFID to serve new reclaimed water customers. SEJPA agreed to reimburse SFID for the cost of design and construction of the extension in the amount of \$526,149 and the SFID agreed to convey ownership of the extension to SEJPA. Under the terms of the agreement, the reimbursement amount shall be increased each July 1st by adding interest at the rate equivalent to the average LAIF rate for the past four quarters, but not less than 1% nor greater than 2.5% calculated on the unpaid monthly balance. SEJPA shall reimburse SFID monthly at a rate of \$450 per acre foot of recycled water delivered through the extension including water delivered to purveyors other than SFID. In addition, SEJPA made an initial down payment of \$50,000. SEJPA will further make a lump sum payment of all remaining principal and interest due after completion of the 20th year of this agreement if the average annual delivery volume of the extension from year 13 through year 15 exceeds 50 acre feet annually. Future payments on the SFID reimbursement agreement payable are contingent upon future reclaimed water sales, therefore future maturities have not been estimated and the agreement is considered noncurrent. The SFID reimbursement agreement payable totaled \$262,681 at June 30, 2023.

Solana Beach

Solana Beach constructed a reclaimed water distribution pipeline extension of 7,920 linear feet to SEJPA's reclaimed water distribution system in order to extend SEJPA's existing recycled distribution system and enable Solana Beach to serve new reclaimed water customers. SEJPA agreed to reimburse Solana Beach the cost of design and construction of the extension in the amount of \$478,319 and Solana Beach agreed to convey ownership of the extension to SEJPA. SEJPA shall reimburse Solana Beach monthly at a rate of \$450 per acre foot of recycled water delivered to any customers through the extension. Future payments on the Solana Beach Reimbursement Agreement Payable are contingent upon future reclaimed water sales, therefore future maturities have not been estimated and the agreement is considered noncurrent. The Solana Beach Reimbursement Agreement Payable totaled \$424,544 at June 30, 2023.

San Diego Gas & Electric Financing Agreement

On July 3, 2017, SEJPA entered into an on-bill financing loan agreement with San Diego Gas & Electric (SDG&E) in the amount of \$533,883 in order to retrofit certain electric equipment. SEJPA will pay an additional \$4,449 on their monthly SDG&E bills. This retrofitting is expected to save SEJPA \$68,120 per year and be paid off in under five years. The San Diego Gas & Electric Financing Agreement payable totaled \$213,553 at June 30, 2023.

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 10 - Reimbursement Agreements Payable: (Continued)

San Diego Gas & Electric Financing Agreement (Continued)

Debt service requirements on the SDG&E loan payable are as follows:

<u>Years Ended</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 53,388	\$ -	\$ 53,388
2025	53,388	-	53,388
2026	53,388	-	53,388
2027	53,389	-	53,389
Total	<u>\$ 213,553</u>	<u>\$ -</u>	<u>\$ 213,553</u>

Note 11 - Postemployment Benefits:

Plan Description

SEJPA provides medical insurance benefits to eligible retirees in accordance with various labor agreements subject to the SEJPA's vesting schedule. Medical benefits are typically available at age 55 and are only available to those retirees that select CalPERS medical upon the date of retirement. The current maximum contribution by SEJPA to the retiree is \$151 per month, which is the minimum amount set by CalPERS.

Eligibility

Employees of SEJPA are eligible for retiree health benefits if they retire within 120 days of their separation date. Membership in the plan consisted of the following at June 30, 2023, the date of the latest actuarial valuation:

Active plan members	28
Retirees	<u>6</u>
Total	<u>34</u>

Contributions

The obligation of SEJPA to contribute to the plan is established and may be amended by the Board of Directors. The Board of Directors has established a policy of funding the actuarially determined contribution (ADC) on a pay as you go basis.

Net OPEB Liability

SEJPA's OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023.

**SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 11 - Postemployment Benefits: (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions:

Discount Rate	4.13%
Inflation	2.75%
Aggregate payroll increases	2.80%
Expected long-term investment rate of return	N/A
Mortality	General SOA Pub-210 General total data set headcount weighted mortality table fully generational using scale MP 2021.
Pre-retirement turnover	Termination rates used are according to the termination rates under the 2021 CalPers pension plan experience study.
Healthcare Trend Rate	An annual healthcare cost trend rate of 6.50% initially reduced by decrements to an ultimate of 4.5% therefore.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2021 through June 30, 2023. SEJPA completes a new actuarial valuation every two years. The next valuation will be dated June 30, 2025 and will be used for financial reporting for fiscal years ending June 30, 2025 and 2026.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.13%. This discount rate is the mid-point, rounded to five basis points, of the range of 3 - 20 year municipal bond rate indices; S&P Municipal bond 20-Year High Grade Rate Index, Bond Buyer GO 20-Bond Municipal Bond Index, and Fidelity 20-Year Go Municipal Bond Index.

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 11 - Postemployment Benefits: (Continued)

Change in the Total OPEB Liability

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance at June 30, 2022	\$ 470,663	\$ -	\$ 470,663
<u>Changes Recognized for the Measurement Period:</u>			
Service cost	21,712	-	21,712
Interest	19,564	-	19,564
Change in assumptions	(10,789)	-	(10,789)
Difference between expected and actual experience	(21,354)	-	(21,354)
Contributions - Employer	-	28,370	(28,370)
Benefit payments	(28,370)	(28,370)	-
Net Changes	(19,237)	-	(19,237)
Balance at June 30, 2023	\$ 451,426	\$ -	\$ 451,426

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of SEJPA, as well as what SEJPA's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current discount rate:

	<u>Plan's Total OPEB Liability/(Asset)</u>		
	<u>Discount Rate - 1% (3.13%)</u>	<u>Current Discount Rate (4.13%)</u>	<u>Discount Rate +1% (5.13%)</u>
Net OPEB Liability	\$ 508,372	\$ 451,426	\$ 404,572

Change in Assumptions

For the measurement period ended June 30, 2023, the discount rate used to calculate the net OPEB liability changed from 4.09% to 4.13%.

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 11 - Postemployment Benefits: (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of SEJPA, as well as what SEJPA's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.50 percent decreasing to 3.50 percent) or 1 percentage point higher (7.50 percent decreasing to 4.50 percent) than the current healthcare cost trend rates:

	Plan's Total OPEB Liability		
	Discount Rate - 1% (5.50% Decreasing to 3.5%)	Healthcare Cost Trend Rates (6.50% Decreasing to 4.5%)	Discount Rate +1% (7.50% Decreasing to 5.5%)
Net OPEB Liability	\$ <u>398,222</u>	\$ <u>451,426</u>	\$ <u>517,320</u>

OPEB Expense

For the fiscal year ended June 30, 2023, SEJPA recognized OPEB expense of \$31,091.

Deferred outflows or deferred inflows of resources associated with OPEB at June 30, 2023 were the following:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between expected and actual experience	\$ 7,582	\$ (24,102)
Changes of assumptions	45,335	(120,424)
Total	\$ <u>52,917</u>	\$ <u>(144,526)</u>

These deferred outflows or deferred inflows related to OPEB will be recognized as OPEB expense as follows:

Measurement Period Ended June 30	Deferred Outflows/ (Inflows) of Resources
2024	\$ (10,184)
2025	(8,860)
2026	(8,854)
2027	(10,738)
2028	(10,735)
Thereafter	(42,238)
Total	\$ <u>(91,609)</u>

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 12 - Defined Benefit Pension Plan:

General Information About the Pension Plans

Plan Descriptions - All qualified permanent and probationary employees are eligible to participate in the Miscellaneous Plan of San Elijo Joint Powers Authority, (All Plans) a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. SEJPA participates in the miscellaneous 2.5% at 55 pool, for those employees hired before July 1, 2012. New employees with no prior CalPERS membership and those with prior CalPERS membership with a break in service greater than six months, hired on or after July 1, 2012 participate in the miscellaneous 2% at 62 pool. Employees hired on or after July 1, 2012 with prior CalPERS membership with less than six months break in service, participate in the miscellaneous 2% at 60 pool.

The Plan's provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Prior to July 1, 2012	Miscellaneous	
		On or After July 1, 2012 Second Tier	PEPRA
Hire date			
Benefit formula	2.5% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50	52*
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8.00%	7.00%	6.75%
Required employer contribution rates	12.21%	8.63%	7.47%

* Minimum retirement age is 50 years when participant has combined classic and PEPRA services

In addition to the contribution rates above, SEJPA was required to make payments of \$312,580 toward the unfunded actuarial liability during the year ended June 30, 2023. The miscellaneous 2.5% at 55 pool is closed to new members that are not already CalPERS eligible participants and existing members hired on or after July 1, 2012.

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. SEJPA is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 12 - Defined Benefit Pension Plan: (Continued)

Pension Liabilities, Pension Expenses and Deferred Outflow/Inflows of Resources Related to Pensions

SEJPA reported the following net pension liability for its proportionate share of the net pension liability of the risk pool at June 30, 2023:

	Proportionate Share of Net Pension Liability
Miscellaneous Risk Pool	\$ <u>4,365,491</u>

SEJPA's net pension liability for the risk pool is measured as the proportionate share of the risk pool's net pension liability. GASB 68 indicates that to the extent different contribution rates are assessed based on separate relationships that constitute the collective net pension liability, the determination of the employer's proportionate share of the collective net pension liability should be made in a manner that reflects those relationships. The allocation method used by CalPERS to determine each employer's proportionate share reflects those relationships through the employer rate plans they sponsor within the respective risk pools. An actuarial measurement of the employer's rate plan liability and asset-related information are used where available, and proportional allocations of individual employer rate plan amounts as of the valuation date are used where not available.

SEJPA's proportionate share of the net pension liability as of June 30, 2023, the measurement date, was calculated as follows:

- Each risk pool's total pension liability was computed at the measurement date, June 30, 2022, by applying standard actuarial roll-forward methods to the total pension liability amounts as of the valuation date. The fiduciary net position for each risk pool at the measurement date was determined by CalPERS' Financial Office. The net pension liability for each risk pool at June 30, 2021, was computed by subtracting the respective risk pool's fiduciary net pension from its total pension liability.
- The individual employer risk pool's proportionate share percentage of the total pension liability and fiduciary net position as of June 30, 2021, was calculated by applying SEJPA's proportionate share percentage as of the valuation date (described above) to the total pension liability and fiduciary net position as of June 30, 2022, to obtain the total pension liability and fiduciary net position as of June 30, 2022. The fiduciary net position was then subtracted from total pension liability to obtain the net pension liability as of the measurement date.

The District's proportionate share percentage of the net position liability as of June 30, 2021 and 2022 was as follows:

	Miscellaneous Risk Pool
Proportionate at Measurement Date - June 30, 2021	0.099195
Proportionate at Measurement Date - June 30, 2022	0.093295
Change - Increase (Decrease)	<u>0.005900</u>

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 12 - Defined Benefit Pension Plan: (Continued)

Pension Liabilities, Pension Expenses and Deferred Outflow/Inflows of Resources Related to Pensions

For the year ended June 30, 2023, SEJPA recognized pension expense of \$363,568. At June 30, 2023, SEJPA reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 561,778	\$ -
Changes in assumptions	447,335	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	141,719	(366,206)
Changes in proportions	214,496	(95,451)
Differences between actual and expected experience	28,951	-
Net difference between projected and actual earnings on plan investments	799,641	-
Total	<u>\$ 2,193,920</u>	<u>\$ (461,657)</u>

The \$561,778 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Years Ended June 30	
2024	\$ 290,024
2025	252,516
2026	138,856
2027	489,089
2028	-
Total	<u>\$ 1,170,485</u>

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 12 - Defined Benefit Pension Plan: (Continued)

Pension Liabilities, Pension Expenses and Deferred Outflow/Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions - The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

	2.5% @ 55	2% @ 60	2% @ 62
Valuation Date	June 30, 2020	June 30, 2020	June 30, 2020
Measurement Date	June 30, 2021	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry-Age Cost Method	Entry-Age Cost Method	Entry-Age Cost Method
Actuarial Assumptions:			
Discount Rate	7.15%	7.15%	7.15%
Inflation	2.75%	2.75%	2.75%
Payroll Growth	3.0%	3.0%	3.0%
Projected Salary Increase	3.3% - 14.2%(1)	3.3% - 14.2%(1)	3.3% - 14.2%(1)
Investment Rate of Return	7.5% (2)	7.5% (2)	7.5% (2)
Mortality	CalPERS Specific	CalPERS Specific	CalPERS Specific

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested employer rate plans within the Plan that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing none of the tested employer rate plans run out of assets. Therefore, the current 6.90% discount rate is adequate and the use of the municipal bond rate calculation is not deemed necessary. The stress test results are presented in a detailed report, *GASB Statements 67 and 68 Crossover Testing Report for Measurement Date June 30, 2021 based on June 30, 2020 Valuations*, that can be obtained from the CalPERS' website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 12 - Defined Benefit Pension Plan: (Continued)

Pension Liabilities, Pension Expenses and Deferred Outflow/Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions (Continued) - The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return^{1, 2}</u>
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.27%
Treasury	5.00%	.027%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporations	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

⁽¹⁾ An expected price inflation of 2.3% used for this period

⁽²⁾ Figures are based on 2021-22 Asset Liability Management study

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the risk pool, as of the measurement date calculated using the discount rate as well as what SEJPA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
SEJPA's proportionate share of the miscellaneous risk pool's pension liability	\$ <u>6,837,740</u>	\$ <u>4,365,491</u>	\$ <u>2,331,444</u>

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 13 - Commitments and Contingencies:

Contracts

SEJPA has entered into various contracts for the purchase of materials and construction of capital assets. The amounts contracted are based on the contractor's estimated cost of construction. At June 30, 2023, the total unpaid amount on these contracts is approximately \$11,029,683.

Litigation

Legal claims and lawsuits arise from time to time in the normal course of business which, in the opinion of management, will have no material effect on the SEJPA's financial position.

Cell Site Lease

The SEJPA has entered into a Communications Site License Agreement as lessor with an initial five-year renewal lease term, with five (5) five-year options to renew. The lessees are required to make annual fixed payments starting at \$20,400 and increasing 3% annually. At June 30, 2023, the lease receivable totaled \$443,544 and deferred inflows related to leases totaled \$420,080. The District recognized \$28,933 in lease revenue during the year ended June 30, 2023.

Assignment and Assumption Agreement

In June 2022, the Authority entered into an Assignment and Assumption Agreement ("Agreement") with the San Dieguito Water District ("San Dieguito") which was consented to by Olivenhain Municipal Water District. Per the Agreement, San Dieguito assigns to the Authority all rights, title, and interest to its 1/3 capacity of the J.C. Wanket Reservoir, an approximately 3 million gallon tank, in exchange for the Authority fully and forever waiving and discharging the \$136,796 owed by San Dieguito for annual minimum recycled water purchases for fiscal year 2019-20. This Assignment effectuated by this Agreement may be revoked by Olivenhain and San Dieguito if the Authority abandons or ceases to maintain and operate the reservoir for any consecutive period of seven years or more. In the event of such revocation, all rights, title, and interest to the Authority's capacity in the reservoir shall revert to San Dieguito.

Note 14 - New Governmental Accounting Standards:

GASB No. 91

In May 2019, the Governmental Accounting Standards Board issued Statement No. 91 "Conduit Debt Obligations". The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The effective date of this pronouncement has been postponed by 12 months by GASB Statement 95. This pronouncement did not have a material effect on the financial statements of SEJPA in the year of implementation.

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 14 - New Governmental Accounting Standards: (Continued)

GASB No. 92

In January 2020, the Governmental Accounting Standards Board issued Statement No. 92 “Omnibus 2020”. The requirements of this statement are effective at various dates up to and including fiscal years and reporting periods beginning after June 15, 2021. The effective date of this pronouncement has been postponed by 12 months by GASB Statement 95. This pronouncement did not have a material effect on the financial statements of SEJPA in the year of implementation.

GASB No. 93

In March 2020, the Governmental Accounting Standards Board issued Statement No. 93 “Replacement of Interbank Offered Rates”. The requirements of this statement are effective at various dates up to and including reporting periods ending after December 31, 2021. The effective date of this pronouncement has been postponed by 12 months by GASB Statement 95. This pronouncement did not have a material effect on the financial statements of SEJPA in the year of implementation.

GASB No. 94

In March 2020, the Governmental Accounting Standards Board issued Statement No. 94 “Public - Private and Public - Public Partnerships and Availability Payment Arrangements”. The requirements of this statement are effective for fiscal years beginning after June 15, 2022. The effective date of this pronouncement has been postponed by 12 months by GASB Statement 95. As used in this pronouncement these Partnerships are an arrangement in which the government (the transferor) contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset such as infrastructure or other capital assets for a period of time in an exchange or an exchange-like transaction. The statement also provides guidance on accounting and financial reporting for availability payment arrangements in which the government compensates the operator for services that may include the designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. SEJPA has not yet determined the effects of this pronouncement on the financial statements in the year of implementation.

GASB No. 96

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96 “Subscription-Based Information Technology Arrangements (SBITA’s)”. This Statement (1) defines SBITA’s (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset- and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including the implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for fiscal years beginning after June 15, 2022 and all reporting periods thereafter. Earlier application is encouraged. This pronouncement did not have a material effect on the financial statements of SEJPA in the year of implementation.

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 14 - New Governmental Accounting Standards: (Continued)

GASB No. 97

In June 2020, the Governmental Accounting Standards issued Statement No. 97 “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - An Amendment of GASB Statements No. 14 and No. 84 and Supersession of GASB Statement No. 32”. This statement requires that for purposes of determining whether a primary government is financial accountable for a potential component unit, the absence of a governing board should be treated the same as the appointment of a voting majority. The statement requires that a Section 457 plan be classified as either pension or other employee benefit plan depending on whether the plan meets the definition of a pension plan. This statement supersedes the remaining provisions of GASB Statement No. 32.

GASB No. 99

In April 2022, the Governmental Accounting Standards Board issued Statement No. 99 “Omnibus 2022”. This statement enhances the comparability in accounting and financial reporting and improves consistency in authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirement of this pronouncement are effective on various dates ranging from upon issuance through fiscal years beginning through fiscal years beginning after June 2023. This pronouncement did not and is not expected to have a material effect on the financial statements of SEJPA in the year of implementation.

GASB No. 100

In June 2022, the Governmental Accounting Standards Board issued Statement No. 100 “Accounting Changes and Error Corrections an amendment of GASB Statement No. 62”. This statement defined accounting changes. This statement also addresses corrections of errors in previously issued financial statements. The requirements of this statement effective for fiscal years ending after June 15, 2023. This pronouncement is not anticipated to have a material effect on the financial statements of SEJPA in the year of implementation.

GASB No. 101

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101 “Compensated Absences”. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. This statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences. In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of this statement effective for fiscal years ending after December 15, 2023. This pronouncement is not anticipated to have a material effect on the financial statements of SEJPA in the year of implementation.

**SAN ELIJO JOINT POWERS AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023**

**SCHEDULES OF PLAN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN YEARS**

	Measurement Date June 30, 2022	Measurement Date June 30, 2021	Measurement Date June 30, 2020	Measurement Date June 30, 2019	Measurement Date June 30, 2018
Proportion of the Net Pension Liability	0.093295%	0.099195%	0.085799%	0.082537%	0.079550%
Proportionate Share of the Net Pension Liability	\$ 4,365,491	\$ 1,883,516	\$ 3,619,079	\$ 3,305,214	\$ 2,998,025
Covered Payroll - Measurement Period	\$ 2,420,193	\$ 2,286,481	\$ 2,118,208	\$ 2,072,596	\$ 1,930,102
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	180.38%	82.38%	170.86%	159.47%	155.33%
Plan's Fiduciary Net Position	\$ 13,770,398	\$ 14,615,225	\$ 11,895,680	\$ 11,362,690	\$ 10,450,711
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	75.93%	88.58%	76.67%	77.47%	77.71%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 714,281	\$ 574,840	\$ 531,495	\$ 470,825	\$ 398,079
	Measurement Date June 30, 2017	Measurement Date June 30, 2016	Measurement Date June 30, 2015	Measurement Date June 30, 2014	Measurement Date June 30, 2013
Proportion of the Net Pension Liability	0.081861%	0.079200%	0.089800%	0.081140%	N/A
Proportionate Share of the Net Pension Liability	\$ 3,227,017	\$ 2,924,994	\$ 2,463,640	\$ 1,937,636	\$ N/A
Covered Payroll - Measurement Period	\$ 1,916,333	\$ 1,829,430	\$ 1,718,001	\$ 1,707,696	\$ N/A
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	168.40%	159.89%	143.40%	113.46%	N/A
Plan's Fiduciary Net Position	\$ 9,717,557	\$ 8,477,710	\$ 8,203,952	\$ 7,976,883	\$ N/A
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	75.07%	74.35%	76.91%	80.46%	N/A
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 367,677	\$ 315,703	\$ 308,067	\$ 215,709	\$ N/A

Notes to Schedules:

Change in Benefit Terms - In 2015, benefit terms were modified to base miscellaneous employee pensions on a final three-year average salary instead of a final five-year.

Changes in Assumptions - In 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of miscellaneous employees.

Omitted Years - GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

*Fiscal year 2015 was the first year of implementation.

**SAN ELIJO JOINT POWERS AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023**

**SCHEDULES OF CONTRIBUTIONS TO THE PENSION PLAN
LAST TEN YEARS**

	Fiscal Year 2022 - 2023	Fiscal Year 2021 - 2022	Fiscal Year 2020 - 2021	Fiscal Year 2019 - 2020	Fiscal Year 2018 - 2019
Actuarially Determined Contribution	\$ 561,778	\$ 511,854	\$ 466,121	\$ 403,880	\$ 356,338
Contributions in Relation to the Actuarially Determined Contributions	<u>(561,778)</u>	<u>(511,854)</u>	<u>(466,121)</u>	<u>(404,110)</u>	<u>(356,338)</u>
Contributions Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (230)</u>	<u>\$ -</u>
Covered Payroll - Fiscal Year	<u>\$ 2,572,479</u>	<u>\$ 2,420,193</u>	<u>\$ 2,286,481</u>	<u>\$ 2,118,208</u>	<u>\$ 2,072,596</u>
Contributions as a Percentage of Covered Payroll	21.84%	21.15%	20.39%	19.08%	17.19%
Valuation Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
	Fiscal Year 2017 - 2018	Fiscal Year 2016 - 2017	Fiscal Year 2015 - 2016	Fiscal Year 2014 - 2015	Fiscal Year 2013 - 2014
Actuarially Determined Contribution	\$ 302,451	\$ 302,683	\$ 286,852	\$ 267,504	\$ 256,232
Contributions in Relation to the Actuarially Determined Contributions	<u>(302,451)</u>	<u>(437,683)</u>	<u>(441,852)</u>	<u>(267,504)</u>	<u>(256,232)</u>
Contributions Deficiency (Excess)	<u>\$ -</u>	<u>\$ (135,000)</u>	<u>\$ (125,000)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll - Fiscal Year	<u>\$ 1,930,102</u>	<u>\$ 1,916,333</u>	<u>\$ 1,829,430</u>	<u>\$ 1,718,001</u>	<u>\$ 1,707,696</u>
Contributions as a Percentage of Covered Payroll	15.67%	22.84%	22.51%	15.57%	15.00%
Valuation Date	June 30, 2016	June 30, 2015	June 20, 2014	June 20, 2013	

Notes to Schedules:

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry age
Amortization Method	Level Percentage of Payroll
Asset Valuation Method	Market Value
Discount Rate	7.15%
Projected Salary Increase	3.30% to 14.20% depending on Age, Service, and type of employment
Inflation	2.75%
Payroll Growth	3.00%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual production inflation growth of 0.25%

Omitted Years - GASB Statement No. 68 was implemented during the year ended June 30, 2015, thus information prior to this date was not presented.

**SAN ELIJO JOINT POWERS AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023**

**SCHEDULES OF CHANGES IN THE AUTHORITY'S NET OPEB LIABILITY AND RELATED RATIOS
LAST TEN YEARS**

Measurement Period	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total OPEB Liability										
Service cost	\$ 21,712	\$ 32,952	\$ 27,919	\$ 23,405	\$ 19,445	\$ 18,879	\$ 18,267	\$ N/A	\$ N/A	\$ N/A
Interest	19,564	13,498	13,759	15,314	15,625	14,565	13,926	N/A	N/A	N/A
Change of benefit terms	-	-	-	-	-	-	-	N/A	N/A	N/A
Differences between expected and actual experience	(21,354)	(6,277)	6,728	-	8,259	-	-	N/A	N/A	N/A
Changes of assumptions	(10,789)	(140,644)	22,755	49,719	6,771	(9,274)	-	N/A	N/A	N/A
Benefit payments	(28,370)	(24,405)	(18,556)	(16,528)	(12,096)	(14,170)	(13,242)	N/A	N/A	N/A
Net Change in Total OPEB Liability	<u>(19,237)</u>	<u>(124,876)</u>	<u>52,605</u>	<u>71,910</u>	<u>38,004</u>	<u>10,000</u>	<u>18,951</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total OPEB Liability - Beginning	<u>470,663</u>	<u>595,539</u>	<u>542,934</u>	<u>471,024</u>	<u>433,020</u>	<u>423,020</u>	<u>404,069</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total OPEB Liability - Ending (a)	<u>\$ 451,426</u>	<u>\$ 470,663</u>	<u>\$ 595,539</u>	<u>\$ 542,934</u>	<u>\$ 471,024</u>	<u>\$ 433,020</u>	<u>\$ 423,020</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 28,370	\$ 24,405	\$ 18,556	\$ 16,528	\$ 12,096	\$ 14,170	\$ 13,242	\$ N/A	\$ N/A	\$ N/A
Net investment income	-	-	-	-	-	-	-	N/A	N/A	N/A
Benefit payments	(28,370)	(24,405)	(18,556)	(16,528)	(12,096)	(14,170)	(13,242)	N/A	N/A	N/A
Administrative expense	-	-	-	-	-	-	-	N/A	N/A	N/A
Net Change in Plan Fiduciary Net Position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Plan Fiduciary Net Position - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
District's Net OPEB Liability - Ending (a) - (b)	<u>\$ 451,426</u>	<u>\$ 470,663</u>	<u>\$ 595,539</u>	<u>\$ 542,934</u>	<u>\$ 471,024</u>	<u>\$ 433,020</u>	<u>\$ 423,020</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
Covered Employee Payroll - Measurement Period	<u>\$ 2,869,777</u>	<u>\$ 2,420,193</u>	<u>\$ 2,188,001</u>	<u>\$ 2,104,992</u>	<u>\$ 2,043,682</u>	<u>\$ N/A</u>	<u>\$ 1,856,890</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
Net OPEB Liability as a Percentage of Covered - Employee Payroll	15.70%	19.45%	27.22%	25.79%	23.05%	N/A	22.78%	N/A	N/A	N/A

**SAN ELIJO JOINT POWERS AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023**

**SCHEDULES OF CHANGES IN THE AUTHORITY'S NET OPEB LIABILITY AND RELATED
RATIOS
LAST TEN YEARS**

Notes to Schedules:

Valuation Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Period - Fiscal Year Ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Valuation Date	June 30, 2017	June 30, 2016			
Measurement Period - Fiscal Year Ended	June 30, 2018	June 30, 2017			

Benefit Changes - None

Changes in Assumptions - During 2018, the discount rate was changed from 7.5% to 7.0%

Omitted Years - GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

DRAFT

**SAN ELIJO JOINT POWERS AUTHORITY
COMBINING SCHEDULE OF NET POSITION
JUNE 30, 2023**

ASSETS

	<u>Wastewater</u>	<u>Recycled</u>	<u>Total</u>
<u>Current Assets:</u>			
Cash and cash equivalents	\$ 15,328,128	\$ 5,787,059	\$ 21,115,187
Due from other government agencies	72,386	680,463	752,849
Accrued interest receivable	430,063	34,680	464,743
Prepaid expenses	63,379	34,458	97,837
Current portion of loan receivable	490,000	-	490,000
Total Current Assets	<u>16,383,956</u>	<u>6,536,660</u>	<u>22,920,616</u>
<u>Noncurrent Assets:</u>			
Restricted Assets:			
Cash and cash equivalents	<u>2,544</u>	<u>10,012,960</u>	<u>10,015,504</u>
Total Restricted Assets	<u>2,544</u>	<u>10,012,960</u>	<u>10,015,504</u>
Lease receivable	443,544	-	443,544
Loans receivable, net of current portion	<u>19,805,000</u>	-	<u>19,805,000</u>
	<u>20,248,544</u>	<u>-</u>	<u>20,248,544</u>
Capital Assets:			
Nondepreciable	1,323,836	483,378	1,807,214
Depreciable, net of accumulated depreciation	<u>45,203,266</u>	<u>16,301,985</u>	<u>61,505,251</u>
Total Capital Assets	<u>46,527,102</u>	<u>16,785,363</u>	<u>63,312,465</u>
TOTAL ASSETS	<u>83,162,146</u>	<u>33,334,983</u>	<u>116,497,129</u>
Deferred Outflows of Resources			
Deferred outflows related to pensions	1,849,474	344,446	2,193,920
Deferred outflows related to OPEB	44,610	8,307	52,917
Total Deferred Outflows of Resources	<u>\$ 1,894,084</u>	<u>\$ 352,753</u>	<u>\$ 2,246,837</u>

SAN ELIJO JOINT POWERS AUTHORITY
COMBINING SCHEDULE OF NET POSITION (CONTINUED)
JUNE 30, 2023

LIABILITIES

	<u>Wastewater</u>	<u>Recycled</u>	<u>Total</u>
<u>Current Liabilities:</u>			
Accounts payable	\$ 131,247	\$ 214,747	\$ 345,994
Accrued liabilities	438,069	41,399	479,468
Accrued interest payable	282,725	43,765	326,490
Due to other government agencies	106,434	-	106,434
Due to other funds	302,819	6,181	309,000
Unearned revenue	1,200	2,566,702	2,567,902
Current portion of noncurrent liabilities	638,999	415,576	1,054,575
Total Current Liabilities	<u>1,901,493</u>	<u>3,288,370</u>	<u>5,189,863</u>
<u>Noncurrent Liabilities:</u>			
Long-Term Debt:			
Revenue bonds, net of current portion	21,490,375	-	21,490,375
Loan payable		9,810,000	9,810,000
Private placement loan payable, net of current portion	-	946,510	946,510
SFID reimbursement agreement payable	-	262,681	262,681
Solana Beach reimbursement agreement payable	-	424,544	424,544
SDG&E financing agreement, net of current portion	160,165	-	160,165
Total Long-Term Debt	<u>21,650,540</u>	<u>11,443,735</u>	<u>33,094,275</u>
Other Noncurrent Liabilities:			
Net pension liability	3,680,109	685,382	4,365,491
Net OPEB obligation	380,552	70,874	451,426
Compensated absences, net of current portion	419,808	87,708	507,516
Total Other Noncurrent Liabilities	<u>4,480,469</u>	<u>843,964</u>	<u>5,324,433</u>
Total Noncurrent Liabilities	<u>26,131,009</u>	<u>12,287,699</u>	<u>38,418,708</u>
Total Liabilities	<u>28,032,502</u>	<u>15,576,069</u>	<u>43,608,571</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred inflows related to pensions	389,177	72,480	461,657
Deferred inflows related to OPEB	121,836	22,690	144,526
Deferred inflows related to leases	420,080	-	420,080
Total Deferred Inflows of Resources	<u>931,093</u>	<u>95,170</u>	<u>1,026,263</u>
<u>NET POSITION:</u>			
Net investment in capital assets	24,335,718	14,939,012	39,274,730
Unrestricted	31,756,917	3,077,485	34,834,402
Total Net Position	<u>\$ 56,092,635</u>	<u>\$ 18,016,497</u>	<u>\$ 74,109,132</u>

SAN ELIJO JOINT POWERS AUTHORITY
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Wastewater</u>	<u>Recycled</u>	<u>Total</u>
<u>Operating Revenues:</u>			
Charges for services to other government agencies	\$ 2,511,553	\$ 3,100,369	\$ 5,611,922
Contributions from City of Encinitas	2,494,938	-	2,494,938
Contributions from City of Solana Beach	1,872,234	-	1,872,234
Total Operating Revenues	<u>6,878,725</u>	<u>3,100,369</u>	<u>9,979,094</u>
<u>Operating Expenses:</u>			
Personnel costs	3,408,446	743,606	4,152,052
Depreciation and amortization	2,126,784	746,143	2,872,927
Contracted services	780,930	605,527	1,386,457
Utilities	888,300	440,718	1,329,018
Supplies	563,143	326,568	889,711
Repair parts expense	255,641	88,166	343,807
Disposal services	252,807	-	252,807
Permit/purveyor fees	102,630	44,692	147,322
Insurance	117,152	20,760	137,912
Rent	8,972	94,377	103,349
Miscellaneous	79,840	22,934	102,774
Total Operating Expenses	<u>8,584,645</u>	<u>3,133,491</u>	<u>11,718,136</u>
Operating Loss	<u>(1,705,920)</u>	<u>(33,122)</u>	<u>(1,739,042)</u>
<u>Nonoperating Revenues (Expenses):</u>			
Investment income	1,246,359	103,308	1,349,667
State grants	16,112	104,894	121,006
Other	39,206	469	39,675
Rental income	40,931	-	40,931
Loss on disposal of capital assets	(1,248)	-	(1,248)
Interest expense	(787,451)	(205,248)	(992,699)
Total Nonoperating Revenues (Expenses)	<u>553,909</u>	<u>3,423</u>	<u>557,332</u>
Loss Before Capital Contributions	<u>(1,152,011)</u>	<u>(29,699)</u>	<u>(1,181,710)</u>
<u>Capital Contributions:</u>			
Member agency assessments	2,369,487	-	2,369,487
Total Capital Contributions	<u>2,369,487</u>	<u>-</u>	<u>2,369,487</u>
Change in Net Position	1,217,476	(29,699)	1,187,777
Net Position at Beginning of Year, Restated	<u>54,875,159</u>	<u>18,046,196</u>	<u>72,921,355</u>
NET POSITION AT END OF YEAR	<u><u>\$ 56,092,635</u></u>	<u><u>\$ 18,016,497</u></u>	<u><u>\$ 74,109,132</u></u>

**SAN ELIJO JOINT POWERS AUTHORITY
COMBINING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Wastewater</u>	<u>Recycled</u>	<u>Total</u>
<u>Cash Flows From Operating Activities:</u>			
Cash received from customers	\$ 6,720,112	\$ 4,151,151	\$ 10,871,263
Cash payments to suppliers for goods and services	(3,477,561)	(1,755,286)	(5,232,847)
Cash payments to employees for services	(3,122,155)	(755,855)	(3,878,010)
Net Cash Provided by Operating Activities	<u>120,396</u>	<u>1,640,010</u>	<u>1,760,406</u>
<u>Cash Flows From Noncapital and Related Financing Activities:</u>			
Rental and other nonoperating income	80,137	469	80,606
Net Cash Provided by Noncapital and Related Financing Activities	<u>80,137</u>	<u>469</u>	<u>80,606</u>
<u>Cash Flows From Capital and Related Financing Activities:</u>			
Acquisition and construction of capital assets	(718,337)	(43,182)	(761,519)
Proceeds from long-term debt	-	10,120,000	10,120,000
Principal paid on long-term debt	(528,388)	(241,112)	(769,500)
Interest paid on long-term debt	(862,426)	(165,472)	(1,027,898)
Proceeds of state grants	16,112	104,894	121,006
Capital contributions	2,369,487	-	2,369,487
Net Cash Provided by Capital and Related Financial Activities	<u>276,448</u>	<u>9,775,128</u>	<u>10,051,576</u>
<u>Cash Flows From Investing Activities:</u>			
Proceeds from loans receivable	475,000	-	475,000
Investment income	1,131,275	71,922	1,203,197
Net Cash Provided by Investing Activities	<u>1,606,275</u>	<u>71,922</u>	<u>1,678,197</u>
Net Increase in Cash and Cash Equivalents	2,083,256	11,487,529	13,570,785
Cash and Cash Equivalents at Beginning of Year	<u>13,247,416</u>	<u>4,312,490</u>	<u>17,559,906</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>\$ 15,330,672</u>	<u>\$ 15,800,019</u>	<u>\$ 31,130,691</u>

(Continued)

The accompanying notes are an integral part of the financial statements.

**SAN ELIJO JOINT POWERS AUTHORITY
COMBINING SCHEDULE OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Wastewater</u>	<u>Recycled</u>	<u>Total</u>
<u>Reconciliation of Operating Loss to Net Cash</u>			
<u>Provided by Operating Activities:</u>			
Operating loss	\$ (1,705,920)	\$ (33,122)	\$ (1,739,042)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation	2,126,784	746,143	2,872,927
Change in assets and liabilities:			
Due from other governmental agencies	(59,130)	960,711	901,581
Prepaid expenses	(2,901)	(16,765)	(19,666)
Lease receivable	19,309	-	19,309
Deferred outflows related to pensions	(1,124,435)	(209,415)	(1,333,850)
Deferred outflows related to OPEB	9,001	1,678	10,679
Accounts payable	(425,245)	(94,779)	(520,024)
Accrued liabilities	317,636	8,468	326,104
Due to other government agencies	(76,579)	-	(76,579)
Due to other funds	117,819	6,181	124,000
Unearned revenue	560	90,071	90,631
Net pension liability	2,092,305	389,670	2,481,975
Net OPEB obligation	(16,217)	(3,020)	(19,237)
Compensated absences	15,630	3,793	19,423
Deferred inflows related to pensions	(1,134,958)	(211,374)	(1,346,332)
Deferred inflows related to OPEB	9,510	1,770	11,280
Deferred inflows related to leases	(42,773)	-	(42,773)
Net Cash Provided by Operating Activities	<u>\$ 120,396</u>	<u>\$ 1,640,010</u>	<u>\$ 1,760,406</u>

The accompanying notes are an integral part of the financial statements.

SAN ELIJO JOINT POWERS AUTHORITY
SCHEDULE OF OPERATING BUDGET COMPARISON - WASTEWATER
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Operating Revenues:</u>			
Charges for services to other government agencies	\$ 2,477,419	\$ 2,511,553	\$ 34,134
Contributions from the City of Encinitas	2,487,005	2,494,938	7,933
Contributions from the City of Solana Beach	1,883,372	1,872,234	(11,138)
Total Operating Revenues	<u>6,847,796</u>	<u>6,878,725</u>	<u>30,929</u>
<u>Operating Expenses:</u>			
Personnel costs	3,451,405	3,408,446	42,959
Utilities	615,342	892,749	(277,407)
Contracted services	1,031,291	780,930	250,361
Miscellaneous	200,847	79,840	121,007
Supplies	439,374	563,143	(123,769)
Rent	12,913	8,972	3,941
Repair parts expense	169,040	255,641	(86,601)
Insurance	102,451	117,152	(14,701)
Disposal services	272,660	252,807	19,853
Permit/purveyor fees	107,709	102,630	5,079
Contingency	159,000	-	159,000
Total Operating Expenses	<u>6,562,032</u>	<u>6,462,310</u>	<u>99,722</u>
Depreciation and Amortization	-	2,126,784	(2,126,784)
Operating Expenses, Net	<u>6,562,032</u>	<u>8,589,094</u>	<u>(2,027,062)</u>
Operating Income (Loss)	<u>\$ 285,764</u>	<u>\$ (1,710,369)</u>	<u>\$ (1,996,133)</u>

SAN ELIJO JOINT POWERS AUTHORITY
SCHEDULE OF OPERATING BUDGET COMPARISON - RECYCLED
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Operating Revenues:</u>			
Charges for services to other government agencies	\$ 4,236,796	\$ 3,100,369	\$ (1,136,427)
Total Operating Revenues	<u>4,236,796</u>	<u>3,100,369</u>	<u>(1,136,427)</u>
<u>Operating Expenses:</u>			
Personnel costs	874,202	743,606	130,596
Utilities	363,600	440,718	(77,118)
Contracted services	351,529	605,527	(253,998)
Miscellaneous	33,997	22,934	11,063
Supplies	440,763	326,568	114,195
Rent	124,750	94,377	30,373
Repair parts expense	55,000	88,166	(33,166)
Insurance	18,978	20,760	(1,782)
Permit/purveyor fees	36,594	44,692	(8,098)
Contingency	50,000	-	50,000
Total Operating Expenses	<u>2,349,413</u>	<u>2,387,348</u>	<u>(37,935)</u>
Depreciation and Amortization	<u>-</u>	<u>746,143</u>	<u>(746,143)</u>
Operating Expenses, Net	<u>2,349,413</u>	<u>3,133,491</u>	<u>(784,078)</u>
Operating Income (Loss)	<u>\$ 1,887,383</u>	<u>\$ (33,122)</u>	<u>\$ (1,920,505)</u>



Leaf & Cole, LLP

Certified Public Accountants

A Partnership of Professional Corporations

To the Board of Directors
San Elijo Joint Powers Authority
2695 Manchester Avenue
Cardiff By The Sea, California 92007

We have audited the financial statements of the business-type activities, and the aggregate remaining fund information of San Elijo Joint Powers Authority ("SEJPA") for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 14, 2023. Professional standards also required that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by SEJPA are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2023. We noted no transactions entered into by SEJPA during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting SEJPA's financial statements were:

- Management's estimate of the useful lives assigned to capital assets are based upon the intended use of the assets as well as management's experience with similar assets.
- Management's estimate that no long-lived assets have been impaired is based upon their assessment of currently known facts which could have an affect on the value of long-lived assets.
- The fair value of investments is reported to SEJPA on the valuation methodologies deemed appropriate by the California Local Agency Investment Fund (LAIF) and the fund managers. SEJPA reviews and evaluates the values provided by the LAIF and the fund managers.

- Management's estimate of the net OPEB obligation is based upon an actuarial study performed by the actuarial consultant.
- Management's estimate of the net pension liability is based upon the actuarial study performed by CalPERS.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- Cash and Cash Equivalents (Note 2)
- Due From Other Government Agencies (Note 3)
- Capital Assets (Note 5)
- Revenue Bonds (Note 7)
- Loan Agreement (Note 8)
- Postemployment Benefits (Note 10)
- Defined Benefit Pension Plan (Note 11)

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole. (See Attached)

Disagreements With Management

For purposes of this letter a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December ____, 2023.

Management Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to SEJPA’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as SEJPA’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Required Supplementary Information (RSI) as described in the table of contents to the audited financial statements that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining schedules and budget comparisons, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of San Elijo Joint Powers Authority and is not intended to be and should not be used by anyone other than these specified parties.

San Diego, California
December ____, 2023

Client: SAN ELIJO JOINT POWERS AUTHORITY
Report: Adjusting Journal Entries

Account	Description	Debit	Credit	Net Income Effect
AJE 01				
To adjust beginning net position to actual for client misposting.				
10-4999	Transfer-in	14,379.88	0.00	
10-3500	Retained Earnings	0.00	14,379.88	
Total		14,379.88	14,379.88	(14,379.88)
AJE 02				
To record GASB 68 activity based on Nyhart actuarial report.				
10-1700	Deferred Outflows-PERS Payment	42,082.93	0.00	
10-1730	Deferred Outflow - Assumptions	377,104.25	0.00	
10-2750	Deferred Inflow-Earnings	2,060,167.24	0.00	
10-1710	Deferred Outflows-Actuarial	0.00	15,136.06	
10-1720	Deferred Outflow-Experience	0.00	153,648.55	
10-2700	Net Pension Liability	0.00	2,092,304.92	
10-2710	Deferred Inflows-Actuarial	0.00	51,176.84	
10-5147	Retirement Plan - PERS	0.00	167,088.05	
20-1700	Deferred Outflows-PERS Payment	7,838.07	0.00	
20-1730	Deferred Outflows - Assumptions	70,231.75	0.00	
20-2750	Deferred Inflow-Earnings	383,684.76	0.00	
20-1710	Deferred Outflows-Actuarial	0.00	2,818.93	
20-1720	Deferred Outflow-Experience	0.00	28,615.45	
20-2700	Net Pension Liability	0.00	389,670.08	
20-2710	Deferred Inflows-Actuarial	0.00	9,531.16	
20-5147	Retirement Plan - PERS	0.00	31,118.96	
Total		2,941,109.00	2,941,109.00	198,207.01
AJE 03				
To record GASB 75 activity based on Nyhart actuarial report.				
10-2500	OPEB Payable	16,216.79	0.00	
10-1725	Deferred Outflow OPEB Experien	0.00	18,510.59	
20-2500	OPEB Payable	3,020.21	0.00	
20-1725	Deferred Outflow OPEB Experien	0.00	3,448.40	
10-5152	PERS Liability Paydown	26,209.71	0.00	
10-5146	Medical Insurance - Pers	0.00	23,915.91	
20-5152	PERS Liability Paydown	4,881.29	0.00	
20-5146	Medical Insurance - Pers	0.00	4,453.10	
Total		50,328.00	50,328.00	(2,721.99)
AJE 04				
To record transfer of funds from general checking account (CB&T) to US Bank interest account fund.				
50-1066	2017 Bond Funds Union Bank	2,543.66	0.00	
50-1000	General Checking	0.00	2,543.66	
Total		2,543.66	2,543.66	0.00
AJE 05				
To record accrued interest receivable and related interest income on 2023 Project fund.				
20-1125	Interest Receivable - Deposits	10,904.56	0.00	
20-4984	2023 RW Loan Interest Income	0.00	10,904.56	
Total		10,904.56	10,904.56	10,904.56
AJE 06				
To adjust capital outlay and construction in progress to actual for entry omitted.				
50-5800	Capital Outlay	149,765.35	0.00	
50-1480	Construction in Progress	0.00	149,765.35	
Total		149,765.35	149,765.35	(149,765.35)

AJE 07

To adjust fixed assets and capital outlay per
repair and maintenance analysis

10-1440	Plant Equipment	28,467.55	0.00	
10-5800	Capital Outlay	0.00	28,467.55	
Total		28,467.55	28,467.55	28,467.55

AJE 08

To adjust accumulated depreciation,
depreciation expense and loss on disposal of
assets to actual.

10-5240	Depreciation	372,298.00	0.00	
10-1540	Accum. Depreciation Plant Equi	0.00	372,298.00	
10-1550	Accum. Depreciation Vehicles	1.00	0.00	
10-5750	Loss on Sale of Assets	1,248.00	0.00	
10-1540	Accum. Depreciation Plant Equi	0.00	1,249.00	
20-5240	Depreciation	3.00	0.00	
20-1540	Accum. Depreciation Plant Equi	0.00	1.00	
20-1550	Accum. Depreciation Vehicles	0.00	2.00	
Total		373,550.00	373,550.00	(373,549.00)

AJE 09

To reverse client misposting of accrued payroll /
taxes and adjust accrued payroll to actual.

10-2025	Accrued Payroll	32,532.39	0.00	
10-5100	Direct Salaries and Wages	0.00	18,458.46	
10-5110	Medicare Tax	0.00	443.72	
10-5115	State Unemployment Tax	0.00	34.10	
10-5120	Standby Pay	0.00	361.60	
10-5130	Overtime Pay	0.00	788.83	
10-5149	Deferred Comp-employer	0.00	1,130.05	
10-5400	Services - Accounting	0.00	11,315.63	
20-2025	Accrued Payroll	8,748.61	0.00	
20-5100	Direct Salaries and Wages	0.00	5,225.54	
20-5110	Medicare Tax	0.00	118.28	
20-5115	State Unemployment Tax	0.00	4.90	
20-5120	Standby Pay	0.00	90.40	
20-5130	Overtime Pay	0.00	169.17	
20-5149	Deferred Comp-employer	0.00	314.95	
20-5400	Services - Accounting	0.00	2,825.37	
50-2025	Accrued Payroll	615.00	0.00	
50-5100	Direct Salaries and Wages	0.00	584.00	
50-5110	Medicare Tax	0.00	8.00	
50-5149	Deferred Comp-employer	0.00	23.00	
10-5100	Direct Salaries and Wages	42,500.10	0.00	
10-5110	Medicare Tax	632.30	0.00	
10-5115	State Unemployment Tax	47.20	0.00	
10-5120	Standby Pay	506.40	0.00	
10-5130	Overtime Pay	1,104.84	0.00	
10-5149	Deferred Comp-employer	1,614.68	0.00	
10-2025	Accrued Payroll	0.00	46,405.52	
20-5100	Direct Salaries and Wages	11,270.90	0.00	
20-5110	Medicare Tax	165.70	0.00	
20-5115	State Unemployment Tax	6.80	0.00	
20-5120	Standby Pay	126.60	0.00	
20-5130	Overtime Pay	237.16	0.00	
20-5149	Deferred Comp-employer	440.32	0.00	
20-2025	Accrued Payroll	0.00	12,247.48	
Total		100,549.00	100,549.00	(16,757.00)

AJE 10

To reclassify issuance costs as a component of
interest expense on Webster Bank debt.

20-5814	Interest Expense - Webster Bank	112,030.00	0.00	
20-1610	Issue Costs	0.00	112,030.00	
Total		112,030.00	112,030.00	(112,030.00)

AJE 11

To accrue interest on the Webster Bank debt for the month of June 2023.

20-5814	Interest Expense - Webster Bank	40,126.73	0.00	
20-2361	Accrued Interest Payable - Webster Bank	0.00	40,126.73	
Total		40,126.73	40,126.73	(40,126.73)

AJE 12

To adjust cellsite revenue from T-Mobile and rental income from Trussel to actual due to client misposting.

10-4941	Rental Income	63,565.08	0.00	
10-4921	Cellsite Lease Revenue	0.00	63,565.08	
Total		63,565.08	63,565.08	0.00

AJE 13

To record client entries to adjust prepaid expense to actual.

10-1330	Prepaid - Other	1,234.72	0.00	
20-1330	Prepaid - Other	381.41	0.00	
10-5310	Licenses	0.00	1,234.72	
20-5310	Licenses	0.00	381.41	
10-1330	Prepaid - Other	10,294.38	0.00	
20-1330	Prepaid - Other	10,413.96	0.00	
10-5414	Services - Maintenance	0.00	10,294.38	
20-5414	Services - Maintenance	0.00	10,413.96	
20-1330	Prepaid - Other	4,875.00	0.00	
20-5423	Services - Professional	0.00	4,875.00	
10-1330	Prepaid - Other	1,155.32	0.00	
10-5440	Subscriptions	0.00	1,155.32	
10-5275	Fees - Permits	273.68	0.00	
10-1330	Prepaid - Other	0.00	273.68	
10-5320	Postage/Shipping	50.00	0.00	
10-1330	Prepaid - Other	0.00	50.00	
10-5414	Services - Maintenance	1,449.58	0.00	
20-5414	Services - Maintenance	621.25	0.00	
10-1330	Prepaid - Other	0.00	1,449.58	
20-1330	Prepaid - Other	0.00	621.25	
Total		30,749.30	30,749.30	25,960.28

AJE 14

To correct client misposting on accounts payable aging report due to the input of the wrong date.

10-5612	Supplies - Lab	249.94	0.00	
10-2000	Accounts Payable Control	0.00	249.94	
Total		249.94	249.94	(249.94)

AJE 15

To adjust accrued expenses to actual.

10-5402	Services - Biosolids Hauling	40,365.78	0.00	
10-5604	Supplies - Chem - Odor	6,561.98	0.00	
10-2010	Accrued Liabilities	0.00	46,927.76	
20-5423	Services - Professional	6,303.04	0.00	
20-2010	Accrued Liabilities	0.00	6,303.04	
Total		53,230.80	53,230.80	(53,230.80)

AJE 16

To adjust the initial recording of the Wanket Tank as a depreciable fixed asset to an intangible asset whereby no depreciation will be recorded over the life of the asset.

20-1540	Accum. Depreciation Plant Equi	6,840.00	0.00	
20-5240	Depreciation	0.00	6,840.00	
Total		6,840.00	6,840.00	6,840.00

AJE 17

To adjust prior year lease receivable and deferral to actual.

10-2760	Deferred Inflow From Lease as Lessor	13,839.56	0.00	
10-1130	Lease Receivable as Lessor	0.00	1,557.52	
10-4940	Other Contributions	0.00	12,282.04	
Total		13,839.56	13,839.56	12,282.04

AJE 18

To adjust current year lease receivable, deferred inflow, lease revenue and lease interest income for cellsite lease. ,

10-4921	Cellsite Lease Revenue	31,784.52	0.00	
10-2760	Deferred Inflow From Lease as Lessor	28,933.45	0.00	
10-1130	Lease Receivable as Lessor	0.00	17,751.22	
10-4921	Cellsite Lease Revenue	0.00	28,933.45	
10-4991	Interest Income From Lease as Lessor	0.00	14,033.30	
Total		60,717.97	60,717.97	11,182.23

AJE 19

To record close out invoice for the City of Encinitas.

10-4914	Contribution From Cardiff SD	1,135.00	0.00	
10-1105	Due From Member Agencies	0.00	1,135.00	
Total		1,135.00	1,135.00	(1,135.00)

AJE 20

To record close out invoice for the City of Solana Beach.

10-4910	Contribution From Solana Beach	11,138.00	0.00	
10-2250	Deferred Revenue	160.00	0.00	
10-1105	Due From Member Agencies	0.00	11,298.00	
Total		11,298.00	11,298.00	(11,138.00)

AJE 21

To record close out invoice for Rancho Santa Fe CSD #2&3.

10-4918	Contribution From RSF SID 2&3	874.00	0.00	
10-1110	Due from Other Gov. Agencies	0.00	874.00	
Total		874.00	874.00	(874.00)

AJE 22

To record close out invoice for the City of Escondido.

10-4916	Contribution From Escondido	36,776.00	0.00	
10-1110	Due from Other Gov. Agencies	0.00	36,776.00	
Total		36,776.00	36,776.00	(36,776.00)

AJE 23

To record close out invoice for the City of Del Mar.

10-4917	Contribution From Del Mar	57,486.00	0.00	
10-1110	Due from Other Gov. Agencies	0.00	57,486.00	
Total		57,486.00	57,486.00	(57,486.00)

AJE 24

To record close out invoice for the 22nd District Agricultural Association.

10-1110	Due from Other Gov. Agencies	2,212.00	0.00	
10-4919	Contribution From 22nd Dist.	0.00	2,212.00	
Total		2,212.00	2,212.00	2,212.00

AJE 25

To record contribution to PARS Trust.

10-5153	Contribution to PARS Trust	302,819.00	0.00	
10-2000	Accounts Payable Control	0.00	302,819.00	
20-5153	Contribution to PARS Trust	6,181.00	0.00	
20-2000	Accounts Payable Control	0.00	6,181.00	

90-1100	Accounts Receivable - Control	309,000.00	0.00	
90-4940	Contributions - PARS	0.00	309,000.00	
Total		618,000.00	618,000.00	0.00

AJE 26

To reclassify cash balances between funds.

10-1000	General Checking	1,061,934.52	0.00	
10-1010	Payroll Checking	0.00	597,927.66	
10-1060	Savings - LAIF	0.00	464,006.86	
20-1010	Payroll Checking	581,867.57	0.00	
20-1060	Savings - LAIF	4,214,554.13	0.00	
20-1000	General Checking	0.00	4,796,421.70	
50-1000	General Checking	3,734,487.18	0.00	
50-1010	Payroll Checking	16,060.09	0.00	
50-1060	Savings - LAIF	0.00	3,750,547.27	
Total		9,608,903.49	9,608,903.49	0.00

AJE 27

To adjust SDG&E on bill financing debt to actual.

10-2412	SDG&E On-Bill Financing	4,449.03	0.00	
10-5700	Utilities - Gas & Electric	0.00	4,449.03	
Total		4,449.03	4,449.03	4,449.03

GRAND TOTAL		14,394,079.90	14,394,079.90	(569,714.99)
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SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

December 12, 2023

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: Director of Finance and Administration

SUBJECT: SAN ELIJO JOINT POWERS AUTHORITY FISCAL YEAR 2022-23 OPERATING
AND DEBT SERVICE EXPENSES END OF YEAR REVIEW

RECOMMENDATION

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

BACKGROUND

San Elijo Joint Powers Authority (SEJPA) owns and operates the San Elijo Water Campus, San Elijo Recycled Water Utility, and is a co-owner of the San Elijo Ocean Outfall. SEJPA also manages several related service programs to support the cities of Encinitas, Solana Beach, and Del Mar, as well as other local government agencies.

Operational programs include:

- Wastewater Treatment
- Laboratory Services
- Ocean Outfall
- Cardiff Sanitary Division Pump Stations
- Encinitas Sanitary Division Pump Station
- City of Encinitas Urban & Stormwater
- City of Solana Beach Pump Stations
- City of Solana Beach Generator Services
- City of Del Mar Pump Station
- 22nd District Agricultural Association (Del Mar Fairgrounds)
- Recycled Water

In providing these services, SEJPA seeks to accomplish its mission in an environmentally, socially, and fiscally responsible manner. Each of the above programs is funded by the customer base served. Cost allocations are applied based on actual flows treated or level of effort provided. The total operating budget for FY 2022-23 was \$8,911,445.

DISCUSSION

The following information is the audited operating and debt services expenses for FY 2022-23, which ended June 30, 2023. Overall, SEJPA completed FY 2022-23 under budget, which allowed the application of some program savings to build reserves for future pension liabilities. SEJPA's Unfunded Accrued Liability (UAL) for fiscal year ending 2022 for each of the three plans are shown below. The UAL is a measure of funded status and can be viewed as employer debt. In 2019, SEJPA Board established an irrevocable pension reserve, PARS trust, to address the unfunded liability of the pension program. The FY 2022-23 contribution to the PARS trust totaled \$309,000, which increases the PARS account balance to \$885,516 as of the last available monthly statement ended October 31, 2023. When considering the PARS trust value to the UAL, the unfunded liability adjusted as follows:

Plans	Unfunded Accrued Liability (UAL)	Funded Ratio	PARS Trust Value	UAL Less PARS	Funded Ratio with PARS
Tier 1	\$ 4,676,576	72.7%	\$ 696,788	\$ 3,979,788	76.7%
Tier 2	70,185	86.5%	70,185	-	100.0%
PEPRA	118,543	87.6%	118,543	-	100.0%
Total	<u>\$ 4,865,304</u>		<u>\$ 885,516</u>	<u>\$ 3,979,788</u>	

*UAL value as of June 30, 2022 per CalPERS Actuarial Report dated July 2023.

SUMMARY OF EXPENSES

The table below summarizes program expenses and budget variance for FY 2022-23. SEJPA programs were collectively \$107,446 or 1.2% under budget. This includes the \$309,000 PARS Trust contribution. The Wastewater Treatment and Disposal program, including pump stations and other services, was \$140,227 or 2.1% under budget. Recycled Water was \$32,781 or 1.4% over budget. Below is a summary table of all SEJPA programs followed by detailed discussion of each program.

Program	Budget FY 2022-23	Actual FY 2022-23	(Over) / Under Budget	% Budget Spent
Wastewater Treatment	\$ 3,455,532	\$ 3,272,220	\$ 183,312	94.7%
Laboratory Services	894,520	953,292	(58,771)	106.6%
Ocean Outfall	1,020,349	950,368	69,980	93.1%
Cardiff Sanitary Division Pump Stations	355,226	345,507	9,719	97.3%
Encinitas Sanitary Division Pump Station	155,882	184,939	(29,057)	118.6%
City of Encinitas Urban & Stormwater	37,314	59,057	(21,743)	158.3%
City of Solana Beach Pump Stations	446,437	426,634	19,804	95.6%
City of Solana Beach Generator Services	14,884	8,670	6,214	58.2%
City of Del Mar Pump Station	61,888	65,804	(3,916)	106.3%
22nd District Agricultural Association (Del Mar Fairgrounds)	120,000	155,314	(35,314)	129.4%
Programs before Recycled Water	\$ 6,562,032	\$ 6,421,805	\$ 140,227	97.9%
Recycled Water	2,349,413	2,382,194	(32,781)	101.4%
Total All SEJPA Programs	\$ 8,911,445	\$ 8,803,999	\$ 107,446	98.8%

WASTEWATER TREATMENT

This program is the cost center for all operations and maintenance activities for wastewater treatment at the San Elijo Water Campus. Activities include wastewater treatment for the cities of Encinitas, Solana Beach, and Del Mar as well as the Rancho Santa Fe Community Services District, with the effluent being recycled or disposed to the ocean. Wastewater biosolids are treated and dewatered, then hauled by contractor to Arizona for beneficial reuse through land application.

Wastewater Treatment finished the fiscal year below budget by \$183,312 or 5.3%. This is mainly due to Personnel ending the year \$124,478 under budget as a result of vacant positions for part of the year. Supplies & Services ended the year \$38,636 or 2.2% over budget, representing the net of unspent multi-year engineering service contracts and higher than anticipated SDG&E natural gas and electric rates. Capital Outlay was under budget as a planned equipment purchase arrived after the end of the fiscal year, which will be reflected in FY 2023-24.

Expense Category	Budget FY 2022-23	Actual FY 2022-23	(Over) / Under Budget	% Budget Spent
Personnel	\$ 1,567,311	\$ 1,442,833	\$ 124,478	92.1%
Supplies & Services	1,777,221	1,815,857	(38,636)	102.2%
Capital Outlay	35,000	13,530	21,470	38.7%
Contingency	76,000	-	76,000	0.0%
Total Wastewater Treatment	\$ 3,455,532	\$ 3,272,220	\$ 183,312	94.7%

LABORATORY SERVICES

The laboratory located at the San Elijo Water Campus provides analytical laboratory services for SEJPA Wastewater Treatment, Ocean Outfall, and Recycled Water programs as well as to other entities through contract agreements. For FY 2022-23, contract agreements include the Fairbanks Ranch Community Services District, the Rancho Santa Fe Community Services District, the Santa Fe Valley Community Services District, and the Whispering Palms Community Services District. During the fiscal year, laboratory services for the San Ysidro treatment facility was added. Overall Laboratory Services expenses were over budget by \$58,771 or 6.6%. Personnel ended the year under budget as a result of vacant positions. The higher Supplies and Services expenses correlates with the enhanced services provided to the outside laboratories mentioned above and temporary staffing needs during the recruitment process to fill vacant positions. These higher expenses were offset by higher laboratory revenue collected for the additional services.

Expense Category	Budget FY 2022-23	Actual FY 2022-23	(Over) / Under Budget	% Budget Spent
Personnel	\$ 674,911	\$ 643,746	\$ 31,165	95.4%
Supplies & Services	200,610	292,938	(92,328)	146.0%
Capital Outlay	14,000	16,609	(2,609)	118.6%
Contingency	5,000	-	5,000	0.0%
Total Laboratory Services	\$ 894,520	\$ 953,292	\$ (58,771)	106.6%

OCEAN OUTFALL

This program provides a cost center for all operation and maintenance services related to the ocean outfall system. These activities include secondary effluent pump station operation and maintenance; ocean monitoring; sampling and testing; and bi-annual outfall inspection. As the outfall capacity is shared through an agreement with the City of Escondido, all operations and maintenance costs are shared on the basis of actual usage measured by discharged flow to the outfall (for FY 2022-23 cost share was 87% City of Escondido and 13% SEJPA). Capital improvement project costs are shared based on owned capacity (79% City of Escondido and 21% SEJPA).

Ocean Outfall was under budget by \$69,980 or 6.9%. This was primarily due to the unspent portion of multi-year engineering service contracts. Personnel was \$35,998 over budget however Supplies & Services was under by \$83,860 to offset. Capital Outlay expenses were incurred to purchase as needed miscellaneous equipment.

<i>Expense Category</i>	Budget FY 2022-23	Actual FY 2022-23	(Over) / Under Budget	% Budget Spent
Personnel	\$ 522,517	\$ 558,515	\$ (35,998)	106.9%
Supplies & Services	472,831	388,972	83,860	82.3%
Capital Outlay	-	2,881	(2,881)	
Contingency	25,000	-	25,000	0.0%
Total Ocean Outfall	\$ 1,020,349	\$ 950,368	\$ 69,980	93.1%

CARDIFF SANITARY DIVISION PUMP STATIONS

Under this program, SEJPA provides pump station maintenance and operation services to the City of Encinitas, Cardiff Sanitary Division (CSD). These facilities include the Cardiff, Coast Highway, and Olivenhain pump stations. The actual costs incurred are borne solely by the CSD.

This program was under budget by \$9,719 or 2.7% due to the combination of over budget in Personnel to reflect the PARS trust allocation and under budget in chemical supplies.

<i>Expense Category</i>	Budget FY 2022-23	Actual FY 2022-23	(Over) / Under Budget	% Budget Spent
Personnel	\$ 175,539	\$ 199,346	\$ (23,807)	113.6%
Supplies & Services	160,187	146,161	14,026	91.2%
Capital Outlay	-	-	-	-
Contingency	19,500	-	19,500	0.0%
Total Cardiff Sanitary Division Pump Stations	\$ 355,226	\$ 345,507	\$ 9,719	97.3%

ENCINITAS SANITARY DIVISION PUMP STATION

Pump station maintenance and operation services are provided to the City of Encinitas, Encinitas Sanitary Division (ESD), for the Moonlight Beach pump station. The actual costs incurred are the responsibility of ESD.

The program was over budget by \$29,057 or 18.6%. This is primarily due to higher than anticipated mechanical system repairs.

<i>Expense Category</i>	Budget FY 2022-23	Actual FY 2022-23	(Over) / Under Budget	% Budget Spent
Personnel	\$ 82,193	\$ 80,357	\$ 1,836	97.8%
Supplies & Services	63,690	104,583	(40,893)	164.2%
Capital Outlay	-	-	-	-
Contingency	10,000	-	10,000	0.0%
Total Encinitas Sanitary Division Pump Station	\$ 155,882	\$ 184,939	\$ (29,057)	118.6%

CITY OF ENCINITAS URBAN & STORMWATER

SEJPA provides maintenance and operation services to the City of Encinitas that includes the Urban Runoff Treatment Facility, the Phoebe Stormwater Pump Station, Cardiff Stormwater Diversion Structure, and the Storm Drain Sediment Drying and Disposal program. The actual costs incurred are paid for by the City of Encinitas. This program was \$21,743 or 58.3% over budget primarily in the Supplies and Services category due to an emergency storm drain repair project completed by the City of Encinitas with the sediment being hauled to SEJPA for dewatering, testing, and disposal.

<i>Expense Category</i>	Budget FY 2022-23	Actual FY 2022-23	(Over) / Under Budget	% Budget Spent
Personnel	\$ 27,105	\$ 22,852	\$ 4,253	84.3%
Supplies & Services	8,709	36,205	(27,496)	415.7%
Capital Outlay	-	-	-	-
Contingency	1,500	-	1,500	0.0%
Total City of Encinitas Urban & Stormwater	\$ 37,314	\$ 59,057	\$ (21,743)	158.3%

CITY OF SOLANA BEACH PUMP STATIONS

This program provides pump station maintenance and operation services to the City of Solana Beach. These facilities include the Eden Gardens, Solana Beach, San Elijo Hills, and Fletcher Cove pump stations, as well as the Storm Drain Sediment Drying & Disposal Program. The actual expenses incurred are solely paid by the City of Solana Beach. This program finished the year under budget from unspent contingency category.

<i>Expense Category</i>	Budget FY 2022-23	Actual FY 2022-23	(Over) / Under Budget	% Budget Spent
Personnel	\$ 235,439	\$ 234,783	\$ 656	99.7%
Supplies & Services	190,998	191,850	(852)	100.4%
Capital Outlay	-	-	-	-
Contingency	20,000	-	20,000	0.0%
Total City of Solana Beach Pump Stations	\$ 446,437	\$ 426,634	\$ 19,804	95.6%

CITY OF SOLANA BEACH GENERATOR SERVICES

This program provides generator services to the Solana Beach City Hall and the Lomas Santa Fe Fire Station. This program was \$6,214 or 41.8% under budget. Personnel was under budget by \$1,902 or 5.1%. Supplies & Services was \$4,312 or 59.1% under budget in the maintenance expense line item.

<i>Expense Category</i>	Budget FY 2022-23	Actual FY 2022-23	(Over) / Under Budget	% Budget Spent
Personnel	\$ 7,582	\$ 5,681	\$ 1,902	74.9%
Supplies & Services	7,302	2,989	4,312	40.9%
Capital Outlay	-	-	-	-
Contingency	-	-	-	-
Total City of Solana Beach Generator Services	\$ 14,884	\$ 8,670	\$ 6,214	58.2%

DEL MAR PUMP STATION SERVICES

Under this program, SEJPA provides pump station operation and maintenance services to the City of Del Mar. The FY 2022-23 was \$3,916 or 6.3% over budget. Personnel and Supplies and Services costs were slightly over budget due to unanticipated repairs required at the pump station. Costs incurred by this program are the sole responsibility of the City of Del Mar.

<i>Expense Category</i>	Budget FY 2022-23	Actual FY 2022-23	(Over) / Under Budget	% Budget Spent
Personnel	\$ 45,122	\$ 50,024	\$ (4,902)	110.9%
Supplies & Services	14,766	15,780	(1,014)	106.9%
Capital Outlay	-	-	-	-
Contingency	2,000	-	2,000	0.0%
Total City of Del Mar Pump Station	\$ 61,888	\$ 65,804	\$ (3,916)	106.3%

22ND DISTRICT AGRICULTURE ASSOCIATION (DEL MAR FAIRGROUNDS)

This is a new program developed in FY 2022-23 to support the Del Mar Fairgrounds with their Stormwater Treatment system. The actual costs incurred were paid for by the 22nd District Agriculture Association (Del Mar Fairgrounds). This program was \$35,314 or 29.4% over budget. However, during the fiscal year, additional work was requested by Del Mar Fairgrounds and an amendment was executed to increase funding to SEJPA by \$50,000 for a total of \$170,000. The \$120,000 shown in the table below shows SEJPA's FY 2022-23 Adopted Budget reflecting the original agreement amount.

<i>Expense Category</i>	Budget FY 2022-23	Actual FY 2022-23	(Over) / Under Budget	% Budget Spent
Personnel	\$ 113,687	\$ 138,480	\$ (24,793)	121.8%
Supplies & Services	6,313	16,834	(10,521)	266.7%
Capital Outlay	-	-	-	-
Contingency	-	-	-	-
Total 22nd District Agriculture Association	\$ 120,000	\$ 155,314	\$ (35,314)	129.4%

RECYCLED WATER

SEJPA owns and operates a recycled water utility that wholesales recycled water to the Santa Fe Irrigation District, the San Dieguito Water District, the City of Del Mar, and the Olivenhain Municipal Water District, as well as provides direct water sales to the Encinitas Ranch Golf Authority (ERGA). SEJPA's recycled water program typically delivers between 1,400 and 1,600 acre-feet per year (AFY) of recycled water to its retail partners.

The total operating expenses (excluding debt service) for Recycled Water was \$2,382,194, which was \$32,781 or 1.4% over budget. Personnel was under budget primarily due to vacant positions. Supplies and Services and Capital Outlay were over budget due to additional engineering, maintenance, and repair costs for the program. Below is a summary of Recycled Water operating expenses.

Total revenues for the Recycled Water program were approximately \$3.2 million, including San Diego County Water Authority and Metropolitan Water District incentive revenues and grant revenues. For FY 2022-23, SEJPA budgeted recycled water sales at 1,637 acre-feet (AF) and ended the year with 1,442 AF of water sales. Overall, actual revenue collected was under the anticipated budget due to relatively wet weather conditions from multiple atmospheric rivers passing through the area during the winter months and timing of reimbursement grant funding being received.

Program revenues exceeded total operational expenditures, capital expenditures, and debt service (discussed further below) by \$544,649. These funds will be placed in the Recycled Water program reserve for future capital projects. Below are tables showing Recycled Water expenses, revenues, and total revenue over expenses.

FY 2022-23 Recycled Water Expenses

Expense Category	Budget FY 2022-23	Actual FY 2022-23	(Over) / Under Budget	% Budget Spent
Personnel	\$ 874,202	\$ 738,450	\$ 135,752	84.5%
Supplies & Services	1,375,211	1,591,538	(216,327)	115.7%
Capital Outlay	50,000	52,206	(2,206)	104.4%
Contingency	50,000	-	50,000	0.0%
Total Operating Expense	\$ 2,349,413	\$ 2,382,194	\$ (32,781)	101.4%

FY 2022-23 Recycled Water Revenues

Expense Category	Budget FY 2022-23	Actual FY 2022-23	(Over) / Under Budget	% of Budget
Santa Fe Irrigation District	\$ 1,044,300	\$ 930,498	\$ 113,802	89.1%
San Dieguito Water District	708,000	642,510	65,490	90.7%
City of Del Mar	159,300	167,478	(8,178)	105.1%
Encinitas Ranch Golf Course	314,906	314,908	(2)	100.0%
Olivenhain Municipal Water District	490,290	367,275	123,015	74.9%
Total Customers	\$ 2,716,796	\$ 2,422,669	\$ 294,127	89.2%
MWD/CWA Incentives	720,000	677,700	42,300	94.1%
IRWM Grant	800,000	121,007	678,993	15.1%
Total Revenues	\$ 4,236,796	\$ 3,221,376	\$ 1,015,420	76.0%

FY 2022-23 Recycled Water Revenues over Expenses

Expense Category	Actual FY 2022-23
Revenue	\$ 3,221,376
Operating Expense	(2,382,194)
Debt Service	(294,532)
Total Revenues over Expenses	\$ 544,649

DEBT SERVICES

SEJPA long-term debt service includes one bond issuance, four capital loans, and one financing program. The 2017 Revenue Bonds (Clean Water Bonds) were issued in FY 2016-17 to provide the primary funding source for the SEJPA's Capital Improvement Program. The Private Placement Loan provided funding for the construction of advanced water purification and is scheduled for retirement in FY 2031-32. The Santa Fe Irrigation loan funded the purchase of a recycled water pipeline that expanded the distribution system. The repayment of the SFID loan is based on the volume of recycled water sold via the pipeline and therefore the debt does not have a predetermined retirement date. The City of Solana Beach loan funded the purchase of a recycled water distribution pipeline. The repayment of this loan is also based on the volume of recycled water sold via the pipeline and therefore the debt does not have a predetermined retirement date. The SDG&E On-Bill Financing is an interest free loan that financed energy efficiency improvements to reduce energy consumption. The payments are included in the monthly billing and the debt will be paid in full during FY 2026-27. The 2023 Recycled Water Loan in the amount of \$10,120,000 was issued in May 2023 to fund Phase 4 capital program projects.

All SEJPA's loans and bonds were paid timely and in accordance with the agreement provisions. SEJPA's Standard & Poor's bond credit rating is AA+. Below is a table showing the principal balances paid on each loan.

Long-Term Debt¹	Original Balance	Other Payment Methods	Paid in Prior Years	Paid in FY 2022-23	FY 2022-23 Balance
2017 Revenue Bonds (Clean Water)	\$ 22,115,000		\$ 1,345,000	\$ 475,000	\$ 20,295,000
2023 Recycled Water Loan	10,120,000		-	-	10,120,000
Private Placement Loan (AWP)	2,000,000		846,587	101,327	1,052,086
Santa Fe Irrigation Loan (SFID)	526,149		131,693	138,369	256,087
Solana Beach Pipeline Reimbursement ²	1,191,652	\$ 713,333	45,765	8,010	424,544
SDG&E On Bill Financing	533,883		266,941	53,388	213,554
Total Long Term Debt Outstanding	\$ 36,486,684	\$ 713,333	\$ 2,635,986	\$ 776,094	\$ 32,361,271

1 Amounts shown are principal only

2 Other payment methods include \$600k grant (paid), \$80k customer connections, and \$33,333 grant admin

OVERALL SUMMARY

In summary, Wastewater Treatment, Laboratory Services, Pump Stations, Ocean Outfall, and Storm Water programs were under budget by \$140,227 or 2.1%. Recycled Water expenditures were \$32,781 or 1.4% over budget. Overall, SEJPA was below budget by \$107,446 or 1.2%, which includes the \$309,000 contribution to the PARS trust to reduce future pension liability. All debt service payments were paid according to the terms of the loan agreements.

RECOMMENDATION

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

Respectfully submitted,



Amy Chang
Director of Finance & Administration

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

December 12, 2023

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: RECYCLED WATER COST OF SERVICE STUDY

RECOMMENDATION

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

BACKGROUND

San Elijo Joint Powers Authority (SEJPA) owns and operates a utility that wholesales recycled water to four water purveyors; Santa Fe Irrigation District (SFID), San Dieguito Water District (SDWD), Olivenhain Municipal Water District (OMWD), and the City of Del Mar; and also has an interruptible service agreement directly with the Encinitas Ranch Golf Authority (ERGA). The agreement between SEJPA and the water purveyors allows for annual price increases as prescribed through a cost-of-service methodology.

In 2020, SEJPA retained Carollo Engineers (Carollo) to conduct the 2021 Recycled Water Rate Study (Study). The purpose of this Study is to assess SEJPA's current recycled water wholesale rates, financial metrics, and recycled water demands and provide rate recommendations for Fiscal Year Ending (FYE) 2022 through 2026. The Study provides the basis for the cost of recycled water service, which was developed through a detailed review of current and estimated future expenses (operational, capital, debt, and reserve requirements) of the Recycled Water Program. The report then analyzed the program's current and estimated future revenues (water sales, grants, and incentives) to determine adequacy of revenues to meet expenses. This study led to the implementation of 3.9% annual rate increases for the non-interruptible customers beginning July 1, 2021 and finishing July 1, 2025. In addition, the Board requested that staff review the revenues and expenses during the study period and return to the Board if changes to the plan were warranted for the last two years.

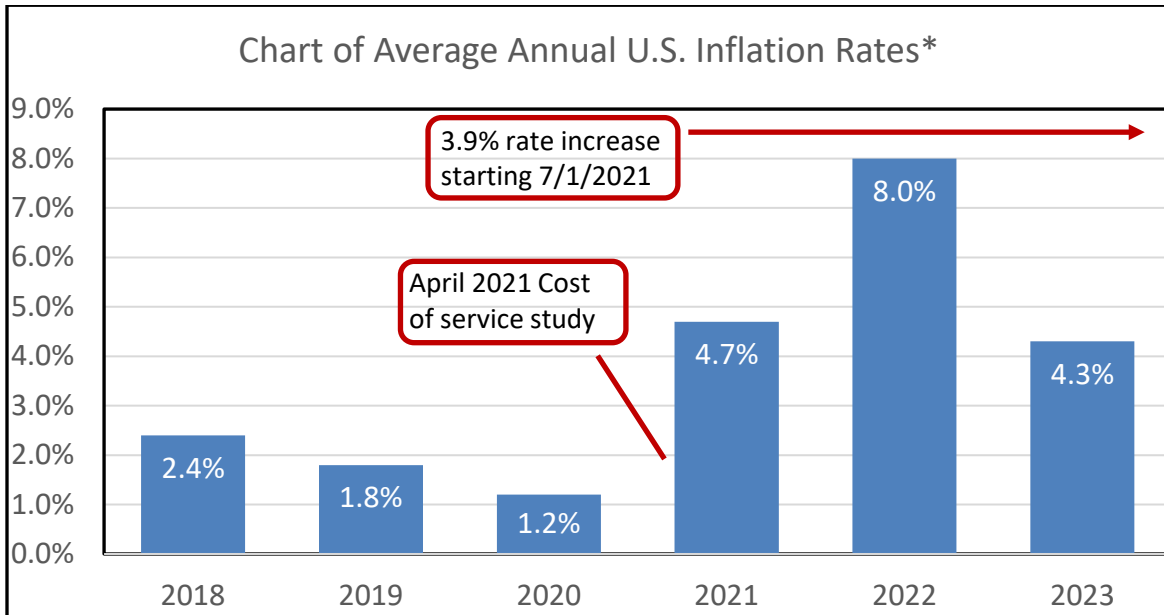
As a recycled water wholesaler, SEJPA is not subject to the procedural requirements for rate adoption under California Proposition 218, as well as its strict rate setting requirements. Nonetheless, it is important that the recycled water rates are set in a manner that reflects the true revenue requirements of providing recycled water service and proportionally recover those costs to the purveyors based on their usage of the system.

DISCUSSION

Upon analyzing the actual financial data (including revenues, expenses, and reserve balances) for the initial two fiscal years of the study period, staff has identified a materially higher expenses for energy, chemicals, supplies, and service than forecast in the five-year Study. This variance is primarily attributed to higher-than-expected inflation.

Furthermore, the actual revenue from water sales is below the anticipated levels, mainly due to higher-than-normal rainfall. To validate the adequacy of the planned water rate increases of 3.9%, staff has engaged Carollo to review the current financial conditions of the Recycled Water program.

A table illustrating the inflation rates by calendar year is provided below for reference.



**Data Source: U.S. Bureau of Labor Statistics: All items in U.S. city average, all urban consumers, not seasonally adjusted.*

The outcomes of this financial review, along with any recommended rate adjustments, will be presented by staff at an upcoming Board meeting.

FINANCIAL IMPACT

This staff report is for information only. There is no financial impact associated with this staff report.

RECOMMENDATION

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

Respectfully submitted,

Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

December 12, 2023

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: AWARD CONSTRUCTION CONTRACT FOR THE WANKET RECYCLED
WATER PIPELINE PROJECT

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to award and execute a contract for the construction of the Wanket Recycled Water Pipeline Project to Ahrens Mechanical in the lump sum amount of \$1,176,500; and
2. Discuss and take action as appropriate.

BACKGROUND

In 2022, San Elijo Joint Powers Authority (SEJPA) acquired ownership rights to the existing 3-million-gallon Wanket Tank located adjacent to the Encinitas Ranch Golf Course. The Wanket Tank is a potable water storage tank that has been out of service for more than 10 years due to reduced storage needs from water conservation.

SEJPA has developed engineering plans to refurbish the concrete tank, construct associated yard piping, and build a connecting pipeline to SEJPA's existing recycled water system. Increasing recycled water storage within the distribution system will relieve operational stress, improve system reliability, and increase service capacity. SEJPA has secured State and Federal grants of approximately \$1.6 million to help fund the tank refurbishment and connecting pipeline.

The Wanket Tank Project consists of two major elements; 1) the connecting pipeline and 2) the tank refurbishment, which were previously packaged with an asset management project to replace aging distribution system valves. Combining these scopes was intended to leverage common public works labor and purchasing power. The combined projects (tank, pipeline, and valves) were originally budgeted at \$3.51 million and revised to \$3.7 million in September 2023 due to construction inflation.

Unfortunately, the combined project strategy did not yield the bidder interest and competitive pricing anticipated. SEJPA received a single bid that was nearly \$1.4 million higher than expected and subsequently rejected that bid in October 2023.

DISCUSSION

In seeking more competitive construction bids, SEJPA re-organized the pipeline element as a stand-alone construction package and re-advertised the bid in November 2023, as this work has a time-sensitive construction window. The pipeline project will construct approximately 950 linear feet of 16-inch diameter PVC pipe from Quail Gardens Drive, through the Encinitas Ranch Golf Course, to the Wanket Tank site. The tank refurbishment and valve replacements will be bid separately in the future.

Staff posted the request for bids (RFB) for the Wanket Recycled Water Pipeline through its online procurement portal, PlanetBids on November 1, 2023, publicly advertised in Coast News on November 3, 2023 and November 17, 2023. A pre-bid meeting was conducted on November 9, 2023. A total of 32 entities accessed the bidding documents via PlanetBids during the bid period including 9 contractors registered as “prime” bidders. On November 30, 2023, three (3) construction bids for the Wanket Tank Recycled Water Pipeline Project were received, as shown in **Table 1**. The bids were evaluated by Staff for compliance with the advertised bid requirements, the contractor’s ability to perform the work, and submitted bid price. The prices for a “Add Alternative” to install an electrical duct bank ranged between \$179,000 and \$286,823, exceeding the anticipated cost and therefore is not recommended to be constructed with this project. Instead, staff plan to provide the needed site power through photovoltaic solar panels and battery storage, which will be included with the tank refurbishment project and is forecasted to be less expensive.

Table 1 – Bid Wanket Tank Recycled Water Pipeline Project Tabulation

Company	Bid Price (low to high)*
Ahrens Mechanical	\$ 1,176,500
Shaw Equipment Rentals	\$ 1,408,000
Kay Construction Company, Inc.	\$ 1,481,077
<i>* Bid prices exclude Add Alternative 1 (electrical duct bank)</i>	

Based on SEJPA’s evaluation, Staff recommends award of the project (excluding the “Add Alternative”) to the lowest responsive and responsible bid submitted by Ahrens mechanical.

FINANCIAL IMPACT

The lowest responsive construction bid for the project, received from Ahrens Mechanical, is \$1,176,500, which is within 1% of the Engineer’s Opinion of Probable Construction Cost for this project element. When including soft costs for engineering, design, and bidding support, construction management and inspection, and a 10% contingency, the total anticipated cost for the pipeline project is \$1.51 million, as shown in **Table 2**. There are adequate funds in the Recycled Water capital program for the award of the Wanket Recycled Water Pipeline Project construction contract.

Project Element	Encumbered Cost
Engineering, Design, and Bidding Support (Ardurra)*	\$120,000
Construction Contract (Ahrens Mechanical)	1,176,500
Construction Management & Inspection (CM&I, CDM Smith)*	97,000
Construction Contingency (10%)	117,650
TOTAL	\$1,511,150
<i>* Soft Costs encumbered for pipeline project.</i>	

Committing \$1,511,150 to the pipeline project, will result in \$2,188,850 remaining for the tank refurbishment and distribution valves replacement.

To further manage costs, staff has revised the tank refurbishment design based on contractor feedback to reduce construction costs while maintaining the design integrity. Staff anticipates publicly bidding this construction contract in the first quarter of 2024. The final component, replacing aged distribution system valves, which is the lowest priority work of the three elements, will be bid separately in the later part of 2024 and the number of valves replaced will be based on available funds.

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to award and execute a contract for the construction of the Wanket Recycled Water Pipeline Project to Ahrens Mechanical in the lump sum amount of \$1,176,500; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachment 1: Ahrens Mechanical – Bid Proposal, November 30, 2023

This form is required.

SECTION 00400 – BID FORM

Bid Form Cover Page

TO: SAN ELIJO JOINT POWERS AUTHORITY
CARDIFF BY THE SEA, CALIFORNIA

BIDDER: Ahrens Mechanical

FOR: Wanket Tank Recycled Water Pipeline

UNDERSIGNED, AS BIDDER, HEREBY AGREES AND DECLARES THAT:

Pursuant to, and in compliance with, the Notice Inviting Bids and the other documents relating thereto, the undersigned bidder, being fully familiar with the terms of the Contract Documents, local conditions affecting the performance of the Contract, the character, quality, quantities, and scope of the Work, and the cost of the Work at the place where the Work is to be done, hereby proposes and agrees to perform within the time stipulated in the Contract, including all of its component parts and everything required to be performed, and to furnish any and all of the labor, materials, tools, equipment, transportation, services, permits, utilities, and all other items necessary to perform the Contract and complete, in a workmanlike manner, all of the Work required in connection with the construction of said Work all in strict conformity with the Plans and Specifications and other Contract Documents, for the prices hereinafter set forth. This Bid, as presented herein, is irrevocable, and may not be withdrawn for a period of ninety (90) days after the date set for the opening of Bids, except in accordance with the withdrawal of Bid provisions of the Instructions for Bidders.

Further, the undersigned proposes and agrees, if the Bid is accepted, that he/she will execute a Contract with SEJPA in the form set forth in the Contract Documents and that he/she will accept in full payment thereof the following prices to wit:

A. BID SHEET

Bidder shall complete the following Bid Sheet in its entirety.

BID SCHEDULE A (RECYCLED WATER PIPELINE, PN 13031)

Performance of all Work indicated in the Specifications categorized as follows:

Bid Item (See Section 01010, Summary of Work for description of bid items)	Quantity	Unit	Unit Price	Bid Item Price
A1. Mobilization, Bonds, Permits, Cleanup, and Demobilization (Not to exceed 5% of Bid Schedule A total amount)	1	LS	NA	\$
A2. Temporary Erosion Control/Storm Water Management	1	LS	NA	\$
A3. Sheeting, Shoring, Bracing, or equivalent method	1	LS	NA	\$
A4. Traffic Control	1	LS	NA	\$
A5. Utility Potholing	1	LS	NA	\$
A6. Recycled Water Pipeline	1	LS	NA	\$
A7. Site Restoration	1	LS	NA	\$
A8. Golf Course Turf Restoration	1	LS	NA	\$
<i>Enter Total Bid Schedule A Amount Below where indicated</i>				

BASE BID (SCHEDULE A)

Bidder will complete the Work of the Bid Schedule A for the following amount:

\$ _____

(Figures)

(Words)

BID SCHEDULE AA (ADD-ALTERNATIVE FOR ELECTRICAL DUCT BANK)

Performance of all Work indicated in the Specifications categorized as follows:

Bid Item (See Section 01010, Summary of Work for description of bid items)	Quantity	Unit	Unit Price	Bid Item Price
AA1. Install buried duct bank between Quail Gardens Road and Wanket Tank Site	1	LS	NA	\$
<i>Enter Total Bid Schedule Add-Alternative Amount Below where indicated</i>				

ADD-ALTERNATIVE BID (SCHEDULE AA)

Bidder will complete the Work of the Bid Schedule A for the following amount:

\$ _____
(Figures)

(Words)

If there are any discrepancies between the Bid Submission Form and Line Items tab in PlanetBids portal, the Line Items tab will take precedence.

BASE BID ITEMS (SCHEDULES A AND AA)

Bidder will complete the Work of the Bid Schedules A and AA for the following Lump Sum price:

\$ _____
(in Figures)

(in Words)

If there are any discrepancies between the Bid Submission Form and Line Items tab in PlanetBids portal, the Line Items tab will take precedence.

The low bid will be determined based on the Total Bid Price listed above including Bid Schedule A and Bid Schedule AA. SEJPA reserves the right to award or not award Add-Alternative (Schedule AA) at its sole discretion.

B. COSTS INCLUDED IN PRECEDING BID

The undersigned declares that the cost for all labor, materials, equipment, taxes, freight, insurance and incidentals necessary for the Work is included in the Total Bid Price including but not limited to: sheeting, shoring, and bracing, or equivalent method for the protection of life and limb in trenches and open excavation in conformance with applicable safety orders; prices quoted are F.O.B. job site, installed, tested and operational with all applicable sales taxes, State and/or Federal, and any other special taxes, patent rights, or royalties paid by the Bidder.

C. LIST OF SUBCONTRACTORS

The Bidder shall completely fill out the list below with the name and information of each subcontractor who will perform Work under this contract in excess of one-half of one percent (0.5%) of the Bidder's total bid price, and shall also list the portion of the Work which will be done by each such subcontractor. After the opening of proposals, no changes or substitutions will be allowed except as otherwise provided by law.

The Bidder understands that if the Bidder fails to list a subcontractor that will perform any portion of the Work to be performed under the contract in excess of one-half of one percent of the Bid, the Bidder shall be deemed to have represented that it is fully qualified to perform that portion of the work itself (which is subject to verification), and that Bidder has agreed to perform that portion of the work, and that the Bidder shall not be permitted to sublet or subcontract that portion of the Work except in cases of public emergency or necessity, and then only after a finding, reduced to writing as a public record of SEJPA, setting forth the facts constituting the emergency or necessity in accordance with the provisions of the Subletting and Subcontracting Fair Practices Act (Section

4100 et seq. of the California Public Contract Code). The Bidder may list one subcontractor for each portion of the work as described by the Bidder in the space provided below.

Circumvention by the Contractor of the requirement to list subcontractors by the device of listing one subcontractor who will in turn sublet portions constituting the majority of the Work covered by this Contract shall be considered a violation of Chapter 4 of the California Public Contract Code and shall subject the Contractor to the penalties set forth in Public Contract Code §§ 4110 and 4111. Contractor shall conduct substitutions of subcontractors in compliance with Public Contract Code Sections 4107 and 4107.5 detailing the process and conditions under which a public agency may consent to a subcontractor substitution. Attach additional sheets if necessary.

Contractor's Name & License Number	Place of Business	Value of Work (\$) / Percent of Total Contract	Type of Work

D. LIST OF EQUIPMENT MANUFACTURERS

The undersigned Bidder understands and agrees that SEJPA will consider this Bid incomplete and unresponsive unless the Bidder names an approved manufacturer for each item in the following list. Manufacturers not explicitly named in the equipment specification will not be considered equal until approved by the Design Engineer. Not more than one manufacturer shall be named for each item of equipment. The undersigned Bidder hereby agrees that, after submission of this Bid, he/she will not make any change in the following listing of manufacturers and will not award a contract or agreement of any kind to a manufacturer not listed below for the listed items of equipment unless such provision of the Contract Documents pertaining to substitutions and equals. The manufacturers named below produce the listed items of equipment which comply with the requirements of the Contract Documents, and the undersigned Bidder will furnish and install complying equipment of the manufacturers named in the following lists.

<u>Bid Item</u>	<u>Item Description</u>	<u>Manufacturer</u>

E. SAFETY ACKNOWLEDGEMENT

Submit a completed Safety Acknowledgement (Bid Forms) with the bid in order to describe how the Bidder intends to approach the Work with respect to safety measures for accident prevention, handling of hazardous material or wastes, or any other item that is important to the safe conduct of the Work.

Bid will be rejected as incomplete if not accompanied by this safety documentation. SEJPA may reject a Bid if SEJPA determines that the Bidder's safety documentation is not sufficient to support a safe work environment. Attach additional sheets if necessary.

F. COMPANY DATA

Legal name of Bidder:
Ahrens Mechanical

The full names and residences of all persons and parties interested in the foregoing Bid Form as principals are as follows:

(NOTICE: Give first and last names in full; in case of corporation, give names of President, Secretary, Treasurer, and Manager, and in case of partnerships and joint ventures, give names and Post Office addresses of all the individual members.)

Gregory S. Ahrens, San Diego CA President, Secretary, Treasurer

Business address: 5959 Mission Gorge Road, Suite 204
San Diego, CA 92120

Telephone 619 487-9036
Facsimile 619 487-9195
Contact Gregory Ahrens
Email Estimating@ahrensmech.com

California Contractor's License:

Type: A,B,C4,C10,C16,C20,C34,C36,C46, C60
No.: 957287
Expiration Date: 2/28/2025

G. CLOSING STATEMENT

In signing below, Bidder certifies that its Total Bid Price requests sufficient funds to allow Contractor to comply with all applicable laws or regulations governing the labor or services to be provided under the Contract. Furthermore, Contractor hereby indemnifies SEJPA for liabilities and penalties for violations of Labor Code Section 2810.

In conformance with current requirements of Section 1861 of the Labor Code of the State of California, the undersigned confirms the following as his certification:

I am aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the Work of this contract.

The undersigned has the legal authority to bind the Bidder to a contract for the execution of the Work object of this Bid Form.

Addenda: The undersigned acknowledges receipt of the following Addenda numbers:

Addenda 1

Respectfully submitted by:



(signature)

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this statement was executed on
30 November, 20²³ at
San Diego, California.

Clearly printed name:

Gregory S. Ahrens

Position:

President

Seal:



Co-signed or attested:

(signature)

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this statement was executed on
30 November, 20²³ at
San Diego, California.

Clearly printed name:

Nancy Doerring

Position:

Office Manager

*** * * END OF BID FORM * * ***

This form is required. This form must be submitted with a California All-Purpose Acknowledgment.

SECTION 00430 – BIDDER'S BOND

BOND NO. N/A

BID BOND

KNOW ALL PERSONS BY THESE PRESENTS:

That we Ahrens Mechanical, as PRINCIPAL, and
Swiss Re Corporate Solutions America Insurance Corporation, as SURETY, are
held and firmly bound unto the San Elijo Joint Powers Authority, 2695 Manchester Avenue,
Cardiff-by-the-Sea, CA 92007, a political subdivision of the State of California, hereinafter called
the OWNER, in the penal sum of ten percent (10%) of total bid amount, which amount equals TEN
PERCENT (10%) OF THE TOTAL AMOUNT OF THE BID submitted by the Principal above
named for the work described below for the payment of which sum in lawful money of the United
States, well and truly to be made, we bind ourselves, our heirs, executors, administrators and
successors, jointly and severally, firmly by these presents.

In no case shall the liability of the SURETY hereunder exceed the sum of
ten percent (10%) of total bid amount Dollars (\$ 10%).

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the PRINCIPAL has
submitted the above-mentioned bid to the OWNER for certain construction specifically described
as follows, for which bids are to be received no later than **Thursday, November 30, 2023** at
2:00p.m. local time, for

Wanket Tank Recycled Water Pipeline

NOW THEREFORE, if the aforesaid PRINCIPAL shall not withdraw said bid within the
period specified therein after the opening of the same, or, if no period be specified, within ninety
(90) days after said opening, and shall within the period specified therefor, or, if no period be
specified, within ten (10) days after the prescribed forms are presented to him for signature, enter
into a written contract with the OWNER, in the prescribed form, in accordance with the bid as
accepted, and file the two bonds with the OWNER, one to guarantee faithful performance and the
other to guarantee payment for labor and materials, as required by law, then this obligation shall
be null and void; otherwise, it shall be and remain in full force and effect.

In the event suit is brought upon this bond by the OWNER and judgment is recovered, the
SURETY shall pay all costs incurred by the OWNER in such suit, including a reasonable
attorney's fee to be fixed by the court.

IN WITNESS WHEREOF, We have hereunto set our hands and seals on this
27th day of November .A.D. 2023 .

Ahrens Mechanical

Principal



(Signature for Principal)

Title

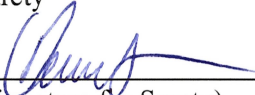
GREGORY S. AHRENS, PRES.
(Print Name and Title of Signer)

(Seal)



Swiss Re Corporate Solutions America Insurance Corporation

Surety



(Signature for Surety)

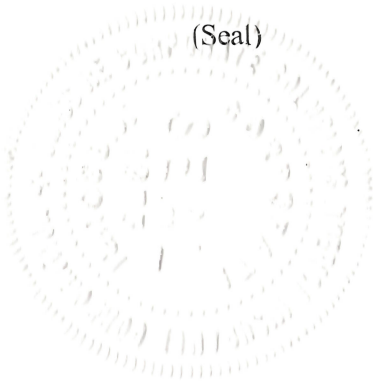
Attorney-in-Fact

Title

Anne Wright, Attorney-in-Fact

(Print Name and Title of Signer)

(Seal)



CALIFORNIA ALL PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)

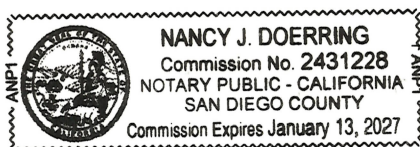
COUNTY OF San Diego)

ss:

On 27 November 2023, before me, Nancy J. Doerring, Notary Public, personally appeared GREGORY S. ALLEN who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Nancy J. Doerring
Notary Public

NOTE:

- (a) Signature of those executing for Surety must be properly acknowledged.
- (b) The Attorney-in-fact must attach a certified copy of the Power of Attorney.

CALIFORNIA ALL PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) SS:
COUNTY OF San Diego)

On November 27, 2023, before me, Lauren Craig, Notary Public, personally appeared Anne Wright, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Notary Public

NOTE:

- (a) Signature of those executing for Surety must be properly acknowledged.
- (b) The Attorney-in-fact must attach a certified copy of the Power of Attorney.

END OF BID BOND

This form is required. This form must be submitted with a California All-Purpose Acknowledgment.

SWISS RE CORPORATE SOLUTIONS

SWISS RE CORPORATE SOLUTIONS AMERICA INSURANCE CORPORATION ("SRCSAIC")
SWISS RE CORPORATE SOLUTIONS PREMIER INSURANCE CORPORATION ("SRCSPIC")
WESTPORT INSURANCE CORPORATION ("WIC")

GENERAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, THAT SRCSAIC, a corporation duly organized and existing under laws of the State of Missouri, and having its principal office in the City of Kansas City, Missouri, and SRCSPIC, a corporation organized and existing under the laws of the State of Missouri and having its principal office in the City of Kansas City, Missouri, and WIC, organized under the laws of the State of Missouri, and having its principal office in the City of Kansas City, Missouri, each does hereby make, constitute and appoint:

MATTHEW C. GAYNOR, ANDY ROBERTS, and ANNE WRIGHT

JOINTLY OR SEVERALLY

Its true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver, for and on its behalf and as its act and deed, bonds or other writings obligatory in the nature of a bond on behalf of each of said Companies, as surety, on contracts of suretyship as are or may be required or permitted by law, regulation, contract or otherwise, provided that no bond or undertaking or contract or suretyship executed under this authority shall exceed the amount of:

FIFTY MILLION (\$50,000,000.00) DOLLARS

This Power of Attorney is granted and is signed by facsimile under and by the authority of the following Resolutions adopted by the Boards of Directors of both SRCSAIC and SRCSPIC at meetings duly called and held on the 18th of November 2021 and WIC by written consent of its Executive Committee dated July 18, 2011.

"RESOLVED, that any two of the President, any Managing Director, any Senior Vice President, any Vice President, the Secretary or any Assistant Secretary be, and each or any of them hereby is, authorized to execute a Power of Attorney qualifying the attorney named in the given Power of Attorney to execute on behalf of the Corporation bonds, undertakings and all contracts of surety, and that each or any of them hereby is authorized to attest to the execution of any such Power of Attorney and to attach therein the seal of the Corporation; and it is

FURTHER RESOLVED, that the signature of such officers and the seal of the Corporation may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be binding upon the Corporation when so affixed and in the future with regard to any bond, undertaking or contract of surety to which it is attached."



By Erik Janssens
Erik Janssens, Senior Vice President of SRCSAIC & Senior Vice President
of SRCSPIC & Senior Vice President of WIC

By Gerald Jagrowski
Gerald Jagrowski, Vice President of SRCSAIC & Vice President of SRCSPIC
& Vice President of WIC



IN WITNESS WHEREOF, SRCSAIC, SRCSPIC, and WIC have caused their official seals to be hereunto affixed, and these presents to be signed by their authorized officers

this 10 day of NOVEMBER, 20 22

State of Illinois
County of Cook



Swiss Re Corporate Solutions America Insurance Corporation
Swiss Re Corporate Solutions Premier Insurance Corporation
Westport Insurance Corporation

On this 10 day of NOVEMBER, 20 22, before me, a Notary Public personally appeared Erik Janssens, Senior Vice President of SRCSAIC and Senior Vice President of SRCSPIC and Senior Vice President of WIC and Gerald Jagrowski, Vice President of SRCSAIC and Vice President of SRCSPIC and Vice President of WIC, personally known to me, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as officers of and acknowledged said instrument to be the voluntary act and deed of their respective companies.



Christina Manisco
Christina Manisco, Notary

I, Jeffrey Goldberg, the duly elected Senior Vice President and Assistant Secretary of SRCSAIC and SRCSPIC and WIC, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney given by said SRCSAIC and SRCSPIC and WIC, which is still in full force and effect.

IN WITNESS WHEREOF, I have set my hand and affixed the seals of the Companies this 27th day of November, 20 23.

Jeffrey Goldberg
Jeffrey Goldberg, Senior Vice President &
Assistant Secretary of SRCSAIC and
SRCSPIC and WIC

SECTION 00435 – NONCOLLUSION DECLARATION

To be executed by Bidder and submitted with Bid.

The undersigned declares:

I am the President of Ahrens Mechanical the party making the foregoing bid.

The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purposes.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on 11/30/2023 [date], at San Diego [city], CA [state].



Signature of: President, Secretary,
Manager, Owner, or Representative

Gregory S. Ahrens, President

Clearly Print Name and Title

*** * * END OF NONCOLLUSION DECLARATION * * ***

This form is required.

SECTION 00440 – BIDDER’S STATEMENT REGARDING DEBARMENT

To be completed by Bidder and submitted with Bid.

- 1) Has your firm, or any firm with which any of your firm’s owners/officers/partners was associated, or any of your subcontractors ever been debarred in the State of California?

Yes No x

- 2) If yes, provide an attachment with more details, including the name(s) of the party debarred, the names of the agency(ies), and the period(s) of and reasons for debarment(s).



Signature of: President, Secretary,
Manager, Owner, or Representative
Gregory S. Ahrens, President

*** * * END OF STATEMENT REGARDING DEBARMENT * * ***

This form is required

SECTION 00445 – SURETY AND FINANCIAL STATUS

To be completed by Bidder and submitted with Bid.

A) List the name of all Surety Companies utilized during the last five years. Use additional sheets as necessary.

	Surety Name and Complete Address	Contact and Phone Number	Period Covered
A	Swiss RE Company Solutions America Ins Corp 1450 American Lane Ste 1100 Schaumburg IL 60173	Evan Kotchevar - SoCal Branch Manager 213-457-6195	May 2022 to present
B	North American Specialty Ins Co 6 Hutton Centre Dr #850 Santa Ana CA 92707	603-644-6660	Mar 2018 - Apr 2022
C	Argonaut Ins Co Inc., administered by Contractor Managing Gen Ins Agency Inc 20335 Ventura Blvd #426 Woodland Hills, CA 91364	866-363-2642	Sep 2016 - Feb 2018
D			
E			

B) Was any surety required to complete any portion of the prospective bidder's projects in the last five years? If so, provide the following information: NO

	Surety Name, Address, Contact and Phone	Year	Explanation
A	n/a		
B			
C			
D			

*** * * END OF SURETY AND FINANCIAL STATUS * * ***

This form is required.

SECTION 00450 – SAFETY ACKNOWLEDGMENT

To be completed by Bidder and submitted with Bid.

The undersigned Contractor hereby acknowledges its obligation to ensure that all work performed on behalf of SEJPA for the Project is consistent with safety standards and practices for Contractor's business and as established by state, federal and local laws and regulations, including but not limited to applicable Occupational Safety and Health Administration regulations and safety orders. Contractor will maintain those safety programs, certificates and permits appropriate for the work for the duration of the Project, and will update its safety programs, certificates and permits as needed to reflect best practices and any changes in the scope of work. Contractor further acknowledges that it will ensure that its subcontractors maintain adequate safety programs that are necessary and appropriate for the work those subcontractors will perform on the Project. Contractor agrees to promptly provide a copy of any safety program documentation to SEJPA upon request.

Safety Checklist

Contractor acknowledges that for the duration of the Project, Contractor and/or its subcontractors will maintain, and provide adequate training to employees on, the safety program components marked "YES" below, and that those safety program components marked "N/A" (not applicable) are not necessary or appropriate for the Project work to be performed.

Safety Program Components	Category	Authority	YES	N/A
Boiler Safety	B&FPV	8 CCR §§ 750 - 797		x
General Construction	CSO	8 CCR §§ 1508 - 1527	x	
Dusts, Fumes, Mists, Vapors, and Gases	CSO	8 CCR §§ 1528 - 1537		x
Excavations	CSO	8 CCR §§ 1539 - 1547	x	
Bins, Bunkers, Hoppers, and Material Storage	CSO	8 CCR §§ 1548 - 1549		x
Derricks, Cranes, Boom-Type Excavators	CSO	8 CCR §§ 1581 -1589	x	
Haulage and Earth Moving	CSO	8 CCR §§ 1590 - 1596	x	
Vehicles, Traffic Control, Flaggers, Barricades, and Warning Signs	CSO	8 CCR §§ 1597 - 1599	x	
Pile Driving	CSO	8 CCR §§ 1600 - 1601		x
Work Over or Near Water	CSO	8 CCR §§ 1602 - 1603		x
Construction Hoists	CSO	8 CCR §§ 1604 - 1605.21		x
Cranes and Derricks in Construction	CSO	8 CCR §§ 1610 - 1619.5		x
Standard Railings	CSO	8 CCR §§ 1620 - 1621		x
Ramps, Runways, Stairwells, and Stairs	CSO	8 CCR §§ 1623 - 1626		x
Access and Egress	CSO	8 CCR §§ 1629 - 1631	x	
Floor, Roof, and Wall Openings	CSO	8 CCR §§ 1632 - 1633		x
Temporary Floors	CSO	8 CCR § 1635		x
Scaffolds	CSO	8 CCR §§ 1635.1 - 1667		x

Fall Protection	CSO	8 CCR §§ 1669 - 1672	x	
Ladders	CSO	8 CCR §§ 1675 - 1678	x	
Saws--Power	CSO	8 CCR §§ 1680 - 1682		x
Powder-Actuated Tools	CSO	8 CCR §§ 1684 - 1692		x
Miscellaneous Construction Tools and Equipment	CSO	8 CCR §§ 1693 - 1708	x	
Erection and Construction	CSO	8 CCR §§ 1709 - 1722.1	x	
Roofing Operations and Equipment	CSO	8 CCR §§ 1723 - 1731		x
Demolition	CSO	8 CCR §§ 1733 - 1737	x	
Oxygen, Acetylene, and Fuel Gas	CSO	8 CCR §§ 1739 - 1743	x	
Electrical Requirements for Construction Work	CSO	8 CCR § 1760	x	
Fire Protection and Prevention	CSO	8 CCR §§ 1920 - 1938	x	
Confined Spaces in Construction	CSO	8 CCR §§ 1950-1962	x	
Injury & Illness Prevention Program	GISO	8 CCR § 3203	x	
Personal Safety Devices and Safeguards	GISO	8 CCR §§ 3380 - 3400	x	
General Mobile Equipment and Auxiliaries	GISO	8 CCR §§ 3620 - 3920		x
Confined Spaces	GISO	8 CCR §§ 5156 -5159	x	
Hazardous Substances and Processes	GISO	8 CCR §§ 5160 - 5199	x	
Diving	GISO	8 CCR §§ 6050 - 6120		x
Clean Air Act and San Diego Air Quality Management District Compliance	Emissions	Misc.	x	
U.S. Department of Transportation Compliance	Transportation	Misc.	x	
Coronavirus/COVID-19 Preparedness and Response Plan (or equivalent)	Emergency	Misc.	x	

In addition to those components described above, Contractor's safety program includes the following elements:

By signing below, Contractor certifies that the above statements are true and correct.

Date: 11/30/2023

By: 

Name: Gregory S. Ahrens

Position: President

*** * * END OF SAFETY ACKNOWLEDGMENT * * ***

①

This form is required.
SECTION 00455 – PROJECT EXPERIENCE

Each Bidder and key sub shall use this form to demonstrate required experience per IFB-12. Identify firm for whom the project is relevant, and number projects consecutively. Make as many copies as necessary to demonstrate required experience.

Firm (Bidder/Sub): Ahrens Mechanical General)		Owner: MiraCosta Community College District		
Project Reference:				
MCCD SAN Underground Utility*San Elijo		Tom Macias 760-795-6691	tmacias@miracosta.edu	
Project Name		Owner's Representative ⁽¹⁾		Owner Rep. Phone # and Email
Original Contract Value (Dollars) \$970,700	Final Contract Value (Dollars) \$1,421,313	Completion Date 4/01/22	Contract Time/Time Extensions 211 days (Calendar Days)	Penalties Imposed (Dollars) 0.00
Design Engineer and Representative				Eng. Rep. Phone # and Email
Description of Project and Relevance to Project Experience:	New, repair and/or replacement of storm drain, domestic water, fire, and gas lines in active college setting.			
Description of Change in Contract Value or Contract Time	Cost and time due to numerous owner initiated change orders. Biggest change due to unacceptable soil conditions due to previously unknown ground water.			
Status of Claims, if any ⁽²⁾ : None				
¹ Owner's Representative should be project manager or inspector resident engineer responsible for the work. ² Attach a list of all items claimed by the Owner to be in need of correction, describe item, cause of item and whether resolved to Owner's satisfaction.				

* * * END OF PROJECT EXPERIENCE * * *

2

This form is required.
SECTION 00455 – PROJECT EXPERIENCE

Each Bidder and key sub shall use this form to demonstrate required experience per IFB-12. Identify firm for whom the project is relevant, and number projects consecutively. Make as many copies as necessary to demonstrate required experience.

Firm (Bidder/Sub): PCL(Gen) Ahrens Mechanical		Owner: San Elijo Joint Powers Authority		
Project Reference: (Sub)				
SEJPA Building & Site Improvements		Mike Konike, Sr PM 760-753-6203 colntactus@sejpa.org		
Project Name Manchester Ave, Cardiff, CA		Owner's Representative ⁽¹⁾		Owner Rep. Phone # and Email
Original Contract Value (Dollars) \$840,000	Final Contract Value (Dollars) \$1,377,473	Completion Date 12/17/21	Contract Time/Time Extensions (Calendar Days) 558	Penalties Imposed (Dollars) 0.00
Inspector: Mike Piper piper@sejpa.org 760-753-6203				
Design Engineer and Representative				Eng. Rep. Phone # and Email
Description and Relevance to Project Experience:	Storm Drain, Sewer, Gas, Fire, water, process piping and chemical piping. Modificatons & repairs to existing Water Reclamation Plantestic. All work coordinated within an active plant.			
Description of Change in Contract Value or Contract Time	Numerous change orders due to design change and subsurface conditions			
Status of Claims, if any ⁽²⁾ : None				
¹ Owner's Representative should be project manager or inspector resident engineer responsible for the work. ² Attach a list of all items claimed by the Owner to be in need of correction, describe item, cause of item and whether resolved to Owner's satisfaction.				

* * * **END OF PROJECT EXPERIENCE** * * *

3

This form is required.
SECTION 00455 – PROJECT EXPERIENCE

Each Bidder and key sub shall use this form to demonstrate required experience per IFB-12. Identify firm for whom the project is relevant, and number projects consecutively. Make as many copies as necessary to demonstrate required experience.

Firm (Bidder/Sub): Ahrens Mechanical - General		Owner: Grossmont Union High School District		
Project Reference:				
Maintenance & Operations Facility, Multi Prime		Brandon Silveira, PM, C.W. Driver 650-686-7259 bsilveira@cwdriver.com		
Project Name Grossmont UHSD		Owner's Representative ⁽¹⁾		Owner Rep. Phone # and Email
Original Contract Value (Dollars) \$550,000	Final Contract Value (Dollars) \$641,692	Completion Date 6/18/19	Contract Time/Time Extensions (Calendar Days) 422	Penalties Imposed (Dollars) 0.00
Design Engineer and Representative				Eng. Rep. Phone # and Email
Description of Project and Site Utilities-Water, Sewer, Storm Drain, Fire for Construction of \$6.5 mil District Facility Relevance to Project Experience:				
Description of Change in Contract Value or Contract Time		Cost increase due to additional measures required by Helix Water District regrading water lines. Time increase due to change orders issue by owner on a multi prime contract.		
Status of Claims, if any ⁽²⁾ : None				
¹ Owner's Representative should be project manager or inspector resident engineer responsible for the work. ² Attach a list of all items claimed by the Owner to be in need of correction, describe item, cause of item and whether resolved to Owner's satisfaction.				

* * * END OF PROJECT EXPERIENCE * * *

4

This form is required.

SECTION 00455 – PROJECT EXPERIENCE

Each Bidder and key sub shall use this form to demonstrate required experience per IFB-12. Identify firm for whom the project is relevant, and number projects consecutively. Make as many copies as necessary to demonstrate required experience.

Firm (Bidder/Sub): Ahrens Mechanical - General		Owner: University of San Diego		
Project Reference:				
North Road Utility Improvements		Erin Rogers-Sr PM Facilities.Mgmt	619-260-4568 erinrogers@sandiego.edu	
Project Name University of San Diego		Owner's Representative ⁽¹⁾	Owner Rep. Phone # and Email	
Original Contract Value (Dollars) \$2,240,000	Final Contract Value (Dollars) \$2,281,611	Completion Date 5/09/19	Contract Time/Time Extensions 730 (Calendar Days)	Penalties Imposed (Dollars) 0.00
Design Engineer and Representative				Eng. Rep. Phone # and Email
Description of Project and Relevance to Project Experience:		Install 4000 ft of 18" C900 pipe & alterations to Chiller Plant, UG utility vaults, connections to exist buildings, install future points of connection		
Description of Change in Contract Value or Contract Time		Significant Time extension due to owner directing Ahrens to only perform work during school breaks. Cost decrease due to reductions in scope offsetting cost of additional work.		
Status of Claims, if any ⁽²⁾ : None				
¹ Owner's Representative should be project manager or inspector resident engineer responsible for the work. ² Attach a list of all items claimed by the Owner to be in need of correction, describe item, cause of item and whether resolved to Owner's satisfaction.				

***** END OF PROJECT EXPERIENCE *****

5

This form is required.
SECTION 00455 – PROJECT EXPERIENCE

Each Bidder and key sub shall use this form to demonstrate required experience per IFB-12. Identify firm for whom the project is relevant, and number projects consecutively. Make as many copies as necessary to demonstrate required experience.

Firm (Bidder/Sub): West Coast Gen Corp (Gen) Ahrens		Mechanical (Sub)		
Project Reference:		Owner: Valley Cntr Municipal Water District		
Charlan Road Seasonal Storage Facility		VCMWD-Tom Falk, PE. WCGC- oe Solorzano 858-245-6203 jsolorzano@wcgcorp.com		
Project Name Valley Center, CA		Owner's Representative ⁽¹⁾		Owner Rep. Phone # and Email
Original Contract Value (Dollars)	Final Contract Value (Dollars)	Completion Date	Contract Time/Time Extensions	Penalties Imposed (Dollars)
\$718,500	\$693,026	12/08/16	280 (Calendar Days)	0.00
Design Engineer and Representative				Eng. Rep. Phone # and Email
Description of Project and Relevance to Project Experience: Site Utilities, Structures & Coatings, construct underdrain vault, pump & piping. Construct BG flow meter vault. Construct HDPE storm drain culvert pipe				
Description of Change in Contract Value or Contract Time: Unfortunately do not remember. Probably credit back an allowance.				
Status of Claims, if any ⁽²⁾ : None				
¹ Owner's Representative should be project manager or inspector resident engineer responsible for the work. ² Attach a list of all items claimed by the Owner to be in need of correction, describe item, cause of item and whether resolved to Owner's satisfaction.				

***** END OF PROJECT EXPERIENCE *****

SECTION 00850

STATE AND FEDERAL FUNDING CERTIFICATION FORMS

The Bidder's execution of the signature portion of the following representations and certifications shall constitute an endorsement and execution of those representations and certifications, which are hereby incorporated as part of the bid proposal. The following bid proposal supplements shall be completed and submitted with the bid proposal:

- SYSTEM FOR AWARD MANAGEMENT (SAM) REGISTRATION AND UNIVERSAL IDENTIFIER NUMBERING SYSTEM
- NEW RESTRICTIONS ON LOBBYING CERTIFICATION
- CERTIFICATION OF NONSEGREGATED FACILITIES (CONTRACTOR)
- FEDERAL DEBARMENT AND SUSPENSION CERTIFICATION
- DRUG-FREE WORKPLACE CERTIFICATION

Failure to properly complete and submit these representations and certifications may result in the rejection of the bid as non-responsive, in SEJPA's sole discretion.

***TO BE COMPLETED AND SUBMITTED BY BIDDER
(NOTE: COMPLETED REQUIRED SUBCONTRACTOR FORMS TO BE PROVIDED BY
SUCCESSFUL BIDDER UPON CONTRACT AWARD)***

SYSTEM FOR AWARD MANAGEMENT (SAM) REGISTRATION
AND UNIVERSAL IDENTIFIER NUMBERING SYSTEM
(SAM/Unique Entity Identifier Number Form)

Contractors must maintain current registrations in the System for Award Management registry (SAM.gov | Home). A Unique Entity Identifier number is required (SAM.gov | Entity Registrations). The lowest responsive, responsible bidder and each of its subcontractors must be registered with SAM prior to Award of contract.

Registered in System for Award Management (SAM)? Yes ^x No

What is your firm's Unique Entity Identifier number? 035890762

END OF SAM REGISTRATION/UNIQUE ENTITY IDENTIFIER NUMBER FORM

NEW RESTRICTIONS ON LOBBYING CERTIFICATION
(TO BE EXECUTED BY CONTRACTOR)


Pursuant to 43 CFR 18, New Restrictions on Lobbying, Contractor hereby certifies, to the best of its knowledge and belief, that:

(a) No Federal funds have been paid or will be paid, by or on behalf of the Contractor and its subcontractors, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form–LLL, “Disclosure Form to Report Lobbying” in accordance with its instructions.

Contractor agrees to include this certification, without modification, in all lower tier contracts.

Contractor acknowledges that this certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this contract imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure to file. Contractor further acknowledges that if Contractor knowingly submits an erroneous certification, may result in termination of the contract for cause or default, or pursuance of legal remedies.

	11/30/2023	
Signature	Date	
Gregory S. Ahrens,	Ahrens Mechanical	President
Typed / Printed Name	Contractor Name	Title


END OF NEW RESTRICTIONS ON LOBBYING CERTIFICATION

CERTIFICATION OF NONSEGREGATED FACILITIES (CONTRACTOR)

Applicable to federally assisted construction contracts and related subcontracts exceeding \$10,000 which are not exempt from the Equal Opportunity clause.

The federally assisted construction contractor certifies that contractor does not maintain or provide for contractor's employees any segregated facilities at any of his establishments, and that contractor does not permit contractor's employees to perform their services at any location, under his control, where segregated facilities are maintained. The federally assisted construction contractor certifies further that contractor will not maintain or provide for contractor's employees any segregated facilities at any of contractor's establishments, and that contractor will not permit contractor's employees to perform their services at any location, under contractor's control, where segregated facilities are maintained. The federally assisted construction contractor agrees that a breach of this certification is a violation of the Equal Opportunity clause in this contract.

As used in this certification, the term "segregated facilities" means any waiting rooms, work area, restrooms and washrooms, restaurants, and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are, in fact, segregated on the basis of race, creed, color, or national origin, because of habit, local custom, or otherwise. The federally assisted construction contractor agrees that (except where he has obtained identical certifications from proposed contractors for specific time periods) contractor will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause, and that contractor will retain such certification in this file.

	11/30/23	
Signature	Date	
Gregory S. Ahrens	Ahrens Mechanical	President
Typed / Printed Name	Contractor Name	Title

END OF CERTIFICATION OF NONSEGREGATED FACILITIES CERTIFICATION

FEDERAL DEBARMENT AND SUSPENSION CERTIFICATION
EXECUTIVE ORDERS 12549 AND 12689

The undersigned certifies, to the best of his or her knowledge and belief, that neither it nor its principals nor any of its subcontractors are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation by any Federal department or agency or by the State of California and at all times during the term of the Contract that neither it nor its principals will be debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any Federal department or agency or by the State of California. The term "principal" for purposes of this Contract means an officer, director, owner, partner, key employee or other person with primary management or supervisory responsibilities, or a person who has a critical influence on or substantive control over the operations of the Contractor.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. If it is later determined that the contractor did not comply with 2 C.F.R. 180, in addition to remedies available to _____, the BOR may pursue available remedies, including but not limited to suspension and/or debarment.

Contractor agrees to comply with the requirements of 2 C.F.R. 180 while the contract is valid and agrees to include a provision requiring such compliance in its lower tier covered transactions.



11/30/23

Signature

Date

Gregory S. Ahrens

President

Ahrens Mechanical

Typed / Printed Name

Title

Contractor

END OF FEDERAL DEBARMENT AND SUSPENSION CERTIFICATION

DRUG-FREE WORKPLACE CERTIFICATION

Wanket Tank Recycled Water Pipeline

This Drug-Free Workplace Certification form is required from the successful Bidder pursuant to the California Drug-Free Workplace Act of 1990 (CA Government Code section 8350 et seq.), and the Federal Drug-Free Workplace Act of 1988 (41 U.S.C. 701 et seq, as amended), collectively the Act(s). The Act(s) require that every person or organization awarded a contract or grant for the procurement of any property or service from any public agency must certify that it will provide a drug-free workplace by doing certain specified acts. In addition, the Act(s) provides that each contract or grant awarded by a public agency may be subject to suspension of payments or termination of the contract or grant, and the contractor or grantee may be subject to debarment from future contracting, if the contracting agency determines that specified acts have occurred.

The San Elijo Joint Powers Authority (SEJPA) has entered into financial assistance (grant) Agreements with State of California and the Department of the Interior, US Bureau of Reclamation which requires all contractors to comply with the provisions and requirements of the Act(s) including 2 CFR 182 and 1401.

Contractor hereby certifies that it will provide a drug-free workplace by doing all of the following:

- a) Publishing a statement notifying employees, contractors, and subcontractors that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions which will be taken against employees, contractors, and subcontractors for violations of the prohibition as required by Government Code section 8355.
- b) Establishing a Drug-Free Awareness Program, as required by government Code section 8355 to inform employees, contractors, or subcontractors about the following:
 - i) The dangers of drug abuse in the workplace.
 - ii) Grantee's policy of maintaining a drug-free workplace.
 - iii) Any available counseling, rehabilitation, and employee assistance programs.
 - iv) Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.

(cont'd next page)

DRUG-FREE WORKPLACE CERTIFICATION

Wanket Tank Recycled Water Pipeline

(cont'd from previous page)

- c) Provide that every employee, contractor, and/or subcontractor who works under this Contract will:
- i) receive a copy of drug-free policy statement as required by subparagraph “a”, and
 - ii) abide by terms of the statement, and
 - iii) notify employer and SEJPA as required by applicable laws.



11/30/2023

Signature

Date

Gregory S. Ahrens

President

Ahrens Mechanical

Typed / Printed Name

Title

Contractor Name

END OF DRUG-FREE WORKPLACE CERTIFICATION

**SMALL AND MINORITY BUSINESS AND WOMEN BUSINESS ENTERPRISE
SOLICITATION:
AFFIRMATIVE STEPS WORKSHEET**

BIDDER: Ahrens Mechanical

Outreach Goal: Solicit a minimum of three (3) DBEs via email/letter/fax. It is recommended that various sources be used to locate the minimum number of DBEs. The California Department of Transportation (Caltrans) website and www.sam.gov registries may be two resources used to find a minimum of three DBEs.

Affirmative steps to solicit and make available opportunities for small and minority businesses, women's business enterprises, and labor surplus area firms include:

- (1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- (2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
- (5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- (6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5), above.

List the DBEs contacted for the above area of work and complete the following information (attach extra sheets if necessary).

Entity's Name, Address, Telephone Number	Trade MBE/WBE Status	Date of Contact
Alvarez & Shaw 619-277-9013 2101 Alpine Blvd, Ste C Alpine, CA 92101	Asphalt DBE	11/27/23
Accurate Asphalt & Concrete Inc 619-303-1829 x1 867 Carolina St, Imperial Beach, CA 91932	Asphalt DBE	11/27/23
Sealright Paving Inc. 619-465-7411 9053 Olive Dr, Spring Valley, CA 91977	Asphalt DBE, MBE	11/28/23
De La Fuente Construction 619-512-5505 3025 Beyer Blve, E101 San Diego, CA 92154	Asphalt DBE	11/27/23

Other Affirmative Steps or outreach efforts (attach extra sheets if necessary):

Include the completed worksheet and supporting documentation with the bid form proposal, uploaded to PlanetBids.

END OF SECTION 00850
(REST OF PAGE INTENTIONALLY LEFT BLANK)

From: [Ahrens Estimating](#)
To: [Ahrens Estimating](#)
Bcc: [Brian Jurlina \(bjurlina@ahrensmech.com\)](#); [Nancy Doerring](#); ["TienB.Nguyen@marinaco.com"](#); [Alvarez and Shaw \(dshaw@alvarezandshaw.com\)](#); ["accurateasphalt2@gmail.com"](#); ["estimating@dlfci.com"](#)
Subject: Invite to Bid - WANKET TANK RECYCLED WATER PIPELINE
Date: Monday, November 27, 2023 3:55:00 PM

SAN ELIJO JOINT POWERS AUTHORITY
WANKET TANK RECYCLED WATER PIPELINE PROJECT
Bid Date: November 30, 2023 at 2:00 PM

Available work areas include, but are not limited to: Asphalt, Surveying, Landscaping

We will assist in obtaining bonds, credit lines, insurance, equipment, materials, supplies, plans and/or related technical assistance for this project.

Include with your bid the Time Required for Performance of your work and any Delivery Schedules so we can establish a Flexible Timeframe for your work.

Plans, specifications and requirements for this project are available for review at our office by appointment or at SEJPA Planetbids Vendor Portal:

<https://pbsystem.planetbids.com/portal/33529/bo/bo-detail/111208>

Subcontractors are required to possess and maintain an active contractor's license. This project is subject to Prevailing Wage Rates, Certified Payroll required. All Subcontractors must be registered with the DIR PUBLIC WORKS REGISTRATION prior to bid opening and provide proof of registration with bid. Failure to comply with this information will deem your bid non-responsive.

Additionally, this Project qualifies for funding through a federal grant under the United States Bureau of Reclamation, Title XVI Water Infrastructure Improvements for the Nation (WIIN) Act, and federal Davis-Bacon wage laws and rates apply. The higher value of the prevailing wage rates shall be used on the project. Penalties for paying less than prevailing wage rates is applicable to Federal Wage Rates.

If you have any questions or need additional information, please contact us via email or the telephone number listed above. We look forward to hearing from you.

Nancy Doerring
AHRENS MECHANICAL
5959 Mission Gorge Road, Suite 204
San Diego, CA 92120
Ph 619-487-9036 Fx 619-487-9195

From: [Ahrens Estimating](#)
To: ["scott@sealrightpavinginc.com"](mailto:scott@sealrightpavinginc.com)
Subject: FW: Invite to Bid - WANKET TANK RECYCLED WATER PIPELINE
Date: Tuesday, November 28, 2023 1:08:00 PM

From: Ahrens Estimating <estimating@ahrensmech.com>
Sent: Monday, November 27, 2023 3:55 PM
To: Ahrens Estimating <estimating@ahrensmech.com>
Subject: Invite to Bid - WANKET TANK RECYCLED WATER PIPELINE

SAN ELIJO JOINT POWERS AUTHORITY
WANKET TANK RECYCLED WATER PIPELINE PROJECT
Bid Date: November 30, 2023 at 2:00 PM

Available work areas include, but are not limited to: Asphalt, Surveying, Landscaping

We will assist in obtaining bonds, credit lines, insurance, equipment, materials, supplies, plans and/or related technical assistance for this project.

Include with your bid the Time Required for Performance of your work and any Delivery Schedules so we can establish a Flexible Timeframe for your work.

Plans, specifications and requirements for this project are available for review at our office by appointment or at SEJPA Planetbids Vendor Portal:

<https://pbsystem.planetbids.com/portal/33529/bo/bo-detail/111208>

Subcontractors are required to possess and maintain an active contractor's license. This project is subject to Prevailing Wage Rates, Certified Payroll required. All Subcontractors must be registered with the DIR PUBLIC WORKS REGISTRATION prior to bid opening and provide proof of registration with bid. Failure to comply with this information will deem your bid non-responsive.

Additionally, this Project qualifies for funding through a federal grant under the United States Bureau of Reclamation, Title XVI Water Infrastructure Improvements for the Nation (WIIN) Act, and federal Davis-Bacon wage laws and rates apply. The higher value of the prevailing wage rates shall be used on the project. Penalties for paying less than prevailing wage rates is applicable to Federal Wage Rates.

If you have any questions or need additional information, please contact us via email or the telephone number listed above. We look forward to hearing from you.

Nancy Doerring
AHRENS MECHANICAL
5959 Mission Gorge Road, Suite 204
San Diego, CA 92120

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

December 12, 2023

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: Director of Infrastructure and Sustainability

SUBJECT: CAPITAL PROGRAM UPDATE

RECOMMENDATION

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

BACKGROUND

In 2017, the San Elijo Joint Powers Authority (SEJPA) commenced a phased capital improvement program to replace and upgrade wastewater and recycled water infrastructure based on recommendations from the 2015 Facility Plan. SEJPA has completed seven major projects under Phases 1 and 2 of the Capital Program over the past six years totaling nearly \$40 million. SEJPA is currently implementing Phases 3 and 4 budgeted at \$32.6 million to be completed by 2026.

SEJPA implements capital projects at the San Elijo Water Campus and remote facilities in accordance with agency policies and its adopted budget. Projects are aligned with SEJPA's mission to protect the environment and public health. The Capital Program supports the mission through responsible management of SEJPA and member agency assets to promote reliable, sustainable operations and value-added services to the community and customers. Projects are prioritized with a triple-bottom-line process utilizing criteria presented below.



ENVIRONMENTAL
35%

Meet permit requirements and minimize risk of violations. Seek sustainable and efficient operational practices, maximize resource recovery, and minimize impacts to the environment.



FINANCIAL
30%

Implement economically-feasible projects and solutions. Maximize economic benefits for customers through cost-effective operations.



SOCIAL
35%

Maintain a high standard of worker safety and maximize community benefits through improved aesthetics and recreational uses.

DISCUSSION

SEJPA is implementing the 3-Year Capital Plan (2023 – 2025) consisting of prioritized Phase 3, Phase 4, and Miscellaneous Near-Term Projects with a total budgeted cost estimated at approximately \$32.6 million. The 3-Year Capital Plan delivery schedule and cost is summarized in Figure 15-1. Following, Table 15-1 highlights notable progress since last capital plan update (Q3: October – December 2023) and anticipated major activities in the next 3 to 6 months.

FIGURE 15-1: 3-YEAR CAPITAL PLAN SCHEDULE AND COST SUMMARY

Project Name Capital Cost	...2022	2023				2024				2025			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Phase 3 Capital Projects \$12.1 Million													
Biosolids Dewatering Facility Improvements and MS-2 Replacement													
Phase 4 Capital Projects \$18.4 Million													
Wanket Reservoir Refurbishment													
Wanket Connecting Pipeline													
Recycled Water Distribution Valve Replacements						Revised Strategy							
Stormwater Capture, Reuse and Site WQ Improvements													
Biological Treatment Improvements (NDN/CCT) and Secondary Clarifier Launder Replacement													
Moonlight Beach Pump Station Modifications													
Miscellaneous Near-Term Projects \$2.1 Million													
Biogas Treatment													
DAFT No.1 Rehabilitation													
Lomas Santa Fe Booster PS Rehabilitation													
Laboratory Rehabilitation													
Mechanics Shop Upgrade													
Escondido Regulator Structure Valve Replacement													
Headworks Channel Covers													
Olivenhain PS - Inlet Gate Replacement													
Effluent Pump Station Rehabilitation													
Recycled Water Pump Station Control Valves (South System)													
Legend: Planning Pre-Design Design Bidding/Award Construction TBD Revised													

TABLE 15-1: 3-YEAR CAPITAL PLAN, PROJECT STATUS SUMMARY

Project Name (Status)	Progress as of December 2023
Phase 3 Capital Projects	
Biosolids Dewatering Facility Improvements and MS-2 Replacement (Construction)	<ul style="list-style-type: none"> ✓ Submittals and pre-construction activities ongoing ✓ Major process and electrical equipment in production ✓ Anticipate further schedule impacts due to supply chain challenges
Phase 4 Capital Projects	
Wanket Tank Refurbishment (Design Revision / Re-Bid)	<ul style="list-style-type: none"> ✓ Rejected bid for combined tank and pipeline project ✓ Value Engineering to align scope with budget ✓ Design revisions in December/January ✓ Re-bid in Q1, 2024
Wanket Recycled Water Pipeline (Bidding)	<ul style="list-style-type: none"> ✓ Rejected bid for combined tank and pipeline project ✓ Re-organized pipeline for focused construction package ✓ Re-bid in November 2023
Recycled Water Distribution Valve Replacements (ready for construction)	<ul style="list-style-type: none"> ✓ Removed from Wanket Tank project package; exceeded budget ✓ Exploring options and strategies for phasing replacement of high priority valves
Stormwater Capture, Reuse and Site WQ Improvements (Design)	<ul style="list-style-type: none"> ✓ Workshops (2 total) and site reconnaissance ✓ Evaluating opportunities to enhance onsite stormwater capture and alleviate localized drainage issues on Water Campus ✓ Geotechnical work scheduled for December ✓ Anticipate construction bid/Award in Q2, 2024
Biological Treatment Improvements (NDN/CCT) and Secondary Clarifier Launder Replacement (Design)	<ul style="list-style-type: none"> ✓ Workshops (6 total) with design team to confirm project criteria and treatment process decisions ✓ Due diligence on prospective major equipment items at WEFTEC ✓ Wastewater sampling and testing to validate facility criteria
Moonlight Beach Pump Station Modifications (Construction)	<ul style="list-style-type: none"> ✓ Issued Notice to Proceed November 3, 2023 ✓ Preconstruction Meeting on November 16, 2023 ✓ Submittals and pre-construction activities underway
Miscellaneous Near-Term Projects	
Biogas Treatment (Pre-Design)	<ul style="list-style-type: none"> ✓ Gas sampling completed and engineering in progress ✓ Design and implementation progressing in 2024
DAFT No.1 Rehabilitation (Pre-Design)	<ul style="list-style-type: none"> ✓ Condition assessment and project scoping in progress
Lomas Santa Fe Booster PS Rehabilitation (Planning)	<ul style="list-style-type: none"> ✓ Needs assessment in conjunction with Facility Plan Update
Laboratory Rehabilitation (Planning)	<ul style="list-style-type: none"> ✓ Needs assessment in conjunction with Facility Plan Update
Mechanics Shop Upgrade (Planning)	<ul style="list-style-type: none"> ✓ Needs assessment in conjunction with Facility Plan Update
Escondido Regulator Structure Valve Replacement (Planning)	<ul style="list-style-type: none"> ✓ Needs assessment in conjunction with Facility Plan Update
Headworks Channel Covers (Design)	<ul style="list-style-type: none"> ✓ Received draft design documents ✓ Construction procurement, Q1, 2024
Olivenhain PS - Inlet Gate Replacement (Planning)	<ul style="list-style-type: none"> ✓ Slide Gate purchase planned for Q1, 2024
Effluent Pump Station Rehabilitation (Planning)	<ul style="list-style-type: none"> ✓ Condition assessment and project scoping in conjunction with Facility Plan Update
Recycled Water PS Control Valves (ready for construction)	<ul style="list-style-type: none"> ✓ Surge analysis and equipment procurement complete ✓ Construction planned for Q1, 2024

In preparation for the upcoming Facility Plan Update, SEJPA is conducting condition assessments of assets, operational needs assessments, and developing scope and planning objectives that will be the foundation for the future capital program. An RFP is planned to be issued for consultant services in January 2024 to complete the Facility Plan Update. SEJPA is evaluating opportunities for grant funding to help offset the immediate planning and project development costs.

FINANCIAL IMPACT

There is no financial impact associated with this staff report.

RECOMMENDATION

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "T. Falk", is positioned above a horizontal line.

Thomas (Tom) C. Falk, P.E., PMP
Director of Infrastructure and Sustainability