

**AGENDA
REGULAR BOARD MEETING OF THE
SAN ELIJO JOINT POWERS AUTHORITY
JANUARY 25, 2025 AT 8:30 A.M.**

The next regular meeting of the San Elijo Joint Powers Authority (SEJPA) will be on Tuesday, January 25, 2022 at 8:30 a.m., PST.

This meeting is being noticed and held virtually pursuant to Government Code section 54953(e)(1) and (e)(3). Members of the public will only be allowed to participate in meetings telephonically.

This regular meeting of the San Elijo Joint Powers Authority can be accessed using the phone number listed below:

Dial-In Phone Number: 253-215-8782

Meeting ID: 821 1337 6323

Public Comment. Anyone wishing to address the Board of Directors with respect to a particular agenda item is encouraged to submit an email to hackneyv@sejpa.org by no later than 7:30 a.m. the day of the meeting, January 25, 2022 with the subject line "Request to Provide Public Comment." You may include your public comment in your email and your comments will be read into the record during the Oral Communications/Public Comment Period (Item #4). Please include your name, address, group affiliation (if applicable), and agenda item (if applicable) in your email. Alternatively, you can simply request time to speak during the public comment portion of the Board meeting, and you will be called upon to provide your comment in real-time during the public comment portion of the Board meeting (Item #4). In the email, please include your name, the item you wish to speak about, and the telephone number that you will be calling from so that the Board Chair may invite you to provide your public comment.

Members of the public that wish to provide public comment may also address the Board of Directors in real time via telephone conference for up to 3 minutes during the Oral Communications/Public Comment Period (Item #4). During the Public Comment Period, the Board Chair will invite members of the public that wish to speak to unmute and identify themselves and the matter they wish to speak upon. If multiple persons wish to speak, the Board Chair may request all public speakers first identify themselves to create a list of public speakers, and may thereafter mute all lines and unmute each public speaker one by one for three minutes at a time, in order to allow the identified members of the public to give their public comment in an orderly and uninterrupted manner.

Persons with disabilities that require modifications or accommodations should email hackneyv@sejpa.org or call 760-753-6203 x71 by no later than 7:30 A.M. the day of the meeting to request reasonable modifications or accommodations consistent with the Americans with Disabilities Act and SEJPA shall promptly work with you to resolve the matter in favor of accessibility.

-
1. CALL TO ORDER
 2. ROLL CALL
 3. PLEDGE OF ALLEGIANCE
 4. ORAL COMMUNICATIONS/PUBLIC COMMENT PERIOD (NON-ACTION ITEM)
 5. AWARDS AND RECOGNITION
State Water Resources Control Board and California Water Quality Monitoring Council recognizing SEJPA's participation in COVID-19 monitoring in wastewater

6. * [AB 361 FINDINGS REGARDING VIRTUAL MEETING \(ACTION ITEM\)](#)

Staff respectfully recommends the Board of Directors discuss and evaluate the information provided in this staff report and, if appropriate, make the following determination by a majority vote:

1. In light of the information provided in this staff report and the corresponding verbal discussion during this Board meeting, the Board of Directors hereby determines pursuant to Government Code 54953(e)(1)(B) and (C) that as a result of the Covid-19 pandemic, meeting in person would present imminent risks to the health or safety of attendees.
2. Discuss and take other action as appropriate, including providing direction to Staff regarding whether to continue holding virtual meetings in February.

Staff Reference: General Manager

7. * **CONSENT CALENDAR**

8. * [APPROVAL OF MINUTES FOR DECEMBER 14, 2021 MEETING](#)

9. * [APPROVAL FOR PAYMENT OF WARRANTS AND MONTHLY INVESTMENT REPORTS](#)

10. * [WASTEWATER TREATMENT REPORT](#)

11. * [RECYCLED WATER REPORT](#)

12. * [REPORTABLE MEETINGS](#)

13. * **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

14. [FISCAL YEAR 2020-21 FINANCIAL AUDIT REPORT ACCEPTANCE](#)

1. Accept and file the FY 2020-21 Audited Financial Statements for San Elijo Joint Powers Authority;
2. Accept and file the FY 2020-21 SAS 114 Letter; and
3. Discuss and take action as appropriate.

Staff Reference: Director of Finance and Administration

15. SAN ELIJO JOINT POWERS AUTHORITY END OF YEAR REVIEW OF THE FY 2020-21 OPERATING AND DEBT SERVICE EXPENSES

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

Staff Reference: Director of Finance and Administration

16. GENERAL MANAGER'S REPORT

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

17. GENERAL COUNSEL'S REPORT

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

18. BOARD MEMBER COMMENTS

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

19. CLOSED SESSION

The Board will adjourn to Closed Session to discuss item(s) identified below. Closed Session is not open to the public; however, an opportunity will be provided at this time if members of the public would like to comment on any item listed below. (Three-minute limit.) A closed session may be held at any time during this meeting of the San Elijo Joint Powers Authority for the purposes of discussing potential or pending litigation or other appropriate matters pursuant to the "Ralph M. Brown Act".

None.

20. ADJOURNMENT

The next regularly scheduled San Elijo Joint Powers Authority Board Meeting will be Tuesday, February 15, 2022 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 is available for public review in the lobby of the SEJPA Administrative Office during normal business hours. Agendas and minutes are available at www.sejpa.org. The SEJPA Board meetings are held on the 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: January 20, 2022

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
MEMORANDUM

January 25, 2022

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: AB 361 FINDINGS REGARDING VIRTUAL MEETINGS

RECOMMENDATION

Staff respectfully recommends the Board of Directors discuss and evaluate the information provided in this staff report and, if appropriate, make the following determination by a majority vote:

1. In light of the information provided in this staff report and the corresponding verbal discussion during this Board meeting, the Board of Directors hereby determines pursuant to Government Code 54953(e)(1)(B) and (C) that as a result of the Covid-19 pandemic, meeting in person would present imminent risks to the health or safety of attendees.
2. Discuss and take other action as appropriate, including providing direction to Staff regarding whether to continue holding virtual meetings in February.

BACKGROUND

On March 4, 2020, the Governor declared a state of emergency arising from the Covid-19 pandemic. Assembly Bill No. 361 took effect September 16, 2021. It amends the Brown Act and allows public agencies to utilize telephonic or virtual meetings without compliance with the telephonic agenda provisions of the Brown Act found in Government Code 54953(b)(3) if any of the following circumstances are met:

- (A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.
- (B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.
- (C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

These circumstances allow agencies to hold entirely virtual board meetings during the current pandemic, while California is in a proclaimed state of emergency. The previous teleconference rules under the Brown Act also remain in place, but are not as flexible.

If a board meeting is held virtually under the new provisions of AB 361, the agenda must still be posted under the appropriate timelines: 72 hours in advance for a regular board meeting, and 24 hours in advance for a special board meeting. The agenda must include the meeting link or dial-in, so that members of the public may access the meeting. Members of the public must be allowed to address the board in real-time during the meeting. Boards can no longer require public comments to be submitted in advance and there must be an opportunity to provide comments in real time.





If a board meets virtually under AB 361, and thereafter wishes to continue meeting virtually during the state of emergency, the board must make findings every 30 days that 1) the board has reconsidered the circumstances of the state of emergency and 2) the state of emergency continues to directly impact the ability of the members to meet safely in person or state or local officials continue to impose or recommend measures to promote social distancing.

DISCUSSION

California remains in a state of emergency related to the Covid-19 pandemic. State and local officials have phased out most physical distancing requirements, and recommendations relating to social distancing are fairly limited. However, the pandemic is still very much present and continues to threaten lives, and is particularly threatening for persons who are unvaccinated and for those who are considered high-risk, such as persons over 65 or those who are immune-compromised or have underlying health conditions.

The County of San Diego Health and Human Services Agency's Epidemiology and Immunization Services Branch prepares a Weekly Coronavirus Disease 2019 (COVID-19) Surveillance Report, which is attached to this staff report for the Board's information and consideration. A screenshot of Table 1 of the January 19, 2022 Report, which includes a Summary of Cases, Deaths, and Outbreaks by Date Reported for San Diego County, is provided below for the Board's information, so that the Board can review the current and local data and evaluate whether the pandemic continues to directly impact the ability of the Board members to meet safely.

Table 1. Summary of Cases, Deaths, and Outbreaks by Date Reported

	1/9 – 1/15/2022	1/2 – 1/8/2022	Cumulative
Cases	78,521 	68,771	588,460
Avg Daily Cases	11,217 	9,824	867
Deaths	45 	31	4,545
Outbreaks	91 	67	3,431

As of the date of this staff report, the Omicron variant has caused a surge in positive cases throughout the community. Out of an abundance of caution, and given the recent Covid-19 data presented above, staff recommends continuing virtual meetings until meeting in person is safe for the health and safety of all Board members, staff and attendees.

FINANCIAL IMPACT

None.

STAFF RECOMMENDATION

Staff respectfully recommends the Board of Directors discuss and evaluate the information provided in this staff report and, if appropriate, make the following determination by a majority vote:

1. In light of the information provided in this staff report and the corresponding verbal discussion during this Board meeting, the Board of Directors hereby determines pursuant to Government Code 54953(e)(1)(B) and (C) that as a result of the Covid-19 pandemic, meeting in person would present imminent risks to the health or safety of attendees.
2. Discuss and take other action as appropriate, including providing direction to Staff regarding whether to continue holding virtual meetings in February.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachment 1: San Diego County COVID-19 Watch Weekly Coronavirus Disease 2019 (COVID-19) Surveillance Report

COVID-19 Watch

Weekly Coronavirus Disease 2019 (COVID-19) Surveillance Report

Prepared by Epidemiology and Immunization Services
Branch

www.sdepi.org

January 19, 2022

Cases

588,460

Deaths

4,545

Outbreaks

3,431

Data through 1/15/2022

Report Content Links

- Page 2: [Summary](#)
- Page 3: [COVID-19 Infections by Vaccination Status](#)
- Page 4: [COVID-19 Hospitalizations by Vaccination Status](#)
- Page 5: [COVID-19 Deaths by Vaccination Status](#)
- Page 6: [COVID-19 Spread in San Diego County: R-effective Trend](#)
- Page 7: [Daily COVID-19 Counts by Vaccination Status – Previous 3 Months](#)
- Page 8: [Weekly COVID-19 Counts by Age – Previous 3 Months](#)
- Page 9: [Selected Characteristics of COVID-19 Cases, Hospitalizations, and Deaths](#)
- Page 10: [Age-Adjusted COVID-19 Case Rates by Race/Ethnicity](#)
- Page 11: [Age-Adjusted COVID-19 Hospitalization Rates by Race/Ethnicity](#)
- Page 12: [Case Rates by Zip Code of Residence](#)
- Page 13: [COVID-19 Potential Exposure Settings](#)
[Community Setting Outbreaks](#)
- Page 14: [Number of Vaccinations Administered and Cumulative Number of Persons Fully Vaccinated](#)
[Percent Fully Vaccinated by Zip Code of Residence](#)
- Page 15: [COVID-19 Vaccinations by Race/Ethnicity and Health Equity](#)
- Page 16: [COVID-19 Cases in Children and Outbreaks in School Settings](#)
- Page 17: [COVID-19 Cases in Schools](#)
- Page 18: [COVID-19 Laboratory Test Positivity Rate – Previous 12 Months](#)
[Emergency Department Data – Previous 12 Months](#)
- Page 19: [COVID-19 Pandemic at a Glance](#)
- Page 20: [Pandemic at a Glance: Summary of COVID-19-associated Deaths](#)

Epidemiology and Immunization Services Branch

www.sdepi.org (619) 692-8499

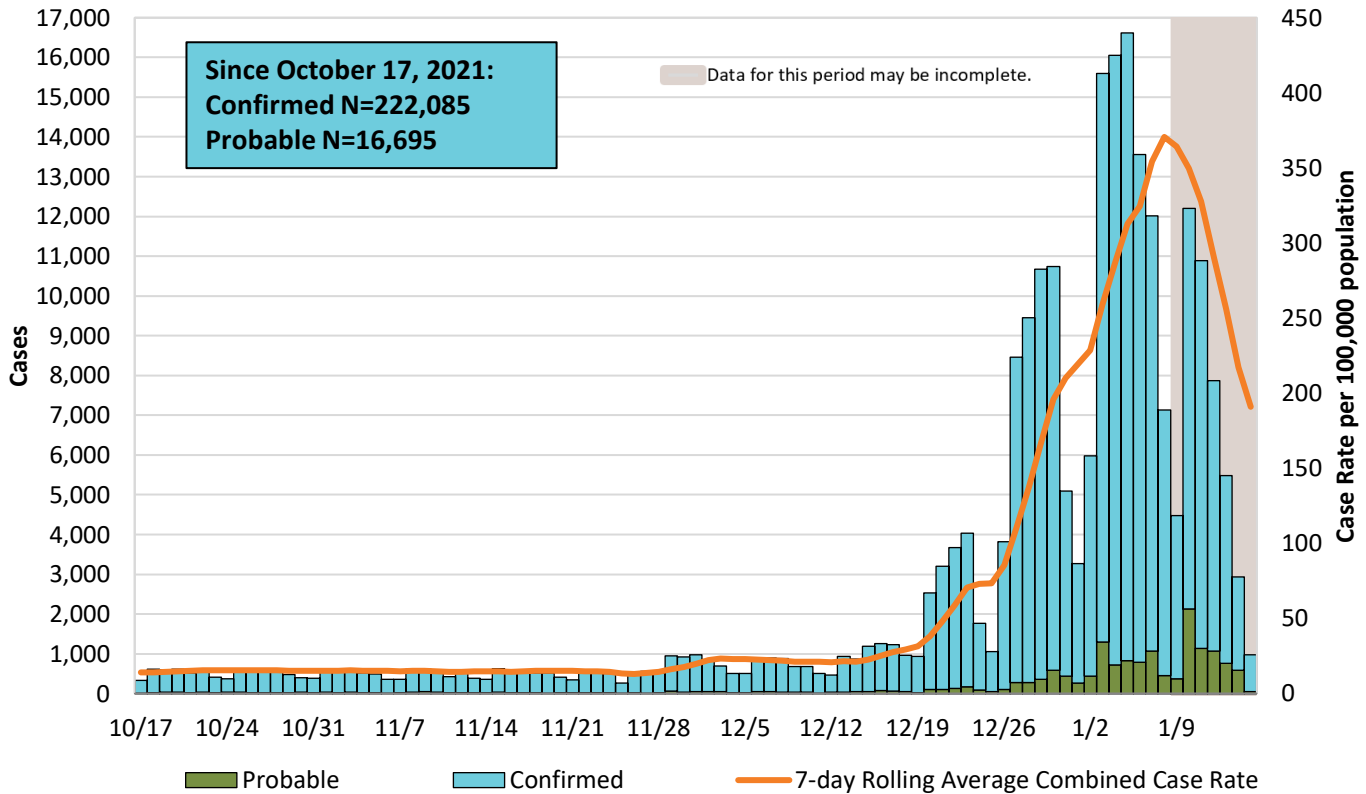
COVID-19 WATCH

Weekly Coronavirus Disease 2019 (COVID-19) Surveillance Report

Data through 1/15/2022



Figure 1. COVID-19 Confirmed and Probable Cases and 7-Day Rolling Average Case Rate by Date of Illness Onset*, San Diego County Residents, N=238,780



*When onset date is unavailable, specimen collection date, date of death, or date reported is used instead.

**Probable cases are antigen positive tests received since August 1, 2020.

Table 1. Summary of Cases, Deaths, and Outbreaks by Date Reported

	1/9 – 1/15/2022	1/2 – 1/8/2022	Cumulative
Cases	78,521	68,771	588,460
Avg Daily Cases	11,217	9,824	867
Deaths	45	31	4,545
Outbreaks	91	67	3,431



COVID-19 WATCH

Weekly Coronavirus Disease 2019 (COVID-19) Surveillance Report



COVID-19 Infections by Vaccination Status

Case rate for not fully vaccinated residents is **2 times higher** than fully vaccinated residents

Dates: 12/26-1/1/2022

Not Fully Vaccinated*

Case Rate
(per 100,000)

283.2

Fully Vaccinated**

Case Rate
(per 100,000)

173.3

County Overall

Case Rate
(per 100,000)

209.7

Figure 2. 7-Day Rolling Average COVID-19 Case Rate by Vaccination Status in San Diego County Residents since March 1, 2021

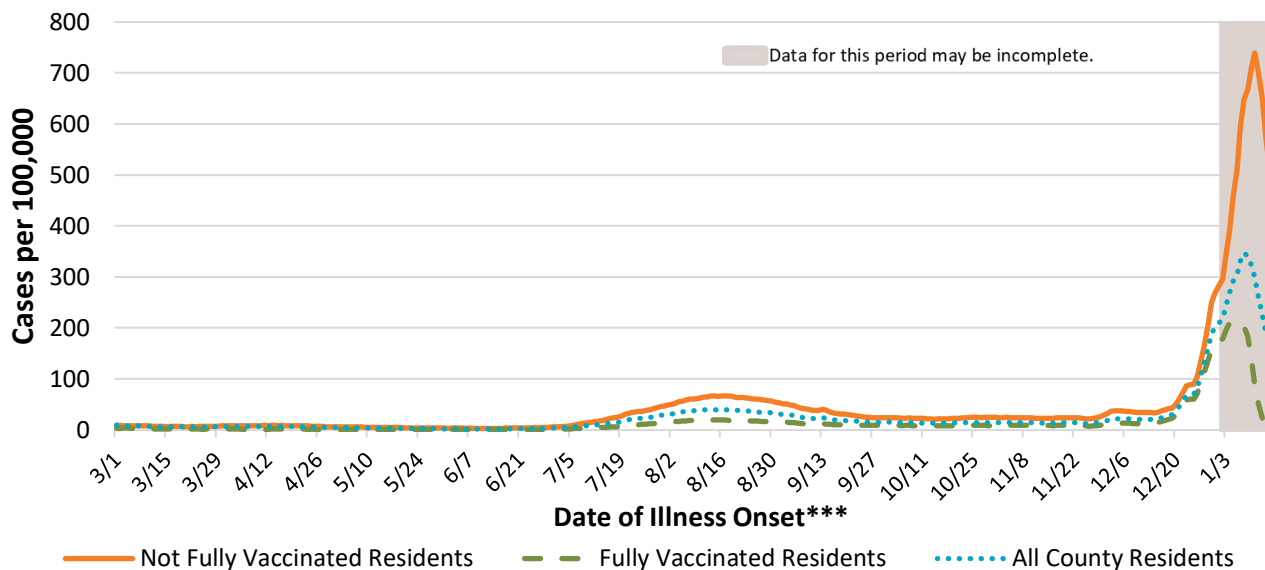


Table 2. COVID-19 Cases Among San Diego County Residents by Vaccination Status from Illness Onset Dates*** of March 1, 2021 to December 11, 2021

	Not Fully Vaccinated*	Fully Vaccinated**	Total
Cases	127,317 (62.5%)	76,440 (37.5%)	203,757
Hospitalizations	3,550 (79.3%)	927 (20.7%)	4,477
Deaths	630 (82.4%)	135 (17.6%)	765

*Not fully vaccinated includes individuals with one dose of the two-dose series, no doses, or unknown vaccination status. Individuals who are not yet eligible for the vaccine are also included.

**Cases who first tested positive (based on specimen collection date) greater than or equal to 14 days after receiving the final dose of COVID-19 vaccine.

Percentages are among total cases, hospitalizations, and deaths for the time period. Cases with recent infection or onset dates may not yet be reported and vaccination data for recently reported cases may be incomplete. Hospitalizations and deaths from the last 14 days may not yet be reported. To account for this, data for the most recent two weeks are not included.

***If case did not have symptoms or illness onset date is unavailable, the earliest of specimen collection date, date of death, or date reported is used instead.

San Diego County Population from SANDAG 2019 Population Estimates (Prepared June 2020) = 3,351,784. The fully vaccinated population for each day is the cumulative number of county residents documented to have received the final dose of COVID-19 vaccine more than 14 days prior to that day. The not fully vaccinated population is the estimated total county population minus the fully vaccinated population.

Data through
1/15/2022

Epidemiology and Immunization Services Branch

www.sdepi.org

(619) 692-8499



COVID-19 WATCH

Weekly Coronavirus Disease 2019 (COVID-19) Surveillance Report



COVID-19 Hospitalizations by Vaccination Status

Hospitalization rate for not fully vaccinated residents is **4 times higher** than fully vaccinated residents

Dates: 12/12-12/25/2021

Not Fully Vaccinated*
Hospitalization Rate
(per 100,000)

0.97

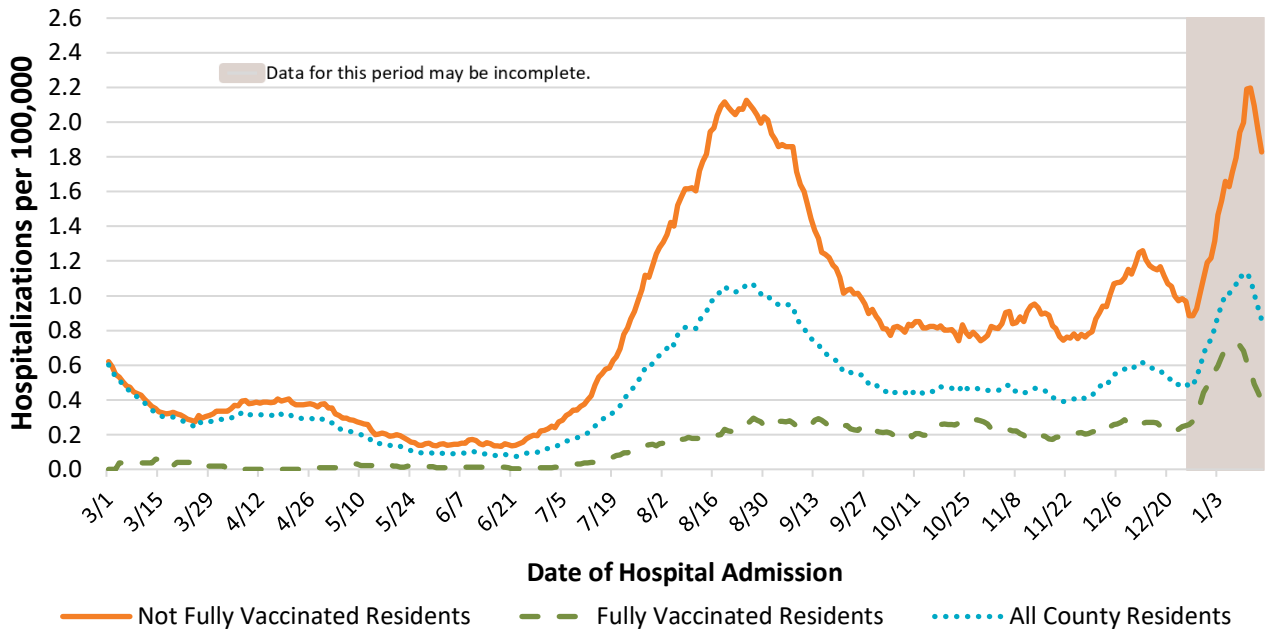
Fully Vaccinated **
Hospitalization Rate
(per 100,000)

0.25

County Overall Hospitalization Rate
(per 100,000)

0.50

Figure 3. 14-Day Rolling Average COVID-19 Hospitalization Rate by Vaccination Status in San Diego County Residents since March 1, 2021



*Not fully vaccinated includes individuals with one dose of the two-dose series, no doses, or unknown vaccination status. Individuals who are not yet eligible for the vaccine are also included.

**Cases who first tested positive (based on specimen collection date) greater than or equal to 14 days after receiving the final dose of COVID-19 vaccine.

San Diego County Population from SANDAG 2019 Population Estimates (Prepared June 2020) = 3,351,784. The fully vaccinated population for each day is the cumulative number of county residents documented to have received the final dose of COVID-19 vaccine more than 14 days prior to that day. The not fully vaccinated population is the estimated total county population minus the fully vaccinated population.



COVID-19 WATCH

Weekly Coronavirus Disease 2019 (COVID-19) Surveillance Report

COVID-19 Deaths by Vaccination Status

Dates: 12/12-12/25/2021

Death rate for not fully vaccinated residents is **8 times higher** than fully vaccinated residents

Not Fully Vaccinated*
Death Rate
(per million)

3.10

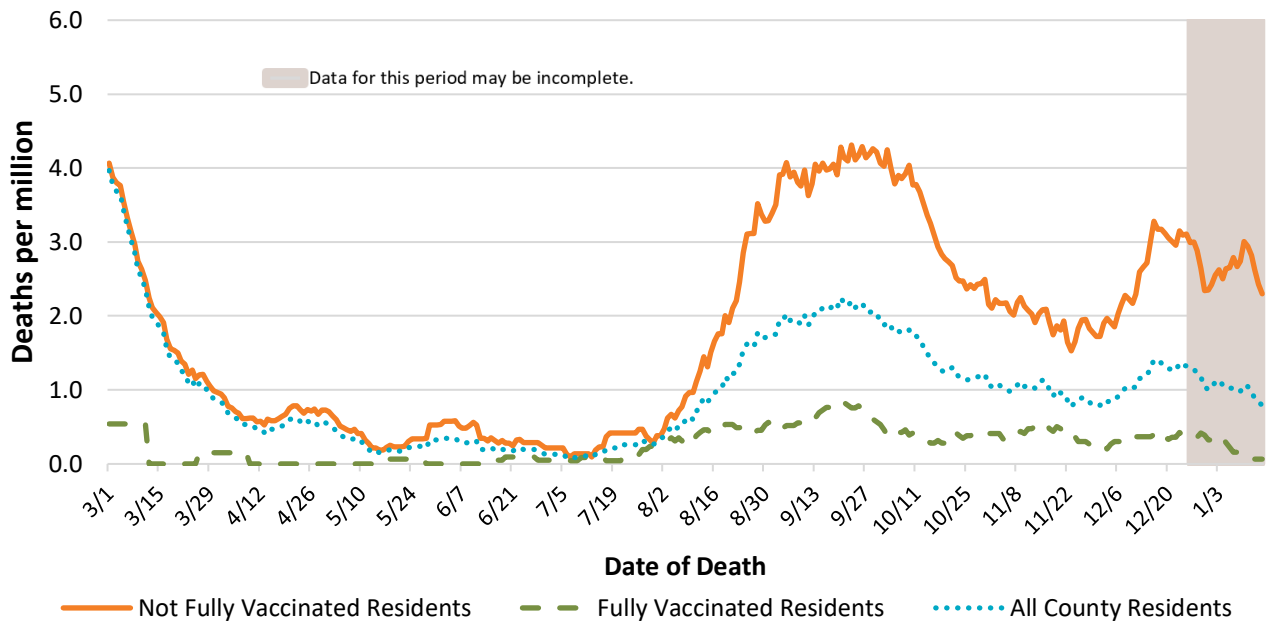
Fully Vaccinated **
Death Rate
(per million)

0.39

County Overall
Death Rate
(per million)

1.32

Figure 4. 14-Day Rolling Average COVID-19 Death Rate by Vaccination Status in San Diego County Residents since March 1, 2021



*Not fully vaccinated includes individuals with one dose of the two-dose series, no doses, or unknown vaccination status. Individuals who are not yet eligible for the vaccine are also included.

**Cases who first tested positive (based on specimen collection date) greater than or equal to 14 days after receiving the final dose of COVID-19 vaccine.

San Diego County Population from SANDAG 2019 Population Estimates (Prepared June 2020) = 3,351,784. The fully vaccinated population for each day is the cumulative number of county residents documented to have received the final dose of COVID-19 vaccine more than 14 days prior to that day. The not fully vaccinated population is the estimated total county population minus the fully vaccinated population.

COVID-19 Spread in San Diego County: R-effective Trend

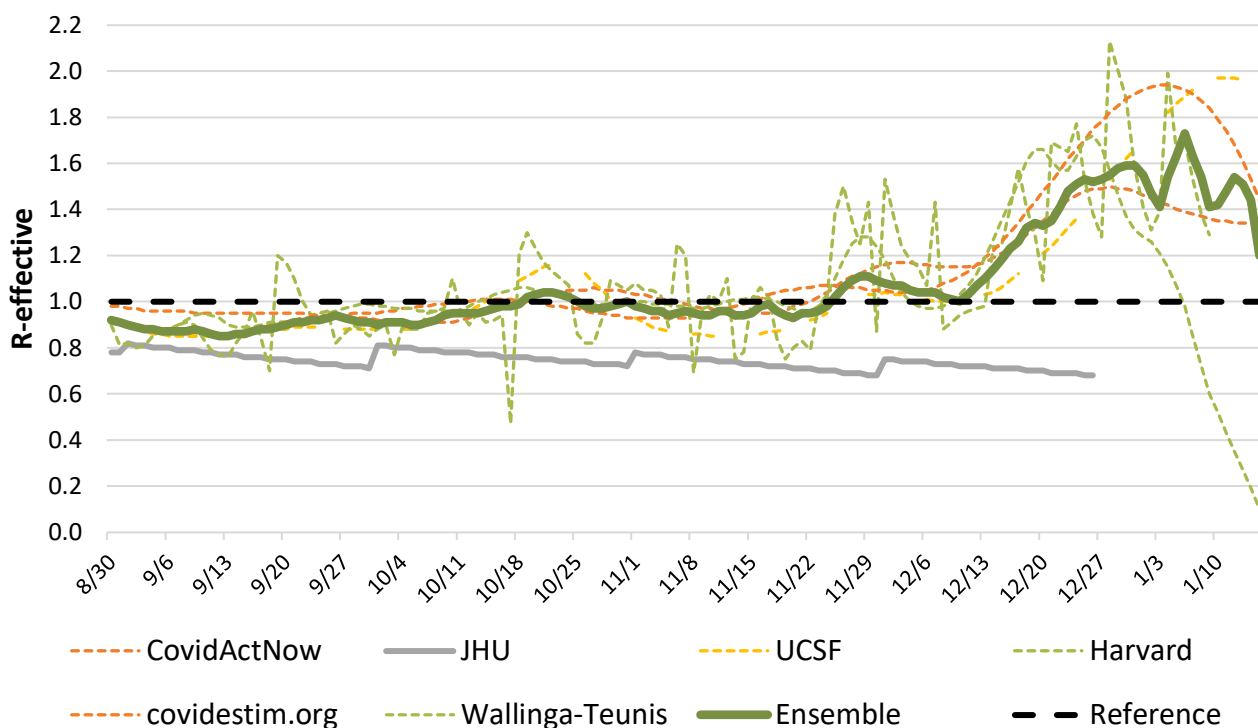
- The effective reproduction number (R effective or R-eff) is the average number of people each infected person will pass the virus onto and represents the rate at which a virus is spreading. If R-eff >1, the number of infected persons will increase. If R-eff <1, the number of infected persons will decrease. If R-eff =1, the number of infected persons is constant.
- R effective should be interpreted with caution. It is based on a theoretical set of assumptions to derive an average number across San Diego County. It does not take into account factors such as local population density or social behavior.
- These R effective estimates come from the California COVID Assessment Tool Nowcasts (<https://calcat.covid19.ca.gov/cacovidmodels/>). Each estimate on the graph comes from a different group with different modeling methods. The ensemble takes the median of all the nowcasts available on a given date and smooths it with a three-day moving average.

Figure 5. R-effective Trend in San Diego County Over the Past Three Months

Latest estimate of R-effective is:

1.2

Spread of COVID-19 is likely increasing



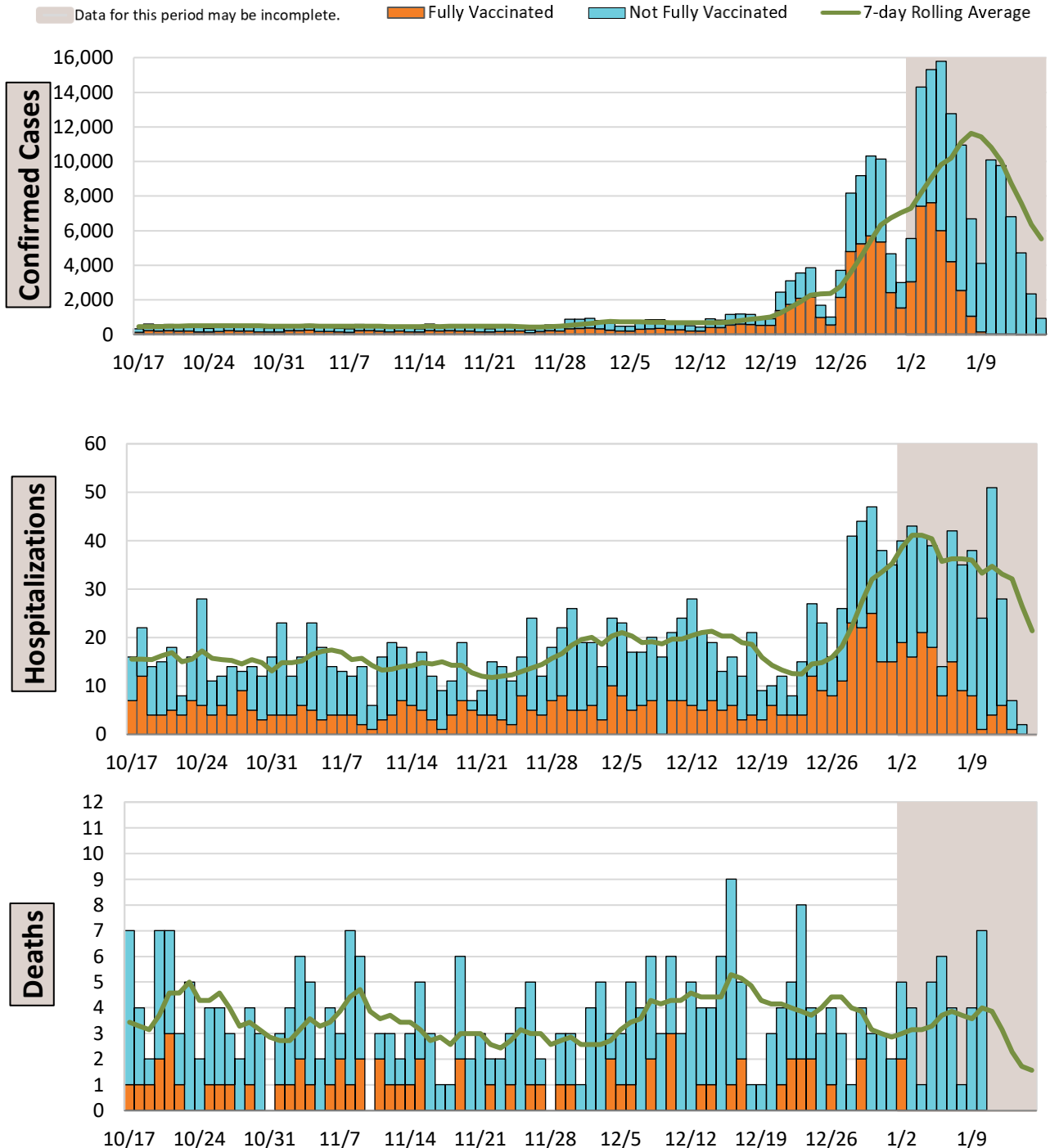
Source: <https://calcat.covid19.ca.gov/cacovidmodels/>

COVID-19 WATCH

Weekly Coronavirus Disease 2019 (COVID-19) Surveillance Report



Figures 6-8. Daily COVID-19 Counts by Vaccination Status – Previous 3 Months



Data through
1/15/2022

Epidemiology and Immunization Services Branch
www.sdepi.org (619) 692-8499

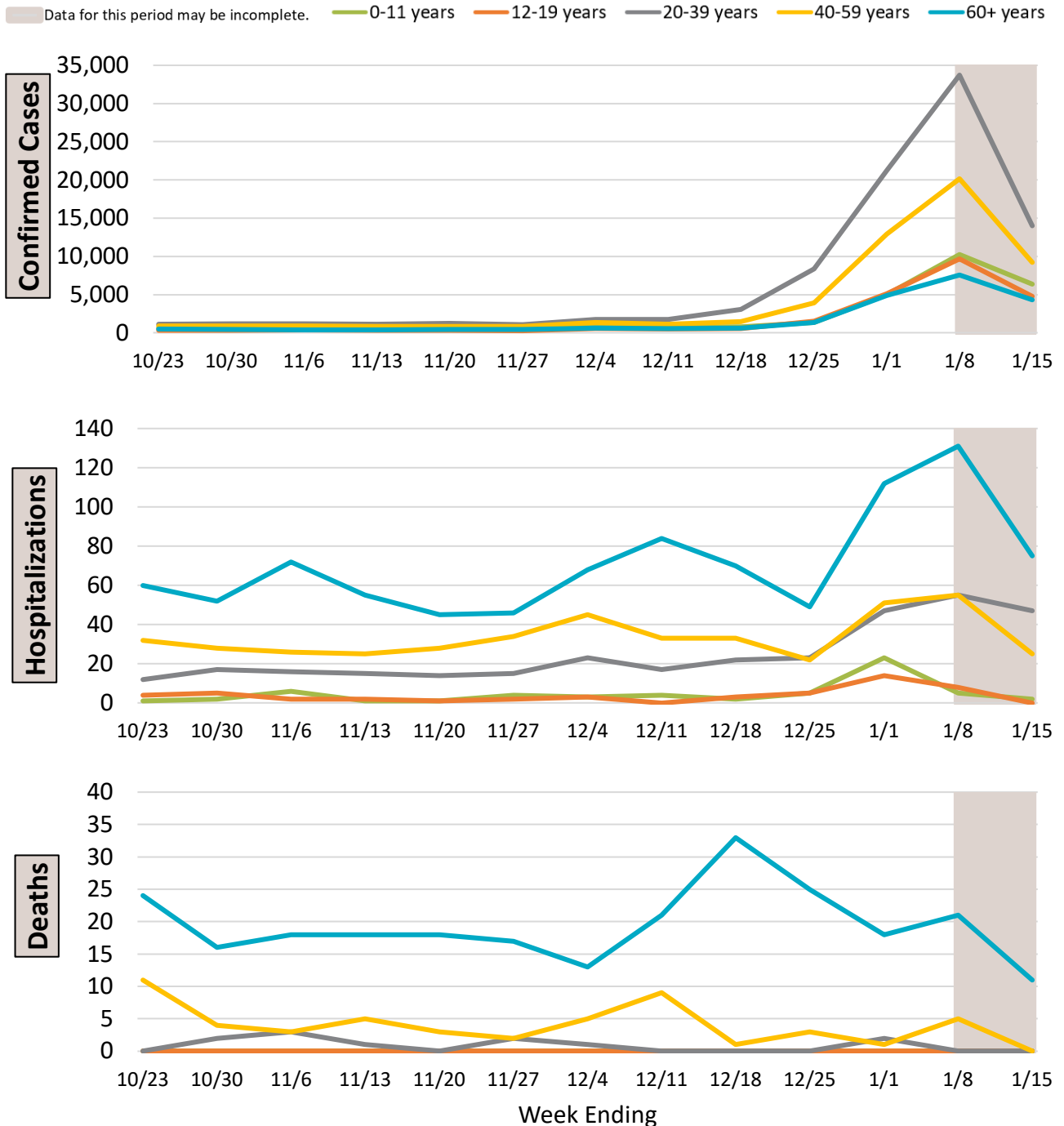


COVID-19 WATCH

Weekly Coronavirus Disease 2019 (COVID-19) Surveillance Report



Figures 9-11. Weekly COVID-19 Counts by Age – Previous 3 Months



Selected Characteristics of COVID-19 Cases, Hospitalizations, and Deaths

Table 3. Confirmed Cases by Date Reported, Last Two Weeks vs. Cumulative

Confirmed Cases		January 2, 2022 – January 15, 2022	February 14, 2020 – January 15, 2022
	Confirmed cases	147,292	588,460
	Median age	31 years	33 years
	Age range	0-100+ years	0-100+ years
	Male	67,813 (47%)	281,103 (48%)
	Female	77,733 (53%)	302,437 (52%)

Table 4. Confirmed Hospitalizations by Date of Admission, Last Two Weeks vs. Cumulative

Hospitalizations		January 2, 2022 – January 15, 2022	February 14, 2020 – January 15, 2022
	Hospitalizations	404 (0.3%)	19,781 (3%)
	Median age	60 years	62 years
	Age range	0-99 years	0-100+ years
	Male	196 (49%)	10,612 (54%)
	Female	207 (51%)	9,140 (46%)

Sex is unknown for 1 hospitalization for the last two weeks and for 29 hospitalizations cumulatively.

Note: Percentage hospitalized is calculated based on the total number of cases; information may be unknown in some cases. Hospitalization counts are likely underreported and may increase as additional information is obtained.

Table 5. Confirmed Deaths by Date of Death, Last Two Weeks vs. Cumulative

Deaths		January 2, 2022 – January 15, 2022	February 14, 2020 – January 15, 2022
	Deaths	37	4,545
	Case Fatality Ratio	N/A*	0.8%
	Underlying Conditions**	34 (92%)	4,345 (96%)
	Median age	80 years	76 years
	Age range	42-99 years	10-100+ years
	Male	24 (65%)	2,730 (60%)
	Female	13 (35%)	1,815 (40%)

*Data are incomplete for this time period.

**Refer to the graph on page 18 for more details.

Age-Adjusted COVID-19 Case Rates by Race/Ethnicity

Figure 12. Age-Adjusted Rates of Confirmed Cases by Race/Ethnicity, San Diego County Residents

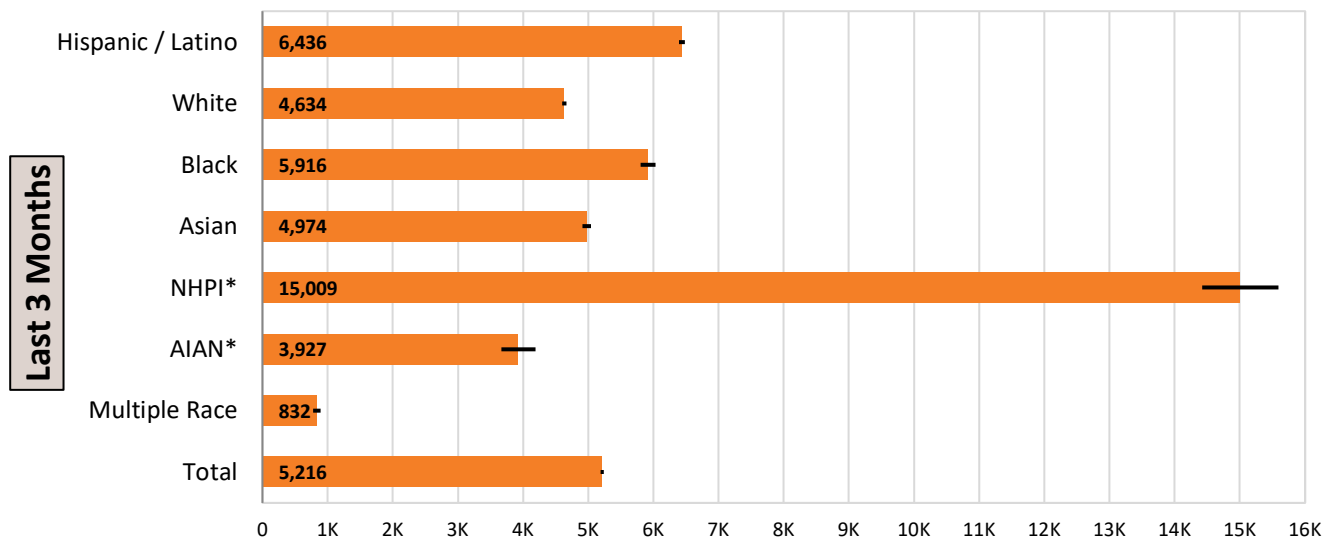
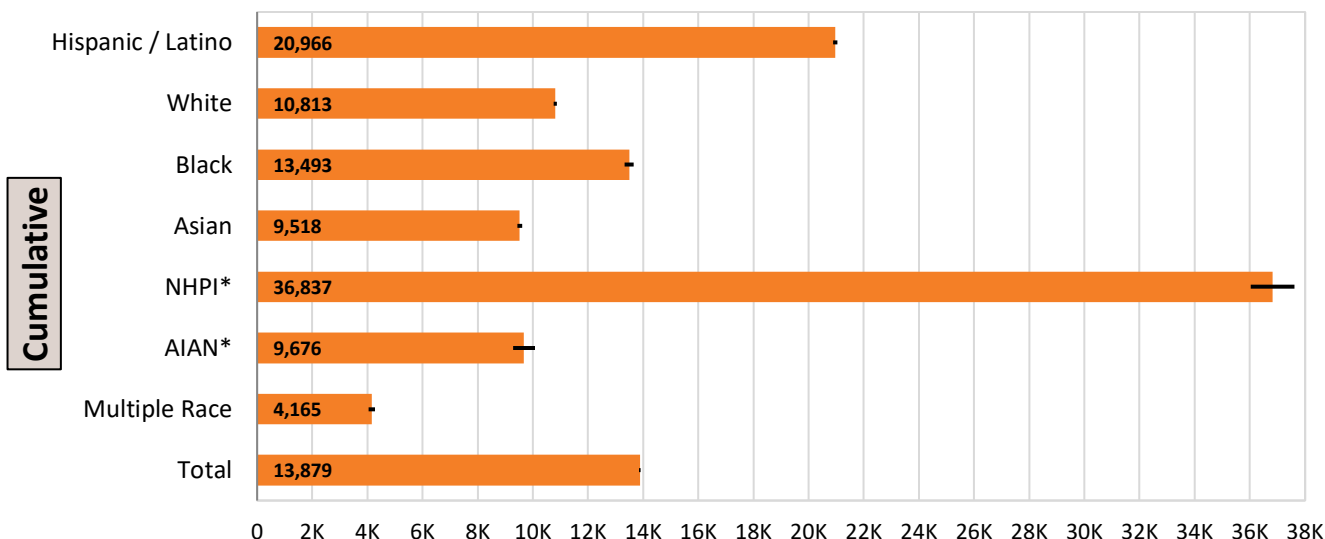


Figure 13. Age-Adjusted Rates of Confirmed Cases by Race/Ethnicity, San Diego County Residents



The black lines represent the 95% confidence intervals (error bars). Rates are not calculated for fewer than 20 events.

*NHPI=Native Hawaiian/Pacific Islander, AIAN=American Indian/Alaska Native.

Age-Adjusted COVID-19 Hospitalization Rates by Race/Ethnicity

Figure 14. Age-Adjusted Rates of Hospitalizations by Race/Ethnicity, San Diego County Residents

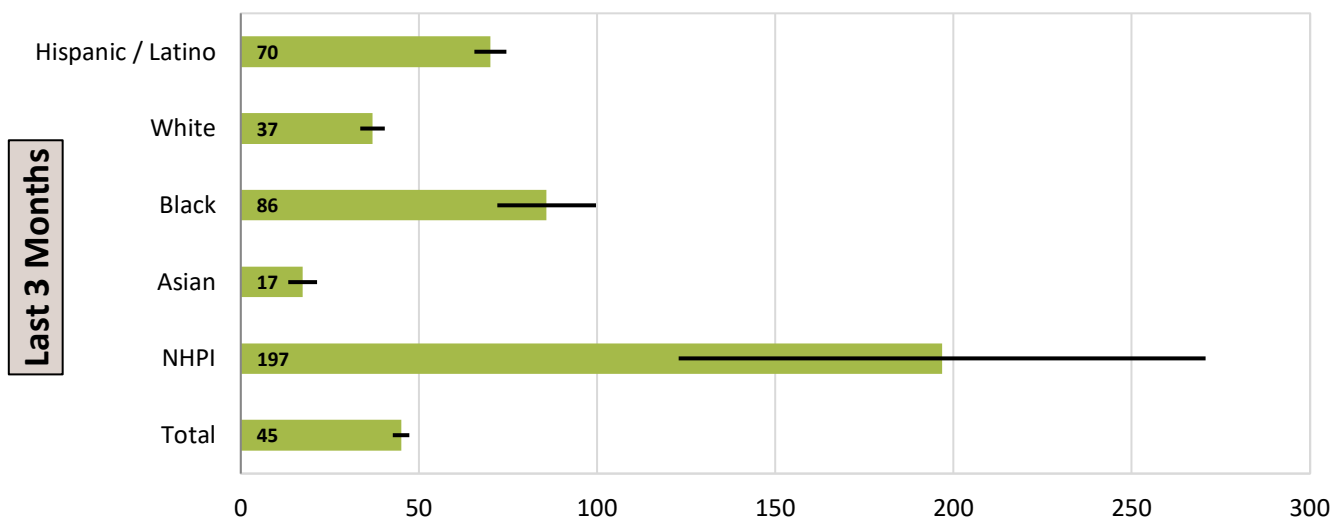
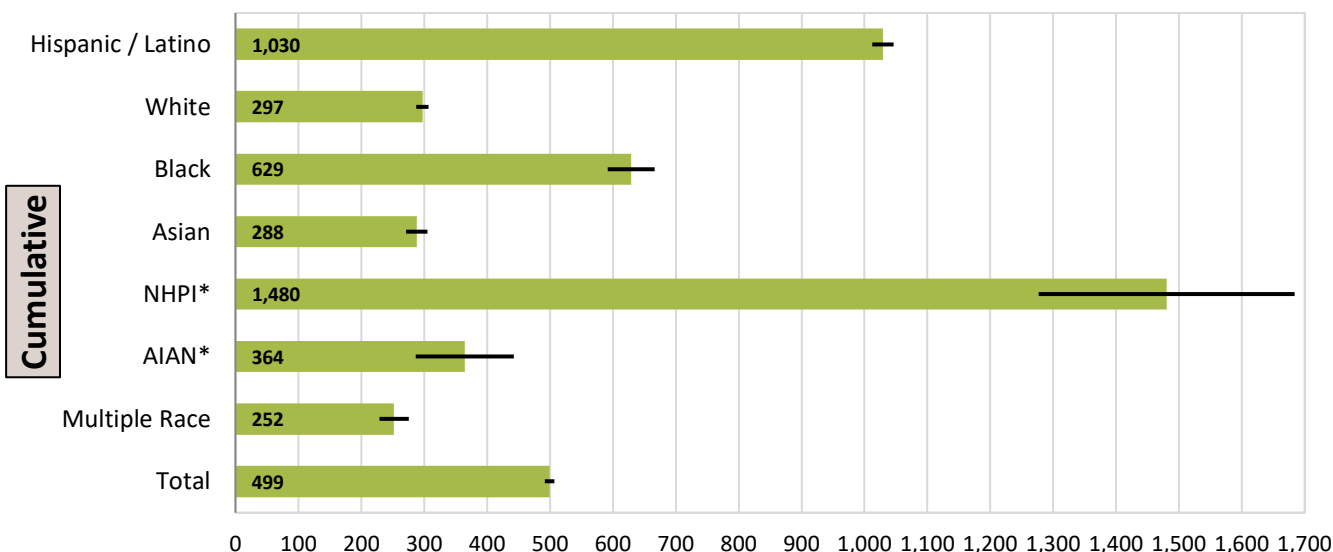


Figure 15. Age-Adjusted Rates of Hospitalizations by Race/Ethnicity, San Diego County Residents



The black lines represent the 95% confidence intervals (error bars).

Rates are not calculated for fewer than 20 events. Hospitalization rates were not calculated for the last three months for Multiple Race and AIAN because these categories have fewer than 20 events.

*NHPI=Native Hawaiian/Pacific Islander, AIAN=American Indian/Alaska Native.

COVID-19 WATCH

Weekly Coronavirus Disease 2019 (COVID-19) Surveillance Report

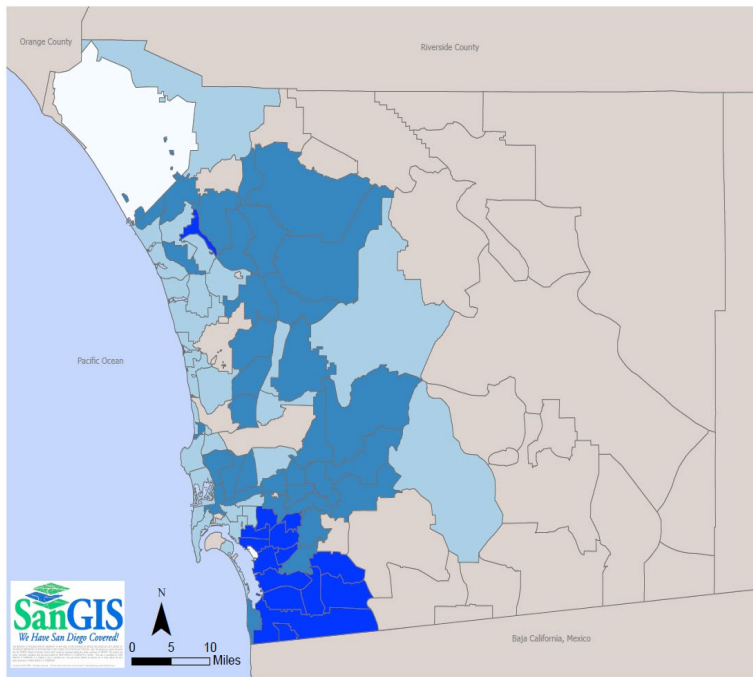


Figure 16. Confirmed Case Rate by Zip Code of Residence, 1/2/2022-1/15/2022, San Diego County
(Countywide Rate = 4,394 per 100,000 Population)

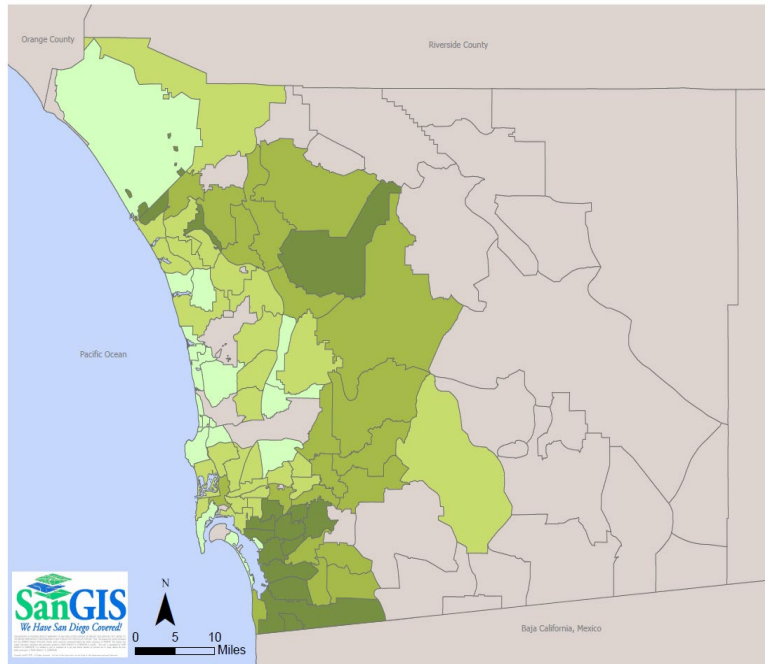
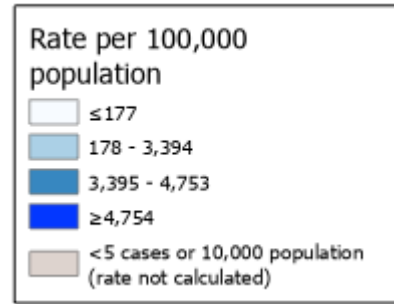
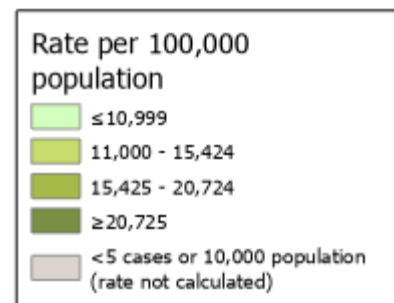


Figure 17. Cumulative Confirmed Case Rate by Zip Code of Residence, San Diego County
(Countywide Rate = 17,557 per 100,000 Population)

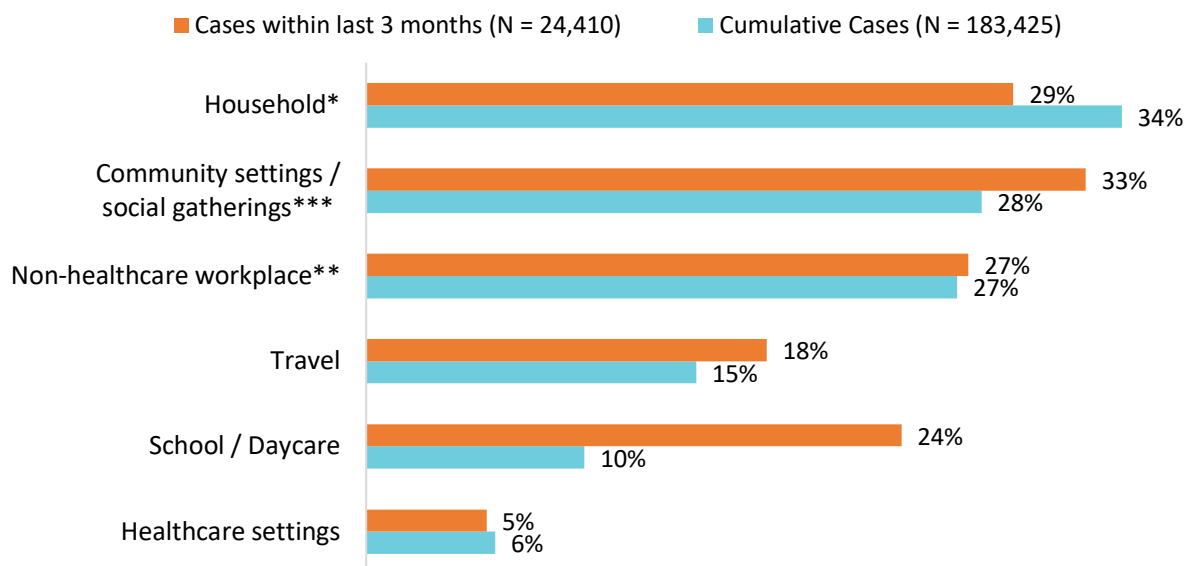


Confirmed COVID-19 Cases by Zip Code

Rates calculated using 2019 population estimates from the San Diego Association of Governments. Rates not calculated for counts under 5 cases or populations less than 10,000. Zip code is zip code of residence, which may not be location of exposure. Case [counts and rates](#) for each zip code are updated routinely on the County of San Diego COVID-19 website.

COVID-19 Potential Exposure Settings

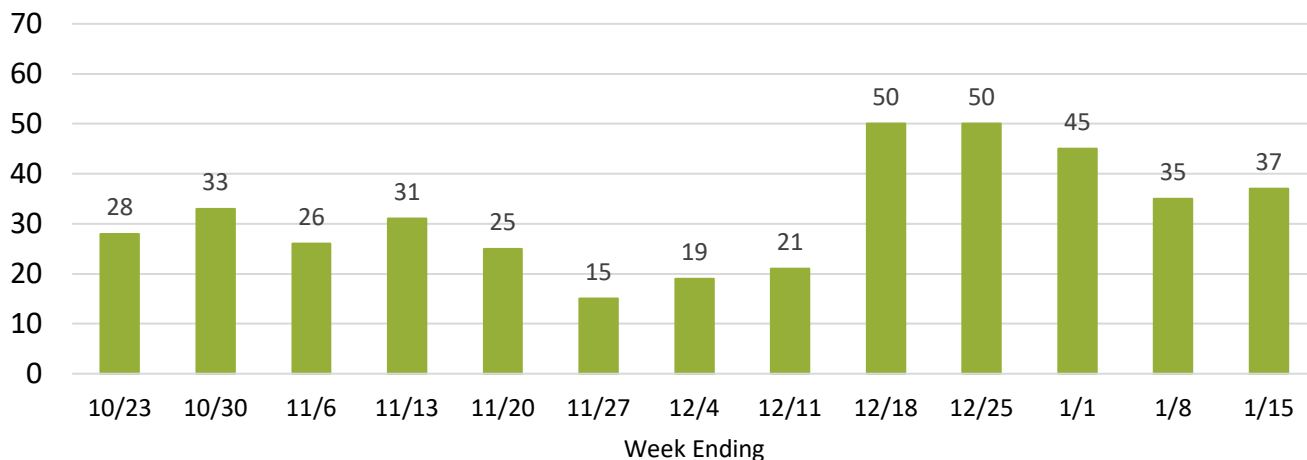
Figure 18. All Potential Exposure Settings Identified Among Confirmed Cases, San Diego County Residents



Potential exposure settings are places case-patients visited during their exposure period, not confirmed sources of infection. Persons may be exposed in multiple locations and types of settings, including the household, the workplace, educational settings, other community settings, and during travel. Community settings are defined as indoor or outdoor locations in which cases came within 6 feet of anyone who was not a household member for at least 15 minutes during the 2-14 days prior to symptom onset, even if the case wore a mask or facial covering.

COVID-19 Community Setting Outbreaks

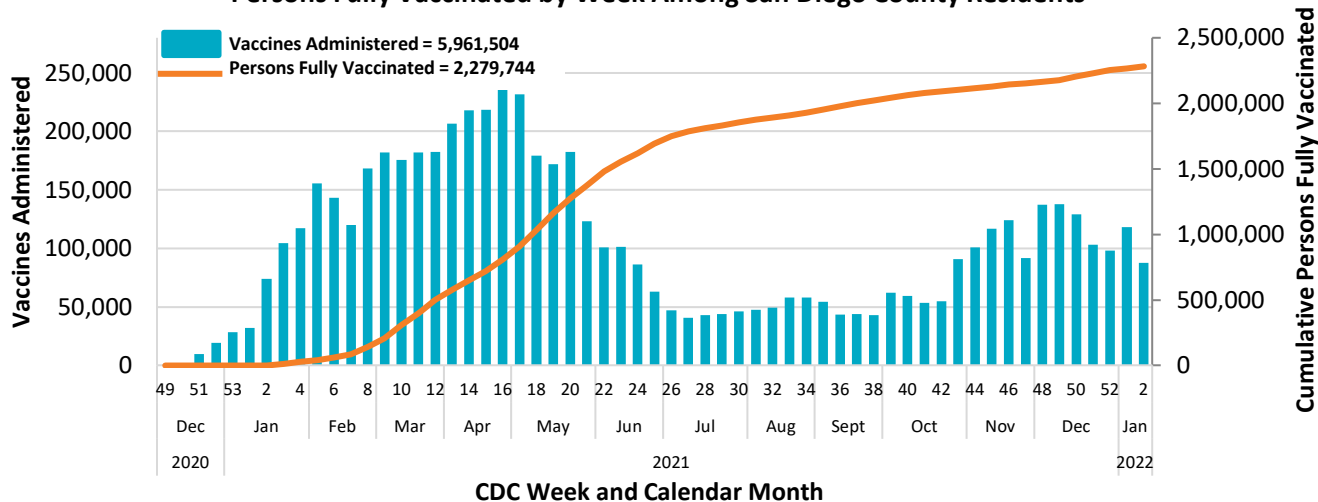
Figure 19. Community Setting Outbreaks* by Date Outbreak Confirmed
Total Number of Community Outbreaks=415



*Community setting outbreaks are defined as at least three probable or confirmed COVID-19 cases within a 14-day period in people who are epidemiologically-linked in the setting, are from different households, and are not identified as close contacts of each other in any other case investigation. Examples include workplaces, adult and child daycare facilities, K-12 schools and colleges/universities, and day camps.

COVID-19 Vaccinations

Figure 20. Number of COVID-19 Vaccinations Administered and Cumulative Number of Persons Fully Vaccinated by Week Among San Diego County Residents



The bars show vaccines administered, not individuals vaccinated. The line shows the cumulative number of persons fully vaccinated per the dose and schedule regimen for the vaccine received.

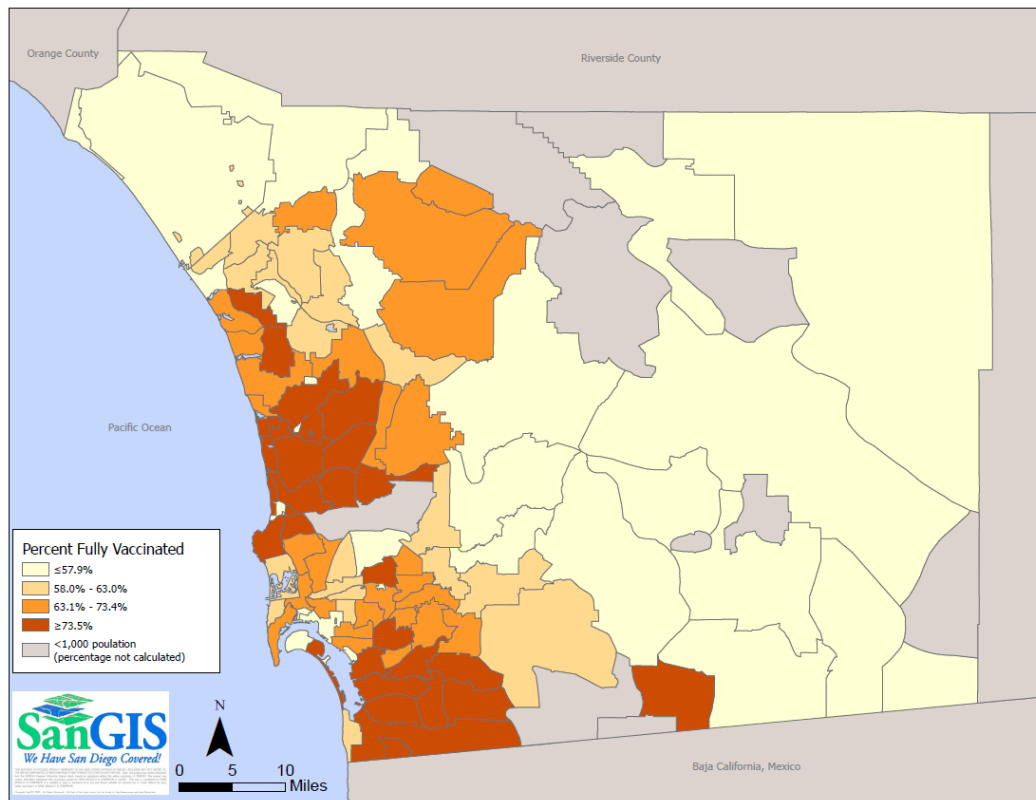


Figure 21. Percentage of the Total Population of San Diego County Residents Who are Fully Vaccinated, by Zip Code of Residence

Only includes vaccines that have been recorded in the San Diego Immunization Registry (SDIR). Some healthcare providers, including Veteran's Affairs, the Department of Defense, some tribal entities, and prisons do not report to SDIR. See this [dashboard](#), updated daily, for more detailed vaccine status information for San Diego County. Data source: San Diego Immunization Registry, SANDAG 2019 Population Estimates (Prepared June 2020).

COVID-19 Vaccinations by Race/Ethnicity and Health Equity

■ Fully Vaccinated ■ Partially Vaccinated ■ Not Vaccinated

Figure 22. Vaccination Status by Race/Ethnicity, San Diego County Residents Age Five Years and Older

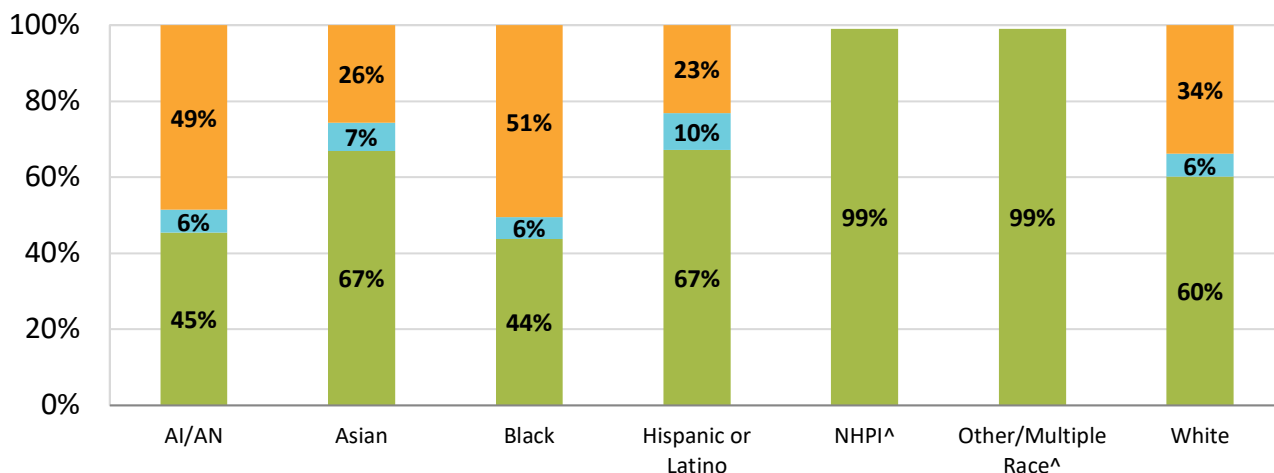
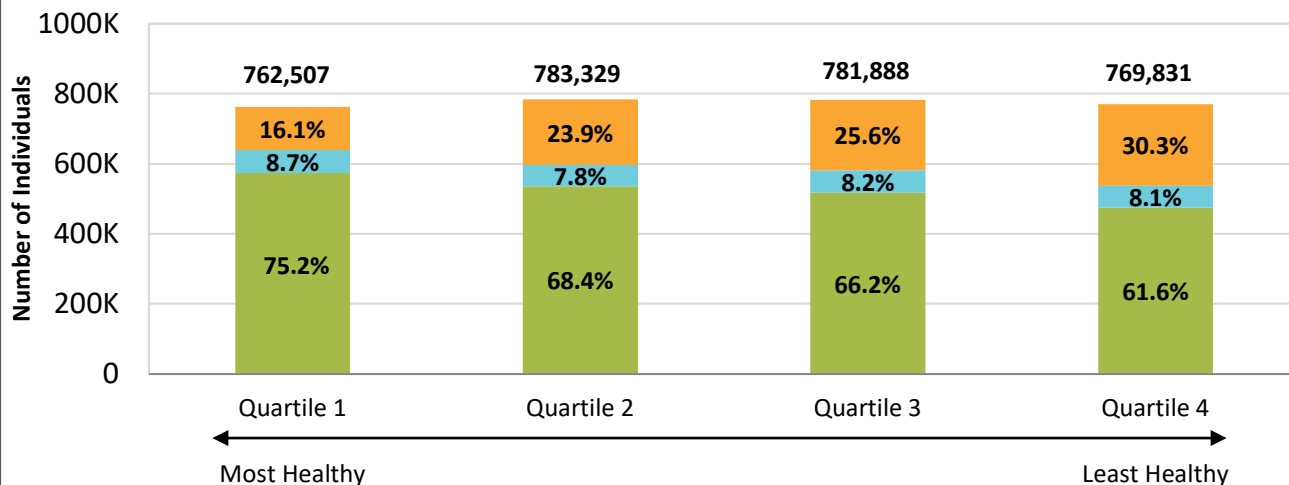


Figure 23. Vaccination Progress by Healthy Places Index Quartile,* San Diego County Residents Age Five Years and Older



*The California [Healthy Places Index](#)

^The percentage and rate of the population vaccinated with at least one dose of COVID-19 vaccine may approach, or exceed, 99% or 99% per 1,000 San Diego residents aged five years and older. The most recent race/ethnicity populations are 2019 estimates, which may underestimate the current population. When these demographics are analyzed, the population estimates may not reflect social and environmental changes of a community, possibly leading to an under- or overestimate of a population.

Individuals vaccinated by Veterans Affairs or Department of Defense are not included.

COVID-19 vaccine is not approved for those under age five at this time.

Data source: San Diego Immunization Registry, SANDAG 2019 Population Estimates (Prepared June 2020). Total population five years of age and older=3,144,061. Population estimate of 45,505 individuals do not reside in a census tract with a Healthy Places Index score.

Data through
1/15/2022

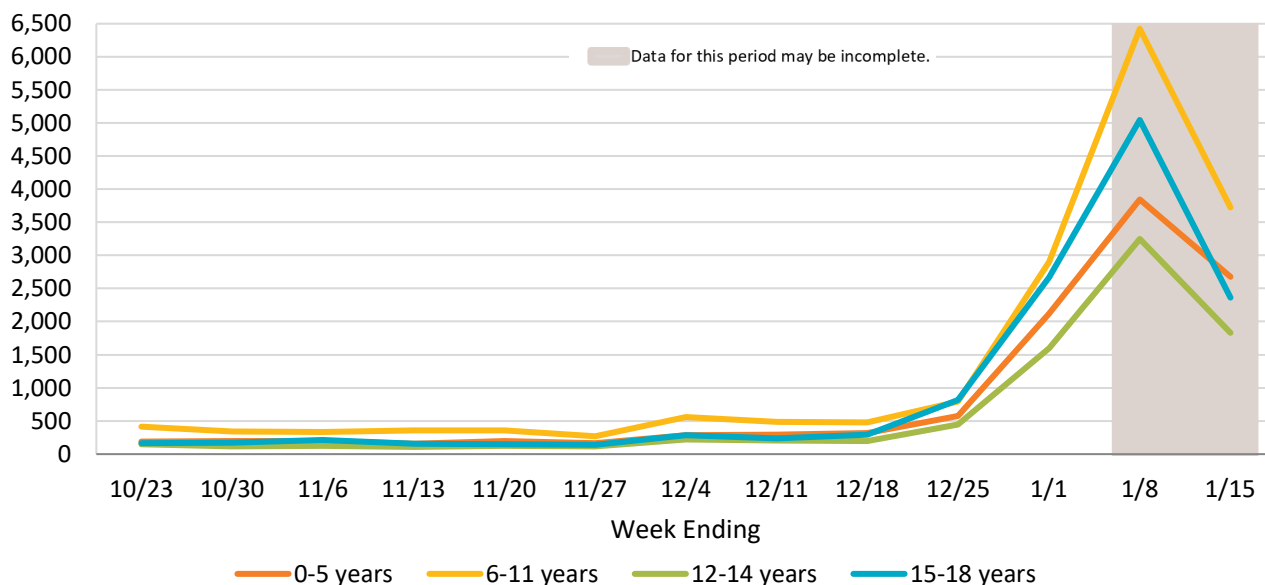
Epidemiology and Immunization Services Branch

www.sdepi.org (619) 692-8499



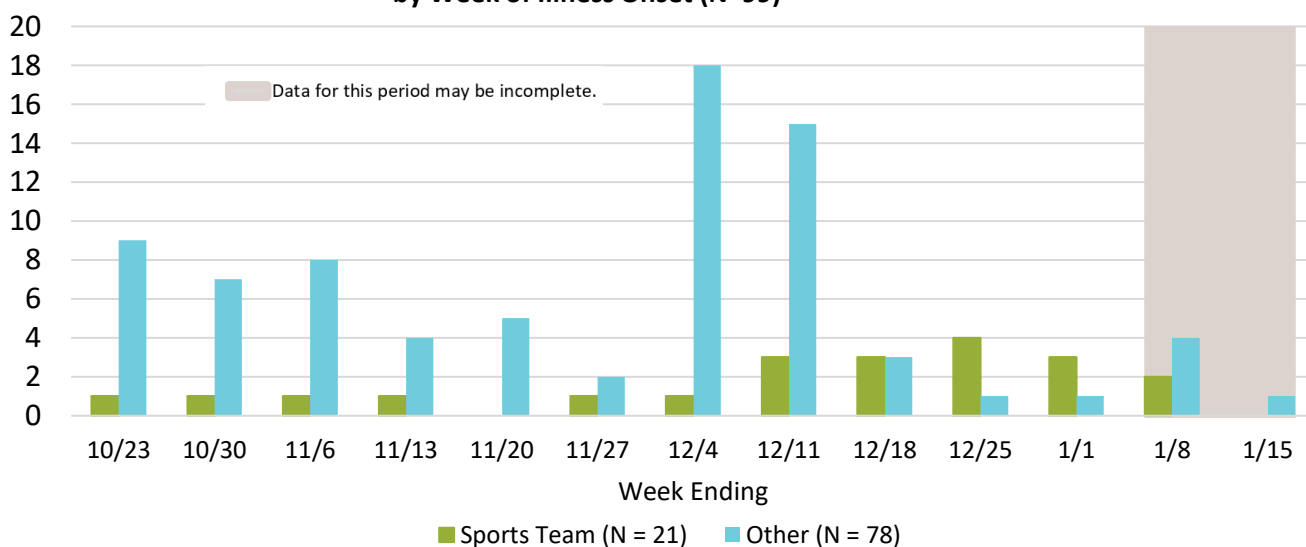
COVID-19 Cases in Children and Outbreaks in School Settings

**Figure 24. COVID-19 Confirmed Cases for Ages 0-18 Years by Week of Illness Onset,*
San Diego County Residents, N=49,812**



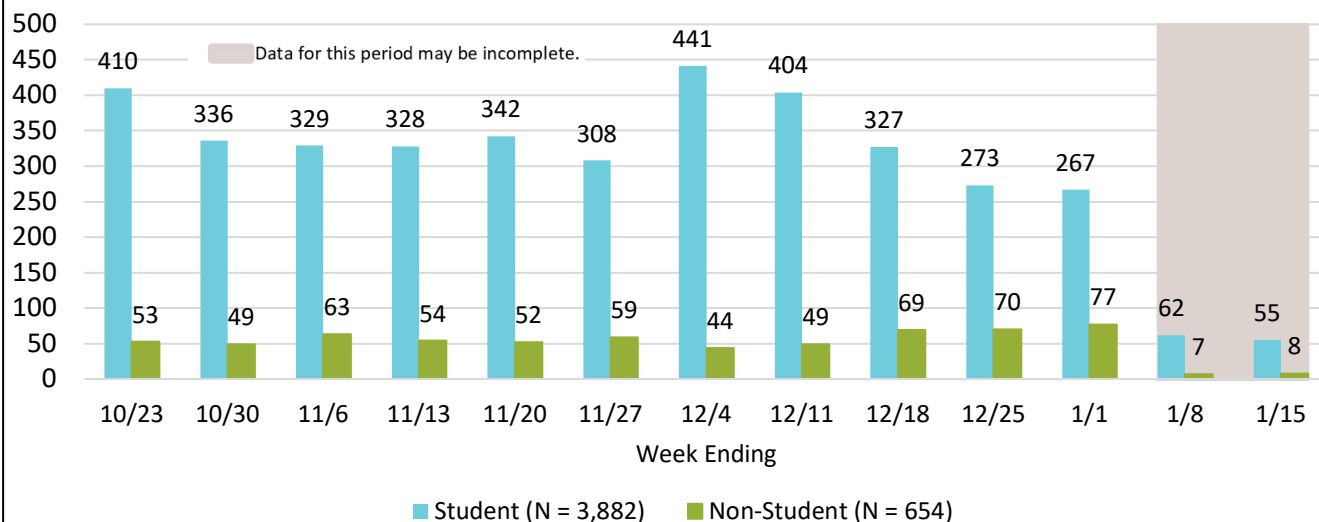
*When onset date is unavailable, specimen collection date, date of death, or date reported is used instead.

**Figure 25. COVID-19 Outbreaks in School Settings (Tk-12th Grade)
by Week of Illness Onset (N=99)**



COVID-19 Cases in Schools

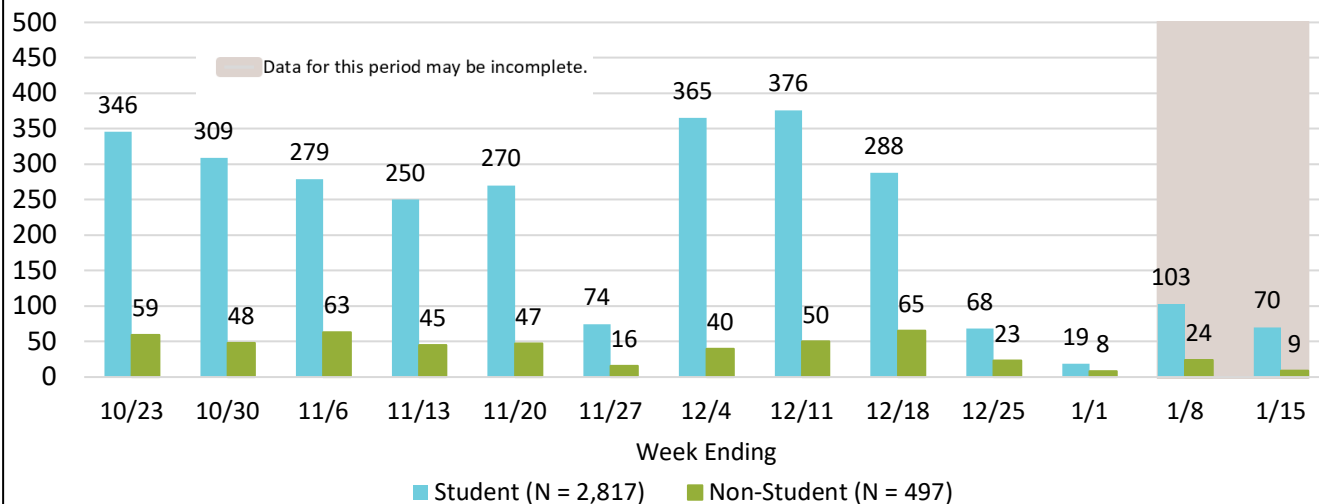
Figure 26. Confirmed Cases Physically Present at K-12 Schools During Exposure Period* by Week of Illness Onset, San Diego County Residents, N=4,536**



*Cases are among students and non-students physically present at a K-12 school 2-14 days prior to symptom onset (or lab collection date if asymptomatic) with COVID-19.

**If case did not have symptoms or illness onset date is unavailable, the earliest of specimen collection date, date of death, or date reported is used instead.

Figure 27. Confirmed Cases Physically Present at K-12 Schools During Communicable Period* by Week of Illness Onset, San Diego County Residents, N=3,314**



*Cases are among students and non-students physically present at a K-12 school 48 hours prior to symptom onset (or lab collection date if asymptomatic) with COVID-19.

**If case did not have symptoms or illness onset date is unavailable, the earliest of specimen collection date, date of death, or date reported is used instead.

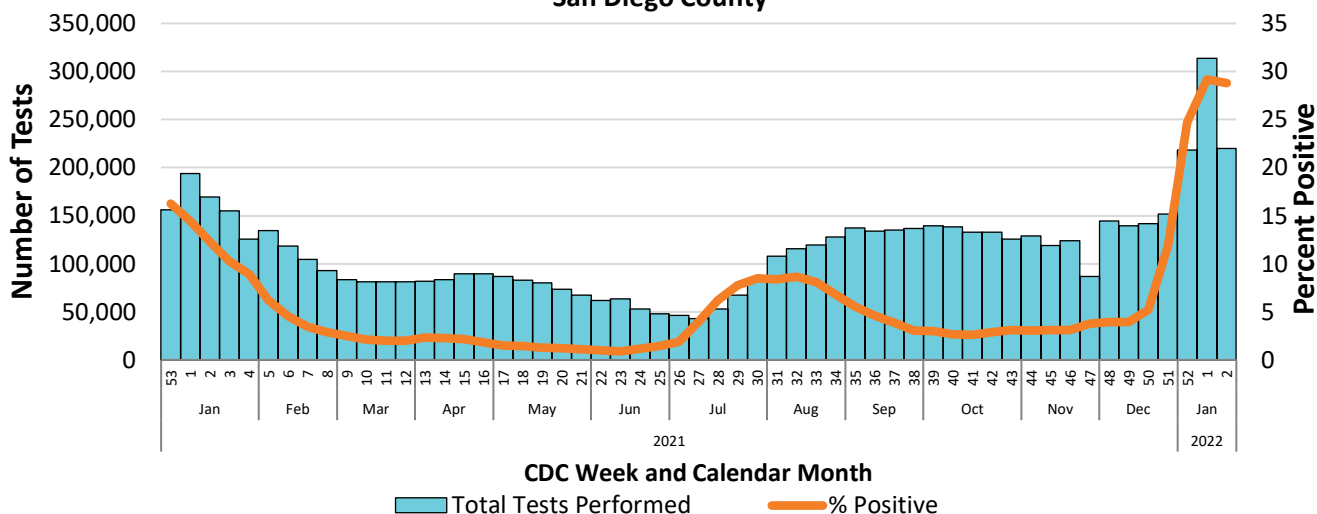
COVID-19 WATCH

Weekly Coronavirus Disease 2019 (COVID-19) Surveillance Report



COVID-19 Laboratory Test Positivity Rate – Previous 12 Months

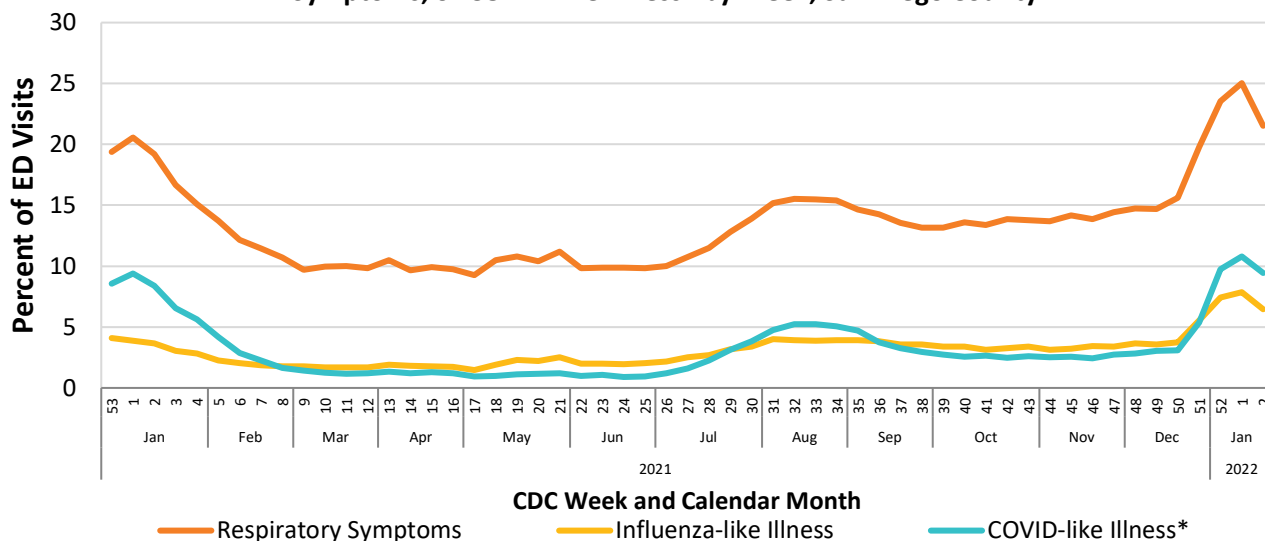
Figure 28. COVID-19 Testing Volume and Positivity by Week of Specimen Collection, San Diego County



Includes PCR tests performed by COSD Public Health, hospital, and reference laboratories and reported via Electronic Laboratory Reporting (ELR) and line lists. Excludes invalid, indeterminate, and unsatisfactory results.

Emergency Department Data – Previous 12 Months

Figure 29. Percent of Emergency Department Visit Chief Complaints for ILI, Respiratory Symptoms, or COVID-like Illness* by Week, San Diego County



Categories are not mutually exclusive. *COVID-like Illness includes fever and cough, shortness of breath, or difficulty breathing OR coronavirus diagnostic codes.

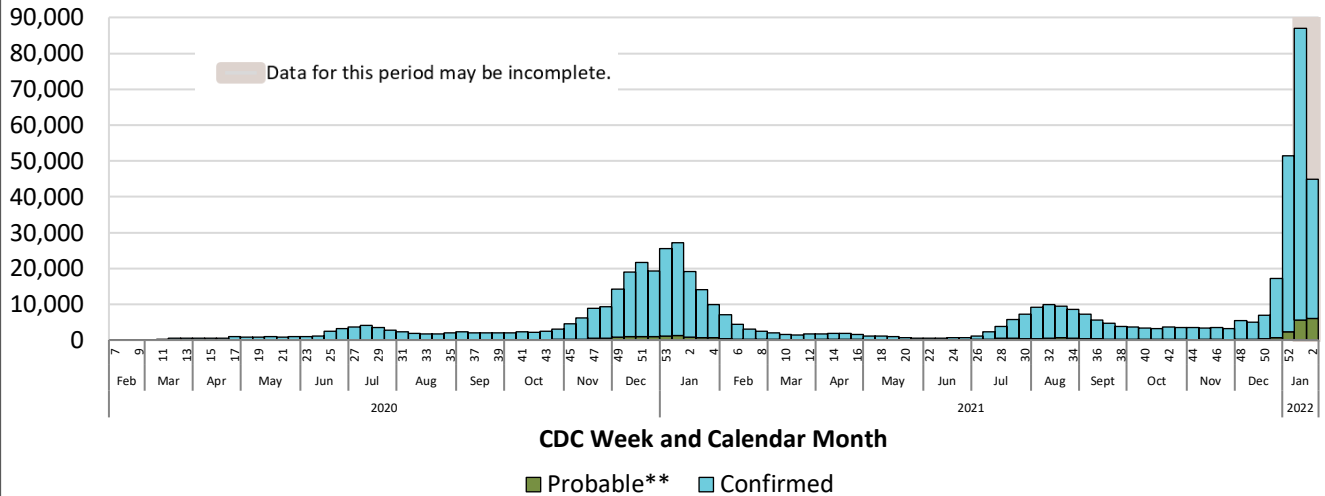
Data through
1/15/2022

Epidemiology and Immunization Services Branch
www.sdepi.org (619) 692-8499



COVID-19 Pandemic at a Glance

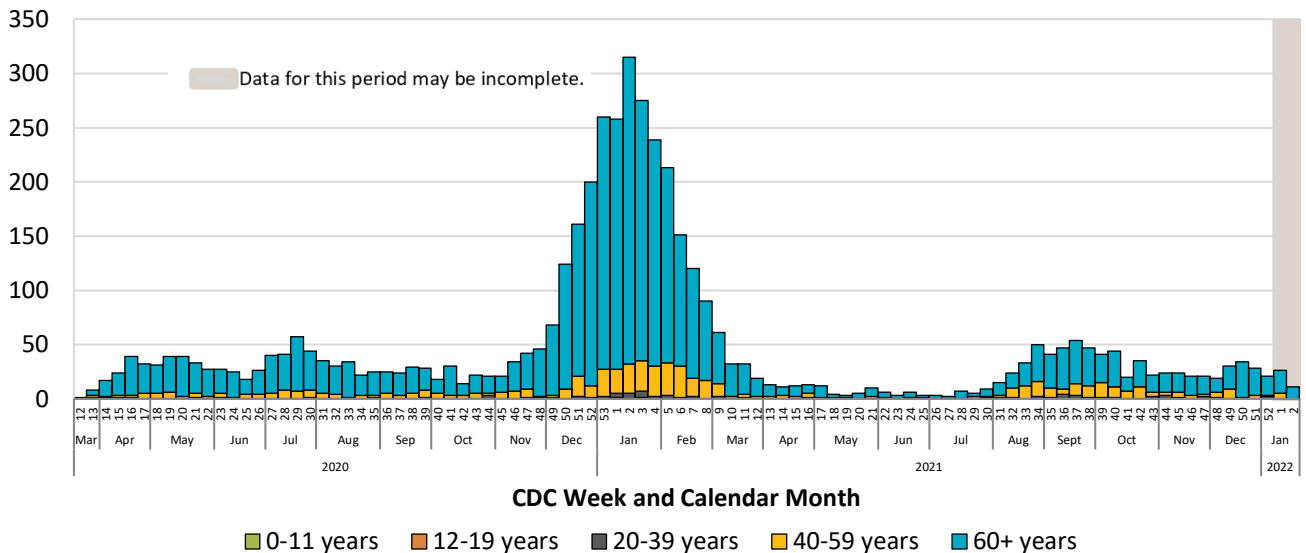
Figure 30. COVID-19 Confirmed and Probable Cases by Week of Illness Onset*, San Diego County Residents, N=626,345



*When onset date is unavailable, specimen collection date, date of death, or date reported is used instead.

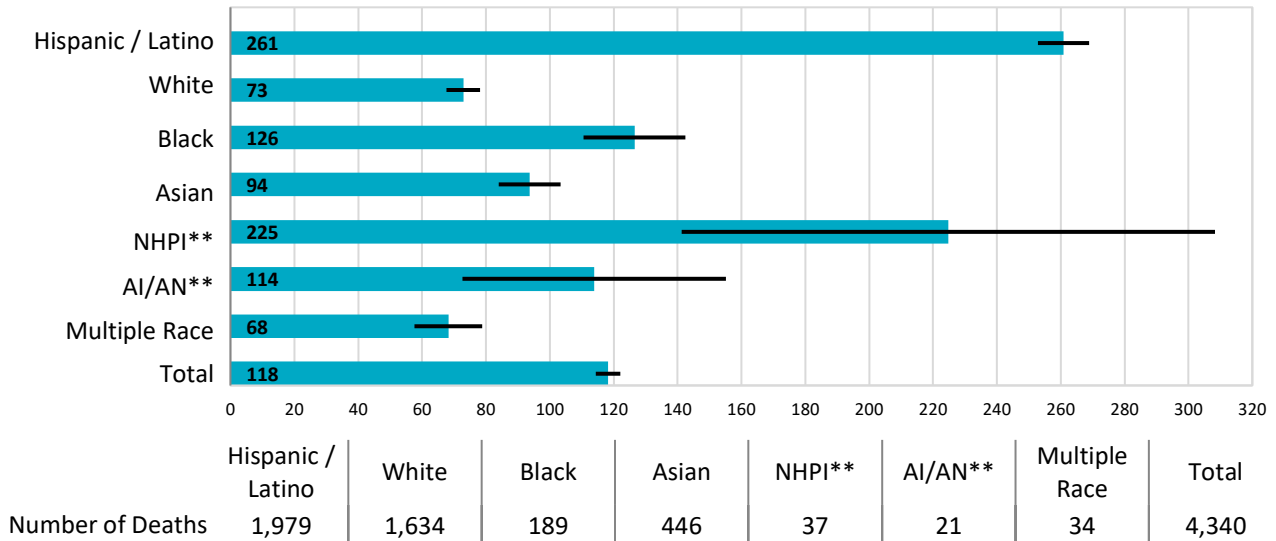
**Probable cases are antigen positive tests received since August 1, 2020.

Figure 31. COVID-19 Deaths by Week of Death San Diego County Residents, N=4,545



Pandemic at a Glance: Summary of COVID-19-associated Deaths

Figure 32. Age-Adjusted Rates of COVID-19-associated Deaths by Race/Ethnicity, San Diego County Residents, N=4,340*

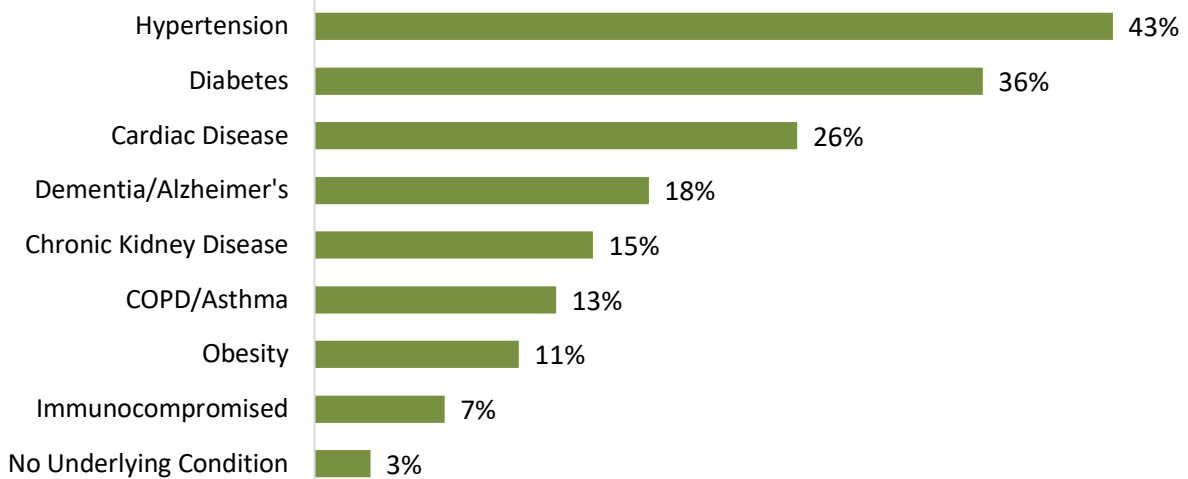


The black lines represent the 95% confidence intervals (error bars). Rates are not calculated for fewer than 20 events.

*Race/ethnicity are unknown for 205 deaths.

**NHPI=Native Hawaiian/Pacific Islander, AI/AN=American Indian/Alaska Native.

Figure 33. Common Underlying Conditions, COVID-19-associated Deaths



Persons may have more than one underlying condition. These data are abstracted from death certificates and available medical records and may not reflect a complete list of underlying conditions for each person.

COVID-19 Watch Data Sources

The following sources of data are used to produce this report:

- **COVID-19 case reports:** Medical providers and laboratories report individual cases of PCR-confirmed and antigen-positive probable COVID-19 via fax or electronic laboratory reporting (ELR) to the County of San Diego Epidemiology Unit.
- **COVID-19 deaths:** The County of San Diego requests that all deaths related to COVID-19 be reported for surveillance purposes. Medical facilities may report these deaths directly to the Epidemiology Unit or they may be identified by the Office of Vital Records through death certificate registration. The Epidemiology Unit compiles the data, and only reports deaths that can be verified by a death certificate.
- **Emergency Department Chief Complaint Data:** Electronic emergency department data are reported to the Epidemiology Unit daily. The number of respiratory chief complaints and the number of total emergency department visits are used to calculate percentages for all respiratory-related visits and visits specific to influenza-like illness and COVID-like illness.
- **COVID-19 outbreaks:**
 - Skilled Nursing Facilities: at least one case of laboratory-confirmed COVID-19 in a resident.
 - Non-SNF Institution/Congregate Settings: At least three probable or confirmed COVID-19 cases within a 14-day period in epidemiologically-linked residents and/or staff.
 - Community settings: At least three probable or confirmed COVID-19 cases within a 14-day period in people who are epidemiologically-linked in the setting, are from different households, and are not identified as close contacts of each other in any other case investigation.
- **COVID-19 vaccinations:** Number of vaccinations registered in the San Diego Immunization Registry (SDIR) by participating providers. Some providers, including the VA, DoD, other military, some tribal, and prisons do not report to SDIR.
- **SANDAG population estimates, vintage 2019:** Rates are calculated using 2019 population estimates from the San Diego Association of Governments. Rates are not calculated for counts under five cases.

The purpose of the weekly **COVID-19 Watch** is to summarize current COVID-19 surveillance in San Diego County.

Data are preliminary and may change due to delayed reporting and additional information obtained during investigations.

For information on influenza in San Diego County, please see the weekly [Influenza Watch](#) surveillance report. Additional influenza data and resources and a link to subscribe to the Influenza Watch are available on the Epidemiology Unit [website](#).

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON DECEMBER 14, 2021
VIA VIDEO CONFERENCE

Kristi Becker, Chair

Kellie Hinze, Vice Chair

A meeting of the Board of Directors of San Elijo Joint Powers Authority (SEJPA) was held Tuesday, December 14, 2021, at 8:30 a.m., via a public web conference.

1. CALL TO ORDER

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

2. ROLL CALL

Directors Present:

Kristi Becker
Kellie Hinze
Catherine Blakespear
David Zito

Directors Absent:

None

Others Present:

Director of Operations
Director of Finance and Administration
Administrative Coordinator

Chris Trees
Amy Chang
Vanessa Hackney

SEJPA Counsel:

Procopio

Adriana Ochoa

City of Encinitas:

Assistant City Manager

Jennifer Campbell

3. PLEDGE OF ALLEGIANCE

Director of Operations, Christopher Trees led the Pledge of Allegiance.

4. ORAL COMMUNICATION/PUBLIC COMMENT PERIOD

None.

5. AWARDS AND RECOGNITION

None.

6. CONSENT CALENDAR

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

Agenda Item No. 7	Approval of Minutes for the November 16, 2021 Meeting
Agenda Item No. 8	Approval for Payment of Warrants and Monthly Investment Report
Agenda Item No. 9	Wastewater Treatment Report
Agenda Item No. 10	Recycled Water Report
Agenda Item No. 11	Reportable Meetings

Motion carried with the following vote of approval:

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

13. AB 361 FINDINGS IN SUPPORT OF VIRTUAL MEETINGS

The Board of Directors discussed the ongoing state of emergency and made the following findings and determinations, moved by Board Member Zito and seconded by Board Member Blakespear to:

1. FIND and DECLARE pursuant to Government Code 54953(e)(3) that the Board of Directors has reconsidered the circumstances of the state of emergency, and
2. FIND and DECLARE that, in light of the information provided in this staff report and the corresponding verbal discussion during this Board Meeting, the state of emergency continues to directly impact the ability of the members to meet safely in person, or state or local officials continue to impose or recommend measures to promote social distancing.
3. The Board gave direction to staff to conduct the January 2022 San Elijo Joint Powers Authority Board of Directors Meetings virtually.

Motion carried with the following vote of approval:

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

14. 2022 ELECTION OF OFFICERS AND BOARD MEETING SCHEDULE

Director of Operations, Christopher Trees, stated that in accordance with its formation agreement the SEJPA Board is required to appoint a chairperson and vice-chairperson

and establish the Board Meeting schedule for its regular meeting by the second meeting of each calendar year.

The appointment of chairperson and vice chairperson is by nomination and vote of the SEJPA Board. After Discussion, the proposed 2022 Regular Meeting Schedule of the Board of Directors is 8:30 a.m. on the third Tuesday of each month, with exceptions in January (forth Tuesday), July (no meeting), and December (second Tuesday).

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

1. Appoint Kellie Hinze as Chairperson and David Zito as Vice Chairperson for the 2022 SEJPA Board of Directors;
2. Adopt the Board Meeting Schedule for 2022.

Motion carried with the following vote of approval:

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

15. 2022 CLASSIFICATION AND COMPENSATION STUDY

Director of Finance and Administration, Amy Chang, reported San Elijo Joint Powers Authority (SEJPA) employees are currently operating under a 3-year labor agreement (Resolution No. 2019-03), which is scheduled to expire June 30, 2022. As part of the resolution, the Competitiveness Assessment Decision section states, "The SEJPA will perform a Classification and Compensation Study and present recommendations to the SEJPA Board of Directors prior to the end of this contract."

SEJPA has the option of completing the Classification and Compensation study in-house or through the use of a consultant. The cost to have a consultant prepare a Classification and Compensation study is estimated to be between \$20,000 and \$40,000 depending on the scope and number of comparators.

There is no external cost to having the study completed in-house, and this effort could be executed under the direction of the General Manager

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

1. Direct staff to complete the Classification and Compensation Study in house.

Motion carried with the following vote of approval:

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

16. GENERAL MANAGER'S REPORT

None.

17. GENERAL COUNSEL'S REPORT

None.

18. BOARD MEMBER COMMENTS

None.

19. CLOSED SESSION

None.

20. ADJOURNMENT

The meeting adjourned at 8:52 a.m. The next Board of Directors meeting is scheduled to be held on Tuesday, January 25, 2022 at 8:30 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'M. Thornton', with a horizontal line underneath it.

Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY
PAYMENT OF WARRANTS
22-12

For the Month of December 2021

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
40524	Abila	Licenses	Accounting software	\$ 3,177.57
40525	AT&T	Utilities - Telephone	Phone service - 10/13/21-11/12/21	582.35
40526	BAVCO	Repair Parts Expense	Rebuild kit for Recycled Water pump station	590.47
40527	Black & Veatch	Services - Engineering	Design of biosolid dewatering upgrades	23,198.75
40528	Boot World, Inc.	Uniforms - Boots	Safety boots - E. O'Riley	193.93
40529	Brenntag Pacific, Inc	Supplies - Chem - Odor	Sodium hydroxide	3,904.46
40530	California Water Technologies	Supplies - Chem - Ferric Chlo	Ferric Chloride	18,101.58
40531	Caltrol, Inc.	Repair Parts Expense	Keystone valves	4,422.49
40532	Carollo Engineers	Services - Engineering	Facility plan update	3,407.00
40533	Corodata	Rent	Record Storage - Sep and Oct	199.78
40534	Del Mar Blue Print	Supplies - Office	Office supplies	21.21
40535	Denali Water Solutions LLC	Services - Biosolids Hauling	Sep	20,439.87
40536	Void	Void	Void	-
40537	Evoqua Water Technologies	Supplies - Chem - Odor	Bioxide	6,038.66
40538	Forte of San Diego	Services - Janitorial	Janitorial services - Dec	1,000.00
40539	GEM Site Development LLC	Services - Contractors	Repair recycled water pipe leak	14,864.26
40540	Hoch Consulting, APC	Services - Professional	Grant admin - IRWM Prop 84 Rd 1 and Prop 1 Rd 1	10,923.25
40541	Horrocks Engineers	Services - Engineering	Moonlight Beach pump station modifications	8,635.62
40542	Liquid Environmental Solution	Services - Grease & Scum, Grit & Screenings	Grease and scum pumping, Grit & screenings disposal	4,255.00
40543	McMaster-Carr Supply Co.	Repair Parts Expense and Supplies	Various supplies	2,067.57
40544	Michael Baker International	Services - Engineering	Plume tracking study	67,432.18
40545	Olivenhain Municipal Water Dis	Services - Lobbying, Professional, and Rent	Lobbying and grant administration cost share, Pipeline rental repayment - Oct	21,659.75
40546	San Dieguito Water District	Utilities - Water	Water	125.07
40547	SWRCB - ELAP Fees	Fees - Permits	ELAP application fee	525.00
40548	Technology Integration Group	Services - Maintenance	Copier	91.13
40549	Christopher A. Trees	Subsistence - Meals	Meeting on SCADA system	75.04
40550	Underground Service Alert/SC	Services - Alarm	Safe excavation board, Dig alert - Nov	197.89
40551	Vantagepoint Transfer Agents	EE Deduction Benefits	ICMA - 457	7,306.55
40552	Vantagepoint Transfer Agents	ICMA Retirement	ICMA - 401A	4,387.89
40553	Verizon Wireless	Utilities - Telephone	10/11/21-11/10/21	490.76
40554	Verizon Wireless	Utilities - Telephone	Cell phone service - 10/08/21-11/07/21	841.58
40555	VWR International, Inc.	Supplies - Laboratory	Supplies	64.29
40556	Water Systems Consulting, Inc.	Services - Professional	Communication and public outreach	19,859.11
40557	WorkPartners Occupational	Services - Medical	Covid-19 test	95.00
40558	Eurofins Calscience, LLC	Services - Laboratory	Laboratory analysis	2,859.50
40559	Evoqua Water Technologies	Supplies - Chem - Odor	Bioxide	6,041.55
40560 - 40605	Void	Void	Void	-
40606	Allied Storage Containers	Equipment Rental/Lease	20' and 40' storage containers 12/01/21-12/31/21	359.89
40607	Ardurra Group, Inc	Services - Engineering	Wanket tank conversion evaluation	3,883.28
40608	AT&T	Utilities - Telephone	Alarm service - Dec	403.31
40609	Atlas Copco Compressors LLC	Repair Parts Expense	Repair parts for air compressor	419.77
40610	bkm OfficeWorks	Service - IT Support	Board room audio recording	541.92
40611	CDM Smith	Services - Engineering	Eng. svc for MFRO structure and Launder 10/10/21-11/27//21	6,600.50
40612	Corodata	Rent	Record storage - November	98.25
40613	County of San Diego	Fees - Permits	Fees - permits	348.50
40614	Del Mar Blue Print	Supplies - Office	Office supplies	500.39
40615	DMV	Services - Other	Safety records - 10/01/21-10/31/21	10.00
40616	EDCO Waste & Recycling Service	Utilities - Trash	Nov	279.89
40617	Enthalpy Analytical, LLC	Services - Laboratory	Laboratory toxicity testing	2,890.00
40618	Environmental Express, Inc.	Supplies - Laboratory	Disposable BOD bottles	568.18
40619	Void	Void	Void	-
40620	Evantec Scientific	Supplies - Laboratory	Laboratory Supplies	857.92
40621	Fisher Scientific	Supplies - Laboratory	Volumetric pipets	336.18
40622	Fluid Components International	Services - Maintenance	Annual field service	1,659.87
40623	Forte of San Diego	Services - Janitorial	Supplies	1,086.23
40624	Gierlich Mitchell, Inc.	Repair Parts Expense	Secondary clarifier equipment replacement parts	6,998.58
40625	GLS US , Inc.	Postage/Shipping	Lab samples	62.19
40626	Golden Bell Products	Supplies - Shop & Field	Lift station degreaser	460.63
40627	GC Pivotal LLC	Utilities - Internet	T-1 service - Jan	355.24
40628	Hardy Diagnostics	Supplies - Laboratory	Various supplies	678.23
40629	HASA Inc.	Supplies - Chemicals	Muriatic acid	1,105.81
40630	Housing & Community Development	Licenses	Modular office license fee	84.00
40631	Helix Environmental Planning	Services - Professional	CalTrans multi-use path	3,483.75
40632	Idexx Distribution, Inc.	Supplies - Laboratory	Laboratory Supplies	1,365.72
40633	Kimley-Horn & Associates, Inc.	Services - Professional	Stormwater pump station design	24,105.00
40634	Casey Larsen	Supplies - Office	Employee reimbursement fiber optic cable	13.33
40635	Lee's Lock & Safe	Capital Outlay	Rekey admin building gate	134.97
40636	Marine Taxonomic Services, LTD	Services - Contractors	Q4, 2021 Intensive WQ monitoring	2,390.00
40637	MetLife - Group Benefits	Dental/Vision	Dental - Dec, Jan	4,104.72
40638	Michael Baker International	Services - Engineering	Plume tracking study	19,302.50
40639	Nash Fabricators	Repair Parts Expense	Custom stainless pipe reducer	1,281.15
40640	Nth Generation	Services - Professional	Networking services	33,742.23
40641	Pacific Safety Center	Services - Maintenance	Fall protection equipment inspection	397.50
40642	Ponton Industries, Inc.	Capital Outlay	Refrigerated sampler	9,386.89
40643	Procopio Cory Hargreaves	Services - Legal	General - Sep, Oct	19,357.60
40644	Santa Fe Irrigation District	Utilities - Water	Water	1,401.94
40645	Santa Fe Irrigation District	SFID Distribution Pipeline	Pipeline purchase payment - November	1,076.45
40646	San Dieguito Water District	Utilities - Water	Water	3,859.41
40647	San Dieguito Water District	Utilities - Water	Water	606.46
40648	Southwest Membrane Operation	Dues & Memberships	Membership - A. Simonson, C. Trees	435.00
40649	Sparkletts	Supplies - Laboratory	Lab supplies	469.67
40650	State Water Resources Control	Fees - Permits	Annual permit fee	23,783.00
40651	Terminix Processing Center	Services - Maintenance	Pest control service - November and gopher trapping	1,406.00
40652	Technology Integration Group	Services - Maintenance	Copier	126.03
40653	Underground Service Alert/SC	Services - Alarm	Safe excavation board, Dig alert - Dec	194.59
40654	Vantagepoint Transfer Agents	EE Deduction Benefits	ICMA - 457	7,224.96
40655	Vantagepoint Transfer Agents	ICMA Retirement	ICMA - 401A	4,300.46
40656	Vaughn Irrigation Services, In	Services - Maintenance	Valve maintenance and replacement parts	2,943.71
40657	Verizon Wireless	Utilities - Telephone	Cell phone service - 11/08/21-12/07/21	1,978.39
40658	Vista Analytical Laboratory	Services - Laboratory	Testing of PFAS	1,920.00
40659	VWR International, Inc.	Supplies - Laboratory	Various laboratory supplies	2,621.08
40660	WageWorks	Payroll Processing Fees	Admin and compliance fee - Nov	134.00
40661	West Coast Arborists, Inc	Services - Landscape	Tree maintenance service	3,800.00
40662	WorkPartners Occupational	Services - Medical	Covid-19 tests	770.00
40663	Ardurra Group, Inc	Services - Engineering	Wanket tank conversion evaluation	3,781.60
40664	AT&T	Utilities - Telephone	11/13/21-12/12/21	582.18
40665	Butler Building & Engineering	Services - Contractors	Sewer pipe lateral repair	14,100.00
40666	Black & Veatch	Services - Engineering	Design of biosolid dewatering upgrades	42,142.88
40667	Brax Process and Pump Equip.	Repair Parts Expense	Belts press hydraulic pump motor	1,424.46

**SAN ELIJO JOINT POWERS AUTHORITY
PAYMENT OF WARRANTS
22-12**

For the Month of December 2021

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
40668	BrightView Landscapes	Services - Landscape	Landscape maintenance	2,782.00
40669	California State Lands Commiss	Fees - Permits	Recycled water distribution line	52.86
40670	California Water Technologies	Supplies - Chem - Ferric Chlo	Ferric Chloride	5,763.84
40671	Carollo Engineers	Services - Engineering	Valve replacement design services	11,129.00
40672	Cart Mart	Capital Outlay	Electric golf cart	5,953.19
40673	CASA	Dues & Memberships	Membership - Agency	13,600.00
40674	Denali Water Solutions LLC	Services - Biosolids Hauling	Oct, Nov	36,501.24
40675	DHK Engineers, Inc.	Services - Engineering	Odor control system	4,320.00
40676	EATON Corporation	Services - Professional	Breaker repair and testing, Troubleshoot Solana Beach pump station and Plant	9,273.88
40677	Firehawk Fire & Safety	Training - Safety	Safety training - Fire extinguisher	495.00
40678	Fisher Scientific	Supplies - Laboratory	Laboratory supplies	69.18
40679	Grainger, Inc.	Supplies - Safety	Face respirator and cartridge/filter	480.81
40680	Home Depot Credit Services	Supplies - Office	Water heater and misc supplies	957.84
40681	Horrocks Engineers	Services - Engineering	Moonlight Beach pump station design services	8,043.24
40682	Idexx Distribution, Inc.	Supplies - Laboratory	Coliform testing, colilert test pack of 200	1,460.81
40683	JCI Jones Chemicals, Inc.	Supplies - Chem - Sodium Hypo	Hypochlorite solution	12,053.52
40684	Lawson Products Inc.	Supplies - Shop & Field	Various supplies	506.96
40685	Leaf & Cole, LLP	Services - Accounting	Audit services	20,045.00
40686	McMaster-Carr Supply Co.	Repair Parts Expense, Supplies, Capital Outlay	Various supplies	3,006.27
40687	Olivenhain Municipal Water Dis	Rent	Pipeline rental payment - November	10,530.00
40688	OneSource Distributors, Inc.	Repair Parts Expense	Network switches	218.78
40689	Pacific Safety Center	Services - Maintenance	Fall protection equipment inspection	550.00
40690	ProBuild Company, LLC	Supplies - Shop & Field	Various supplies	868.89
40691	Procopio Cory Hargreaves	Services - Legal	General - Nov	5,325.00
40692	Rockwell Solutions	Repair Parts Expense	Pump repair parts	3,663.15
40693	RSF Security Systems	Services - Alarm	Central monitoring for fire alarm security	113.40
40694	San Dieguito Water District	Utilities - Water	Water	916.27
40695	State Water Resources Control	Dues & Memberships	Membership - E. O'Riley	60.00
40696	TNEMEC Company Inc.	Supplies - Shop & Field	Epoxy paint for process piping	1,322.80
40697	Uline, Inc.	Supplies - Office	Office supplies	215.13
40698	Unifirst Corporation	Services - Uniforms, Safety supplies	Uniform service, nitrile gloves	3,719.25
40699	UPS	Postage/Shipping	Shipping	354.03
40700	USA Bluebook	Supplies - Laboratory, Chem-Odor, Repair Parts Expense	Various supplies	7,338.15
40701	Vantagepoint Transfer Agents	EE Deduction Benefits	ICMA - 457	7,224.96
40702	Vantagepoint Transfer Agents	ICMA Retirement	ICMA - 401A	4,294.55
40703	Verizon Wireless	Utilities - Telephone	11/11/21-12/10/21	490.76
40704	Void	Void	Void	-
40705	Void	Void	Void	-
40706	Volt Management Corp	Services - Temp	Internship program period ending 11/07/21 to 12/19/21	21,548.92
40707	VWR International, Inc.	Supplies - Laboratory	Laboratory Supplies	110.27
40708	Water Environment Federation	Dues & Memberships	Membership - A. Simonson	267.00
40709	Water Environment Federation	Dues & Memberships	Membership - S. Arredondo	145.00
40710	YRC Freight	Repair Parts Expense	Repair parts	1,577.54
On-line 598 to 602	Void	Void	Void	-
On-line 603	Fuelman	Fuel	November	2,632.17
On-line 604	P.E.R.S.	Medical Insurance - Pers	Health - Dec	22,056.53
On-line 605	Public Employees- Retirement	Retirement Plan - PERS	Retirement - 11/13/21-11/26/21	16,284.66
On-line 606	ReadyRefresh	Supplies - Laboratory	Kitchen and lab supplies	376.85
On-line 607	Aflac	EE Deduction Benefits	Aflac - Dec	593.46
On-line 608	Public Employees- Retirement	Retirement Plan - PERS	Retirement - 11/27/21-12/10/21	16,434.78
On-line 609	SDG&E	Utilities - Gas & Electric	Gas and electric - 11/08/21-12/08/21	74,025.75
On-line 610	Sun Life Financial	Life Insurance/Disability	Life and disability insurance - December	65.41
On-line 611	Fuelman	Fuel	Dec	1,355.82
On-line 612	P.E.R.S.	Medical Insurance - Pers	Health - Jan	25,304.39
On-line 613	Public Employees- Retirement	Retirement Plan - PERS	Retirement - 12/11/21-12/24/21	16,434.78
On-line 614	ReadyRefresh	Supplies - Laboratory	Kitchen and lab supplies	545.37
	San Elijo Payroll Account	Payroll	Payroll - 12/03/2021	85,103.32
	San Elijo Payroll Account	Payroll	Payroll - 12/17/2021	82,863.01
	San Elijo Payroll Account	Payroll	Payroll - 12/31/2021	82,423.38
				<u>\$ 1,162,660.67</u>

SAN ELIJO JOINT POWERS AUTHORITY

PAYMENT OF WARRANTS SUMMARY

**For the Month of December 2021
As of December 31, 2021**

PAYMENT OF WARRANTS	\$ 1,162,660.67
Reference Number	22-12

I hereby certify that the demands listed and covered by warrants are correct and just to the best of my knowledge, and that the money is available in the proper funds to pay these demands. The cash flows of the SEJPA, including the Member Agency commitment in their operating budgets to support the operations of the SEJPA, are expected to be adequate to meet the SEJPA's obligations over the next six months. I also certify that the SEJPA's investment portfolio complies with the SEJPA's investment policy.



Amy Chang
Director of Finance & Administration

STATEMENT OF FUNDS AVAILABLE FOR PAYMENT OF WARRANTS
AND INVESTMENT INFORMATION
As of December 31, 2021

FUNDS ON DEPOSIT WITH	AMOUNT
LOCAL AGENCY INVESTMENT FUND <i>(DECEMBER 2021 YIELD 0.212%)</i>	
UNRESTRICTED DEPOSITS	15,877,188.82
CALIFORNIA BANK AND TRUST <i>(DECEMBER 2021 YIELD 0.01%)</i>	
REGULAR CHECKING	1,019,400.80
PAYROLL CHECKING	5,388.24
PARS - TRUSTEE (POST-EMPLOYMENT BENEFITS TRUST) <i>(DECEMBER 2021 YIELD 1.95%)</i>	351,252.81
TOTAL RESOURCES	<u>\$ 17,253,230.67</u>

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

January 25, 2022

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: WASTEWATER TREATMENT REPORT

RECOMMENDATION

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

DISCUSSION

Monthly Treatment Plant Performance and Evaluation

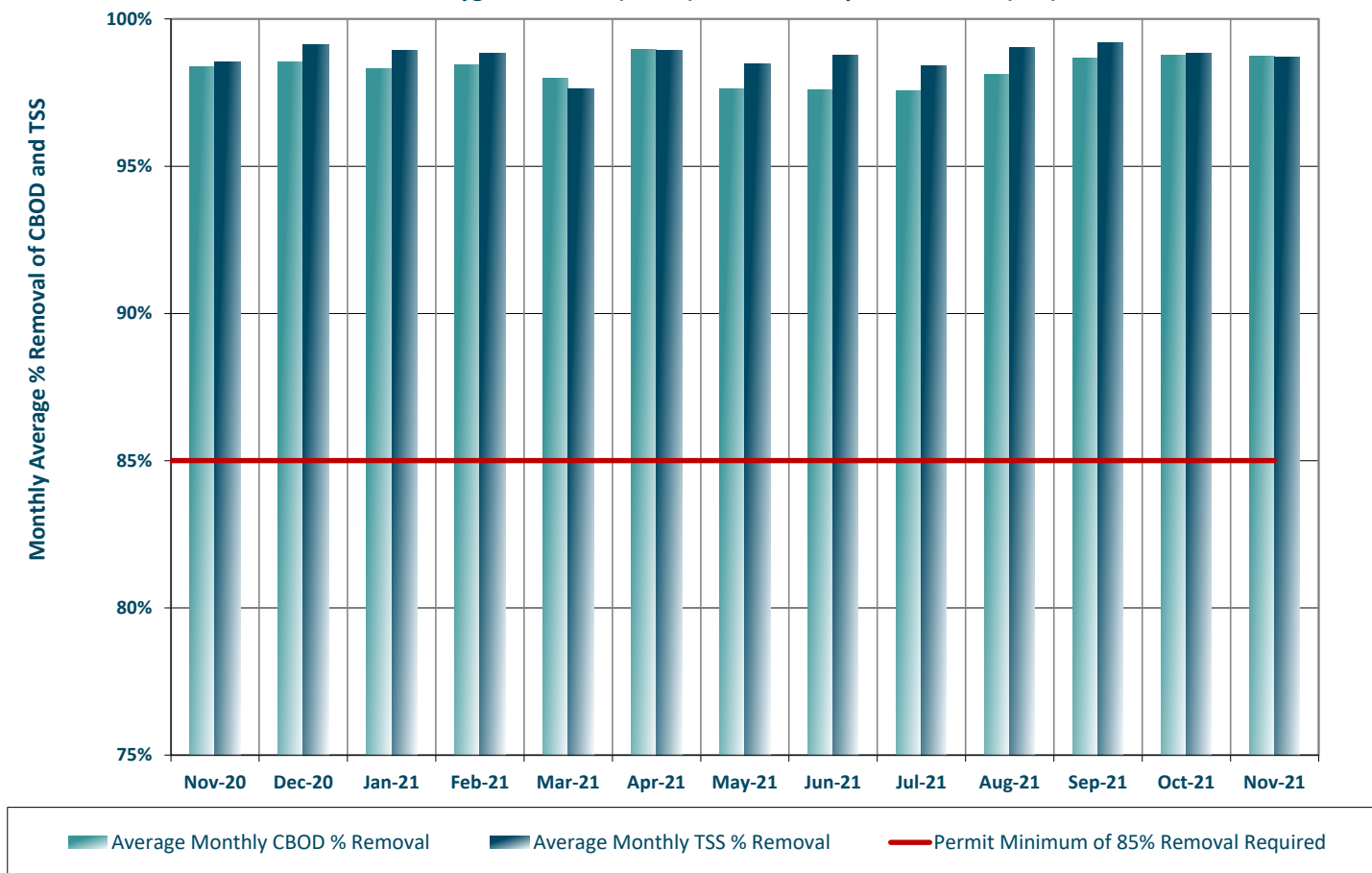
Wastewater treatment for the San Elijo Joint Powers Authority (SEJPA) met all National Pollutant Discharge Elimination System (NPDES) ocean effluent limitation requirements for the month of November 2021. The primary indicators of treatment performance include the removal of Carbonaceous Biochemical Oxygen Demand (CBOD) and Total Suspended Solids (TSS). The SEJPA is required to remove a minimum of 85 percent of the CBOD and TSS from the wastewater. Treatment levels for **CBOD** and **TSS** were **98.7** and **98.7** percent removal, respectively, during the month of November.

Exceptional Water Treatment



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

Figure 1: Wastewater Treatment Performance of the SEJPA % Removal of Carbonaceous Biochemical Oxygen Demand (CBOD) and Total Suspended Solids (TSS)



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

FIGURE 2: TREATED EFFLUENT FLOWS REMOVAL OF CBOD

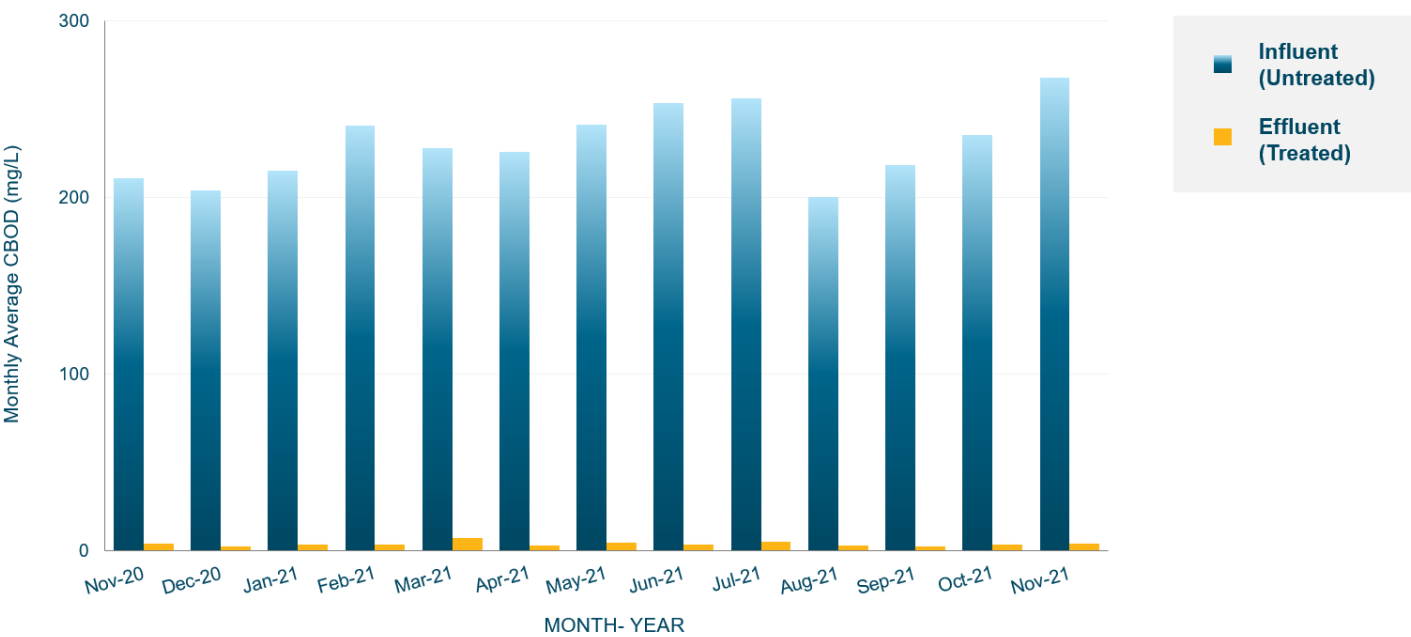


FIGURE 3: TREATED EFFLUENT FLOWS REMOVAL OF TSS

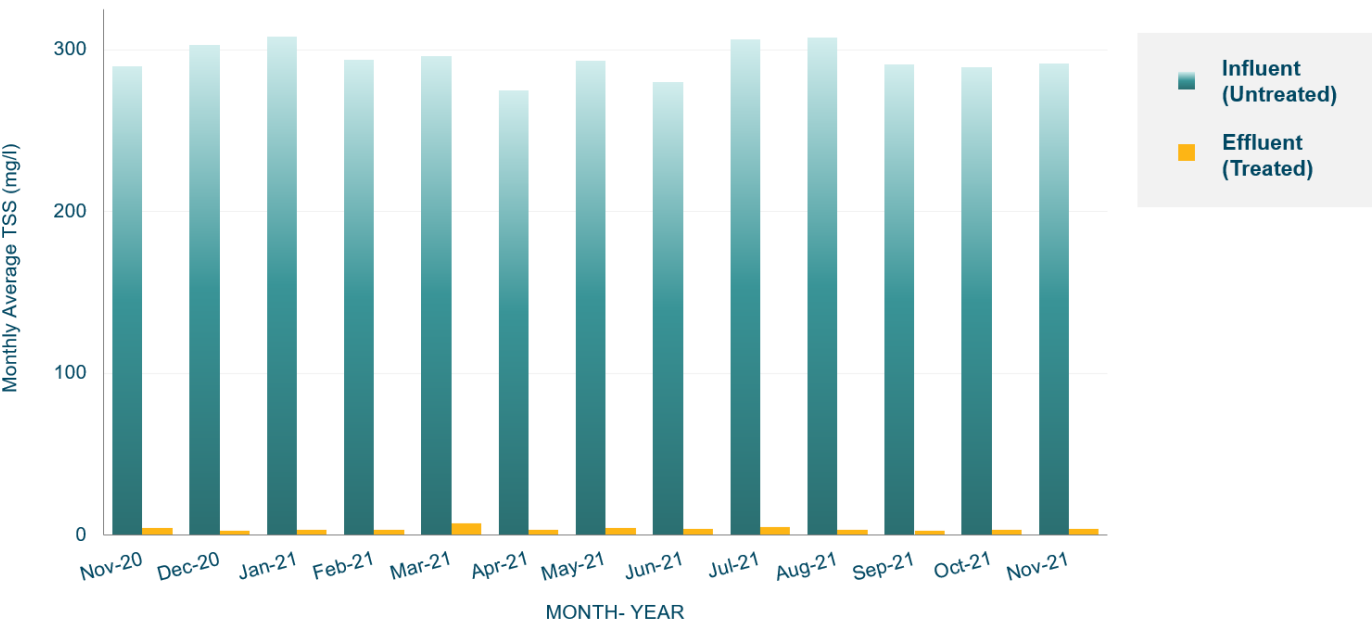


Table 2 (below) presents the historical average and unit influent rates per month for each of the Member Agencies during the past 3 years. It also presents the number of connected Equivalent Dwelling Units (EDUs) for each of the Member Agencies during this same time period.

TABLE 2 - SAN ELIJO WATER RECLAMATION FACILITY MONTHLY REPORT - FLOWS AND EDUS

	AVERAGE DAILY INFLUENT FLOW RATE (MGD)					CONNECTED EDUs					AVERAGE UNIT INFLUENT FLOW RATE (GAL/EDU/DAY)						
	CSD	RSF	CSD	SB	DM	TOTAL PLANT	CSD	RSF	CSD	SB	DM	TOTAL EDUS	CSD	RSF	SB	DM	TOTAL PLANT
Jan-19	1.269	0.153	0.975	0.384	2.781	8,491	566	8,083	2,611	19,751	149	271	121	147	141		
Feb-19	1.400	0.173	0.935	0.309	2.817	8,492	566	8,083	2,611	19,752	165	306	116	137	145		
Mar-19	1.200	0.149	0.908	0.340	2.597	8,493	568	8,083	2,611	19,755	141	263	112	132	132		
Apr-19	1.119	0.138	0.887	0.334	2.478	8,494	568	8,083	2,611	19,756	132	243	110	128	125		
May-19	1.125	0.133	0.880	0.361	2.499	8,494	568	8,083	2,611	19,756	132	234	109	138	126		
Jun-19	1.162	0.126	0.903	0.507	2.698	8,504	568	8,083	2,611	19,766	137	222	112	194	136		
Jul-19	1.127	0.128	0.924	0.546	2.725	8,504	568	8,083	2,611	19,766	133	226	114	209	138		
Aug-19	1.148	0.126	0.938	0.567	2.779	8,505	570	8,105	2,612	19,792	135	221	116	217	140		
Sep-19	1.131	0.132	0.918	0.393	2.574	8,507	570	8,105	2,612	19,794	133	232	113	150	130		
Oct-19	1.120	0.124	0.914	0.378	2.536	8,507	571	8,105	2,612	19,795	132	217	113	145	128		
Nov-19	1.230	0.137	0.927	0.437	2.731	8,510	571	8,105	2,612	19,798	145	240	114	172	138		
Dec-19	1.347	0.173	0.946	0.483	2.949	8,516	571	8,105	2,612	19,804	158	303	117	185	149		
Jan-20	1.194	0.163	0.917	0.410	2.684	8,517	571	8,105	2,612	19,805	140	286	113	157	136		
Feb-20	1.176	0.146	0.919	0.352	2.593	8,517	571	8,105	2,612	19,805	138	256	113	135	131		
Mar-20	1.432	0.185	0.907	0.389	2.913	8,519	572	8,105	2,612	19,808	168	324	112	149	147		
Apr-20	1.720	0.231	0.912	0.377	3.240	8,522	572	8,105	2,612	19,811	202	404	113	153	164		
May-20	1.293	0.158	0.853	0.304	2.608	8,523	573	8,105	2,612	19,813	152	276	105	133	132		
Jun-20	1.251	0.164	0.897	0.434	2.746	8,534	576	8,105	2,612	19,826	147	285	111	179	139		
Jul-20	1.231	0.157	0.937	0.548	2.873	8,535	576	8,110	2,616	19,837	144	273	116	222	145		
Aug-20	1.226	0.156	0.950	0.478	2.810	8,540	577	8,110	2,616	19,843	144	271	117	194	142		
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		

CSD: Cardiff Sanitary Division

RSF CSD: Ranch Santa Fe Community Service District

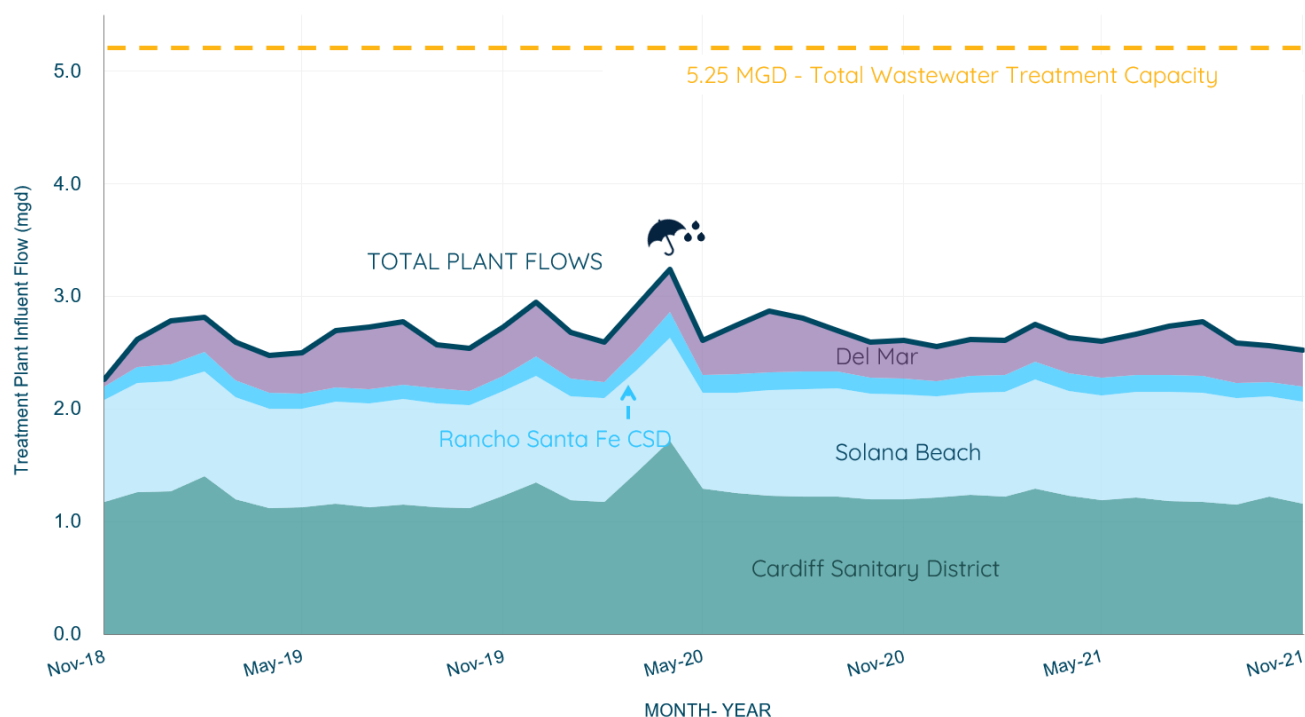
SB: Solana Beach

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 November 2021 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)	8.07
Escondido (Peak flow rate)	18.1


Connected Equivalent Dwelling Units

The City of Solana Beach and the City of Del Mar updated the number of connected EDUs that is reported to the SEJPA in July 2021. The City of Encinitas and Rancho Santa Fe CSD report their connected EDUs every month. The number of EDUs connected for each of the Member Agencies and lease agencies is reported in Table 4 below.

TABLE 4 – CONNECTED EDUs BY AGENCY

	Connected (EDU)
Cardiff Sanitary Division	8,557
Rancho Santa Fe SID	581
City of Solana Beach	7,787
San Diego (to Solana Beach)	337
City of Del Mar	2,616
Total EDUs to System	19,878

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

January 25, 2022

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: RECYCLED WATER REPORT

RECOMMENDATION

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

DISCUSSION

Recycled Water Production

For the month of November 2021, recycled water demand was 121.5 acre-feet (AF), which was met using 121.5 AF of recycled water and 0.0 AF supplementation with potable water.

November demand was 22.1% above budget expectations of 99 AF due to warm, dry weather in the area. The total water production for the first five months of FY 2021-22 was slightly below budget by 4.1%.

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 November for the last ten years to provide a year-over-year comparison. Figure 3 (attached) compares budget versus actual recycled water sales for FY 2021-22.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

FIGURE 1: RECYCLED WATER DEMAND AND RAINFALL COMPARISON

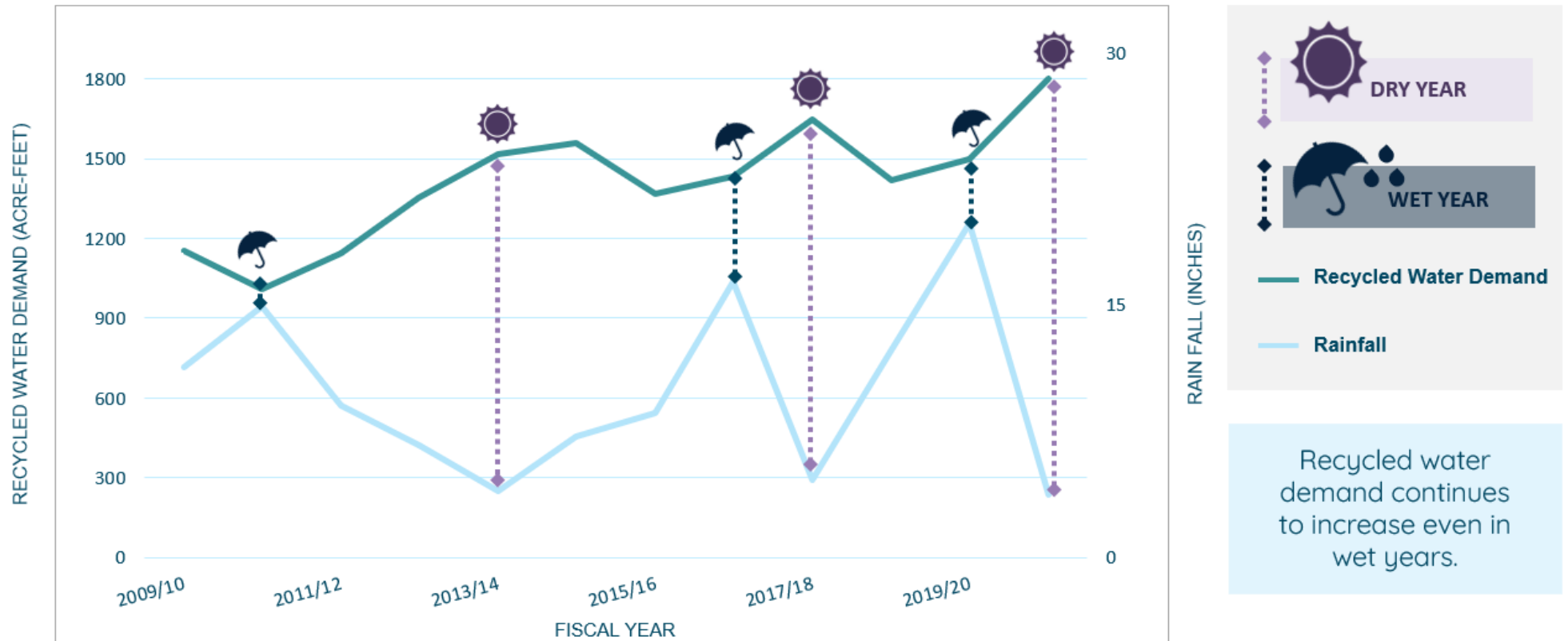


FIGURE 2: NOVEMBER RECYCLED WATER DEMAND

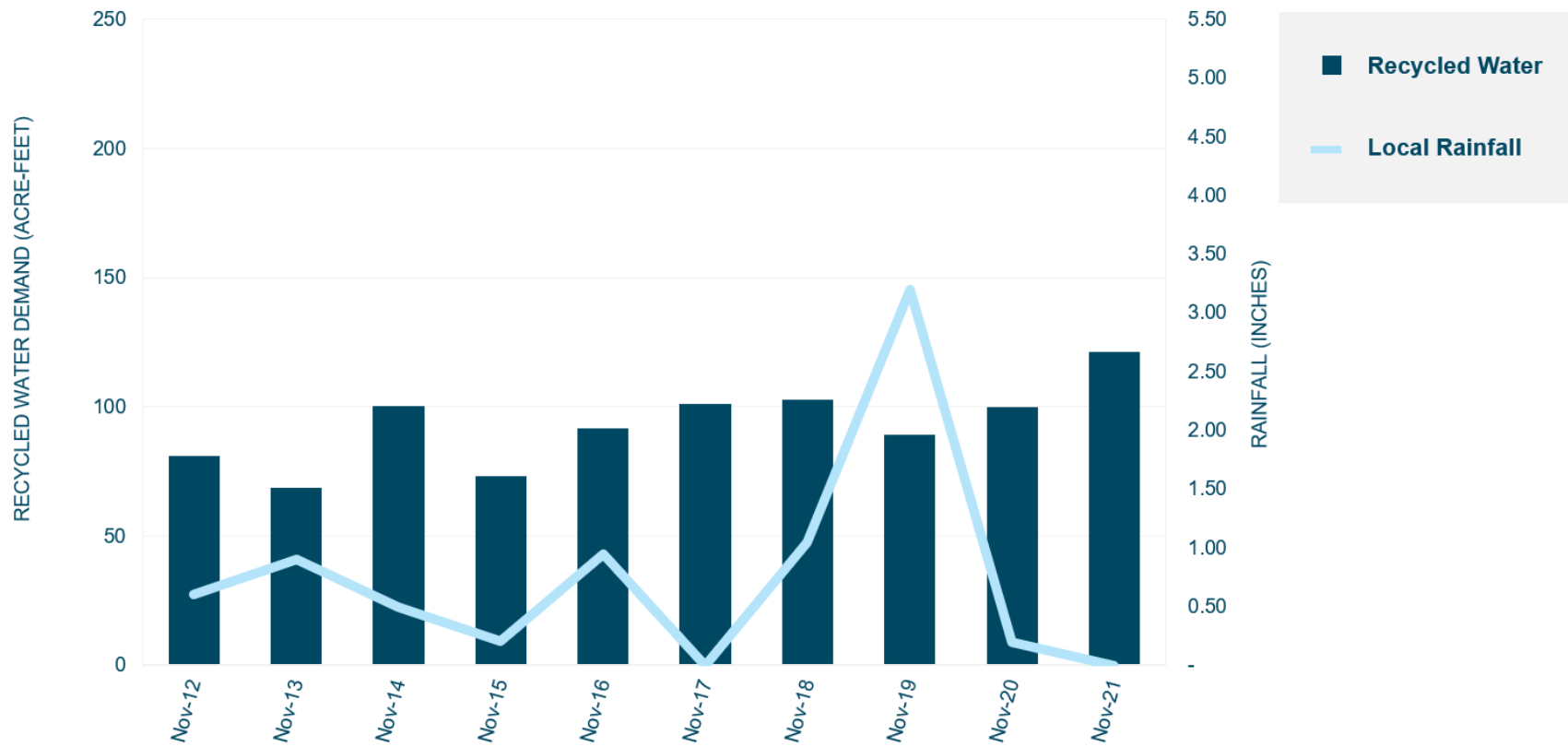
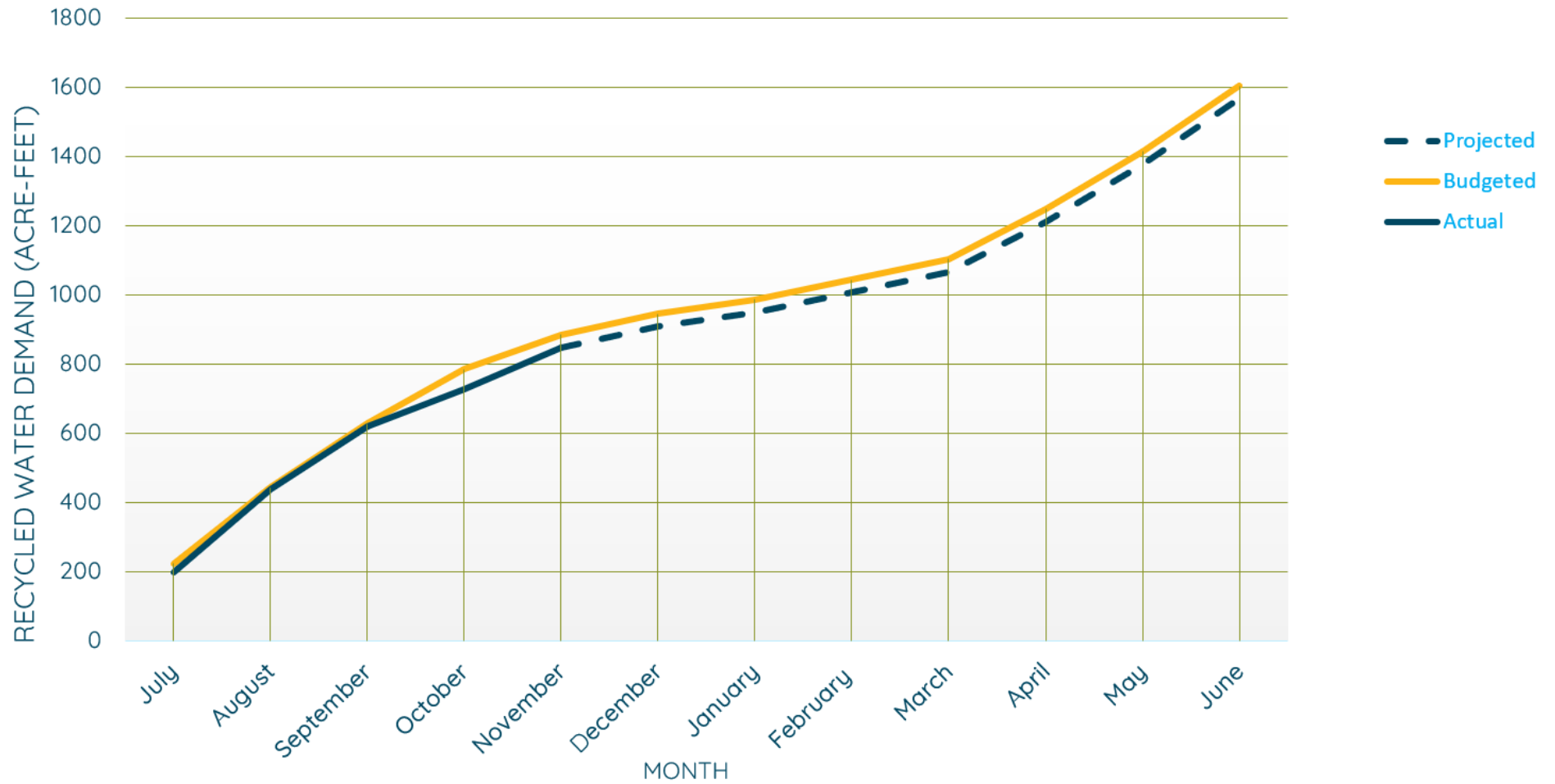


FIGURE 3: FY2020/21 CUMULATIVE DEMAND VS BUDGET



SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

January 25, 2022

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 Becker on December 9, 2021.

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

January 25, 2022

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: Director of Finance and Administration

SUBJECT: FY 2020-21 FINANCIAL AUDIT REPORT ACCEPTANCE

RECOMMENDATION

It is recommended that the Board of Directors:

1. Accept and file the FY 2020-21 Audited Financial Statements for San Elijo Joint Powers Authority;
2. Accept and file the FY 2020-21 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 annually conduct an 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 2020-21 has been completed and it is the auditor's opinion that SEJPA's June 30, 2021 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 to the Board of Directors specific information related to the audit. 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 2020-21 Audited Financial Statements for San Elijo Joint Powers Authority;
2. Accept and file the FY 2020-21 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, 2021

Attachment 2: FY 2020-21 SAS 114 Letter

SAN ELIJO JOINT POWERS AUTHORITY
FINANCIAL STATEMENTS
JUNE 30, 2021

DRAFT



Leaf & Cole, LLP
Certified Public Accountants

SAN ELIJO JOINT POWERS AUTHORITY
FINANCIAL STATEMENTS
JUNE 30, 2021

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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

Report on Financial Statements

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, 2021 which collectively comprise the San Elijo Joint Powers Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of San Elijo Joint Powers Authority, as of June 30, 2021, and the respective changes in financial position and where applicable cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the required supplementary information on pages 42 to 45 as identified in the accompanying table of contents be presented to supplement the financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of 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.

Other Information

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 the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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.

The operating budget comparison schedule - wastewater and the operating budget comparison schedule - recycled have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or any assurance on them.

San Diego, California
January 25, 2022

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, 2021. Please read it in conjunction with SEJPA's financial statements which begin on page 8.

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 expenses.

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 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Financial Statements (Continued)

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.

Financial Highlights

SEJPA's net position increased by \$1,378,968 for the year ended June 30, 2021.

SEJPA's revenues totaled \$12,113,132 for the year ended June 30, 2021, an increase of \$589,907 resulting from a significant increase in state grants offset by a decrease in investment income as SEJPA incurred expenditures for capital projects.

SEJPA's expenses totaled \$10,734,164 for the year ended June 30, 2021. The expense increase was \$232,814 or 2.21% primarily due to increases in engineering and professional services as well as gas and electric costs.

Financial Analysis of SEJPA

Net Position

The following is a summary of SEJPA's statements of net position at June 30:

	<u>2021</u>	<u>2020</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
<u>Assets:</u>				
Current and other assets	\$ 40,388,410	\$ 49,114,481	\$ (8,726,071)	(17.77)%
Capital assets	64,163,664	54,803,442	9,360,222	17.07%
Total Assets	<u>104,552,074</u>	<u>103,917,923</u>	<u>634,151</u>	0.61%
<u>Deferred Outflows of Resources</u>	<u>815,911</u>	<u>779,780</u>	<u>36,131</u>	4.63%
<u>Liabilities:</u>				
Current liabilities	4,443,974	5,218,303	(774,329)	(14.83)%
Noncurrent liabilities	29,596,906	29,439,275	157,631	0.53%
Total Liabilities	<u>34,040,880</u>	<u>34,657,578</u>	<u>(616,698)</u>	(1.77)%
<u>Deferred Inflows of Resources</u>	<u>60,717</u>	<u>172,705</u>	<u>(111,988)</u>	(64.84)%
<u>Net Position:</u>				
Net investment in capital assets	38,679,158	28,332,591	10,346,567	36.51%
Restricted	-	630,000	(630,000)	(100.00)%
Unrestricted	32,587,230	40,924,829	(8,337,599)	(20.37)%
Total Net Position	<u>\$ 71,266,388</u>	<u>\$ 69,887,420</u>	<u>\$ 1,378,968</u>	1.97%

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Financial Analysis of SEJPA (Continued)

Net Position (Continued)

Net position increased by \$1,378,968 from fiscal year 2020 to 2021. Net investment in capital assets increased \$10,346,567 in fiscal year 2021. This increase is the result of principal paid on long-term debt, and the investment in capital assets, net of depreciation expense including the Water Campus Improvement Project.

Restricted net position decreased \$630,000 for the year ended June 30, 2021 as funds restricted for reserves were no longer needed after paying-off the state loan payable.

Unrestricted net position (those that can be used to finance day-to-day operations) decreased \$8,337,599 primarily due to funding for the Water Campus Improvement Project.

Revenues, Expenses and Change in Net Position

The following is a summary of SEJPA's revenues, expenses and changes in net position for the years ended June 30:

	<u>2021</u>	<u>2020</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
<u>Revenues:</u>				
Operating contributions from members	\$ 3,705,549	\$ 3,511,851	\$ 193,698	5.51%
Charges for services to other government agencies	5,088,992	5,103,323	(14,331)	(0.28)%
Other nonoperating revenue	1,155,994	1,646,047	(490,053)	(29.77)%
Member agency assessments	1,157,490	1,172,279	(14,789)	(1.26)%
State grants	1,005,107	89,725	915,382	1020.20%
Total Operating Revenues	<u>12,113,132</u>	<u>11,523,225</u>	<u>589,907</u>	5.11%
<u>Expenses:</u>				
Operating expenses	9,852,449	9,608,197	244,252	2.54%
Nonoperating expenses	881,715	893,153	(11,438)	(1.28)%
Total Expenses	<u>10,734,164</u>	<u>10,501,350</u>	<u>232,814</u>	2.21%
Increase in Net Position	<u>\$ 1,378,968</u>	<u>\$ 1,021,875</u>	<u>\$ 357,093</u>	34.94%

Capital Assets

Capital assets consist of the following at June 30:

	<u>2021</u>	<u>2020</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Construction in progress	\$ 15,520,248	\$ 7,520,610	\$ 7,999,638	106.36%
Plant equipment	90,434,314	86,844,963	3,589,351	4.13%
Lab equipment	81,270	85,524	(4,254)	(4.97)%
Office equipment	76,136	83,896	(7,760)	(9.24)%
Vehicles	488,234	488,234	-	0.00%
Subtotal	<u>106,600,202</u>	<u>95,023,227</u>	<u>11,576,975</u>	12.18%
Less: Accumulated depreciation	<u>(42,436,538)</u>	<u>(40,219,785)</u>	<u>(2,216,753)</u>	(5.51)%
Total Capital Assets, Net	<u>\$ 64,163,664</u>	<u>\$ 54,803,442</u>	<u>\$ 9,360,222</u>	17.07%

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Financial Analysis of the SEJPA (Continued)

Capital Assets (Continued)

The net additions to capital assets for fiscal year 2021 totaled \$9,360,222. Capital asset additions are primarily related to the Water Campus Improvement project.

Long-Term Debt

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

	<u>2021</u>	<u>2020</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
2011 Refunding Revenue Bonds	\$ -	\$ 120,000	\$ (120,000)	(100.00)%
2017 Revenue Bonds	23,055,823	23,576,047	(520,224)	(2.20)%
State loan payable	-	814,318	(814,318)	(100.00)%
Private placement loan payable	1,250,662	1,343,998	(93,336)	(6.94)%
SFID Reimbursement Agreement	415,508	422,971	(7,463)	(1.76)%
Solana Beach Reimbursement Agreement	442,184	-	442,184	100.00%
SDG&E loan	320,329	373,719	(53,390)	(14.28)%
Total Long-Term Debt	<u>\$ 25,484,506</u>	<u>\$ 26,651,053</u>	<u>\$ (1,166,547)</u>	(4.37)%

The total long-term debt decreased by \$1,166,547 primarily due to principal payments on the 2017 Revenue Bonds and the state loan payable.

Economic Factors

Consistent with the prior year, SEJPA's fiscal year 2021-22 sanitary fund operations and maintenance budget is \$6,119,413. The water reclamation budget is \$1,883,700. Sales of reclaimed water are budgeted to be 1,604 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 \$159,000 and is \$5,228 lower than last year's budget levels.

The capital project program will have a budget of \$2,235,000 during the upcoming year. This is primarily for improvements to the wastewater, ocean outfall, pump stations, and reclamation programs.

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 \$186 per EDU per year for 2021-22. This represents a 10% increase from 2020-21. 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Economic Factors (Continued)

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 will be 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.

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, 2021

ASSETS

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

Cash and cash equivalents	\$ 16,015,007
Due from other governmental agencies	2,793,789
Accrued interest receivable	303,277
Prepaid expenses	46,337
Current portion of loans receivable	460,000
Total Current Assets	<u>19,618,410</u>

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

Loans Receivable, net of current portion	<u>20,770,000</u>
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Capital Assets:

Nondepreciable	15,520,248
Depreciable, net of accumulated depreciation	48,643,416
Total Capital Assets	<u>64,163,664</u>

Total Noncurrent Assets	<u>84,933,664</u>
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TOTAL ASSETS	<u>104,552,074</u>
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DEFERRED OUTFLOWS OF RESOURCES: (Notes 1, 11 and 12)

Deferred outflows related to pensions	745,611
Deferred outflows related to OPEB	70,300

TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 815,911</u>
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The accompanying notes are an integral part of the financial statements.

SAN ELIJO JOINT POWERS AUTHORITY
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2021

LIABILITIES

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

Accounts payable	\$ 1,450,290
Accrued liabilities	304,459
Accrued interest payable	296,400
Due to other government agencies	371,253
Unearned revenue	1,308,847
Current portion of revenue bonds	460,000
Current portion of private placement loan payable	97,249
Current portion of SDG&E loan	53,388
Current portion of compensated absences	102,088
Total Current Liabilities	<u>4,443,974</u>

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

Long-Term Debt:

Revenue bonds, net of current portion	22,595,823
Private placement loan payable, net of current portion	1,153,413
SFID reimbursement agreement payable	415,508
Solana Beach reimbursement agreement payable	442,184
SDG&E loan, net of current portion	266,941
Total Long-Term Debt	<u>24,873,869</u>

Other Noncurrent Liabilities:

Net pension liability	3,619,079
Net OPEB obligation	595,539
Compensated absences	508,419
Total Other Noncurrent Liabilities	<u>4,723,037</u>

Total Noncurrent Liabilities	<u>29,596,906</u>
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Total Liabilities	<u>34,040,880</u>
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DEFERRED INFLOWS OF RESOURCES: (Notes 1 and 12)

Deferred inflows related to pensions	<u>60,717</u>
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TOTAL DEFERRED INFLOWS OF RESOURCES	<u>60,717</u>
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Commitments and Contingencies (Notes 11, 12 and 13)

NET POSITION:

Net investment in capital assets	38,679,158
Unrestricted	32,587,230
Total Net Position	<u>\$ 71,266,388</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, 2021

Operating Revenues:

Charges for services to other government agencies	\$ 5,088,992
Contributions from City of Encinitas	2,120,667
Contributions from City of Solana Beach	1,584,882
Total Operating Revenues	<u>8,794,541</u>

Operating Expenses:

Personnel costs	3,672,400
Depreciation and amortization	2,309,388
Contracted services	1,403,866
Utilities	904,355
Supplies	626,365
Disposal services	304,007
Repair parts expense	222,864
Rent	146,110
Permit/purveyor fees	122,187
Miscellaneous	75,373
Insurance	65,534
Total Operating Expenses	<u>9,852,449</u>

Operating Loss	<u>(1,057,908)</u>
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Nonoperating Revenues (Expenses):

Investment income	1,046,136
State grants	1,005,107
Other	77,756
Rental income	29,960
Gain on disposal of capital assets	2,142
Interest expense	(881,715)
Total Nonoperating Revenues (Expenses)	<u>1,279,386</u>

Income Before Capital Contributions	<u>221,478</u>
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Capital Contributions:

Member agency assessments	1,157,490
Total Capital Contributions	<u>1,157,490</u>

Change in Net Position	1,378,968
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Net Position at Beginning of Year	<u>69,887,420</u>
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NET POSITION AT END OF YEAR	<u>\$ 71,266,388</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, 2021**

Cash Flows From Operating Activities:

Cash received from customers	\$ 8,852,002
Cash payments to suppliers for goods and services	(4,983,040)
Cash payments to employees for services	(3,557,495)
Net Cash Provided by Operating Activities	<u>311,467</u>

Cash Flows From Noncapital and Related Financing Activities:

Rental and other nonoperating income	107,629
Net Cash Provided by Noncapital and Related Financing Activities	<u>107,629</u>

Cash Flows From Capital and Related Financing Activities:

Acquisition and construction of capital assets	(11,863,127)
Proceeds from sale of capital assets	2,142
Proceeds from long-term debt	478,319
Principal paid on long-term debt	(1,574,642)
Interest paid on long-term debt	(975,715)
Proceeds of state grants	1,005,107
Capital contributions	1,157,490
Net Cash Used in Capital and Related Financial Activities	<u>(11,770,426)</u>

Cash Flows From Investing Activities:

Proceeds from loans receivable	570,000
Investment income	1,072,104
Net Cash Provided by Investing Activities	<u>1,642,104</u>

Net Decrease in Cash and Cash Equivalents	(9,709,226)
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Cash and Cash Equivalents at Beginning of Year	<u>25,724,233</u>
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CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>\$ 16,015,007</u>
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(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, 2021**

Reconciliation of Operating Loss to

Net Cash Provided by Operating Activities:

Operating loss	\$ (1,057,908)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization	2,309,388
Change in assets and liabilities:	
Due from other governmental agencies	(1,548,364)
Prepaid expenses	(30,759)
Deferred outflows related to pensions	(134,623)
Deferred outflows related to OPEB	(14,831)
Accounts payable	(1,081,620)
Accrued liabilities	(225,534)
Unearned revenue	1,308,847
Net pension liability	313,865
Due to other government agencies	296,978
Net OPEB obligation	52,605
Compensated absences	102,088
Deferred inflows related to pensions	21,335
Net Cash Provided by Operating Activities	<u><u>\$ 311,467</u></u>

Supplemental Disclosure of Cash Flow Information:

Capital Assets acquired with Solana Beach Reimbursement Agreement Payable	<u><u>\$ 422,184</u></u>
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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, 2021**

	Post-Employment Benefits Trust
ASSETS	
Cash	\$ 345,310
Total Assets	<u>345,310</u>
 NET POSITION	
Held in trust for the benefit of employees of the San Elijo Joint Powers Authority	 \$ <u>345,310</u>

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

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**SAN ELIJO JOINT POWERS AUTHORITY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Post-Employment Benefits Trust</u>
ADDITIONS:	
Contributions	\$ 263,020
Investment earnings	<u>30,819</u>
Total Additions	<u>293,839</u>
DEDUCTIONS:	
Administrative fees	<u>1,063</u>
Total deductions	<u>1,063</u>
Change in Net Assets	292,776
Net Position - Beginning	<u>52,534</u>
Net Position - Ending	\$ <u><u>345,310</u></u>

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

**SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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, 2021

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, 2021.

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 \$2,309,388 for the year ended June 30, 2021.

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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

Significant Accounting Policies (Continued)

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 \$70,224 for the year ended June 30, 2021 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 the SEJPA 14 calendar days written notice are paid for 50% of the sick leave balance upon separation. Accumulated and unpaid vacation and sick-leave totaling \$610,507 is accrued when incurred and included in noncurrent liabilities at June 30, 2021.

Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources and deferred inflows of resources are defined as a consumption of net assets by SEJPA that is applicable to a future reporting period and an acquisition of net assets by SEJPA that is applicable to a future reporting period respectively. Deferred outflows of resources and deferred inflows of resources related to OPEB and pensions are more fully described in Notes 11 and 12.

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, 2021, 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 \$25,500,000 per occurrence and in aggregate. CSRMA is self-insured up to \$15,500,000 and additional \$10,000,000 in excess insurance has been purchased to bring the total limit of liability coverage to \$25,500,000. SEJPA has a \$100,000 deductible in the CSRMA Pooled Liability Program.

**SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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

Significant Accounting Policies (Continued)

Risk Management (Continued)

Property Damage - \$62,007,894 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 \$65,534 for the year ended June 30, 2021. 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 timeframes are used:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	June 30, 2020 to June 30, 2021

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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 timeframes are used:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	June 30, 2020 to June 30, 2021

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, 2021**

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

Significant Accounting Policies (Continued)

Economic Dependency

SEJPA received approximately 42% of its operating revenues from its member agencies for the year ended June 30, 2021.

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 January 25, 2022, the date the financial statements were available to be issued.

Note 2 - Cash and Cash Equivalents:

Investments Authorized by the California Government Code and the 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 the 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
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

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 2 - Cash and Cash Equivalents:

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, 2021:

	Maturity in Years	
	1 Year or Less	Total
Cash on hand	\$ 179	\$ 179
California Local Agency Investment Fund (LAIF)	13,357,965	13,357,965
Deposits with financial institutions	2,656,863	2,656,863
Mutual funds	345,310	345,310
Total Cash and Cash Equivalents	<u>\$ 16,360,317</u>	<u>\$ 16,360,317</u>
Statement of Net Position:		
Cash and cash equivalents	\$ 16,015,007	\$ 16,015,007
Total Statement of Net Position	<u>16,015,007</u>	<u>16,015,007</u>
Statement of Fiduciary Net Position:		
Cash	345,310	345,310
Total Statement of Fiduciary Net Position	<u>345,310</u>	<u>345,310</u>
Total Cash and Cash Equivalents	<u>\$ 16,360,317</u>	<u>\$ 16,360,317</u>

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, 2021.

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 2 - Cash and Cash Equivalents: (Continued)

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

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, 2021.

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.

At June 30, 2021, none of SEJPA's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts. At June 30, 2021, no SEJPA investments were held by the same broker-dealer (counterparty) that was used by SEJPA to buy the securities.

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 2 - Cash and Cash Equivalents: (Continued)

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, 2021:

California Local Agency Investment Fund (LAIF)	\$ 13,357,965
Deposits with financial institutions	2,656,863
Cash on hand	179
Total	<u>\$ 16,015,007</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 the SEJPA by these agencies at June 30, 2021:

City of Solana Beach	\$ 578,990
San Dieguito Water District	216,664
Santa Fe Irrigation District	114,144
City of Del Mar	(81,160)
San Diego County Water Authority	1,788,763
Rancho Santa Fe CSD No. 2 and No. 3	4,415
Olivenhain Municipal Water District	56,252
Other	45,371
City of Escondido	(304,821)
City of Encinitas	3,918
Total	<u>\$ 2,422,536</u>

Financial Statement Classification:

Due from other government agencies	\$ 2,793,789
Due to other government agencies	(371,253)
	<u>\$ 2,422,536</u>

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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>2021</u>	<u>2020</u>
City of Solana Beach	\$ 10,615,000	\$ 10,900,000
City of Encinitas	10,615,000	10,900,000
Subtotal	21,230,000	21,800,000
Less current portion	(460,000)	(570,000)
Total	<u>\$ 20,770,000</u>	<u>\$ 21,230,000</u>

Note 5 - Capital Assets:

Capital assets consist of the following at June 30:

	Balance at June 30, 2020	Additions	Deletions	Balance at June 30, 2021
Capital Assets Not Being Depreciated:				
Construction in progress	\$ 7,520,610	\$ 10,671,655	\$ (2,672,017)	\$ 15,520,248
Capital Assets Being Depreciated:				
Plant equipment	86,844,963	3,670,872	(81,521)	90,434,314
Lab equipment	85,524	-	(4,254)	81,270
Office equipment	83,896	-	(7,760)	76,136
Vehicles	488,234	-	-	488,234
Total Capital Assets Being Depreciated	87,502,617	3,670,872	(93,535)	91,079,954
Less: Accumulated depreciation for:				
Plant equipment	(39,901,058)	2,241,282	81,521	(42,060,819)
Lab equipment	(72,617)	4,803	4,254	(73,166)
Office equipment	(78,458)	3,792	7,760	(74,490)
Vehicles	(167,652)	60,411	-	(228,063)
Net Capital Assets Being Depreciated	47,282,832	1,360,584	-	48,643,416
Net Capital Assets	<u>\$ 54,803,442</u>	<u>\$ 12,032,239</u>	<u>\$ (2,672,017)</u>	<u>\$ 64,163,664</u>

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 6 - Noncurrent Liabilities:

Noncurrent liabilities consist of the following at June 30, 2021:

	Balance at June 30, 2020	Additions	Deletions	Balance at June 30, 2021	Due Within One Year	Due in More Than One year
Payable from Restricted Assets:						
Due to member agencies payable from restricted assets	\$ 87	\$ -	\$ (87)	\$ -	\$ -	\$ -
Long-Term Debt:						
2011 Refunding Revenue Bonds	120,000	-	(120,000)	-	-	-
2017 Revenue Bonds	21,680,000	-	(450,000)	21,230,000	460,000	20,770,000
Original issue premium	1,896,047	-	(70,224)	1,825,823	-	1,825,823
State loan payable	814,318	-	(814,318)	-	-	-
Private placement loan payable	1,343,998	-	(93,336)	1,250,662	97,249	1,153,413
Reimbursement agreements payable:						
Santa Fe Irrigation	422,971	-	(7,463)	415,508	-	415,508
Solana Beach	-	478,319	(36,135)	442,184	-	442,184
SDG&E financing	373,719	-	(53,390)	320,329	53,388	266,941
Total Long-Term Debt	<u>26,651,053</u>	<u>478,319</u>	<u>(1,644,866)</u>	<u>25,484,506</u>	<u>610,637</u>	<u>24,873,869</u>
Other Noncurrent Liabilities:						
Compensated absences	508,419	102,088	-	610,507	102,088	508,419
Total OPEB liability	542,934	71,161	(18,556)	595,539	-	595,539
Net pension liability	3,305,214	845,360	(531,495)	3,619,079	-	3,619,079
Total Other Noncurrent Liabilities	<u>4,356,567</u>	<u>1,018,609</u>	<u>(550,051)</u>	<u>4,825,125</u>	<u>102,088</u>	<u>4,723,037</u>
Total Noncurrent Liabilities	<u>\$ 31,007,707</u>	<u>\$ 1,496,928</u>	<u>\$ (2,195,004)</u>	<u>\$ 30,309,631</u>	<u>\$ 712,725</u>	<u>\$ 29,596,906</u>

Note 7 - Revenue Bonds:

2011 Refunding Revenue Bonds

In December 2011, SEJPA issued the 2011 Revenue Refunding Bonds in the amount of \$9,235,000 for the purpose of refunding its 2003 Refunding Revenue Bonds and prepaying a note to the California Energy Commission. The 2003 Refunding Revenue Bonds had been issued to refund the 1993 Refunding Revenue Bonds, the proceeds of which had been loaned to its two member agencies to finance the upgrade and expansion of the water pollution control facility.

Although the refunding resulted in a deferred amount on refunding of \$340,611, SEJPA in effect reduced the aggregate debt service payments by approximately \$222,000 each year over the next seven years and obtained an economic gain (difference between the present values of the old debt and the new debt service payments) of \$1,251,450. The deferred amount on refunding was fully amortized at June 30, 2020.

The 2011 Refunding Revenue Bonds are payable in annual principal installments ranging from \$50,000 to \$1,415,000 through March 1, 2021. Interest payments are due semiannually on September 1, and March 1. Interest rates on the bonds range from 2% to 4%. The 2011 Refunding Revenue Bonds outstanding were paid-in-full at June 30, 2021. Accrued interest totaled \$-0- at June 30, 2021. The member agencies have covenanted to make payments of loan installments in each year from net revenues derived from the operation of each Agency's respective wastewater collection system.

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 7 - Revenue Bonds: (Continued)

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 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>
2022	\$ 460,000	\$ 876,225
2023	475,000	862,425
2024	490,000	848,175
2025	510,000	828,575
2026	535,000	803,075
2027-2031	3,100,000	3,586,625
2032-2036	3,910,000	2,777,875
2037-2041	4,740,000	1,941,537
2042-2046	5,725,000	962,000
2047	1,285,000	51,400
Total	<u>\$ 21,230,000</u>	<u>\$ 13,537,912</u>

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 8 - State Loan Payable:

In March 1998, SEJPA entered into an agreement with the State Water Resources Control Board for funding of the San Elijo Water Reclamation System. The loan was funded through the State Revolving Fund loan program administered by the State of California in the amount of \$12,633,522. The State Revolving Fund loan program provides funding for water reclamation projects at a reduced interest rate of 2.5%. The state loan payable outstanding was paid-in-full at June 30, 2021. Accrued interest totaled \$-0- at June 30, 2021. The San Elijo Water Reclamation Project represented the construction of tertiary treatment, operational storage facilities, effluent pump stations and a reclaimed water distribution system. Annual loan payments were made by SEJPA in the amount of \$834,675 and continued through August 2020. SEJPA had agreed to maintain a dedicated source of revenue sufficient to provide reasonable assurance of repayment of the loan.

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 \$1,250,662 at June 30, 2021. Accrued interest totaled \$4,325 at June 30, 2021. 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>
2022	\$ 97,249	\$ 50,904
2023	101,327	46,826
2024	105,576	42,577
2025	110,003	38,151
2026	114,615	33,538
2027-2031	649,322	91,444
2032	72,570	1,506
	<u>\$ 1,250,662</u>	<u>\$ 304,946</u>

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 10 - Reimbursement Agreement 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 at a monthly 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 \$415,508 at June 30, 2021.

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 of the extension to SEJPA. SEJPA shall reimburse Solana Beach at a monthly 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 \$442,184 at June 30, 2021.

San Diego Gas & Electric Loan

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 six years.

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 10 - Reimbursement Agreement Payable: (Continued)

San Diego Gas & Electric Loan (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>
2022	\$ 53,388	\$ -	\$ 53,388
2023	53,388	-	53,388
2024	53,388	-	53,388
2025	53,388	-	53,388
2026	53,388	-	53,388
2027	53,389	-	53,389
Total	<u>\$ 320,329</u>	<u>\$ -</u>	<u>\$ 320,329</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 \$143 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, 2021, the date of the latest actuarial valuation:

Active plan members	23
Retirees	<u>5</u>
Total	<u><u>28</u></u>

Contributions

The obligations 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.

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 11 - Postemployment Benefits: (Continued)

Net OPEB Liability

SEJPA's OPEB liability was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021.

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions:

Discount Rate	2.19%
Inflation	2.75%
Aggregate payroll increases	3.00%
Expected long-term investment rate of return	N/A
Mortality, Termination, and Disability	Most recent CalPERS pension plan experience study.
Mortality Improvement Scale	Modified MP-2020, which converge to ultimate mortality improvement rates in 2022.
Pre-retirement turnover	Ranging from 0.01% to 17.42% based on termination rates under the CalPERS pension Plan
Healthcare Trend Rate	An annual healthcare cost trend rate of 6.5% initially reduced by decrements to an ultimate of 4.5% therefore.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2019 through June 30, 2021. SEJPA completes a new actuarial valuation every two years. The next valuation will be dated June 30, 2023 and will be used for financial reporting for fiscal years ending June 30, 2023 and 2024.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.19%. 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 20-Bond GO Index, and Fidelity 20-Year Go Municipal Bond Index.

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 11 - Postemployment Benefits: (Continued)

Change in the Total OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2020	\$ 542,934	\$ -	\$ 542,934
<u>Changes Recognized for the Measurement Period:</u>			
Service cost	27,919	-	27,919
Interest	13,759	-	13,759
Change in assumptions	22,755	-	22,755
Difference between expected and actual experience	6,728	-	6,728
Contributions - Employer	-	18,556	(18,556)
Benefit payments	(18,556)	(18,556)	-
Net Changes	52,605	-	52,605
Balance at June 30, 2021	\$ 595,539	\$ -	\$ 595,539

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 (1.19 percent) or 1-percentage-point higher (3.19 percent) than the current discount rate:

	Plan's Total OPEB Liability/(Asset)		
	Discount Rate - 1% (1.19%)	Current Discount Rate (2.19%)	Discount Rate +1% (3.19%)
Net OPEB Liability	\$ 693,903	\$ 595,539	\$ 517,260

Change in Assumptions

For the measurement period ended June 30, 2021, the discount rate used to calculate the net OPEB liability changed from 2.45% to 2.19%.

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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 (5.5 percent decreasing to 3.5 percent) or 1-percentage-point higher (7.5 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

	Plan's Total OPEB Liability		
	Discount Rate - 1% (5.5% Decreasing to 3.5%)	Healthcare Cost Trend Rates (6.5% Decreasing to 4.5%)	Discount Rate +1% (7.5% Decreasing to 5.5%)
Net OPEB Liability	\$ <u>506,916</u>	\$ <u>595,539</u>	\$ <u>709,792</u>

OPEB Expense

For the fiscal year ended June 30, 2021, SEJPA recognized OPEB expense of \$37,774.

Deferred outflows or deferred inflows of resources associated with OPEB at June 30, 2021 were the following:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between expected and actual experience	\$ 11,143	\$ -
Changes of assumptions	59,157	-
Total	\$ <u>70,300</u>	\$ <u>-</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
2021	\$ 9,353
2022	9,353
2023	9,354
2024	10,678
2025	10,684
Thereafter	20,878
Total	\$ <u>70,300</u>

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021, 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	12.361%	8.794%	7.732%

* 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 \$229,635 toward the unfunded actuarial liability during the year ended June 30, 2021. 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.

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 12 - Defined Benefit Pension Plan: (Continued)

General Information About the Pension Plans (Continued)

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.

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, 2021:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous Risk Pool	<u>\$ 3,619,079</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, 2020, the measurement date, was calculated as follows:

- Each risk pool's total pension liability was computed at the measurement date, June 30, 2020, 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, 2019, 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, 2020, 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, 2020, to obtain the total pension liability and fiduciary net position as of June 30, 2020. The fiduciary net position was then subtracted from total pension liability to obtain the net pension liability as of the measurement date.

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 12 - Defined Benefit Pension Plan: (Continued)

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

The District's proportionate share percentage of the net position liability as of June 30, 2019 and 2020 was as follows:

	<u>Miscellaneous Risk Pool</u>
Proportionate at Measurement Date - June 30, 2019	0.082537
Proportionate at Measurement Date - June 30, 2020	<u>0.085799</u>
Change - Increase (Decrease)	<u>0.003262</u>

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

For the year ended June 30, 2021, SEJPA recognized pension expense of \$666,698. At June 30, 2021, SEJPA reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 466,121	\$ -
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	(168,227)
Changes in assumptions	-	(25,813)
Changes in proportions	118,801	-
Differences between actual and expected experience	186,502	-
Net difference between projected and actual earnings on plan investments	<u>107,510</u>	<u>-</u>
Total	<u>\$ 878,934</u>	<u>\$ (194,040)</u>

The \$466,121 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Years Ended June 30</u>	
2022	\$ (1,631)
2023	92,559
2024	76,282
2025	<u>51,563</u>
Total	<u>\$ 218,773</u>

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2020 actuarial valuations were determined using the following actuarial assumptions:

	2.5% @ 55	2% @ 60	2% @ 62
Valuation Date	June 30, 2019	June 30, 2019	June 30, 2019
Measurement Date	June 30, 2020	June 30, 2020	June 30, 2020
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 7.15%. 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 7.15% 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, 2020 based on June 30, 2019 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, 2021

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>New Strategy Allocation</u>	<u>Real Return Years 1 - 10^(a)</u>	<u>Real Return Years 11 +^(b)</u>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0	1.00	2.62
Inflation Assets	-	0.77	1.81
Private Equity	8.0	6.30	7.23
Real Estate	13.0	3.75	4.93
Liquidity	1.0	-	(0.92)
	<u>100.0%</u>		

^(a)An expected inflation of 2.0% used for this period

^(b)An expected inflation of 2.92% used for this period

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 (6.15%)</u>	<u>Current Discount Rate (7.15%)</u>	<u>1% Increase (8.15%)</u>
SEJPA's proportionate share of the miscellaneous risk pool's pension liability	\$ <u>5,683,715</u>	\$ <u>3,619,079</u>	\$ <u>1,913,135</u>

Note 13 - Commitments and Contingencies:

Contracts

SEJPA has entered into various contracts for the purchase of material and construction of capital assets. The amounts contracted are based on the contractor's estimated cost of construction. At June 30, 2021, the total unpaid amount on these contracts is approximately \$6,433,401.

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.

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 13 - Commitments and Contingencies: (Continued)

Operating Leases

Under an agreement dated April 11, 1991 SEJPA leases a maintenance facility to the City of Encinitas for \$1 per year for an initial term of 30 years. The lease may be renewed or extended at the expiration of the initial term at a rate mutually agreed upon. In addition to the annual payment of \$1, the City agreed to reimburse the SEJPA within 30 days for all engineering and inspection costs incurred as a result of the engineering and construction of the maintenance facility. The City also agreed to reimburse SEJPA for all construction costs incurred by the SEJPA as a result of the construction of the maintenance facility in 30 equal annual installments at an interest rate equal to the interest rate on the bonds issued for construction of the upgrade and expansion of the Water Pollution Control Facility. The lease payments collected are then remitted directly to the member agencies.

In January 2007 SEJPA entered into a Communications Site License Agreement as lessor with Omnipoint Communications, Inc. which was subsequently conveyed to T-Mobile West, LLC. The initial term of the agreement, which calls for an annual payment of \$20,400 and increasing 3% annually, is for 5 years commencing the earlier of the date the licensees intend to commence construction or October 1, 2007. This lease agreement may be extended automatically for five additional five-year terms on the same terms and conditions at the election of Omnipoint. The lease is currently extended through October 1, 2022. SEJPA recognized rental income in the amount of \$29,086 for the year ended June 30, 2021.

Coronavirus Pandemic

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. SEJPA is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on SEJPA's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on SEJPA's customers, employees, and vendors, all of which at present cannot be determined. Accordingly, the extent to which COVID-19 may impact SEJPA's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

Note 14 - New Governmental Accounting Standards:

GASB No. 84

In January 2017, the Governmental Accounting Standards Board issued Statement No. 84 "Fiduciary Activities". The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier Application is encouraged. The effective date of this pronouncement has been postponed by 12 months by GASB Statement No. 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, 2021

Note 14 - New Governmental Accounting Standards:

GASB No. 87

In June 2017, the Governmental Accounting Standards Board issued Statement No. 87 “Leases”. The requirements of this Statement were effective for reporting periods beginning after December 15, 2019. The effective date of this pronouncement has been postponed by 18 months by GASB Statement No. 95. SEJPA has not determined the effects of this pronouncement on the financial statements of SEJPA in the year of implementation.

GASB No. 89

In June 2018, the Governmental Accounting Standards Board issued Statement No. 89 “Accounting for Interest Cost Incurred before the End of a Construction Period”. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. SEJPA has elected to implement this pronouncement and has not capitalized any interest cost in the year ended June 30, 2021.

GASB No. 90

In August 2018, the Governmental Accounting Standards Board issued Statement No. 90 “Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61”. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. 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. 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. SEJPA has not determined the effects of this pronouncement on the financial statements of SEJPA in the year of implementation.

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 and is not expected to 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, 2021

Note 14 - New Governmental Accounting Standards: (Continued)

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 is not expected to 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. 95

In May 2020, the Governmental Accounting Standards Board issued Statement No. 95 “Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing for one year the effective dates of GASB Statements 83, 84, 88 – 93 as well as implementation guides 2018-1, 2019-1 and 2019-2. In addition, the effective dates of GASB Statement 87 and Implementation Guide 2019-3 have been postponed by 18 months.

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. SEJPA has not determined the effects of this pronouncement on the financial statements of SEJPA in the year of implementation.

SAN ELIJO JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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 Statement No. 98

In October 2021 Governmental Accounting Standards Board issued Statement No. 98 “The Annual Comprehensive Financial Report”. The statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The requirements of this statement are effective for fiscal years ending after December 15, 2021. Earlier application is encouraged. Application of this statement did not have a material effect on SEJPA’s financial statements for the fiscal year ending June 30, 2021.

**SAN ELIJO JOINT POWERS AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

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

	Measurement Date June 30, 2020	Measurement Date June 30, 2019	Measurement Date June 30, 2018	Measurement Date June 30, 2017	Measurement Date June 30, 2016
Proportion of the Net Pension Liability	0.085799%	0.082537%	0.079550%	0.081861%	0.079200%
Proportionate Share of the Net Pension Liability	\$ 3,619,079	\$ 3,305,214	\$ 2,998,025	\$ 3,227,017	\$ 2,924,994
Covered Payroll - Measurement Period	\$ 2,118,208	\$ 2,072,596	\$ 1,930,102	\$ 1,916,333	\$ 1,829,430
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	170.86%	159.47%	155.33%	168.40%	159.89%
Plan's Fiduciary Net Position	\$ 11,895,680	\$ 11,362,690	\$ 10,450,711	\$ 9,717,557	\$ 8,477,710
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	76.67%	77.47%	77.71%	75.07%	74.35%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 531,495	\$ 470,825	\$ 398,079	\$ 367,677	\$ 315,703
	Measurement Date June 30, 2015	Measurement Date June 30, 2014	Measurement Date June 30, 2013	Measurement Date June 30, 2012	Measurement Date June 30, 2011
Proportion of the Net Pension Liability	.089800%	0.081140%	N/A	N/A	N/A
Proportionate Share of the Net Pension Liability	\$ 2,463,640	\$ 1,937,636	\$ N/A	\$ N/A	\$ N/A
Covered Payroll - Measurement Period	\$ 1,718,001	\$ 1,707,696	\$ N/A	\$ N/A	\$ N/A
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	143.40%	113.46%	N/A	N/A	N/A
Plan's Fiduciary Net Position	\$ 8,203,952	\$ 7,976,883	\$ N/A	\$ N/A	\$ N/A
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	76.91%	80.46%	N/A	N/A	N/A
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 308,067	\$ 215,709	\$ N/A	\$ N/A	\$ 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, 2021**

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

	Fiscal Year 2020 - 2021	Fiscal Year 2019 - 2020	Fiscal Year 2018 - 2019	Fiscal Year 2017 - 2018	Fiscal Year 2016 - 2017
Actuarially Determined Contribution	\$ 466,121	\$ 403,880	\$ 356,338	\$ 302,451	\$ 302,683
Contributions in Relation to the Actuarially Determined Contributions	<u>(466,121)</u>	<u>(404,110)</u>	<u>(356,338)</u>	<u>(302,451)</u>	<u>(437,683)</u>
Contributions Deficiency (Excess)	<u>\$ -</u>	<u>\$ (230)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (135,000)</u>
Covered Payroll - Fiscal Year	<u>\$ N/A</u>	<u>\$ 2,118,208</u>	<u>\$ 2,072,596</u>	<u>\$ 1,930,102</u>	<u>\$ 1,916,333</u>
Contributions as a Percentage of Covered Payroll	N/A%	19.08%	17.19%	15.67%	22.84%
Valuation Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
	Fiscal Year 2015 - 2016	Fiscal Year 2014 - 2015	Fiscal Year 2013 - 2014	Fiscal Year 2012 - 2013	Fiscal Year 2011 - 2012
Actuarially Determined Contribution	\$ 286,852	\$ 267,504	\$ 256,232	\$ N/A	\$ N/A
Contributions in Relation to the Actuarially Determined Contributions	<u>(441,852)</u>	<u>(267,504)</u>	<u>(256,232)</u>	<u>N/A</u>	<u>N/A</u>
Contributions Deficiency (Excess)	<u>\$ (125,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
Covered Payroll - Fiscal Year	<u>\$ 1,829,430</u>	<u>\$ 1,718,001</u>	<u>\$ 1,707,696</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
Contributions as a Percentage of Covered Payroll	22.51%	15.57%	15.00%	N/A	N/A
Valuation Date	June 30, 2014	June 30, 2013	June 20, 2012		

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, 2021**

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

Measurement Period	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Total OPEB Liability										
Service cost	\$ 27,919	\$ 23,405	\$ 19,445	\$ 18,879	\$ 18,267	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Interest	13,759	15,314	15,625	14,565	13,926	N/A	N/A	N/A	N/A	N/A
Change of benefit terms	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Differences between expected and actual experience	6,728	-	8,259	-	-	N/A	N/A	N/A	N/A	N/A
Changes of assumptions	22,755	49,719	6,771	(9,274)	-	N/A	N/A	N/A	N/A	N/A
Benefit payments	(18,556)	(16,528)	(12,096)	(14,170)	(13,242)	N/A	N/A	N/A	N/A	N/A
Net Change in Total OPEB Liability	<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>	<u>N/A</u>	<u>N/A</u>
Total OPEB Liability - Beginning	<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>	<u>N/A</u>	<u>N/A</u>
Total OPEB Liability - Ending (a)	<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>	<u>\$ N/A</u>	<u>\$ N/A</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 18,556	\$ 16,528	\$ 12,096	\$ 14,170	\$ 13,242	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Net investment income	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Benefit payments	(18,556)	(16,528)	(12,096)	(14,170)	(13,242)	N/A	N/A	N/A	N/A	N/A
Administrative expense	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Net Change in Plan Fiduciary Net Position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>N/A</u>	<u>N/A</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>N/A</u>	<u>N/A</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>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
District's Net OPEB Liability - Ending (a) - (b)	<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>	<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%	N/A	N/A	N/A	N/A	N/A
Covered Employee Payroll - Measurement Period	<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>	<u>\$ N/A</u>	<u>\$ N/A</u>
Net OPEB Liability as a Percentage of Covered - Employee Payroll	27.22%	25.79%	23.05%	N/A	22.78%	N/A	N/A	N/A	N/A	N/A

**SAN ELIJO JOINT POWERS AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

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

Notes to Schedules:

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

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**SAN ELIJO JOINT POWERS AUTHORITY
COMBINING SCHEDULE OF NET POSITION
JUNE 30, 2021**

ASSETS

	<u>Wastewater</u>	<u>Recycled</u>	<u>Total</u>
<u>Current Assets:</u>			
Cash and cash equivalents	\$ 14,414,941	\$ 1,600,066	\$ 16,015,007
Due from other government agencies	588,273	2,205,516	2,793,789
Accrued interest receivable	303,322	(45)	303,277
Prepaid expenses	28,924	17,413	46,337
Current portion of loan receivable	460,000	-	460,000
Total Current Assets	<u>15,795,460</u>	<u>3,822,950</u>	<u>19,618,410</u>
<u>Noncurrent Assets:</u>			
Loans Receivable, net of current portion	<u>20,770,000</u>	<u>-</u>	<u>20,770,000</u>
<u>Capital Assets:</u>			
Nondepreciable	15,234,237	286,011	15,520,248
Depreciable, net of accumulated depreciation	<u>31,087,948</u>	<u>17,555,468</u>	<u>48,643,416</u>
Total Capital Assets	<u>46,322,185</u>	<u>17,841,479</u>	<u>64,163,664</u>
TOTAL ASSETS	<u>82,887,645</u>	<u>21,664,429</u>	<u>104,552,074</u>
<u>Deferred Outflows of Resources</u>			
Deferred outflows related to pensions	628,550	117,061	745,611
Deferred outflows related to OPEB	59,263	11,037	70,300
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>687,813</u>	<u>128,098</u>	<u>815,911</u>

**SAN ELIJO JOINT POWERS AUTHORITY
COMBINING SCHEDULE OF NET POSITION (CONTINUED)
JUNE 30, 2021**

LIABILITIES

	<u>Wastewater</u>	<u>Recycled</u>	<u>Total</u>
<u>Current Liabilities:</u>			
Accounts payable	\$ 545,030	\$ 905,260	\$ 1,450,290
Accrued liabilities	238,174	66,285	304,459
Accrued interest payable	292,075	4,325	296,400
Due to other government agencies	371,253	-	371,253
Unearned revenue	-	1,308,847	1,308,847
Current portion of noncurrent liabilities	615,476	97,249	712,725
Total Current Liabilities	<u>2,062,008</u>	<u>2,381,966</u>	<u>4,443,974</u>
<u>Noncurrent Liabilities:</u>			
Long-Term Debt:			
Revenue bonds, net of current portion	22,595,823	-	22,595,823
Private placement loan payable, net of current portion	-	1,153,413	1,153,413
SFID reimbursement agreement payable	-	415,508	415,508
Solana Beach reimbursement agreement payable	-	442,184	442,184
SDG&E loan, net of current portion	266,941	-	266,941
Total Long-Term Debt	<u>22,862,764</u>	<u>2,011,105</u>	<u>24,873,869</u>
Other Noncurrent Liabilities:			
Net pension liability	3,050,884	568,195	3,619,079
Net OPEB obligation	502,039	93,500	595,539
Compensated absences	419,771	88,648	508,419
Total Other Noncurrent Liabilities	<u>3,972,694</u>	<u>750,343</u>	<u>4,723,037</u>
Total Noncurrent Liabilities	<u>26,835,458</u>	<u>2,761,448</u>	<u>29,596,906</u>
Total Liabilities	<u>28,897,466</u>	<u>5,143,414</u>	<u>34,040,880</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u> (Notes 1 and 9)			
Deferred inflows related to pensions	<u>51,185</u>	<u>9,532</u>	<u>60,717</u>
<u>NET POSITION:</u>			
Net investment in capital assets	22,946,033	15,733,125	38,679,158
Unrestricted	31,680,774	906,456	32,587,230
Total Net Position	<u>\$ 54,626,807</u>	<u>\$ 16,639,581</u>	<u>\$ 71,266,388</u>

SAN ELIJO JOINT POWERS AUTHORITY
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Wastewater</u>	<u>Recycled</u>	<u>Total</u>
<u>Operating Revenues:</u>			
Charges for services to other government agencies	\$ 1,808,863	\$ 3,280,129	\$ 5,088,992
Contributions from City of Encinitas	2,120,667	-	2,120,667
Contributions from City of Solana Beach	1,584,882	-	1,584,882
Total Operating Revenues	<u>5,514,412</u>	<u>3,280,129</u>	<u>8,794,541</u>
<u>Operating Expenses:</u>			
Personnel costs	3,062,952	609,448	3,672,400
Depreciation and amortization	1,536,040	773,348	2,309,388
Contracted services	778,504	625,362	1,403,866
Utilities	454,443	449,912	904,355
Supplies	506,443	119,922	626,365
Disposal services	304,007	-	304,007
Repair parts expense	195,534	27,330	222,864
Rent	7,625	138,485	146,110
Permit/purveyor fees	77,570	44,617	122,187
Miscellaneous	61,889	13,484	75,373
Insurance	55,304	10,230	65,534
Total Operating Expenses	<u>7,040,311</u>	<u>2,812,138</u>	<u>9,852,449</u>
Operating (Loss)	<u>(1,525,899)</u>	<u>467,991</u>	<u>(1,057,908)</u>
<u>Nonoperating Revenues (Expenses):</u>			
Investment income	1,038,465	7,671	1,046,136
State grants	36,000	969,107	1,005,107
Other	40,768	36,988	77,756
Rental income	29,960	-	29,960
Gain on disposal of capital assets	2,142	-	2,142
Interest expense	(817,281)	(64,434)	(881,715)
Total Nonoperating Revenues (Expenses)	<u>330,054</u>	<u>949,332</u>	<u>1,279,386</u>
(Loss) Before Capital Contributions	<u>(1,195,845)</u>	<u>1,417,323</u>	<u>221,478</u>
<u>Capital Contributions:</u>			
Member agency assessments	1,157,490	-	1,157,490
Total Capital Contributions	<u>1,157,490</u>	<u>-</u>	<u>1,157,490</u>
Change in Net Position	(38,355)	1,417,323	1,378,968
Net Position at Beginning of Year	<u>54,665,162</u>	<u>15,222,258</u>	<u>69,887,420</u>
NET POSITION AT END OF YEAR	<u><u>\$ 54,626,807</u></u>	<u><u>\$ 16,639,581</u></u>	<u><u>\$ 71,266,388</u></u>

**SAN ELIJO JOINT POWERS AUTHORITY
COMBINING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Wastewater</u>	<u>Recycled</u>	<u>Total</u>
<u>Cash Flows From Operating Activities:</u>			
Cash received from customers	\$ 5,916,515	\$ 2,935,487	\$ 8,852,002
Cash payments to suppliers for goods and services	(4,270,418)	(712,622)	(4,983,040)
Cash payments to employees for services	(3,002,007)	(555,488)	(3,557,495)
Net Cash Provided by Operating Activities	<u>(1,355,910)</u>	<u>1,667,377</u>	<u>311,467</u>
<u>Cash Flows From Noncapital and Related Financing Activities:</u>			
Rental and other nonoperating income	<u>70,641</u>	<u>36,988</u>	<u>107,629</u>
Net Cash Provided by Noncapital and Related Financing Activities	<u>70,641</u>	<u>36,988</u>	<u>107,629</u>
<u>Cash Flows From Capital and Related Financing Activities:</u>			
Acquisition and construction of capital assets	(9,169,614)	(2,695,225)	(11,864,839)
Proceeds from sale of capital assets	2,142	-	2,142
Proceeds from long-term debt	-	478,319	478,319
Principal paid on long-term debt	(623,390)	(951,252)	(1,574,642)
Interest paid on long-term debt	(893,145)	(82,570)	(975,715)
Proceeds of state grants	36,000	969,107	1,005,107
Capital contributions	1,157,490	-	1,157,490
Net Cash Used in Capital and Related Financial Activities	<u>(9,490,517)</u>	<u>(2,281,621)</u>	<u>(11,772,138)</u>
<u>Cash Flows From Investing Activities:</u>			
Proceeds from loans receivable	570,000	-	570,000
Investment income	1,060,785	11,319	1,072,104
Net Cash Provided by Investing Activities	<u>1,630,785</u>	<u>11,319</u>	<u>1,642,104</u>
Net Decrease in Cash and Cash Equivalents	(9,145,001)	(565,937)	(9,710,938)
Cash and Cash Equivalents at Beginning of Year	<u>23,559,942</u>	<u>2,164,291</u>	<u>25,724,233</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>\$ 14,414,941</u>	<u>\$ 1,598,354</u>	<u>\$ 16,013,295</u>

**SAN ELIJO JOINT POWERS AUTHORITY
COMBINING SCHEDULE OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Wastewater</u>	<u>Recycled</u>	<u>Total</u>
<u>Reconciliation of Operating (Loss) Income to</u>			
<u>Net Cash Provided by Operating Activities:</u>			
Operating income (loss)	\$ (1,525,899)	\$ 467,991	\$ (1,057,908)
Adjustments to reconcile operating income (loss) to			
net cash provided by operating activities:			
Depreciation and amortization	1,536,040	773,348	2,309,388
Change in assets and liabilities:			
Due from other governmental agencies	105,125	(1,653,489)	(1,548,364)
Prepaid expenses	(22,074)	(8,685)	(30,759)
Deferred outflows related to pensions	(1,096)	(204)	(1,300)
Deferred outflows related to OPEB	(12,503)	(2,328)	(14,831)
Accounts payable	(1,807,025)	725,405	(1,081,620)
Accrued liabilities	(225,999)	465	(225,534)
Unearned revenue	(74,275)	1,308,847	1,234,572
Net pension liability	264,589	49,276	313,865
Due to other government agencies	371,253	-	371,253
Net OPEB obligation	44,346	8,259	52,605
Compensated absences	86,014	16,074	102,088
Deferred inflows related to pensions	(94,406)	(17,582)	(111,988)
Net Cash Provided by Operating Activities	<u>\$ (1,355,910)</u>	<u>\$ 1,667,377</u>	<u>\$ 311,467</u>

SAN ELIJO JOINT POWERS AUTHORITY
SCHDULE OF OPERATING BUDGET COMPARISON - WASTEWATER
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Operating Revenues:</u>			
Charges for services to other government agencies	\$ 2,324,339	\$ 1,808,863	\$ 515,476
Contributions from the City of Encinitas	2,115,401	2,120,667	(5,266)
Contributions from the City of Solana Beach	1,676,884	1,584,882	92,002
Total Operating Revenues	<u>6,116,624</u>	<u>5,514,412</u>	<u>602,212</u>
<u>Operating Expenses:</u>			
Personnel costs	2,817,433	3,062,952	(245,519)
Utilities	574,463	454,443	120,020
Contracted services	1,071,290	778,504	292,786
Miscellaneous	99,115	61,889	37,226
Supplies	484,796	506,443	(21,647)
Rent	12,913	7,625	5,288
Repair parts expense	150,600	195,534	(44,934)
Insurance	80,073	55,304	24,769
Disposal services	290,900	304,007	(13,107)
Permit/purveyor fees	93,306	77,570	15,736
Contingency	164,228	-	164,228
Total Operating Expenses	<u>5,839,117</u>	<u>5,504,271</u>	<u>334,846</u>
Depreciation and Amortization	-	1,536,040	(1,536,040)
Operating Expenses, Net	<u>5,839,117</u>	<u>7,040,311</u>	<u>(1,201,194)</u>
Operating Income (Loss)	<u>\$ 277,507</u>	<u>\$ (1,525,899)</u>	<u>\$ 1,803,406</u>

SAN ELIJO JOINT POWERS AUTHORITY
SCHEDULE OF OPERATING BUDGET COMPARISON - RECYCLED
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Operating Revenues:</u>			
Charges for services to other government agencies	\$ 3,213,249	\$ 3,280,129	\$ (66,880)
Total Operating Revenues	<u>3,213,249</u>	<u>3,280,129</u>	<u>(66,880)</u>
<u>Operating Expenses:</u>			
Personnel costs	642,022	609,448	32,574
Utilities	352,600	625,362	(272,762)
Contracted services	352,350	449,912	(97,562)
Miscellaneous	23,121	27,330	(4,209)
Supplies	300,575	119,922	180,653
Rent	101,188	44,617	56,571
Repair parts expense	50,000	138,485	(88,485)
Insurance	14,829	10,230	4,599
Permit/purveyor fees	30,594	13,484	17,110
Total Operating Expenses	<u>1,867,279</u>	<u>2,038,790</u>	<u>(171,511)</u>
Depreciation and Amortization	<u>-</u>	<u>773,348</u>	<u>(773,348)</u>
Operating Expenses, Net	<u>1,867,279</u>	<u>2,812,138</u>	<u>(944,859)</u>
Operating Income	<u>\$ 1,345,970</u>	<u>\$ 467,991</u>	<u>\$ 877,979</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 governmental activities and the business-type activities of San Elijo Joint Powers Authority for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, we will as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 19, 2021. Professional standards also require 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 San Elijo Joint Powers Authority 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, 2021. We noted no transactions entered into by San Elijo Joint Powers Authority 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 San Elijo Joint Powers Authority'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 San Elijo Joint Powers Authority on the valuation methodologies deemed appropriate by the California Local Agency Investment Fund (LAIF) and the fund managers. San Elijo Joint Powers Authority 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.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures may be 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)
- Reimbursement Agreement Payable (Note 10)
- Postemployment Benefits (Note 11)
- Defined Benefit Pension Plan (Note 12)

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 clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

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.

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 San Elijo Joint Powers Authority'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 San Elijo Joint Powers Authority'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 Required Supplementary Information (RSI) as listed 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.

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
January __, 2022

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SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

January 25, 2022

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: Director of Finance and Administration

SUBJECT: SAN ELIJO JOINT POWERS AUTHORITY END OF YEAR REVIEW OF THE
FY 2020-21 OPERATING AND DEBT SERVICE EXPENSES

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
- Ocean Outfall
- Cardiff Sanitary Division Pump Stations
- Encinitas Sanitary Division Pump Station
- City of Encinitas Urban & Storm Water
- City of Solana Beach Pump Stations
- City of Solana Beach Generator Services
- City of Del Mar Pump Station
- 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 that is served and cost allocations are applied based on actual flows treated or level of effort provided. The total operating budget for the FY 2020-21 was \$7,706,394.

DISCUSSION

The following information is the actual operating and debt services expenses for FY 2020-21, which ended June 30, 2021. Overall, SEJPA completed FY 2020-21 under budget, which allowed the application of some program savings to build reserves for future pension liabilities. The FY 2020-21 contribution to the pension reserve (PARS trust) totaled \$105,000. The financial performance of each program operated by SEJPA is presented below in further detail.

SUMMARY OF EXPENSES

The table below summarizes program expenses and budget variance for FY 2020-21. SEJPA programs were collectively \$455,725 or 5.9% under budget, including the \$105,000 pension contribution. Wastewater Treatment and Disposal, which includes pump stations and other services, was \$569,763 or 9.8% under budget. Recycled Water was \$114,038 or 6.1% over budget. Below is a summary table of all SEJPA programs followed by detail discussion for each program.

Program	Budget FY 2020-21	Final FY 2020-21	Under / (Over) Budget	% Budget Spent
Wastewater Treatment	\$ 3,105,747	\$ 2,887,499	\$ 218,248	93.0%
Laboratory	689,217	706,394	(17,177)	102.5%
Ocean Outfall	1,007,168	655,945	351,223	65.1%
Cardiff Sanitary Division	342,569	318,053	24,516	92.8%
Encinitas Sanitary Division	187,469	171,749	15,720	91.6%
City of Encinitas	32,010	63,682	(31,672)	198.9%
City of Solana Beach	408,910	405,161	3,749	99.1%
City of Solana Beach Services	13,694	9,425	4,269	68.8%
City of Del Mar	52,331	51,442	889	98.3%
Programs before Recycled Water	\$ 5,839,115	\$ 5,269,352	\$ 569,763	90.2%
Recycled Water	1,867,279	1,981,317	(114,038)	106.1%
Total All SEJPA Programs	\$ 7,706,394	\$ 7,250,669	\$ 455,725	94.1%

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 Districts, 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 \$218,248 or 7% . Personnel was approximately 3.3% over budget primarily due to COVID-19 pandemic protocols and investment contribution to the PARS trust. Capital Outlay was above budget due to replacement of aging equipment; however, these expenditures were offset by unspent budget in Supplies and Services and Contingency categories. Unspent budget in Supplies and Services are predominately in the areas of utilities, multi-year engineering services contracts, and chemicals.

<i>Expense Category</i>	Budget FY 2020-21	Final FY 2020-21	Under / (Over) Budget	% Budget Spent
Personnel	\$ 1,391,059	\$ 1,436,839	\$ (45,780)	103.3%
Supplies & Services	1,614,388	1,378,474	235,914	85.4%
Capital Outlay	25,000	72,186	(47,186)	288.7%
Contingency	75,300	-	75,300	0.0%
Total JPA Wastewater Treatment	\$ 3,105,747	\$ 2,887,499	\$ 218,248	93.0%

LABORATORY

The laboratory located at the San Elijo Water Campus provides analytical laboratory services for SEJPA's Wastewater Treatment, Ocean Outfall, and Recycled Water programs as well as to other entities through contract agreements. For FY 2020-21, 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. Overall Laboratory expenses were slightly above budget at 2.5%. Supplies and Services expenses were higher due to compliance with the Environmental Laboratory Accreditation Program (ELAP) regulations. ELAP's new standard focuses heavily on quality management systems to ensure that laboratories can provide users with traceable and defensible results.

<i>Expense Category</i>	Budget FY 2020-21	Final FY 2020-21	Under / (Over) Budget	% Budget Spent
Personnel	\$ 536,910	\$ 522,294	\$ 14,616	97.3%
Supplies & Services	130,707	178,833	(48,126)	136.8%
Capital Outlay	13,900	5,267	8,633	37.9%
Contingency	7,700	-	7,700	0.0%
Total JPA Laboratory	\$ 689,217	\$ 706,394	\$ (17,177)	102.5%

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 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 2020-21 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 \$351,223 or 34.9%. This is primarily due to unspent funding for the Plume Tracking Study, which incurred some work delays. As stated in the FY 2021-22 Adopted Budget, unspent Plume Tracking Study budget has been carried forward to the FY 2021-22 budget. All expense categories for the Ocean Outfall program were under budget for this fiscal year.

<i>Expense Category</i>	Budget FY 2020-21	Final FY 2020-21	Under / (Over) Budget	% Budget Spent
Personnel	\$ 384,149	\$ 369,443	\$ 14,706	96.2%
Supplies & Services	579,219	286,502	292,717	49.5%
Capital Outlay	12,600	-	12,600	0.0%
Contingency	31,200	-	31,200	0.0%
Total JPA Ocean Outfall	\$ 1,007,168	\$ 655,945	\$ 351,223	65.1%

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 \$24,516 or 7.2% primarily due to lower than anticipated Supplies and Services expenses. Personnel expenses exceeded budget as a result of the investment contribution to the PARS trust from the overall budget savings. This excess expense was funded by the savings from Supplies and Services budget.

<i>Expense Category</i>	Budget FY 2020-21	Final FY 2020-21	Under / (Over) Budget	% Budget Spent
Personnel	\$ 155,600	\$ 171,370	\$ (15,770)	110.1%
Supplies & Services	169,650	146,683	22,967	86.5%
Capital Outlay	-	-	-	-
Contingency	17,319	-	17,319	0.0%
Total Cardiff Sanitary Division	\$ 342,569	\$ 318,053	\$ 24,516	92.8%

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 under budget by \$15,720 or 8.4%. Unspent Supplies and Services, Capital Outlay, and Contingency contributed to the savings; however, Personnel exceeded budget which reflects the investment contribution to the PARS trust from the overall budget savings.

<i>Expense Category</i>	Budget FY 2020-21	Final FY 2020-21	Under / (Over) Budget	% Budget Spent
Personnel	\$ 71,600	\$ 83,487	\$ (11,887)	116.6%
Supplies & Services	80,869	73,491	7,378	90.9%
Capital Outlay	25,000	14,771	10,229	59.1%
Contingency	10,000	-	10,000	0.0%
Total Encinitas Sanitary Division	\$ 187,469	\$ 171,749	\$ 15,720	91.6%

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 were paid for by the City of Encinitas. This program was \$31,672 or 98.9% over budget due to additional storm drain sediment cleaning being completed by the City of Encinitas with the sediment being hauled to SEJPA for dewatering, testing, and disposal. City of Encinitas staff approved of the additional work and budget overage.

<i>Expense Category</i>	Budget FY 2020-21	Final FY 2020-21	Under / (Over) Budget	% Budget Spent
Personnel	\$ 22,627	\$ 25,711	\$ (3,084)	113.6%
Supplies & Services	8,177	37,971	(29,794)	464.4%
Capital Outlay	-	-	-	-
Contingency	1,206	-	1,206	0.0%
Total City of Encinitas	\$ 32,010	\$ 63,682	\$ (31,672)	198.9%

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 was paid by the City of Solana Beach.

This program finished the year at budget. The additional expense in Personnel reflects the investment contribution to the PARS trust from the overall budget savings.

<i>Expense Category</i>	Budget FY 2020-21	Final FY 2020-21	Under / (Over) Budget	% Budget Spent
Personnel	\$ 211,351	\$ 229,084	\$ (17,733)	108.4%
Supplies & Services	177,989	176,078	1,911	98.9%
Capital Outlay	-	-	-	-
Contingency	19,570	-	19,570	0.0%
Total City of Solana Beach	\$ 408,910	\$ 405,161	\$ 3,749	99.1%

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 \$4,269 or 31.2% under budget.

<i>Expense Category</i>	Budget FY 2020-21	Final FY 2020-21	Under / (Over) Budget	% Budget Spent
Personnel	\$ 6,752	\$ 5,353	\$ 1,399	79.3%
Supplies & Services	6,942	4,072	2,870	58.7%
Capital Outlay	-	-	-	-
Contingency	-	-	-	-
Total City of Solana Beach Services	\$ 13,694	\$ 9,425	\$ 4,269	68.8%

DEL MAR SERVICES PUMP STATION

Under this program, SEJPA provides pump station operation and maintenance services to the City of Del Mar. The FY 2020-21 costs was \$889 or 1.7% under budget. Personnel 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 2020-21	Final FY 2020-21	Under / (Over) Budget	% Budget Spent
Personnel	\$ 37,388	\$ 40,728	\$ (3,340)	108.9%
Supplies & Services	13,008	10,714	2,294	82.4%
Contingency	1,935	-	1,935	0.0%
Total City of Del Mar	\$ 52,331	\$ 51,442	\$ 889	98.3%

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 \$1,981,317, which was \$114,038 or 6.1% over budget. Personnel was under budget by \$85,601 or 13.3%. Supplies and Services exceeded budget expectations by \$249,639 or 21.2%. This was primarily due to engineering expenses of \$288,240 that were originally planned to be capitalized, being reclassified to the operating budget as another agency constructed the capital work. In addition, water sales for FY 2020-21 exceeded expectations, which increased treatment and distribution expenses. Below is a summary of Recycled Water expenses.

<i>Expense Category</i>	Budget FY 2020-21	Final FY 2020-21	Under / (Over) Budget	% Budget Spent
Personnel	\$ 642,022	\$ 556,421	\$ 85,601	86.7%
Supplies & Services	1,175,257	1,424,896	(249,639)	121.2%
Capital Outlay	50,000	-	50,000	0.0%
Total Operating Expense	\$ 1,867,279	\$ 1,981,317	\$ (114,038)	106.1%

For FY 2020-21, SEJPA budgeted recycled water sales at 1,570 acre-feet (AF). Due to relatively warm and dry weather, and the addition of new customers, actual sales were 1,695 AF or 8.0% more than budgeted. Total revenues for the Recycled Water program were approximately \$3.3 million, including San Diego County Water Authority and Metropolitan Water District incentive revenues and grant revenues.

Program revenues exceeded total operational expenditures, capital expenditures, and debt service (discussed further below) by \$288,853. These funds will be placed in the Recycled Water program reserve for future capital projects. Below is a summary of Recycled Water revenues.

FY 2020-21 Recycled Water Revenues Budget versus Actual

<i>Recycled Water Customer</i>	Budget FY 2020-21	Actual FY 2020-21	Under / (Over) Budget	% of Budget
Santa Fe Irrigation District	\$ 893,800	\$ 958,580	\$ (64,780)	107.2%
San Dieguito Water District	656,000	630,744	25,256	96.2%
City of Del Mar	196,800	175,644	21,156	89.3%
Encinitas Ranch Golf Association	291,149	291,148	1	100.0%
Olivenhain Municipal Water District	369,000	504,136	(135,136)	136.6%
Total Customer Revenue	\$ 2,406,749	\$ 2,560,252	\$ (153,503)	106.4%
MWD and CWA Incentives	706,500	720,000	(13,500)	101.9%
State Grants	100,000	26,989	73,011	27.0%
Total Recycled Water Revenue	\$ 3,213,249	\$ 3,307,241	\$ (93,992)	102.9%

FY 2020-21 Recycled Water Revenues over Expenses

<i>Recycled Water</i>	Actual FY 2020-21
Revenue	\$ 3,307,241
Operating Expense	(1,981,317)
Debt Service	(1,037,070)
Net Recycled Water Revenue	\$ 288,853

In FY 2020-21, the Recycled Water program paid off its inter-fund loan for the Encinitas Ranch Recycled Water Expansion project. The loan value was \$1,709,705 from the 2017 Revenue Bond, providing project funding until grant and pay-as-you-go (PAYGO) cash could be obtained. The funds returned to the wastewater capital program are to be used for planned Biosolids Dewatering project scheduled for 2022-23.

DEBT SERVICES

SEJPA long-term debt service includes two bond issuances and four capital loans. The 2011 Refunding Bonds refinanced existing debt for the Wastewater program in December 2011 resulting in about \$1.2 million savings. The 2011 Refunding Bonds primarily consist of debt incurred in 1991 for the construction of wastewater treatment improvements and this debt was paid in full in FY 2020-21. 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 Recycled Water Utility was constructed in the late 1990's with funding by the State Revolving Fund (SRF) loan program; this debt was also paid in full in FY 2020-21. 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 SDG&E On-Bill Financing is an interest free loan that financed energy efficient improvements to reduce energy consumption. The repayment is paid through monthly billing and the debt will be paid in full during FY 2026-27.

In December 2020, SEJPA entered into an agreement with the City of Solana Beach to purchase a recycled water distribution pipeline for \$1,191,652 with no annual interest. Similar to the SFID loan, it is based on the volume of recycled water sold via the pipeline and therefore the debt does not have a predetermined payoff date.

All of 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.

<i>Long-Term Debt*</i>	Original Balance	Paid in Prior Years	Paid in FY 2020-21	FY 2020-21 Balance
2011 Refunding Bonds	\$ 24,465,000	\$ 24,345,000	\$ 120,000	\$ -
2017 Revenue Bonds (Clean Water)	22,115,000	435,000	450,000	21,230,000
State Revolving Loan (SRF)	12,633,522	11,819,204	814,318	-
Private Placement Loan (AWP)	2,000,000	656,002	93,336	1,250,662
Santa Fe Irrigation Loan (SFID)	526,149	103,177	7,463	415,509
Solana Beach Pipeline Reimbursement	1,191,652	-	36,135	1,155,517
SDG&E On Bill Financing	533,883	160,165	53,388	320,330
Total Long Term Debt Outstanding	\$ 63,465,206	\$ 37,518,548	\$ 1,574,639	\$ 24,372,019

* Amounts shown are principal only

OVERALL SUMMARY

In summary, Wastewater Treatment, Laboratory Services, Pump Stations, Ocean Outfall, and Storm Drains programs were under budget by \$569,763 or 9.8%. Recycled Water expenditures were \$114,038 or 6.1% over budget. Overall, SEJPA was below budget by \$455,725 or 5.9%, which includes the \$105,000 contribution to the PARS trust to reduce future pension liability. All debt service payments were paid according to the loan agreements.

RECOMMENDATION

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

Respectfully submitted,



Amy Chang
Director of Finance & Administration