AGENDA
REGULAR BOARD MEETING OF THE
SAN ELIJO JOINT POWERS AUTHORITY
JULY 21, 2026 AT 8:30 A.M.
SAN ELIJO WATER CAMPUS – BOARD MEETING ROOM
2695 MANCHESTER AVENUE
CARDIFF BY THE SEA, CALIFORNIA

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1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. ORAL COMMUNICATIONS/PUBLIC COMMENT PERIOD (NON-ACTION ITEM)

5. NEW HIRES, AWARDS AND RECOGNITION

   None.

6. CHANGES TO THE AGENDA

   Announcements of administrative changes to the agenda, in compliance with the Brown Act.

7. **CONSENT CALENDAR**

   7A.* APPROVAL OF MINUTES FOR JUNE 16, 2026 MEETING

   7B. * APPROVAL FOR PAYMENT OF WARRANTS AND MONTHLY INVESTMENT REPORTS – JUNE 2026

   7C. * WASTEWATER TREATMENT REPORT – MAY 2026

   7D. * RECYCLED WATER REPORT – MAY 2026

   7E. * REPORTABLE MEETINGS

   7F. * STATUS UPDATE – EMERGENCY RECYCLED WATER PIPELINE REPAIR AT EAST ENTRY GATE

   7G. * APPOINTMENT OF THE SAN ELIJO JOINT POWERS AUTHORITY AUDITOR

   7H. * UPDATE CONFLICT OF INTEREST CODE

7I. * AMEND AGREEMENT FOR GENERATOR MAINTENANCE SERVICES FOR FISCAL YEAR 2026-27

8. * 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.

9. **REGULAR AGENDA**

9A. CAPITAL PROGRAM UPDATE

1. Discuss and take action as appropriate.

Staff Reference: General Manager

10. GENERAL MANAGER'S REPORT

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

11. GENERAL COUNSEL'S REPORT

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

12. 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.

13. 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".

PUBLIC EMPLOYEE APPOINTMENT (Government Code Section 54957 (b)(1), Title: General Manager – Succession Planning

14. ADJOURNMENT

The next regularly scheduled San Elijo Joint Powers Authority Board Meeting will be Tuesday, September 15, 2026 at 8:30 a.m.

NOTICE:

The San Elijo Joint Powers Authority's open and public meetings comply with the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C Section 12132), and the federal rules and regulations adopted in implementation thereof. Any person with a disability who requires a modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting of the SEJPA Board of Directors, may request such modification or accommodation from Michael T. Thornton, General Manager, (760) 753-6203 ext. 72.

The agenda package and materials related to an agenda item submitted after the packet's distribution to the Board are available for public review in the lobby of the SEJPA Administrative Office during normal business hours. Agendas and minutes are available at www.sejpa.org. The 2026 SEJPA Board meetings schedule is available at SEJPA Board Meeting Dates.

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, Encinitas, California
- City of Encinitas, 505 South Vulcan Avenue, Encinitas, California
- City of Solana Beach, 635 South Highway 101, Solana Beach, California

The original agenda was published on Thursday, July 16, 2026, at least 72 hours prior to the meeting, in accordance with Government Code Section 54954.2(a).

Date: July 21, 2026

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

Agenda Item No. 7A

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON JUNE 16, 2026
AT THE SAN ELIJO WATER CAMPUS

Luke Shaffer, Chair   David Zito, Vice Chair

A meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Tuesday, June 16, 2026, at 8:30 a.m., at the San Elijo Water Campus.

1. CALL TO ORDER

Board Chair Schaffer called the meeting to order at 8:30 a.m.

2. ROLL CALL

Directors Present:	
Board Chair	Luke Shaffer
Vice Chair	David Zito
Board Member	Jim O’Hara
Board Member	Kristi Becker
Others Present:	
General Manager	Michael Thornton
Deputy General Manager	Thomas Falk
Director of Operations	Christopher Trees
Director of Finance and Administration	Kevin Lang
Administrative Coordinator	Vanessa Hackney
SEJPA Counsel:	
Snell and Wilmer	Adriana Ochoa
City of Encinitas/San Dieguito Water District:	
Senior City Engineer	Will Trax
Senior Management Analyst	Ashlee Stratakis
City of Solana Beach:	
City Engineer	Austin Frisby

3. PLEDGE OF ALLEGIANCE

Board Chair Shaffer led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS/PUBLIC COMMENT PERIOD

None.

5. AWARDS AND RECOGNITION

Recognition

Didra Felix – Laboratory Analyst II – Education
Duke University Master's Degree – Environmental Management - Water

6. CHANGES TO THE AGENDA

None.

7. CONSENT CALENDAR

Agenda Item No. 7A	Approval of Minutes for the May 19, 2026 Board Meeting
Agenda Item No. 7B	Approval for Payment of Warrants and Monthly Investment Report – May 2026
Agenda Item No. 7C	Wastewater Treatment Report – April 2026
Agenda Item No. 7D	Recycled Water Report – April 2026
Agenda Item No. 7E	Reportable Meetings
Agenda Item No. 7F	Extension of Information Technology (IT) Services Agreement with the City of Encinitas
Agenda Item No. 7G	McMaster Carr Supply Company Purchase Order Award
Agenda Item No. 7H	Status Update – Emergency Recycled Water Pipeline Repair at East Entry Gate
Agenda Item No. 7I	Construction Completion Acceptance – Emergency Recycled Water Pipeline Repair at North Coast Trail Bike Path
Agenda Item No. 7J	City of Del Mar 21st Street Pump Station Pump Rebuild
Agenda Item No. 7K	Purchase Order Award to Polydyne, Inc. for Procurement of Polymer for Fiscal Year 2026-27
Agenda Item No. 7L	San Elijo Joint Powers Authority Contract for As-Needed Laboratory Services for Fiscal Years 2027-2030
Agenda Item No. 7M	Amend Agreement for Grounds Maintenance Services for Fiscal Year 2026-27

Moved by Vice Chair Zito and seconded by Board Member O'Hara to approve the Consent Calendar.

Motion carried with the following vote of approval:

AYES:	Shaffer, Zito, O'Hara, Becker
NOES:	None
ABSENT:	None
ABSTAIN:	None

9A. ADOPTION OF THE SAN ELIJO JOINT POWERS AUTHORITY FISCAL YEAR 2026-27 BUDGET, INVESTEMENT POLICY, AND APPOINTMENT OF TREASURER

Director of Finance and Administration, Kevin Lang, presented an overview of FY 2026-27 Recommended Budget which was initially presented at the April 2026 Board Meeting. The total FY 2026-27 Budget is $18,531,430, comprising $11,717,007 in operating expenses, $4,441,412 in capital appropriations, and $2,373,011 in debt services payments. Director Lang highlighted that there were no changes received from Member Agencies, participating government agencies or any comments from the public.

Director Lang discussed the annual adoption of the San Elijo Joint Powers Authority's Investment Policy and Guidelines. For the upcoming FY 2026-27, Director Lang recommended adding Negotiable Certificates of Deposit (CDs) as a new investment option to complement existing investments, including LAIF, the San Diego County Investment Pool, and Money Market Funds. Negotiable CDs will help address the need for intermediate-term investments while maintaining a high level of credit quality and liquidity. This addition will allow SEJPA to implement a laddering strategy to improve cash flow management, reduce interest rate risk, and provide opportunities to reinvest funds as market conditions change.

General Manager, Michael Thornton, then recommended the re-appointment of Director Kevin Lang as treasurer for FY 2026-27.

Moved by Board Member O'Hara and seconded by Vice Chair Zito to:

1. Adopt Resolution No. 2026-01, Approving the San Elijo Joint Powers Authority Operating and Capital Improvement Budgets for Fiscal Year 2026-27;

2. Adopt Resolution No. 2026-02, Approving the San Elijo Joint Powers Authority Investment Policy and Guidelines and Appointment of Kevin Lang as SEJPA Treasurer.

Motions carried with the following vote of approval:

AYES:	Shaffer, Zito, O'Hara, Becker
NOES:	None
ABSENT:	None
ABSTAIN:	None

9B. ADOPTION OF SALARY AND BENEFIT RESOLUTION 2026-03

Deputy General Manager, Thomas Falk, presented to the Board that SEJPA and its employees are currently operating under a 4-year labor agreement expiring June 30, 2026.

General Manager Thornton and Deputy General Manager Falk conducted several meetings with employees during March and April of 2026 to review SEJPA's compensation package and discuss development of a new Salary and Benefits Resolution. Staff is requesting a labor agreement, structured similar to past agreements, with the following adjustments:

- **Term of Agreement:** 3 years + 1 year (optional) subject to mutual agreement by the Employees and the Board

- **Cost of Living Adjustment (COLA):** for all staff not already at top of their classification salary range and excluding the General Manager:
    - July 1, 2026 – 4%
    - July 1, 2027 – 3%
    - July 1, 2028 – 3%
    - July 1, 2029 – 3% (Optional year)

NOTE: SEJPA's Classification and Salary Schedule was updated through a Classification and Compensation Study and approved by the Board in regular meeting April 21, 2026, adopting pay ranges for FY 2026-27. With Resolution 2026-01, the salary ranges would adjust at 3% annually on July 1, 2027, July 1, 2028, and July 1, 2029, respectively.

- **Deferred Compensation:** Increase SEJPA's 401(a) employer contribution to match employee voluntary participation (1:1) as follows:
    - Years 0 – 6: up to 4% of annual base salary (Unchanged)
    - Years 6 – 12: +1% employer match (5% of annual base salary)
    - Years 12 +: +1% employer match (6% of annual base salary)

- **Other Pay Adjustments:**
    - Holiday Standby Pay: Increase from 2 to 4 hours for 11 fixed holidays
    - Holiday Premium Pay: Increase from 1.5x to 2.0x for Thanksgiving and Christmas holidays only.

- **Education Reimbursement:** Increase from $2,300 to $2,600 annually.

- **Vacation Leave Maximum Accumulation:** Change maximum accrual cap to 400 hours for all employees, except the General Manager.

Employees also requested, and management supports, the addition of a Roth (post-tax) 457(b) deferred compensation option.

Deputy General Manager Falk also recommended that the Board approve a one-time, non-pensionable recognition payment of $2,000 for each employee in good standing as of the date of Board approval. The payment is intended to recognize employee contributions and the organization's performance during the term of the current agreement. If approved, the payment will be issued prior to June 30, 2026.

The employee expenses resulting from Resolution No. 2026-03 have been accounted for in the Fiscal Year 2026-27 Budget that the Board approved in Agenda Item 9A. The financial impacts in future years will be incorporated into the respective annual budget processes. The estimated cost of the one-time recognition payment is $60,000 and will be funded through unspent labor budget appropriations in FY 2025–26, which are currently trending below budget due to staff vacancies.

Moved by Vice Chair Zito and seconded by Chair Shaffer to:

1. Adopt Resolution No. 2026-03, Resolution Adopting the San Elijo Joint Powers Authority Salary and Benefits for Fiscal Years 2026-27, 2027-28, 2028-29, with an Option for 2029-30;

2. Authorize General Manager to issue one-time recognition payment in the amount of $2,000 to each employee in good standing. Payable prior to June 30, 2026.

Motion carried with the following vote of approval:

AYES:	Shaffer, Zito, O'Hara, Becker
NOES:	None
ABSENT:	None
ABSTAIN:	None

9C. CAPITAL GRANT UPDATE

General Manager Michael Thornton reported that SEJPA is a member of the North San Diego Water Reuse Coalition (Coalition), which pursues state and federal grant funding opportunities to support water reuse and conservation projects. Through the Coalition, approximately $24 million has been secured from the U.S. Bureau of Reclamation's Title XVI Water Reclamation and Reuse Program, including approximately $3.75 million allocated to SEJPA.

SEJPA originally planned to apply a portion of the funding toward the Biological Treatment Improvement Project; however, project delays and increased costs created a risk of losing grant eligibility due to federal timelines. Staff identified the recently completed Recycled Water Conservation and Production Upgrade Project (Conservation Project) as an eligible alternative and successfully demonstrated compliance with Title XVI Program objectives.

Staff reconstructed project costs and supporting documentation to meet federal reimbursement requirements. SEJPA has received more than $1.6 million in grant reimbursements for the Conservation Project and continues to pursue additional eligible reimbursements.

Staff recommended using recovered grant proceeds first toward replacement of a recycled water pipeline that has experienced recurring corrosion-related failures and emergency repairs. The pipeline replacement project, presented to the Board in May 2026, is currently in the conceptual phase with preliminary cost estimates of approximately $1.2 million. Remaining proceeds would be allocated equally between the Recycled Water and Wastewater capital programs to support future infrastructure investments.

Moved by Board Member O'Hara and seconded by Vice Chair Zito to:

1. Authorize the use of grant proceeds associated with the Recycled Water Conservation and Production Upgrade Project to fund the Recycled Water Utility for recycled water pipeline replacement costs; and

2. Direct that grant proceeds, after reimbursement of eligible recycled water pipeline replacement costs, be allocated equally between the Wastewater and Recycled Water capital programs.

Motion carried with the following vote of approval:

AYES:	Shaffer, Zito, O'Hara, Becker
NOES:	None
ABSENT:	None
ABSTAIN:	None

10. GENERAL MANAGER'S REPORT

None.

11. GENERAL COUNSEL'S REPORT

None.

12. BOARD MEMBER COMMENTS

None.

13. CLOSED SESSION

A closed session was held for:

PUBLIC EMPLOYEE PERFROMANCE EVALUATION (Government Code Section 54957 (b)(1), Title: General Manager

PUBLIC EMPLOYEE APPOINTMENT (Government Code Section 54957 (b)(1), Title: General Manager – Succession Planning

The closed session began at 9:02 am and ended at 10:07 am with no reportable actions taken.

14. DISCUSSION AND POSSIBLE ACTION TO AUTHORIZE GENERAL MANAGER MERIT BONUS

An action was moved by Chair Shaffer and seconded by Board Member Becker to:

1. Award the General Manager a one-time merit bonus of $5,000 payable in the month of June.

Motion carried with the following vote of approval:

AYES:	Shaffer, Zito, O'Hara, Becker
NOES:	None
ABSENT:	None
ABSTAIN:	None

15. DISCUSSION AND POSSIBLE ACTION ON GENERAL MANAGER EMPLOYMENT AGREEMENT

An action was moved by Vice Chair Zito and seconded by Board Member O'Hara to:

1. Amend the General Manager's Employment Agreement to extend the contract through November 3, 2026 with a 2% salary increase for a new base salary of $317,220

Motion carried with the following vote of approval:

AYES:	Shaffer, Zito, O'Hara, Becker
NOES:	None
ABSENT:	None
ABSTAIN:	None

16. ADJOURNMENT

The meeting adjourned at 10:09 a.m. The next Board of Directors meeting is scheduled to be held on Tuesday, July 21, 2026 at 8:30 a.m.

SAN ELIJO JOINT POWERS AUTHORITY
PAYMENT OF WARRANTS
For the Month of June 2026

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
46714	Ag Tech, LLC	Services - Biosolids Hauling	Biosolids hauling and reuse - May 26	$ 16,937.56
46715	Allied Storage Containers	Equipment Rental/Lease	20' and 40' storage containers - Jun 26	359.89
46716	Backflow Parts USA	Shop Tools and Equip.	Various supplies	508.81
46717	Black & Veatch	Services - Engineering	Facility plan update through Apr 26	3,653.50
46718	Burtech Pipeline, Inc.	Services - Contractors	RW angle meter replacement	6,800.00
46719	CA. Office Cleaning, Inc.	Services - Janitorial	Office and window cleaning	4,976.00
46720	California Water Technologies	Supplies - Chem - Ferric Chlo	Ferric chloride solution	25,285.16
46721	CDM Smith	Services - Engineering	Services for Secondary Clarifier Launder - May 26	484.75
46722	Corodata	Rent	Record storage - May 26	128.78
46723	County of San Diego	Fees - Permits	Permits	2,846.00
46724	Dale Kreinbring	Other Personnel Cost	Employee reimbursement - Health and wellness	120.00
46725	DC Frost Associates, Inc	Repair Parts Expense	Digester gas parts	34,224.88
46726	Devin McGinness	Other Personnel Cost	Employee reimbursement - Health and wellness	120.00
46727	EDCO Waste & Recycling Service	Utilities - Trash	Trash service - May 26	520.68
46728	ERA	Supplies - Lab	Various lab supplies and test standard	1,076.95
46729	Excel Landscape, Inc.	Services - Landscape	Grounds maintenance service and main line repair - May 26	5,922.00
46730	Didra Felix	Other Personnel Cost	Employee reimbursement - Health and wellness	120.00
46731	Liquid Environmental Solution	Services - Grease & Scum	Pumping service	218.56
46732	Cosby Oil Company, Inc	Fuel	Fuel - May 26	923.61
46733	Benefits Coordinators Corp.	Dental/Vision	Vision - Jun 26	433.90
46734	Eurofins Calscience, LLC	Services - Laboratory	Testing water samples	2,238.50
46735	Grainger, Inc.	Repair Parts Expense, Shop Tools and Equip.	Various supplies	3,096.35
46736	Hach Company	Repair Parts Expense, Service - Maintenance, Supplies - Shop & Fie	Various supplies	3,829.66
46737	Hardy Diagnostics	Supplies - Lab	Various lab supplies	2,221.04
46738	Huber Technology	Repair Parts Expense	Sensors	647.64
46739	Idexx Distribution,Inc.	Supplies - Lab	Various lab supplies	8,321.15
46740	King Lee Chemical Co.	Repair Parts Expense	Reverse Osmosis filter cartridges	1,565.97
46741	Liquid Environmental Solution	Services - Grease & Scum	Pumping service	307.47
46742	McMaster-Carr Supply Co.	Repair Parts Expense	Various supplies	1,689.26
46743	Napa Auto Parts	Repair Parts Expense, Vehicle Maintenance	Various supplies	139.80
46744	Nautilus Environmental, Inc	Services - Laboratory	Laboratory toxicity testing services for Apr 26	1,290.00
46745	Olivenhain Municipal Water Dis	Employee Assistance Program, Rent	Employee Assitance Program FY 26/27 and Pipeline rental payment - May 26	17,540.40
46746	OneSource Distributors, Inc.	Repair Parts Expense	Headworks comm. Module and motor starters	1,020.55
46747	Otis Elevator Company	Services - Maintenance	Elevator maintenance - Jun 26	243.78
46748	Pacific Pipeline Supply	Repair Parts Expense	Various supplies	5,876.94
46749	Javier G Perez	Other Personnel Cost	Employee reimbursement - Health and wellness	120.00
46750	Scott Best	Subsistence - Travel/Rm & Bd	Employee reimbursement - Mileage	26.97
46751	Tamara Cooper	Seminars/Education	Employee reimbursement - Tuition	210.00
46752	Eurofins Calscience, LLC	Services - Laboratory	Testing water samples	667.00
46753	Winston Friedly	Dues & Memberships	Employee reimbursement - CWEA membership renewal	251.00
46754	Quality Microscope Service	Services - Maintenance	Microscope service	150.00
46755	RSF Security Systems	Services - Alarm	Security - Aug 27	1,932.00
46756	Santa Fe Irrigation District	Utilities - Water	Water	4,513.63
46757	Santa Fe Irrigation District	SFID Distribution Pipeline	Pipeline purchase payment	4,764.46
46758	San Dieguito Water District	Utilities - Water	Water	5,486.24
46759	Trojan Technologies Corp	Capital Outlay, Prepaid - Other	24/7 Technical phone support	5,755.69
46760	Unifirst Corporation	Services - Uniforms	Uniform service	195.70

AGENDA ITEM NO. 7B

SAN ELIJO JOINT POWERS AUTHORITY
PAYMENT OF WARRANTS
For the Month of June 2026

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
46761	Underground Service Alert/SC	Services - Alarm	Dig alert and safe excavation board	135.08
46762	USA Bluebook	Repair Parts Expense, Supplies - Lab, Supplies - Shop & Field	Various supplies	5,153.72
46763	Volt Management Corp	Services - Temp	Internship program and temp service	3,551.42
46764	VWR International, Inc.	Supplies - Lab	Various lab supplies	1,544.52
46765	WCT Products	Repair Parts Expense	Various supplies	356.71
46766	Aflac	EE Deduction Benefits Payable	Aflac - Jun 26	920.54
46767	Ahrens Mechanical	Services - Contractors	Underground water line repair at Headworks	14,613.59
46768	At&T	Utilities - Internet	Internet - May 26	2,183.33
46769	At&T	Utilities - Telephone	Phone service - May 26	776.99
46770	Backflow Parts USA	Repair Parts Expense	Stainless steel enclosure	3,167.00
46771	Carollo Engineers	Services - Engineering	RW valve replacement services through May 26	2,935.00
46772	Core-Rosion Products	Capital Outlay	Sodium hypochlorite storage tank	21,995.90
46773	CWEA	Dues & Memberships	Membership renewal - D.Verdon	251.00
46774	David Burpeau	Training - Safety	Safety seminar	250.00
46775	Dixieline Lumber Company	Repair Parts Expense, Shop Tools and Equip.	Various supplies	220.35
46776	City of Encinitas	Service - IT Support	Admin network - May 26	6,860.00
46777	City of Encinitas	Service - IT Support	Admin network - Jun 26	6,860.00
46778	Eurofins Calscience, LLC	Services - Laboratory	Testing water samples	1,911.50
46779	gafcon	Services - Contractors	Labor compliance for Wanket Tank - Apr 26	1,012.50
46780	Hardy Diagnostics	Supplies - Lab	Various lab supplies	911.23
46781	HASA Inc.	Supplies - Chemicals	Muriatic acid	1,837.74
46782	Huber Technology	Repair Parts Expense	Step screen #1 motors	3,486.62
46783	Jackson & Blanc	Services - Maintenance	HVAC service	460.00
46784	Marine Taxonomic Services, LTD	Services - Professional	Intensive Water Quality monitoring Q2 2026	3,384.22
46785	Joshua C McTaggart	Seminars/Education	Employee reimbursement - Tuition and educational expenses	888.99
46786	Cosby Oil Company, Inc	Fuel	Fuel - Jun 26	1,649.58
46787	Managed Mobile, Inc	Vehicle Maintenance	Vehicle maintenance - 2019 Ford F 750 and 2020 Peterbilt	1,998.61
46788	McMaster-Carr Supply Co.	Repair Parts Expense	Pipe fitting	187.61
46789	MetLife - Group Benefits	Dental/Vision	Dental - Jul 26	3,263.87
46790	Nth Generation	Supplies - Office	Palo Alto firewall renewal and hardware	3,888.46
46791	Olin Corp - Chlor Alkali	Supplies - Chem - Sodium Hypo	Procurement of Sodium Hypochlorite	10,923.80
46792	Olivenhain Municipal Water Dis	Services - Professional	Rincon NSDWRC support services	604.69
46793	OneSource Distributors, Inc.	Repair Parts Expense, Service - Maintenance	Various supplies	4,402.47
46794	Pacific Pipeline Supply	Repair Parts Expense	Various supplies	1,005.73
46795	Parada Painting	Services - Contractors	Moonlight Beach Pump Station coating services	19,331.00
46796	Polydyne Inc.	Supplies - Chem - Polymer	Clarifloc WE-4018, WE-007 and WE-2942	8,574.76
46797	Radwell International, Inc.	Repair Parts Expense	Module and PLC repair	1,196.24
46798	RingCentral, Inc	Utilities - Telephone	Phone service	530.66
46799	RSF Security Systems	Services - Alarm	Code change service	48.00
46800	Rusty Wallis, Inc.	Supplies - Shop & Field	Water softener, tank service and salt bags	319.30
46801	Sloan Electric Company	Services - Maintenance	Lomas Santa Fe Pump Station service	945.00
46802	Snell & Wilmer L.L.P	Services - Legal	General counsel through May 26	3,272.50
46803	Technical Systems Inc	Services - Professional	T & M automation support - Various services	12,982.32
46804	Terminix Processing Center	Services - Maintenance	Pest control service	127.00
46805	Verizon Wireless	Utilities - Telephone	Phone May 26	619.33
46806	Verizon Wireless	Utilities - Telephone	Cell phone service - May 26 and Jun 26	754.59
46807	Westbound Solar 2, LLC	Utilities - Solar Power	Solar - Apr 26	15,129.02

SAN ELIJO JOINT POWERS AUTHORITY
PAYMENT OF WARRANTS
For the Month of June 2026

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
46808	Unifirst Corporation	Services - Uniforms	Uniform service	558.50
46809	Yao Engineering, Inc	Services - Engineering	Professional services from May 26	10,190.00
On-line 1260	BankCard Center	Supplies - Safety, Vehicle Maintenance	Various supplies	6,894.48
On-line 1261	Mission Square	ICMA Retirement	ICMA - 401 a	7,930.93
On-line 1262	Mission Square - 304175	EE Deduction Benefits Payable	ICMA - 457	10,574.09
On-line 1263	Public Employees- Retirement	Retirement Plan - PERS	Retirement - Jun 26 Pay Period	24,800.23
On-line 1264	WM Corporate Services, Inc.	Services - Sediment Disposal	10 yd roll off disposal - May 26	3,770.62
On-line 1265	Mission Square	Deferred Comp-employer	ICMA - 401 a	7,928.28
On-line 1266	Mission Square - 304175	EE Deduction Benefits Payable	ICMA - 457	10,969.58
On-line 1267	Blue Triton Brands Inc	Supplies - Lab	Kitchen and lab supplies	310.91
On-line 1268	San Diego Gas & Electric	Utilities - Gas & Electric	Gas and electric - May 26	99,494.64
On-line 1269	Sun Life Financial	Life Insurance/Disability	Life and disability - Jul 26	3,328.56
On-line 1270	UPS	Postage/Shipping	Shipping	124.85
Payroll ACH	San Elijo Payroll Account	Payroll	Payroll - Pay Date 06/12/2026	123,572.59
Payroll ACH	San Elijo Payroll Account	Payroll	Payroll - Pay Date 06/26/2026	187,380.22
				$ 855,013.20

AGENDA ITEM NO. 7B

SAN ELIJO JOINT POWERS AUTHORITY
PAYMENT OF WARRANTS SUMMARY

For the Month of JUNE 2026
As of JUNE 30, 2026

PAYMENT OF WARRANTS	$ 855,013.20

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

Kevin Lang
Director of Finance and Administration

SAN ELIJO JOINT POWERS AUTHORITY

STATEMENT OF FUNDS AVAILABLE FOR PAYMENT OF WARRANTS AND INVESTMENT INFORMATION

As of JUNE 30, 2026

FUNDS ON DEPOSIT WITH		AMOUNT
LOCAL AGENCY INVESTMENT FUND *(JUNE 2026 YIELD 3.816%)*	$	11,724,921.68
CALIFORNIA BANK AND TRUST *(JUNE 2026 YIELD 0.01%)*		391,578.66
U.S. Bank *(JUNE 2026 YIELD 2.56%)*		8,432,751.90
PARS *(MAY 2026 YIELD 2.35%)*		1,340,680.17
TOTAL RESOURCES	$	21,889,932.41

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AGENDA ITEM NO. 7C

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

July 21, 2026

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: Director of Operations

SUBJECT: WASTEWATER TREATMENT REPORT – MAY 2026

RECOMMENDATION

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

DISCUSSION

Monthly Treatment Facility 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 May 2026. The primary indicators of treatment performance include the removal of Total Suspended Solids (TSS) and Carbonaceous Biochemical Oxygen Demand (CBOD). SEJPA is required to remove a minimum of 85 percent of the TSS and CBOD from the wastewater. Treatment levels for **TSS** and **CBOD** were **99.1** and **99.4** percent removal, respectively, during the month of May.

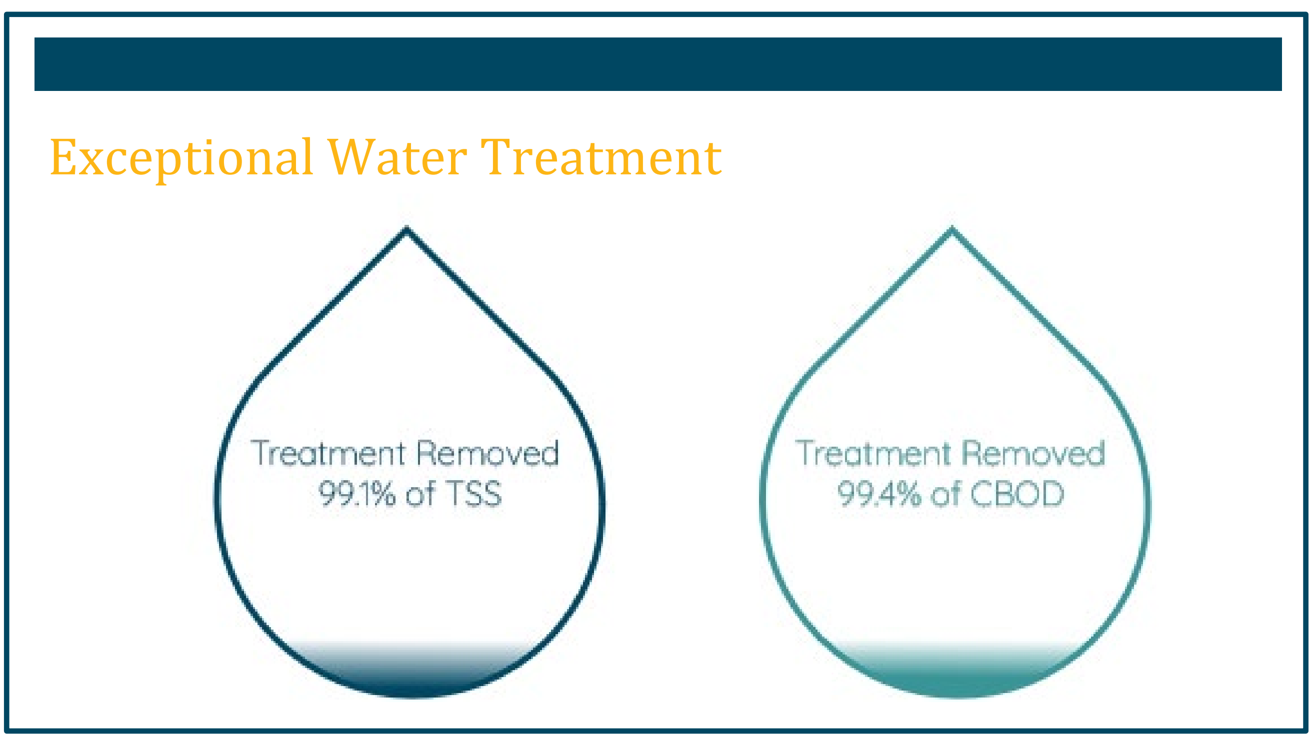
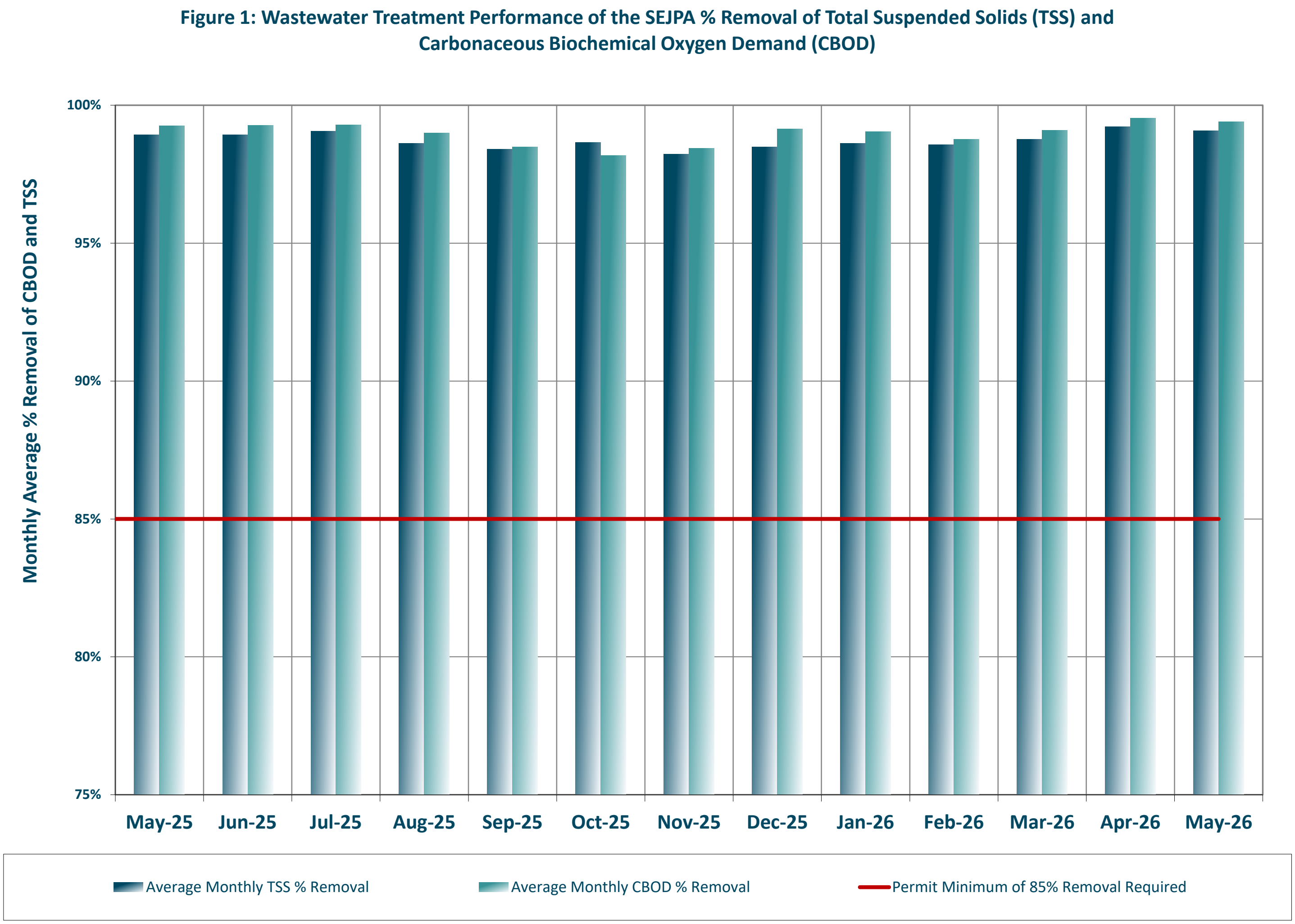


Figure 1 (below) shows historic treatment performance trends for the removal of TSS and CBOD over the last 13 months compared to the permit minimum removal requirement of 85%.



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

FIGURE 2: TREATED EFFLUENT FLOWS REMOVAL OF TSS

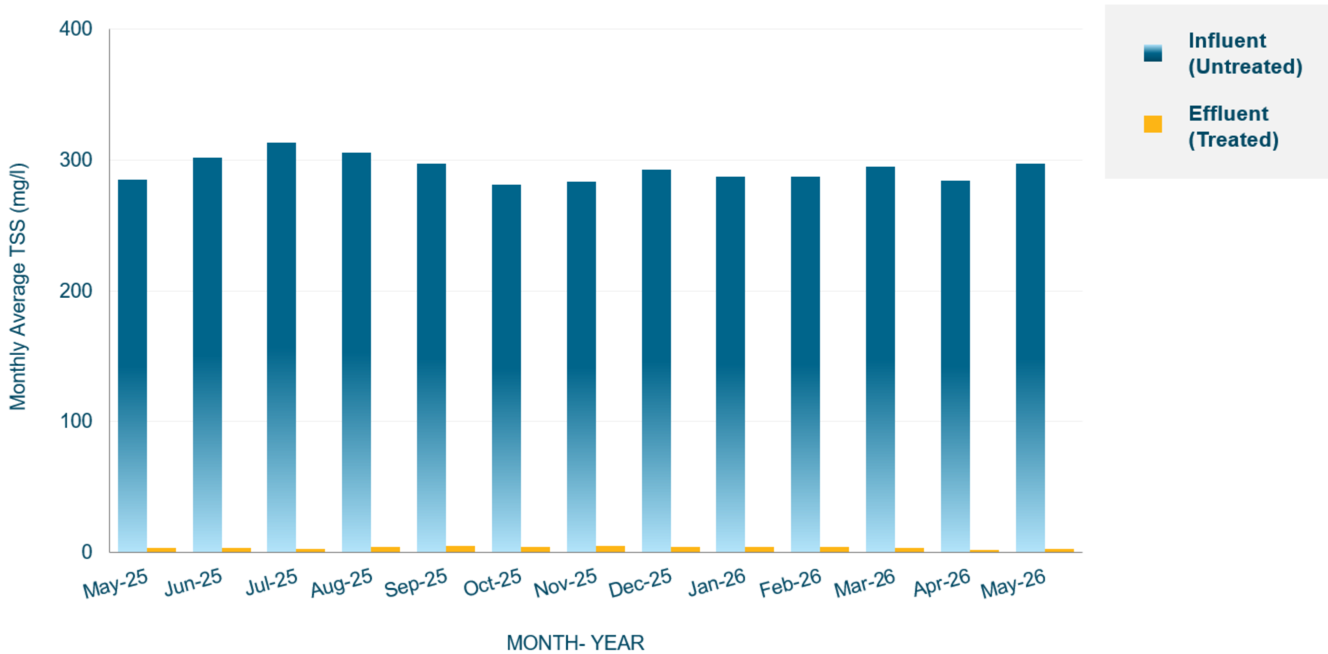
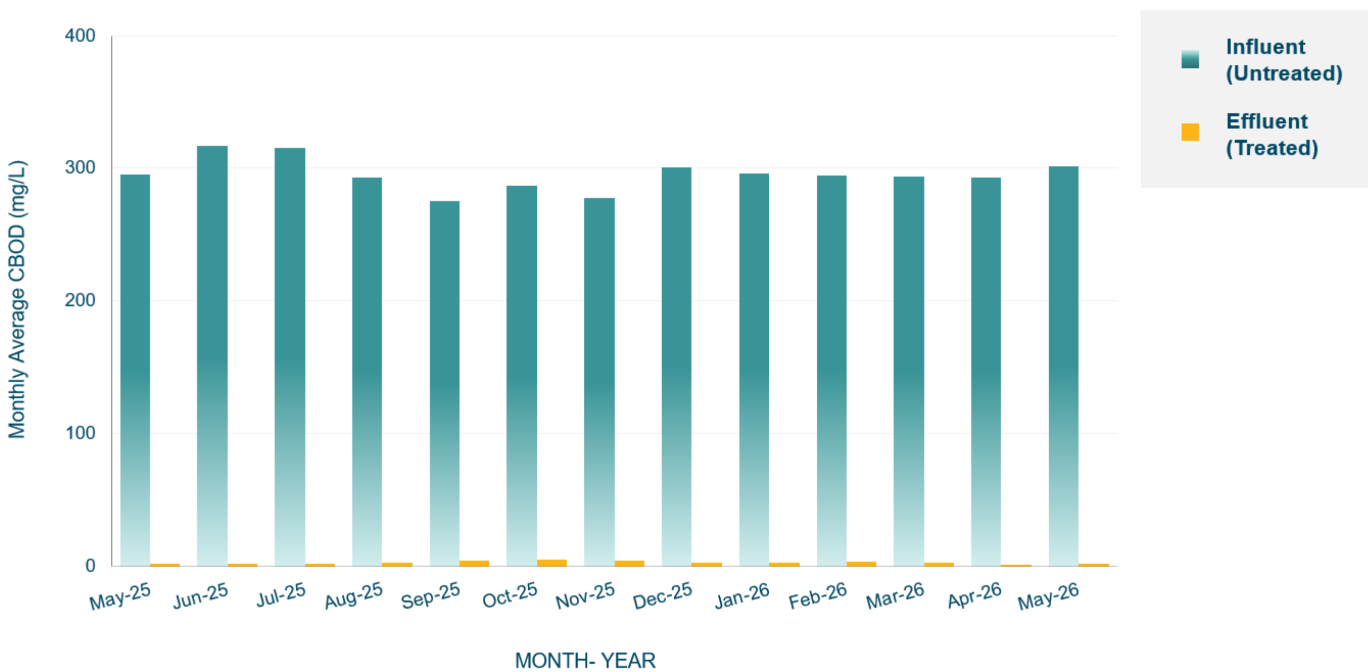


FIGURE 3: TREATED EFFLUENT FLOWS REMOVAL OF CBOD



Member Agency Flows

Table 1 provides a summary of influent and effluent flows for May. Average daily influent volumes were measured for each contributing agency. During this reporting period, approximately 67% of the influent was treated and beneficially reused as recycled water, while the balance was conveyed to the ocean outfall.

TABLE 1 – INFLUENT AND EFFLUENT FLOWS IN MAY

	Influent (mgd)	Recycled Water (mgd)	Effluent (mgd)*
Cardiff Sanitary Division	1.332	0.890	0.442
City of Solana Beach	1.003	0.67	0.333
Rancho Santa Fe SID	0.181	0.121	0.060
City of Del Mar	0.344	0.230	0.114
Total San Elijo Water Campus Flow	2.860	1.911	0.949

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

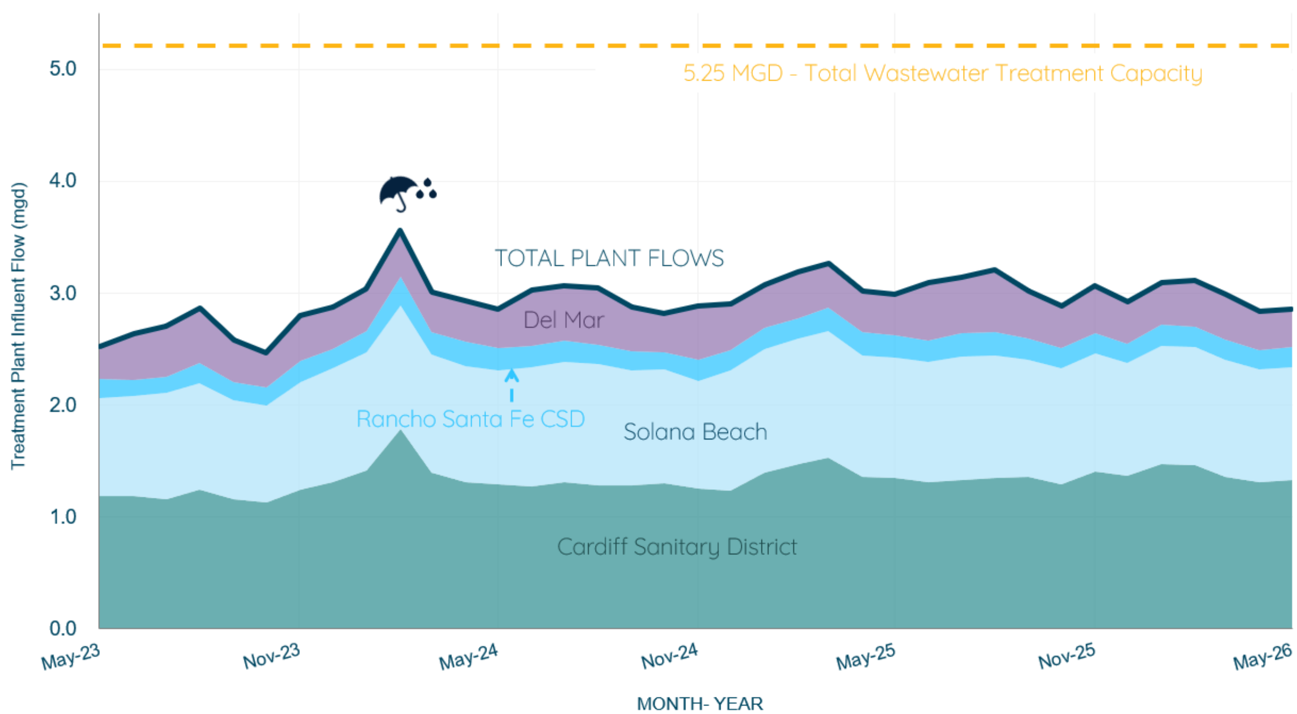
Table 2 (below) presents the historical average and unit influent flow rates per month for each of the contributing agencies during the past 3 years. It also presents the number of connected Equivalent Dwelling Units (EDUs) for each agency during this same time.

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

	AVERAGE DAILY INFLUENT FLOW RATE (MGD)					CONNECTED EDUs					AVERAGE UNIT INFLUENT FLOW RATE (GAL/EDU/DAY)				
MONTH	CSD	RSF	SB	DM	TOTAL DESIGN	CSD	RSF	SB	DM	TOTAL EDUS	CSD	RSF	SB	DM	TOTAL PLANT
May-23	1.184	0.167	0.879	0.295	2.525	8,557	586	8,142	2,616	19,901	138	285	108	120	127
Jun-23	1.185	0.144	0.891	0.413	2.633	8,557	586	8,142	2,616	19,901	136	282	109	171	132
Jul-23	1.160	0.146	0.949	0.446	2.701	8,557	586	8,166	2,616	19,925	136	249	116	182	136
Aug-23	1.242	0.177	0.954	0.494	2.867	8,559	586	8,166	2,622	19,933	145	302	117	200	144
Sep-23	1.161	0.161	0.885	0.371	2.578	8,559	586	8,166	2,622	19,933	136	275	108	152	129
Oct-23	1.125	0.163	0.870	0.308	2.466	8,559	587	8,166	2,622	19,934	131	278	107	125	124
Nov-23	1.246	0.186	0.961	0.409	2.802	8,559	588	8,166	2,622	19,935	146	317	118	149	141
Dec-23	1.313	0.173	1.011	0.377	2.874	8,559	588	8,166	2,622	19,935	153	294	124	133	144
Jan-24	1.416	0.190	1.055	0.380	3.041	8,569	588	8,166	2,622	19,945	165	323	129	134	152
Feb-24	1.788	0.256	1.099	0.422	3.565	8,569	588	8,166	2,622	19,945	209	436	135	151	179
Mar-24	1.395	0.200	1.061	0.352	3.008	8,616	588	8,166	2,639	20,009	162	340	130	125	150
Apr-24	1.313	0.216	1.036	0.368	2.933	8,620	588	8,166	2,639	20,013	152	368	127	130	147
May-24	1.294	0.196	1.017	0.349	2.856	8,620	588	8,166	2,639	20,013	150	334	125	125	143
Jun-24	1.275	0.191	1.058	0.508	3.032	8,620	588	8,166	2,639	20,013	148	325	130	184	152
Jul-24	1.310	0.185	1.076	0.494	3.065	8,620	588	8,166	2,639	20,013	152	315	132	182	153
Aug-24	1.279	0.166	1.090	0.512	3.047	8,621	588	8,178	2,639	20,025	148	283	133	188	152
Sep-24	1.278	0.165	1.034	0.399	2.876	8,621	588	8,178	2,657	20,043	148	281	126	147	143
Oct-24	1.296	0.160	1.019	0.340	2.815	8,621	591	8,178	2,657	20,046	150	271	125	122	140
Nov-24	1.250	0.184	0.967	0.482	2.883	8,621	591	8,178	2,657	20,046	145	312	118	165	144
Dec-24	1.231	0.182	1.079	0.408	2.900	8,621	593	8,178	2,657	20,048	143	307	132	134	145
Jan-25	1.398	0.187	1.105	0.381	3.071	8,621	593	8,178	2,657	20,048	162	316	135	124	153
Feb-25	1.471	0.186	1.120	0.408	3.185	8,621	593	8,178	2,657	20,048	171	314	137	134	159
Mar-25	1.524	0.214	1.133	0.390	3.261	8,621	593	8,178	2,657	20,048	177	361	139	129	163
Apr-25	1.355	0.210	1.084	0.367	3.016	8,621	593	8,178	2,657	20,048	157	354	133	122	150
May-25	1.349	0.202	1.071	0.371	2.993	8,621	593	8,178	2,657	20,048	156	341	131	123	149
Jun-25	1.310	0.190	1.071	0.524	3.095	8,621	593	8,178	2,657	20,048	152	321	131	175	154
Jul-25	1.326	0.204	1.109	0.502	3.141	8,621	593	8,126	2,657	19,996	154	344	136	168	157
Aug-25	1.351	0.213	1.090	0.556	3.210	8,621	594	8,126	2,680	20,020	157	359	134	187	160
Sep-25	1.354	0.187	1.050	0.426	3.017	8,623	596	8,126	2,680	20,025	157	314	129	142	151
Oct-25	1.292	0.176	1.039	0.378	2.885	8,627	596	8,126	2,680	20,029	150	296	128	126	144
Nov-25	1.407	0.188	1.050	0.424	3.069	8,629	596	8,126	2,680	20,031	163	316	129	144	151
Dec-25	1.362	0.171	1.011	0.379	2.923	8,629	595	8,126	2,680	20,030	158	288	124	128	146
Jan-26	1.473	0.190	1.051	0.383	3.097	8,631	595	8,126	2,680	20,032	171	320	129	129	155
Feb-26	1.464	0.182	1.052	0.417	3.115	8,631	595	8,126	2,680	20,032	170	306	129	140	156
Mar-26	1.357	0.181	1.046	0.401	2.985	8,631	595	8,126	2,680	20,032	157	304	129	135	149
Apr-26	1.309	0.166	1.012	0.350	2.837	8,631	596	8,126	2,680	20,033	152	279	125	118	142
May-26	1.332	0.181	1.003	0.344	2.860	8,638	597	8,126	2,680	20,041	154	303	123	118	143

Figure 4 (below) presents the 3-year historical average daily flows per month for each contributing 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 the Cities of Encinitas and Solana Beach each have 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 daily flow rate for the month of May 2026 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 DAILY FLOWS

	Flow (mgd)
Escondido (Average flow rate)	9.1
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 reported to the SEJPA in September 2025, memorializing updates effective July 1, 2025. The connected EDUs for Solana Beach were reduced due to the reconstruction of Solana Highlands apartments. The City of Encinitas and Rancho Santa Fe CSD update their connected EDUs report every month. The number of EDUs connected for each of the Member Agencies and lease agencies is reported in Table 4 below.

TABLE 4 – CONNECTED EDUs BY AGENCY

	Connected (EDU)
Cardiff Sanitary Division	8,638
Rancho Santa Fe SID	597
City of Solana Beach	7,789
San Diego (to Solana Beach)	337
City of Del Mar	2,680
Total EDUs to System	20,041

Respectfully submitted,

Christopher A. Trees, P.E.
Director of Operations

*

AGENDA ITEM NO. 7D

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

July 21, 2026

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: Director of Operations

SUBJECT: RECYCLED WATER REPORT – MAY 2026

RECOMMENDATION

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

DISCUSSION

Recycled Water Production

In May 2026, recycled water production totaled 173.3 acre-feet (AF), which included 11.8 AF required supplemental potable water. Supplemental potable water was required to maintain customer service during repair of a recycled water pipeline break. Production for the month was slightly lower than the budget estimate of 179 AF, however fiscal year recycled water production currently totals 1,581 AF, approximately 11.3% above budget projections.

The recycled water treatment system operated with no permit violations during the month.

Figure 1 (attached) provides a ten-year history of annual recycled water production and rainfall, illustrating the correlation between precipitation and production. Figure 2 compares May production over the past ten years, and Figure 3 shows budgeted versus actual recycled water production for FY 2025-26.

Respectfully submitted,

Christopher A. Trees, P.E.
Director of Operations

FIGURE 1: RECYCLED WATER PRODUCTION AND RAINFALL COMPARISON

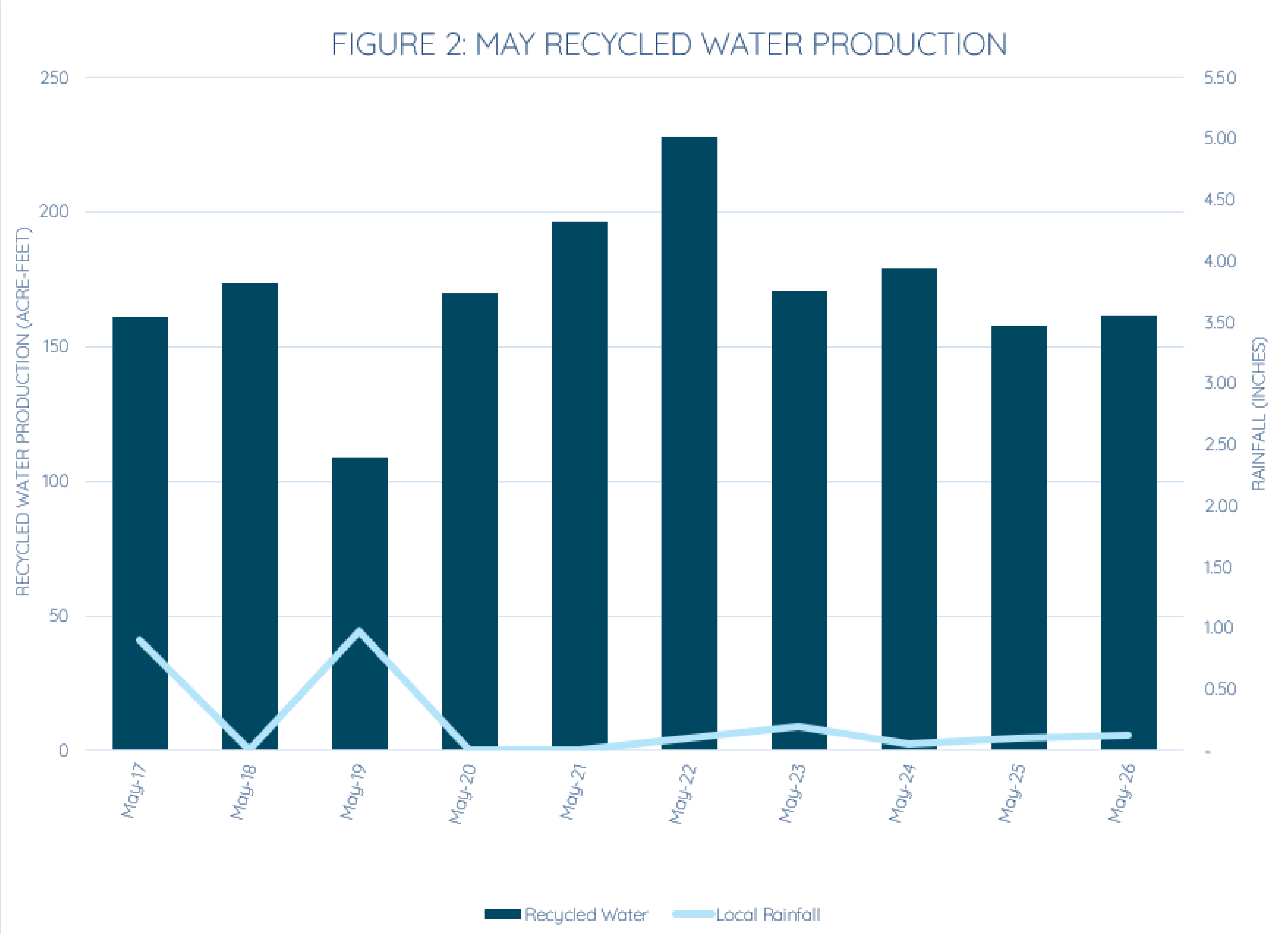
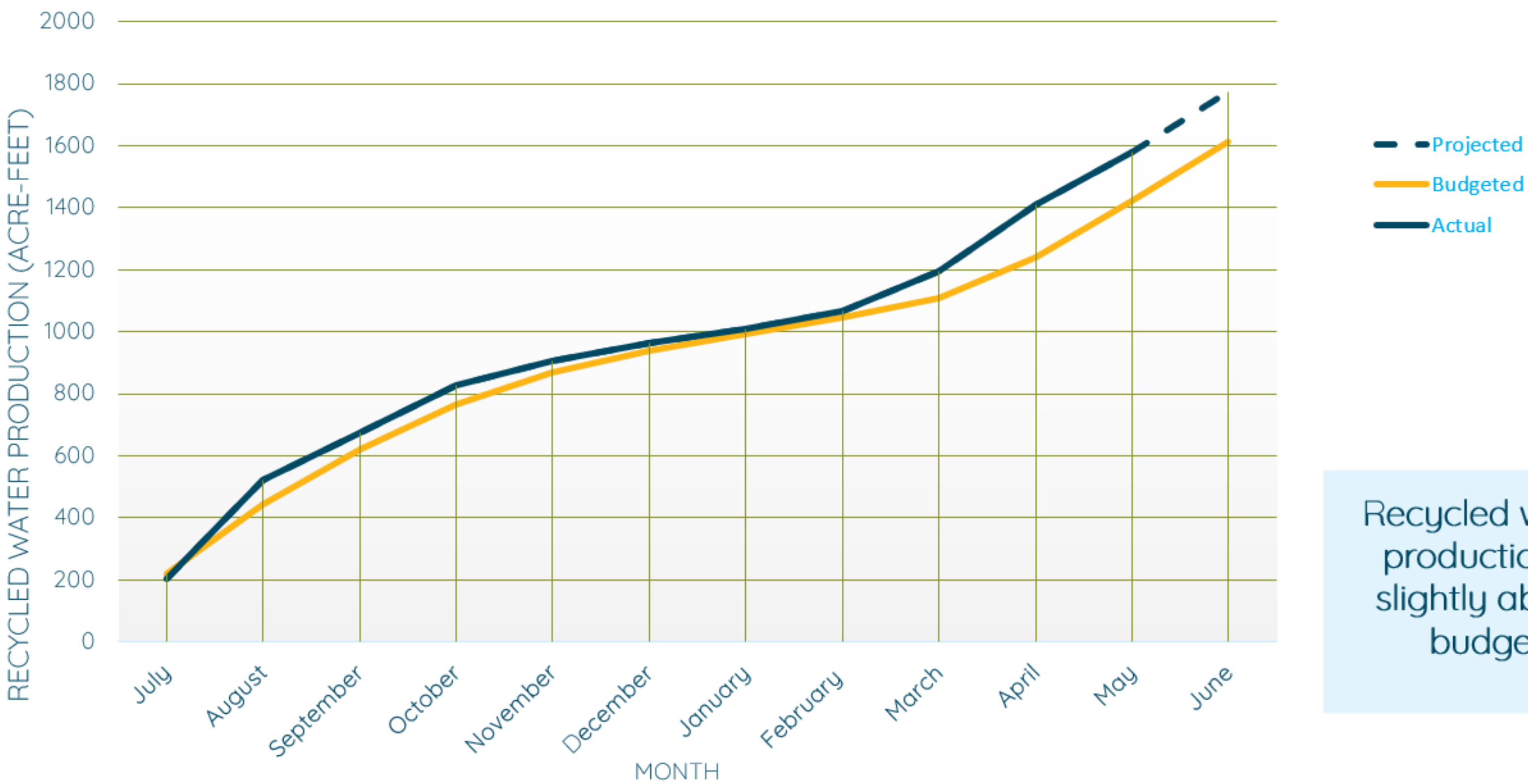


FIGURE 2: MAY RECYCLED WATER PRODUCTION
RECYCLED WATER PRODUCTION (ACRE-FEET)
RAINFALL (INCHES)
250
200
150
100
50
0
5.50
5.00
4.50
4.00
3.50
3.00
2.50
2.00
1.50
1.00
0.50
-
May-17
May-18
May-19
May-20
May-21
May-22
May-23
May-24
May-25
May-26
Recycled Water
Local Rainfall

FIGURE 3: FY2025/26 CUMULATIVE PRODUCTION VS BUDGET



Recycled water production is slightly above budget

*   AGENDA ITEM NO. 7E

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

July 21, 2026

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 previously reported:

- Meeting to review Board Meeting Agenda with Chairperson Shaffer on June 15, 2026

FINANCIAL IMPACT

Per the SEJPA Restatement Agreement, SEJPA offers the Board Member $160 for each reportable meeting, which the Board Member may choose to accept or reject. These meetings are accounted for in our annual budget.

Respectfully submitted,

Michael T. Thornton, P.E.
General Manager

*

AGENDA ITEM NO. 7F

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

July 21, 2026

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: STATUS UPDATE - EMERGENCY RECYCLED WATER PIPELINE REPAIR AT EAST ENTRY GATE

RECOMMENDATION

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

BACKGROUND

On May 8, 2026, staff identified a leak on a 12-inch recycled water pipeline near the east entry gate to the San Elijo Water Campus. The General Manager declared an emergency and authorized repairs in accordance with SEJPA Resolution No. 2022-01, Purchasing Policies and Procedures.

The Board was notified of the emergency declaration and approved the emergency contract on May 19, 2026, consistent with Resolution No. 2022-01, Section 3.1.d. Public Contract Code Section 22050 requires periodic Board review of emergency actions. Accordingly, this memorandum provides an update on the status of the repair work and remaining project closeout activities.

DISCUSSION

The pipe break was repaired by Burtech Pipeline on May 8, 2026, restoring service the same day and returning the recycled water system to normal operation. The repaired pipeline was successfully pressure tested and remains in service.

Following completion of the pipeline repair, SEJPA evaluated the affected area and determined that approximately 650 square feet of asphalt pavement requires replacement. SEJPA is coordinating with the Contractor to schedule the asphalt restoration work.

Staff is currently reconciling contractor time-and-material records to establish final project costs. Staff anticipates returning to the Board on September 15, 2026 to request construction completion acceptance and authorization to record a Notice of Completion (NOC), following completion of the asphalt restoration work.

FINANCIAL IMPACT

The cost of the emergency repairs will be funded through the Recycled Water Program's operating reserves. The total project cost, including completed pipeline repairs and planned asphalt restoration, is currently estimated at approximately $70,000. Final cost reconciliation is in progress.

RECOMMENDATION

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

Respectfully submitted,

Michael T. Thornton, P.E.
General Manager

Attachments:

1. Emergency Recycled Water Pipe Repair Photos

Attachment 1

EMERGENCY RECYCLED WATER PIPE REPAIR PHOTOS

Excavation backfilled to grade with temporary apshalt Pavement repair area marked out with white paint

*

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

July 21, 2026

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: Director of Finance and Administration

SUBJECT: APPOINTMENT OF THE SAN ELIJO JOINT POWERS AUTHORITY AUDITOR

RECOMMENDATION

It is recommended that the Board of Directors:

1. Select Nigro & Nigro, PC to provide independent audit services to the San Elijo Joint Powers Authority beginning with the fiscal year ending June 30, 2026;

2. Authorize the General Manager to execute a three-year professional services agreement with Nigro & Nigro, PC, with the option to extend the agreement for up to two additional one-year terms, for a total contract amount not to exceed $155,000; and

3. Discuss and take action as appropriate.

BACKGROUND

The San Elijo Joint Powers Authority is required to obtain an annual independent audit of its financial statements. Under the 2008 Restated Agreement establishing the SEJPA, appointment of the independent auditor is reserved to the Board of Directors.

SEJPA's auditor-selection policy, established by Resolution No. 2005-01, calls for the agency to review its audit services and solicit competitive proposals at least once every five years. The Board's authority to appoint the auditor is also reflected in the SEJPA Purchasing Policies and Procedures adopted by Resolution No. 2022-01.

Leaf & Cole, LLP has provided independent audit services to SEJPA for the past five years. Its agreement has expired, and staff initiated a competitive selection process for audit services beginning with the fiscal year ending June 30, 2026.

DISCUSSION

Staff issued a Request for Proposals through PlanetBids for financial statement and single-audit services. The RFP contemplated an initial three-year agreement, with SEJPA's option to extend the agreement for up to two additional one-year terms.

Proposing firms were asked to provide information regarding their governmental auditing experience, qualifications of the proposed audit team, technical approach, project organization, schedule, and fees. SEJPA received proposals from seven qualified firms.

Although Leaf & Cole, LLP provided exemplary and timely audit services over the past five years, the firm elected not to submit a proposal for the new agreement due to the retirement of its lead engagement partner and a strategic decision to discontinue auditing special districts.

Consistent with the process described in the RFP, technical proposals were independently evaluated before fee proposals were opened. Technical qualifications represented 85 percent of the available evaluation points, and proposed fees represented 15 percent.

Table 1: Technical and Cost Evaluation Scores

Firm	Project Team	Firm Experience	Project Approach	Overall Firm Qualifications and Strength	Technical Proposal Score	Pricing Score	Total Proposal Score	Interview
Available Points	**20**	**30**	**20**	**15**		**15**		
DavisFarr, LLP	**19**	**27**	**18**	**15**	**79**	**11**	**90**	**Yes**
Moss, Levy & Hartzheim, LLP	**19**	**27**	**17**	**12**	**75**	**12**	**87**	**Yes**
Nigro & Nigro PC	**16**	**25**	**18**	**13**	**72**	**15**	**87**	**Yes**
LSL, LLP	18	27	16	12	73	11	84	No
Badawi & Associates	19	22	17	10	68	11	79	No
Vasquez & Company, LLP	18	25	14	12	69	10	79	No
Harshwal & Company, LLP	14	22	17	10	63	13	76	No

The fee proposals submitted and reflected in the above scoring are as follows:

Table 2: Proposed Audit Fees

Firm	Five-Year Total (3-Year Base + Two Optional One-Year Extensions) Optional Years 4-5
Vasquez & Company, LLP	$ 239,000
DavisFarr, LLP	**$ 215,245**
LSL, LLP	$ 212,730
Badawi & Associates	$ 205,330
Moss, Levy & Hartzheim, LLP	**$ 185,230**
Harshwal & Company, LLP	$ 174,060
Nigro & Nigro PC	**$ 152,500**

The selection process was designed to identify the firm offering the strongest overall combination of qualifications, experience, approach, and cost. DavisFarr, LLP, Moss, Levy & Hartzheim, LLP, and Nigro & Nigro, PC received the highest overall proposal scores and were invited to participate in interviews.

Following the interviews and consideration of the firms' written proposals, project teams, audit approaches, relevant governmental experience, and proposed fees, staff recommends Nigro & Nigro, PC.

Staff determined that Nigro & Nigro, PC (N&N) offered the strongest overall value to the SEJPA. While N&N submitted the most competitively priced proposal among the finalists, staff's selection was driven by qualitative factors that ensure a seamless transition and high-quality service. Specifically, N&N demonstrated a dedicated specialization in auditing special districts and joint powers authorities (JPAs), distinct from general municipal auditing. Their targeted experience with wastewater special districts aligns directly with SEJPA's unique operational footprint. Furthermore, N&N proposed an audit approach specifically designed to minimize operational disruption for SEJPA staff, backed by firm commitments to long-term audit team continuity.

The proposed agreement would cover audit services for the three fiscal years ending June 30, 2026, June 30, 2027, and June 30, 2028. SEJPA would retain the option to extend the agreement for up to two additional one-year terms.

FINANCIAL IMPACT

Funding for the fiscal year ending June 30, 2026 audit is included in the Fiscal Year 2026-27 adopted budget. Fees for future audit years will be included in the applicable annual budgets in accordance with SEJPA's normal budgeting practices.

The initial three-year agreement carries a maximum cost of $91,500. Should both annual extensions be exercised, the cumulative five-year commitment would reach $155,500, subject to the terms of the contract and annual budget authorization.

RECOMMENDATION

It is therefore recommended that the Board of Directors:

1. Select Nigro & Nigro, PC to provide independent audit services to the San Elijo Joint Powers Authority beginning with the fiscal year ending June 30, 2026;

2. Authorize the General Manager to execute a three-year professional services agreement with Nigro & Nigro, PC, with the option to extend the agreement for up to two additional one-year terms, for a total contract amount not to exceed $155,000; and

3. Discuss and take action as appropriate.

Respectfully submitted,

Kevin R. Lang, CPA
Director of Finance and Administration

Attachments:

1. Nigro & Nigro, PC Technical Proposal
2. Nigro & Nigro, PC Cost Proposal

Attachment 1

TECHNICAL PROPOSAL
FOR
PROFESSIONAL AUDITING SERVICES

San Elijo Joint Powers Authority

For the Fiscal Years Ending
June 30, 2026-2028
(With the Option for Fiscal Years 2029 to 2031)

NIGRO & NIGRO PC

Respectfully Submitted on June 15, 2026 by:

Paul J. Kaymark, CPA
Nigro & Nigro, PC
pkaymark@nncpas.com
Federal Tax ID: 30-0636241
Nncpas.com
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Walnut Creek: 2121 N. California Blvd. #290, Walnut Creek, CA 94596 • P: (844) 557-3111 • F: (844) 557-3444

Let’s Work Together!

By applying our financial expertise,
we partner with our clients to build
valuable relationships that inspire success.

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- Peer Review Letter
- Certificate of Insurance

A Professional Accountancy Corporation

June 15, 2026

Mr. Kevin R. Lang, CPA, Director of Finance & Administration
San Elijo Joint Powers Authority
2695 Manchester Ave
Cardiff by the Sea, CA 92007

Dear Mr. Lang

Thank you for the opportunity to submit this proposal to provide audit services for the San Elijo Joint Powers Authority (Authority). Our understanding of the work to be done is: the annual audit of the Authority's financial statements for the fiscal years ending June 30, 2026-2028 with a three-year option. Based on our history with water and wastewater JPA agencies, we believe our firm would be a great fit, and we would develop a great working relationship. Our staff works hard to help ensure our audits are completed with the highest level of service and meet all deadlines.

Although many people think that all water and wastewater JPA agencies function in the same manner, we know that's not the case. The audit leadership team we've assigned to your Authority, including myself, will take the time to learn the intricacies of your organization. We find that by delving deep into our client's structure and operations we are able to make recommendations that are not only useful, but also practical to implement.

At Nigro & Nigro, PC, our greatest strengths correspond to your most critical needs; we possess the full spectrum of resources needed to most effectively help the Authority's management team and Board members meet their goals – all at a very competitive rate. We believe we are your best choice.

- **Credibility, Reputation, and Resources of a Large Firm** without sacrificing the small-firm touch. Our CPAs and consultants can help you analyze and address financial, operational, and regulatory issues so you can focus attention on serving your citizens. We were originally formed in 1999, and now perform annual audits for approximately 100+ public agencies annually.

- **State-Wide Reach with Local Presence.** At Nigro & Nigro, we have the benefit of having the resources of a state-wide firm while serving you from our Murrieta (Headquarters) and Walnut Creek offices.

- **Dedicated IT Auditor.** Having a dedicated IT Auditor on the audit team provides critical value by ensuring that the agency's information systems and technology controls are thoroughly assessed by a specialist with focused expertise. This dedicated role enhances the depth and accuracy of the audit by identifying potential vulnerabilities, inefficiencies, or compliance issues that might otherwise go undetected. It also allows for more effective evaluation of cybersecurity, data integrity, access controls, and IT governance, ultimately strengthening the overall internal control environment and reducing risk. Furthermore, a dedicated IT Auditor can offer targeted recommendations tailored to the agency's technology landscape, supporting more informed decision-making and long-term operational resilience. **A Value-Added Service from our Firm.**

Jeff Nigro, CPA, CFE | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA | Jessica Berry, CPA | Angelika Vartikyan, CPA | Jared Solmonsen, CPA

MURRIETA OFFICE 25220 Hancock Avenue, Suite 400, Murrieta, CA 92562 • P: (951) 698-8783 • F: (951) 699-1064
WALNUT CREEK OFFICE 2121 N. California Blvd. Suite 290, Walnut Creek, CA 94596 • P: (844) 557-3111 • F: (844) 557-3444
www.nncpas.com • *Licensed by the California Board of Accountancy*

- **An Efficient and Effective Work Plan.** We currently serve over 100+ governmental entities state-wide, which enables our staff to understand the scope of the audit. We also understand the Authority's complexities, not just from a compliance standpoint but also from an operational point of view. We have developed an effective work plan that takes into consideration your needs for high quality audit services, as well as timely deliverables. As a result of our efficient work plan, we commit to meeting your deadlines to complete our auditing services within the time-period you have specified.

- **Efficiency.** Our use of portal software allows you to upload audit documentation at any time, which will minimize disruption to your staff and enable timely completion of all deliverables.

- **Thought Leadership.** Members of our firm have been actively involved as presenters in numerous industry conferences and programs, including the GFOA, CSDA, and CSMFO. We have incorporated our experience with these committees into our audit framework.

- **Engagement Team.** We know that quality people drive quality results, which is why our commitment to you starts with the engagement team members who are selected based on their experience, focus on serving local government agencies, and who are the best fit for you. Each of the Authority's engagement team members have completed and exceeded the mandatory requirement for continuing professional education hours as requested in the RFP. Paul Kaymark, Partner, will be the main contact for the Authority regarding this project and as you can see from the Audit Teams resumes, in the following pages, they have many years of experience to make the audit a smooth process.

- **A Focus on Providing Consistent, Dependable Service to Government Entities.** Nigro & Nigro is organized by industry, affording our clients with industry-specific expertise supplemented by valuable local service and insight. Therefore, the Authority will enjoy the service of members of our Governmental Audit Services Team who have experience with similar governmental entities and understand the issues and environment critical to you. You will not have to train our auditors.

You may have many options in selecting a professional audit firm. By choosing Nigro & Nigro, you will gain value-added accounting and operational insights. We are the right fit for the Authority, as we have the expertise and depth of resources within our firm to offer you exceptional service while maintaining a sincere and honest relationship. We understand the work, we are committed to meeting your deadlines, and we would like the opportunity to continue to be your auditors. We also commit to meeting or exceeding your expectations.

Thank you once again for the opportunity to present our qualifications. If you have any questions about our offerings, please do not hesitate to contact me.

Sincerely,

Paul J. Kaymark, CPA
Managing Partner
Special District's Audit Services Partner

AICPA Governmental Audit Quality Center

LICENSE TO PRACTICE IN CALIFORNIA

The Firm and its entire CPA staff hold licenses to practice in the State of California. The Firm's CPA's are all members in good standing with the California Society of CPA's and the AICPA. We will assign a California licensed CPA as the auditor in charge of the audit.

PROFILE OF THE FIRM

Statement of Independence

Our standards require that we be without bias with respect to your operations. The Firm is independent of all entities listed in the RFP, as defined by auditing standards generally accepted in the United States of America and the U.S. General Accounting Office's "Governmental Auditing Standards". In addition, the Firm shall give the Authority written notice of any relevant professional relationships entered into during the period of this agreement.

Experience

Nigro & Nigro team members are highly trained in governmental accounting and auditing, which sets us apart as being able to add value beyond the basic attest engagement. We are comfortable working with clients of various sizes. Within the past five years, we have worked with numerous governmental clients with revenues ranging from $200,000 to over $300 million.

Prior to any audit engagement, our engagement team leader will meet with the Board, Audit Committee and Management to gain a full understanding of the philosophy, objectives and policies for operating the organization, as well as to discuss significant business, regulatory and accounting matters that will affect the audit. At the conclusion of the audit, we will communicate the results of the audit with the Board, Audit Committee and Management.

Areas of specialization include:

- Audit and Review Services
- Government Auditing Standards & Single Audits
- Annual Report of Financial Transactions
- Agreed Upon Procedures Engagements
- Annual Comprehensive Financial Report (ACFR) development

PROFILE OF THE FIRM (CONTINUED)

Size of Our Firm

Firm-wide, we have the following staffing for our governmental audit services:

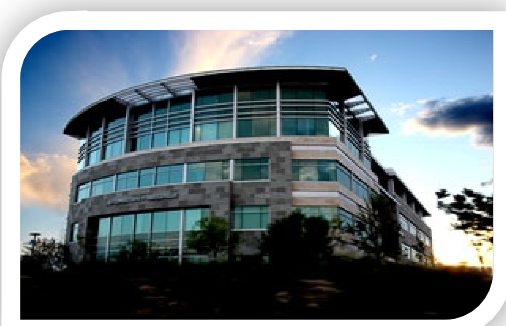
Position	Number of Employees	Number of Licensed CPA's
Partner*	9	9
Senior Manager	1	1
Manager	5	5
Supervisor	5	-
Senior	8	
Associates	9	-
Support Staff	3	-
Total	**40**	**15**

**Although the term "partner" is used throughout this proposal to avoid confusion, the firm is organized as a Professional Corporation, and the firm's owners are "shareholders."*

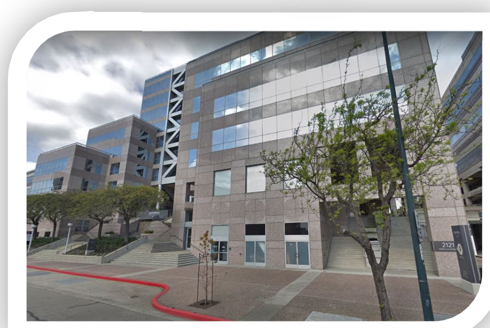
Size and Location of Offices

The firm was originally established in 1999. In 2013, we opened our second office in Northern California in order to better serve our growing client base of agencies in the San Francisco Bay Area. The Firm now has nine partners and a professional staff of 28 accountants and expects to add more in the coming years as we continue to grow. We are a full service firm, providing audit and review, tax, consulting, and accounting services to local government, non-profit organizations, charter schools, commercial businesses and homeowners' associations. The office serves clients of all sizes and industries, however, we focus on government agencies, just like yours.

We are prepared to do what it takes to provide the extra level of service required to maintain a long-term business relationship.



MURRIETA OFFICE



WALNUT CREEK OFFICE

Range of Activities Performed

- Consulting and other services for numerous other agencies and not-for-profits
- Tax services for individuals, corporations, and non-profit organizations

PROFILE OF THE FIRM (CONTINUED)

Peer Review

Our firm's most recently issued peer review report can be found under the "Additional Documents" section of the proposal. A firm can receive a "Fail", "Pass with Deficiencies", or a "Pass" rating. The firm's most recent peer review report rating was a Pass. This rating indicates that the firm's system of quality control has been suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with professional standards and applicable legal and regulatory requirements in all material respects. As required by our membership in the Government Audit Quality Center (GAQC), the peer review included a selection of a sample of governmental audit engagements.

Meet Your Audit Leadership Team

Listed on the following pages are the resumes of the management team that will be assigned to your audit. As mentioned previously, our staff members have considerable governmental audit experience. This gives us a pool to draw on in addition to the group listed.

Name	Role	Years of Experience in Audits
Paul J. Kaymark, CPA	Lead/Review Partner	32
Jared Solmonsen, CPA	Engagement Audit Partner	8
Stacy Macias, CPA	Senior Audit Manager – Federal Compliance	8
Anabel Cruz, CPA	Audit Manager	7
Tyler Cook	Audit Supervisor	4
Angelina Paunkov	Audit Senior	3
Valeria Castaneda	Audit Staff	2
Alejandra Melero	Audit Staff	1

Paul J. Kaymark, CPA

Lead/Technical Review Audit Partner

Paul joined the firm in 2019 and has more than 32 years of public accounting and auditing governmental entities experience. Paul is our choice for new governmental audit clients, having extensive experience in the areas of governmental entities. His main responsibilities include assistance in the preliminary planning of audit work, review of assistants' work, and performing audit procedures in more complex audit areas.

Audit Services:

Mr. Kaymark has been working on audit engagements of governmental agencies, not-for-profit organizations, as well as for-profit corporations and companies. His previous experience includes audit and consulting work for large and small businesses with a focus on client service. Paul strives to build strong relationships with his clients by assisting them with any emerging issues and being available as a resource.

Consulting Services:

Mr. Kaymark has experience in a variety of governmental issues, garnered from his auditing experience over the years. He regularly consults with clients in areas of:

Special District Accounting:

- Internal controls
- Financial reporting
- Annual report of financial transactions

Financial Reporting:

- Year-end closing procedures
- Cash flows
- Budget development and projections
- Multi-Year projections
- Pension and OPEB accounting

Some Agencies Served:

- Metropolitan Water District of So Cal
- Palmdale Water District
- Oxnard Harbor District
- Western Municipal Water District
- El Toro Water District
- East Orange County Water District
- Trabuco Canyon Water District

California Special Districts Association
CSDA
Districts Stronger Together

CSDA Workshop Speaker

AICPA Governmental Audit Quality Center

Education:

Bachelor of Science, Business Administration, Accountancy
California State University, Long Beach
1994

Licenses and Certifications:

- Certified Public Accountant, California
- GFOA Certificate for Excellence in Financial Reporting - Reviewer

Professional Affiliations:

- Government Finance Officers Association (GFOA)
- California Society of Municipal Finance Officers (CSMFO)
- California Special District Association (CSDA)

Continuing Education:

Various municipal accounting courses offered by the AICPA, CalCPA Education Foundation including:

- Governmental and Nonprofit Annual Update
- GASB Basic Financial Statements for State and Local Governments
- Single Audits: Uniform Grant Guidance (formerly OMB Circular A-133)
- Financial Accounting Standards Board Annual Updates

CalCPA

Water and Wastewater Clients Audited and/or Consulted With Over My Career

Water and Wastewater

Metropolitan Water District of Southern California
Los Angeles County Sanitation District
Long Beach Water Department
Glendale Water and Power
Colton Public Utilities
Baldy Mesa Water District
Bear Valley Community Services District
Beaumont-Cherry Valley Water District
Big Bear City Community Services District
Cabazon Water District
California Domestic Water Company
Casitas Municipal Water District
Castaic Lake Water Agency
Chino Basin Water Conservation District
Chino Basin Watermaster
Coachella Valley Water District
Diablo Water District
East Orange County Water District
El Toro Water District
Farm Mutual Water Company
Golden Hills Community Services District
Goleta Water District
Hi-Desert Water District
Inverness Public Utilities District
Irvine Ranch Water District
Joshua Basin Water District
Jurupa Community Services District
Leucadia Wastewater District
Mesa Consolidated Water District
Mojave Water Agency
Monte Vista Water District
Montecito Water District
North Coast County Water District
North Marin Water District
Novato Sanitary District
Palmdale Water District

Water and Wastewater, continued

Phelan Pinon Hills Community Services District
Pomona Valley Protective Agency
Purissima Hills Water District
Rincon del Diablo Water District
Rosamond Community Services District
Rossmoor Los Alamitos Area Sewer District
Sacramento Suburban Water District
San Bernardino Valley Water Conservation District
San Gabriel Valley Municipal Water District
San Lorenzo Valley Water District
Santa Ana Watershed Project Authority
Santa Margarita Water District
Saticoy Sanitary District
Solano County Water Agency
Soquel Creek Water District
Stallion Springs Community Services District
Summerland Sanitary District
Trabuco Canyon Water District
Tres Pinos Water District
Triunfo Sanitation District
Twentynine Palms Water District
Vallecitos Water District
Valley County Water District
Ventura Regional Sanitation District
Victor Valley Water District
Victor Valley Wastewater Reclamation Authority
Victorville Water District
Water Facilities Authority - Joint Power Agency
Water Replenishment District
West County Agency
West County Wastewater District
West Valley Water District
Westborough Water District
Western Municipal Water District
Western Riverside County Regional Wastewater
Yorba Linda Water District

Jared Solmonsen, CPA

Engagement Audit Partner

After completing his degree, Jared went to work for a midsize construction company where he worked as an estimator and project manager before transitioning into more of an accounting and finance role. It was working in this role that led him to the decision to pursue the goal of becoming a Certified Public Accountant. He continues to hone his skills and expand his knowledge as he branches out into different areas of accounting services and working with various governmental agencies and not-for-profit organizations. Jared will be the audit engagement partner and oversee staff as they work together through different audit areas.

Audit Services:

Jared began his career with Nigro & Nigro in 2019 focusing on special districts and not-for-profit organizations. He has a customer-oriented approach to auditing, striving to build strong relationships by working with clients to help them navigate the ever-changing world of accounting rules and standards.

Consulting Services:

Jared has experience with a variety of governmental and not-for-profit accounting issues, as well as other tax and audit concerns, derived from his audit and consulting experience at the firm.

Special District Accounting:

- Internal control policies, procedures, and best practices
- Year-end closing procedures
- Capital asset and depreciation schedule

Financial Reporting:

- Federal and state compliance
- Single audits
- Revenue and expense tracking by program/grant
- Statement of functional expense
- Compiling financial statements
- Disclosure requirements
- GASB 68 Pensions
- GASB 75 OPEB
- GASB 87 Leases
- GASB 96 SBIAs

Other Agencies Served:

- Calleguas Municipal Water District
- Costa Mesa Sanitary District
- East Orange County Water District
- Hi-Desert Water District
- Oxnard Harbor District
- Montecito Water District
- North Coast County Water District
- Palmdale Water District
- San Gorgonio Pass Water Agency

Education:

Bachelor of Science, Business Administration, Finance
California State University,
San Marcos, 2013

Licenses and Certifications:

- Certified Public Accountant, California

Continuing Education:

- Government Accounting & Auditing Conference
- Not-For-Profit Organizations Conference
- In-house training for audit staff
- Spidell Tax Seminar
- Western CPE Tax update webinars
- In-house training for audit staff (presenter)

Additional Areas:

- Tax preparation
- QuickBooks knowledge

Stacy Macias, CPA

Senior Audit Manager – Federal Compliance

Stacy joined the firm in 2018 as a staff accountant after completing her degree at California State University, Chico and has worked her way up to Audit Manager. Stacy continues to expand her knowledge as she branches out into different areas of accounting services and working with varying governmental and not-for profit clients. Stacy will work under the general direction of the audit partner and oversee staff as they work together through different audit areas.

Audit Services:

Stacy began her auditing career on audit engagements of governmental agencies, and non-for-profit organizations. Stacy enjoys auditing governmental agencies and non-for-profit due to their varying structures and sizes. Stacy truly values customer service and building client relationships. Her friendly demeanor makes clients comfortable in reaching out to her during the audit process or throughout the year.

Consulting Services:

Stacy has experience in a variety of governmental and not-for-profit accounting, tax, and audit concerns, derived from her audit and consulting experience with those industries.

Financial Reporting:

- Year-end closing procedures
- Internal control policies and procedures and best practices
- Compiling Financial Statements
- Revenue and Expense tracking by program/grant
- Statement of Functional Expenses
- Capital assets and depreciation schedules
- Disclosure requirements
- Federal and State compliance
- GASB 68 Pensions
- GASB 75 OPEB
- GASB 87 Leases
- GASB 96 SBIAs

Additional Areas:

- Tax preparation
- QuickBooks knowledge

Other Agencies Served:

- Calleguas Municipal Water District
- Costa Mesa Sanitary District
- East Orange County Water District
- Hi-Desert Water District
- Oxnard Harbor District
- Montecito Water District
- North Coast County Water District
- Palmdale Water District
- San Gorgonio Pass Water Agency

Education:

Bachelor of Science, Business Administration, Accounting
California State University, Chico, 2018

Licenses and Certifications:

- Certified Public Accountant, California

Continuing Education:

- Government Accounting & Auditing Conference
- Not-For-Profit Organizations Conference
- In-house training for audit staff
- Spidell Tax Seminar
- Western CPE Tax update webinars
- In-house training for audit staff (presenter)

Tyler Cook

Audit Supervisor/IT Auditor

Tyler began his career in public accounting in 2022 with Nigro & Nigro, PC. Tyler's audit experience includes audits of governmental and not-for-profit organizations such as cemeteries, resource conservation districts, water districts, fire protection districts and community service districts. Tyler values building quality relationships with clients while providing timely and reliable services. Tyler is working under the general direction of the Audit Manager.

Audit Services:

Tyler enjoys auditing governmental agencies and non-for-profits due to their varying structures and sizes.

Consulting Services:

Tyler has experience in a variety of governmental and not-for-profit accounting and audit concerns, derived from his audit and consulting experience with those industries.

Financial Reporting:

- Year-end closing procedures
- Agreed upon procedures
- Internal control policies and procedures and best practices
- Capital assets and depreciation schedules
- GASB 68 Pensions
- GASB 75 OPEB
- GASB 87 Leases
- GASB 96 SBIAs

Other Agencies Served:

- Calleguas Municipal Water District
- Costa Mesa Sanitary District
- East Orange County Water District
- Hi-Desert Water District
- Oxnard Harbor District
- Montecito Water District
- North Coast County Water District
- Palmdale Water District
- San Gorgonio Pass Water Agency

Education:

Bachelor of Science, Accountancy
BYU Hawaii – 2022
Master's in Accountancy and IT
San Diego State University – 2023

Licenses and Certifications:

- CPA License Candidate

Continuing Education:

- Government Accounting & Auditing Conference
- Not-For-Profit Organizations Conference
- In-house training for audit staff

PROFILE OF THE FIRM (CONTINUED)

Training & Resources

The Firm is committed to a continuing professional education program, which emphasizes the areas of expertise of each member of our professional staff. The Firm is required to comply with the *Government Auditing Standards* for each professional practicing in the area of governmental accounting and auditing. We are committed to follow those standards, which result in quality audit services, including continuing education for all staff of 60-80 hours each year, specifically in school districts and governmental auditing. As required by *Government Auditing Standards*, all governmental audit staff receives the required continuing education in the area of governmental auditing and accounting. These policies are monitored internally, reviewed annually and certified periodically by independent peer review.

Library facilities are maintained which include current professional literature and specific information for the industries that we serve. The Firm library is also reviewed as part of the external quality review program. The Firm has in-house training programs specific to our school district clients. We also perform auditing and accounting updates for our clients that are organized by our staff. These practices ensure the quality of our staff over the term of the engagement.

Our staff participates in activities relating to government accounting and reporting issues through our membership and involvement with the following organizations:

a. American Institute of CPA's Governmental Audit Quality Center
b. California Society of CPAs
c. Government Finance Officers Association (GFOA)
d. California Special Districts Association (CSDA)
e. Government Accounting Standards Board (GASB)
f. Association of Certified Fraud Examiners (ACFE)

We recognize that our most important product is prompt and effective service.

Through our participation in these organizations and continuing education provided by them, the Firm continues to stay abreast of all current governmental accounting and reporting issues. Some of the professional education our audit team members have either presented at or attended in the last two years include:

- SSC Annual Finance and Management Conference
- SSC Governor's Budget Workshop
- CSDA Annual Conference
- CSMFO Conference
- GFOA Annual Conference
- Various other governmental workshops

We recognize that our most important product is prompt and effective service. We believe the Authority should work with its CPA firm throughout the entire year. We are available at any time throughout the year to provide any assistance you may need.

PROFILE OF THE FIRM (CONTINUED)

Similar Engagements with Other Water/ Wastewater Special Districts

We currently conduct over 100+ government audits each year and have well rounded experience with local governmental agencies. We are excited for the opportunity to devote our attention to you and your specific needs. Below is a partial list of some similar governmental clients we are currently auditing.

Please contact our clients for a Reference of our services!

Let's start with a New Audit Client in 2025 Experience:

Mammoth Community Water District – Jeffrey Beatty, FM (760) 934-2596 x 239

Midway City Sanitary District – Gordon Copley, DF (714) 893-3553

Some of our Water & Wastewater District clients

Costa Mesa Sanitary District – Kaitlin Tran, FM (949) 645-8400

East Orange County Water District – Sylvia Prado, (714) 538-5815

Hi-Desert Water District – Tanya Gruwell, CFO (760) 228-6271

Las Gallinas Valley Sanitary District – Dale McDonald, ASM (415) 526-1519

Sausalito Marin City Sanitary District – Cathy Bondanza, OM (415) 332-0244

Sewer Authority Mid-Coastside – Kishen Prathivadi, GM (650) 726-0124 x 106

Our Community Services District clients with Wastewater Operations:

Templeton CSD – Natalie Klock, FO – (805) 434-4904

Avila Beach CSD – Brad Hagemann, GM – (805) 835-3163

Santa Ynez CSD – Loch Dreizler, GM – (805) 688-3008

Stallion Springs CSD – Laura Lynn Wyatt, GM – (661) 822-3268 x 224

*** Please check the websites of these above noted clients to review the Financials prepared by our Firm.**

SCOPE OF THE AUDIT

We will audit the basic financial statements of the Authority for the fiscal year ended June 30th in accordance with the following standards:

- Auditing Standards Generally Accepted in the United States of America
- *Government Auditing Standards*, issued by the Comptroller General of the United States
- Minimum Audit Requirements and Reporting Guidelines for Special Districts

Our audit will be for the purpose of expressing an opinion on the basic financial statements, and will include such auditing procedures as considered necessary to accomplish this purpose. We will also provide an "in-relation-to" opinion on any other supplemental information and statistical schedules. We anticipate issuing the following reports:

- Independent Auditors' Report on the basic financial statements.
- Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards.*

In addition, we will provide the Authority with a management letter that will give written appraisals of its accounting and related systems. This letter will identify any control deficiencies, significant control deficiencies or material weaknesses that are identified during the audit. We will work with management before audit fieldwork and during the course of the audit to assess internal controls and review mitigating controls in place in an effort to reduce the control deficiencies, significant control deficiencies and material weaknesses that need to be reported to management in writing, assuming there are mitigating controls in place. The letter will also offer recommendations for the elimination of weaknesses that we identify, and we will suggest any methods we discover to help improve efficiency and effectiveness.

We will schedule an appearance with the Board and the Audit Committee that allows an opportunity for us to present the audit and management letter. This is an excellent time for the Authority to resolve any questions it has regarding our audit or management letter. As mentioned earlier, the value in hiring our Firm comes from not only the audit, but from our experience and the education, we can provide. We hope that as questions or concerns arise throughout the year, the Authority staff will contact us and draw on our knowledge and experience.

Non-significant deficiencies discovered during the audit process shall be reported in a separate letter to management, the Board and the Audit Committee, which shall be referred to in the report(s) on internal controls. This separate letter also informs the Board and the Audit Committee of the following:

1) The auditor's responsibility under auditing standards generally accepted in the United States of America.
2) Significant accounting policies.
3) Management judgments and accounting estimates.
4) Significant audit adjustments.
5) Other information in documents containing audited financial statements.
6) Disagreements with management.
7) Management consultation with other accountants.
8) Major issues discussed with management prior to retention.
9) Difficulties encountered in performing the audit.

All working papers and reports will be retained at the Firm's expense for a minimum of seven (7) years, unless the Firm is notified in writing by the Authority of the need to extend the retention period.

SCOPE OF THE AUDIT(CONTINUED)

Segmentation of Engagement

STEP 1: Planning

Our goal in preliminary fieldwork is to gain a thorough understanding of your internal controls, processes and procedures. Our goal is to accomplish as much interim fieldwork as possible so that our stay during final fieldwork is kept to a minimum. Our preliminary work focuses on planning and internal control documentation.

STEP 2: Interim Field Work

Internal Control Documentation

Our internal control documentation usually occurs during interim fieldwork. Our documentation process will be as follows:

1) Gather or update documentation for significant processes defined in our preliminary fieldwork.
2) Perform a "walk-through" of these significant processes.
3) Ask "what can go wrong" questions.
4) Identify controls in place. This will include both preventative and detective controls.
5) Evaluate the design of internal controls.
6) Decide whether to test and rely on controls.
7) Summarize preliminary fieldwork and submit management letter of all areas of concern.

STEP 3: Final Fieldwork

We assess risks, design procedures and obtain evidence to support financial statement amounts and disclosures during final fieldwork. Our Firm utilizes a methodology designed specifically for special districts. Our process emphasizes continuous communication with our staff.

Assess Risks and Design Procedures

As outlined in the risk based statements of audit standards (SAS 104 to 111), our Firm uses a risk-based approach to the audit. Our procedures to assess risks and design procedures are as follows:

1) Assess risk of material misstatement from errors or fraud based on internal controls combined with inherent risk of significant accounts.
2) Design procedures to test controls if considered necessary.
3) Design procedures to test details of account balances and classes of transactions based on risk.

Interim and Year End Testing

1) Perform tests of controls if considered necessary.
2) Perform tests of details of account balances and classes of transactions.
3) Evaluate quality and sufficiency of audit evidence.
4) Evaluate misstatements.
5) Perform IT evaluation of policies and controls

STEP 4: Audit Completion

Preparation of Audit Report and Management Letter

After reviewing the financial statements, notes and required supplementary schedules, we will agree the data to our working papers and provide a thorough review of all information by using written Firm standards and checklists. We will also review and incorporate any statistical data. This will verify appropriate presentation and disclosure. We will also at this time prepare our management letter that identifies financial trends and recommendations for improvement, reports required communications to the governing board, and discusses change in the environment in which the Authority operates.

Proposed Schedule/Level of Staff & Number of Hours Assigned to Each Segment

We will provide a detailed audit plan and prepare a list of schedules upon proposal acceptance. The following table summarizes our proposed segmentation of the engagement by date, segment, and level of staff as we have estimated based on the RFP timeline:

	Total Hours			
Date/Segment	**Partner/Manager**	**Supervisor**	**Staff/Admin**	**Total**
Apr/Jun				
Preliminary planning and fieldwork	2	8	8	18
Apr/Jun				
Interim fieldwork	20	10	20	50
Sept/Oct				
Final fieldwork, report preparation, review, finalization, and presentation	25	22	34	81
Total hours	**47**	**40**	**62**	**149**
Preliminary planning and fieldwork	2	8	8	18
Control	20	10	20	50
Substantive	20	10	34	64
Reporting	5	12	0	17
	47	40	62	149

Sample Size and the Extent to Which Statistical Sampling is to be Used

We perform sampling techniques and determine sample size after assessing the risk associated with specific transaction classes. No single "cookie-cutter" approach will be followed in regards to sampling techniques, but the Authority can be assured that an appropriate sampling methodology will be utilized. We use the following methods of sampling during our audits: statistical, haphazard, and judgmental. For statistical sampling we use guidance provided by the AICPA and by federal guidelines in accordance with industry standards, which typically recommends sample sizes between 40 to 60 items.

Type and Extent of Analytical Procedures to be Used

We will perform analytical procedures throughout the course of our audit. Professional standards require that analytical procedures be performed in the planning and wrap-up stages of the audit. Analytical review will be used during our expenditure, revenue, budget information as well as many other areas.

These procedures typically entail a review of interim reports, budgets, and comparisons to prior year data. We also use financial statement amounts to calculate certain ratios to determine whether any unusual or unexpected relationships exist in the financial data.

These procedures are then followed by inquiry of key Authority personnel to corroborate the auditors' expectations based on the data.

SPECIFIC AUDIT APPROACH (CONTINUED)

Approach to be Taken to Gain and Document an Understanding of Internal Control Structure(s)

Our audit approach will entail interviews with key personnel in the Authority involved in the design and implementation of internal controls. In conjunction with the interviews, we will perform tests and observations of how well the controls function. Key areas of internal control generally include: cash receipting, accounts payable/purchasing, payroll/personnel, technology, facilities, and maintenance and operations.

Approach to be Taken in Determining Laws and Regulations That Will be Subject to Audit Test Work

We are required to obtain an understanding of the possible financial statement effect of laws and regulations that have a direct and material effect on the determination of financial statement amounts. The determination of laws and regulations is addressed in the planning stage through reading available grant documentation, inquiry of the client, a preliminary review of finance system accounts and search of the Board minutes. We also have working knowledge of the types of laws and regulations under which California special districts operate. We also obtain further information about federal laws and regulations through the Catalog of Federal Domestic Assistance (CFDA) and the Uniform Guidance.

Approach to be Taken in Drawing Audit Samples

Since each program or grant agreement is different, we use many different approaches to sampling in our tests of compliance. The size of the sample considers many factors; size and risk of the program, program maturity, complexity, level of oversight and prior audit findings. AICPA Guidelines generally recommend sample sizes of 25, 40, or 60 items when the population is greater than 250. Ultimately, our professional judgment determines that a representative number of transactions have been selected. You can be confident in our judgment because our peer reviews and an outside review by the U.S. Department of Education have all accepted our audit sampling techniques and procedures.

Use of Technology/Remote Proficiency

In order to facilitate the exchange of data between us and our clients in a secured manner throughout the course of the audit, we employ the use of an online secured portal. Our clients have appreciated this unique and forward-thinking platform which helps minimize duplicate requests and unnecessary email and phone exchanges to request and receive audit documentation. The software is very user-friendly and easy to understand. This also allows us to perform much of the audit remotely without being onsite to reduce our carbon footprint.

Proposing Firm Warranties

1. The firm is willing and able to obtain an Errors and Omissions Insurance Policy providing a prudent amount of coverage for the willful or negligent acts or omissions of any officers, employees, or agents thereof.
2. The firm will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the Authority.
3. All information provided by the firm in connection with this proposal is true and correct.
4. The firm will acknowledge and agree with all terms and conditions stated in this Request for Proposal.

Paul J. Kaymark, CPA
Audit Services Partner

ADDITIONAL DOCUMENTS

STATEMENT OF QUALIFICATIONS AND REFERENCES FOR

FINANCIAL AUDIT SERVICES
To Be Executed by Bidder and Submitted with RFP

Bidder shall submit the number of years engaged in providing services included within the scope of the bid specifications under the present business name: Nigro & Nigro, PC started in 1999. We Are Local and Located in the Temecula Valley.

List and describe fully the last three contracts performed by your firm that demonstrate your ability to provide the supplies, equipment, or services included with the scope of the bid specifications. Attach additional pages if required. SEJPA reserves the right to contact each of the references listed for additional information regarding your firm's qualifications.

Reference No. 1

Customer Name: Midway City Sanitary District
Contact Individual: Gordon Copley, Dir of Finance Phone No.: 714-893-3553
Address: 14451 Cedarwood Street, Westminster CA 92683
gcopley@midwaycitysanitaryca.gov
Contract Amount: $25,000 Year: 2025
Description of supplies, equipment, or services provided: Audit & SCR Preparation

Reference No. 2

Customer Name: Costa Mesa Sanitary District
Contact Individual: Kaitlin Tran, Dir of Finance Phone No.: 949-645-8400 x 233
Address: 290 Paularino Avenue, Costa Mesa, CA 92626
ktran@cmsdca.gov
Contract Amount: $25,000 Year: 2025
Description of supplies, equipment, or services provided: ACFR & SCR Preparation

Reference No. 3

Customer Name: Mammoth Community Water District
Contact Individual: Jeff Beatty, CFO Phone No.: 760-934-2596 x 239
Address: 1315 Meridian Blvd, Mammoth Lakes, CA 93546
jbeatty@mcwd.dst.ca.us
Contract Amount: $35,000 Year: 2025
Description of supplies, equipment, or services provided: Audit & SCR Preparation

Paul J. Kaymark, CPA - Managing Partner
Signature of Authorized Bidder Representative

SAUSALITO-MARIN CITY SANITARY DISTRICT

1 EAST ROAD • SAUSALITO, CALIFORNIA 94965
OFFICE 415.332.0244 • PLANT 415.332.0240 • FAX 415.332.0453

General Manager
Jeffrey Kingston

Office Manager/Board Secretary
Catherine A. Bondanza

Directors
Dan Rheiner, President
William Ring, Vice President
Don Beers
Barbara Rycerski
Shirley Thornton

March 31, 2025

To Whom it May Concern:

Re: Reference Letter for Nigro & Nigro, PC

It is with great enthusiasm and confidence that I write this letter to express our sincere appreciation for the exceptional audit services provided by **Nigro & Nigro, PC**. As a new client, we approached the audit process with a mix of anticipation and natural apprehension. However, from the very beginning, the Nigro & Nigro team distinguished themselves through their professionalism, expertise, and genuine commitment to client service.

From our initial engagement, the team at Nigro & Nigro demonstrated a deep understanding of the unique requirements of our organization. Their approach was thorough, thoughtful, and highly **collaborative** ensuring we felt supported and informed at every stage. They took the time to understand our operations, internal controls, and specific risk areas, providing valuable insights that extended well beyond the standard audit checklist.

What truly set Nigro & Nigro apart was the approachable and responsive nature of their staff. **Communication** was timely and clear, and their willingness to educate and advise throughout the process made an immediate and lasting impact on our team. The auditors displayed not only technical expertise but also a remarkable ability to translate complex concepts into understandable, actionable feedback.

Our transition to Nigro & Nigro, PC as our audit partner has been a resounding success. Their audit process was efficient, insightful, and executed with integrity. We feel confident in the quality of their work and greatly value the relationship we are building with their team.

We look forward to continuing our partnership with Nigro & Nigro, PC for years to come and would recommend them without hesitation to any organization seeking a professional, knowledgeable, and client-focused audit firm.

Sincerely,

Catherine A. Bondanza

Catherine A. Bondanza
Office Manager/Board Secretary
Sausalito-Marin City Sanitary District

SPAFFORD AND LANDRY CPAs
HERE TO MAKE THE COMPLEX SIMPLE.

Patrick D. Spafford, CPA
Todd C. Landry, CPA

Licensed by the California Board of Accountancy
Member: American Institute of Certified Public Accountants

Report on the Firm's System of Quality Control

To Nigro & Nigro, PC
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Nigro & Nigro, PC, (the firm) in effect for the year ended August 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of the applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selection and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, in determining the nature and extent of our procedures.

1849 W. Redlands Blvd., #102, Redlands, CA 92373 · P.O. Box 8847 Redlands, CA 92375 · Tel 909-792-1852 · Fax 909-792-2015

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Nigro & Nigro, PC in effect for the year ended August 31, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency (ies)* or *fail.* Nigro & Nigro, PC has received a peer review rating of *pass*.

Spafford & Landry, Inc.

May 1, 2024

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): **04/08/2026**

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Tower Insurance Associates, Inc.
4244 Overland Avenue
Culver City, CA 90230
License #: 0229561

CONTACT NAME: Anna Soto-Long
PHONE (A/C, No, Ext): (310)837-6101 | FAX (A/C, No): (310)837-7559
E-MAIL ADDRESS: Anna@insurewithtower.com

INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A :	Hartford Underwriters Insurance Company	30104
INSURER B :	Hartford Accident And Indemnity Company	22357
INSURER C :	Rate by Multiple Companies	00914
INSURER D :	Fusion	
INSURER E :		
INSURER F :		

INSURED
Nigro & Nigro PC
25220 Hancock Ave Ste 400
Murrieta, CA 92562-0903

COVERAGES **CERTIFICATE NUMBER:** 00013566-250107150915 **REVISION NUMBER:** 20

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. *LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. LIMITS SHOWN ARE INCLUSIVE OF AMOUNTS REQUESTED BY THE CERTIFICATE HOLDER AND MAY NOT REFLECT POLICY LIMIT AMOUNTS IN EXCESS OF THOSE REQUESTED. ***Not Applicable in WY**

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY; CLAIMS-MADE; X OCCUR; GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY; PRO-JECT; LOC; OTHER:	Y		72SBACB0EJV	04/10/2026	04/10/2027	EACH OCCURRENCE	$ 2,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 1,000,000
							MED EXP (Any one person)	$ 10,000
							PERSONAL & ADV INJURY	$ 2,000,000
							GENERAL AGGREGATE	$ 4,000,000
							PRODUCTS - COMP/OP AGG	$ 4,000,000
								$
B	AUTOMOBILE LIABILITY; ANY AUTO; OWNED AUTOS ONLY; X SCHEDULED AUTOS; X HIRED AUTOS ONLY; X NON-OWNED AUTOS ONLY			72UECCM7622	04/10/2025	04/10/2026	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
A	X UMBRELLA LIAB; OCCUR; EXCESS LIAB; CLAIMS-MADE; DED; RETENTION $			72SBACB0EJV	04/10/2026	04/10/2027	EACH OCCURRENCE	$ 3,000,000
							AGGREGATE	$ 3,000,000
								$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N; ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH); If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		72WECBU9M2N	08/15/2025	08/15/2026	X PER STATUTE; OTH-ER	
							E.L. EACH ACCIDENT	$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000
D	Cyber Liabiity			POL-360-40870330-00	10/30/2025	10/30/2026		1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

(ASL)

Printed by ASL on 04/08/2026 at 05:23PM

CAMICO MUTUAL INSURANCE COMPANY
DECLARATIONS
ACCOUNTANTS PROFESSIONAL LIABILITY INSURANCE POLICY

Policy Number: CAL108511-15

Effective Date:	8/12/2025	at 12:01 A.M. Standard time at the address shown below
Expiration Date:	8/12/2026	at 12:01 A.M. Standard time at the address shown below
Retroactive Date:	8/12/2010	

Item 1 - *Named Insured*:	Nigro & Nigro, PC	
Item 2 - Business Address:	25220 Hancock Avenue, Suite 400 Murrieta, CA 92562	
Item 3 - Limits of Liability:	$1,000,000	Per *Claim*
	$3,000,000	Policy Aggregate
Item 4 - Deductibles:	$25,000	Per *Claim* Deductible

Item 6 - The policy consists of this Declarations page, and the following policy forms and endorsements:

PL-1000-A	07/14	Accountants Professional Liability Insurance Policy
PL-2001-A (CA)	11/21	State Endorsement - California
PL-1007-A	07/14	Exclusion - Claims Following Insured's Suit for Fees
PL-1032-A	07/14	Additional Insured Endorsement
PL-1049-A	07/14	Privacy and Client Network Damage Endorsement
PL-1056-A	06/16	Multiple Claims and Related Acts, Errors and Omissions Amendment
PL-1060-A	11/21	Sanctions Limitation and Exclusion

PLEASE READ THESE DECLARATIONS, THE POLICY AND ENDORSEMENTS CAREFULLY.

CAMICO Mutual Insurance Company

Authorized Representative

Attachment 2

COST PROPOSAL
FOR
PROFESSIONAL AUDITING SERVICES

San Elijo Joint Powers Authority

For the Fiscal Years Ending
June 30, 2026-2028
(With the Option of Fiscal Years 2029 to 2031)

Respectfully Submitted on June 15, 2026 by:
Paul J. Kaymark, CPA
Nigro & Nigro, PC
pkaymark@nncpas.com
Federal Tax ID: 30-0636241
Nncpas.com
Murrieta Office: 25220 Hancock Ave. #400, Murrieta, CA 92562 • P: (951) 698-8783 • F: (951) 699-1064
Walnut Creek: 2121 N. California Blvd. #290, Walnut Creek, CA 94596 • P: (844) 557-3111 • F: (844) 557-3444

Proposed Pricing Per Professional Staff Member

		Rates		
Professional	**Hours**	**Standard**	**Quoted**	**Total**
Partner	12.00	$ 250.00	$ 225.00	$ 2,700.00
Managers	35.00	225.00	200.00	7,000.00
Seniors	40.00	200.00	175.00	7,000.00
Staff Members	62.00	175.00	150.00	9,300.00
Admin	-	125.00	100.00	-
Subtotal	149.00			26,000.00
Out-of-Pocket - Included in Rates (We Are Local)				-
Total Max				$ 26,000.00

Fiscal Year	**FY 2026**	**FY 2027**	**FY 2028**	**Total**
District Financials	$ 25,500	$ 25,500	$ 25,500	$ 76,500
State Controller's Report	500	500	500	1,500
Total	$ 26,000	$ 26,000	$ 26,000	$ 78,000

Same Price for FY 2029 to FY 2031

Federal Single Audit - $5,000, if needed

ADDITIONAL INFORMATION

Testimonial

"Few people have the opportunity to work with someone who was a coach and a mentor-but I did when I worked with Paul. I had the pleasure working directly under Paul's supervision and I was particularly impressed by his ability to handle even the toughest clients – and effortlessly. That skill often takes years to develop, but it seemed to come perfectly natural to him. Paul was one of those rare partners who also naturally serve as an inspiring mentor for the whole staff and I was grateful to learn a lot from him."

Deana Miller
Accounting Manager
PolyCera, Inc.

Fraud Hotline

Throughout the audit process, we will make available our fraud hotline reporting service at no additional charge over the period of the contract to ensure the Authority has an effective anti-fraud program.

*

AGENDA ITEM NO. 7H

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

July 21, 2026

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: Director of Finance and Administration

SUBJECT: UPDATE CONFLICT OF INTEREST CODE

RECOMMENDATION

It is recommended that the Board of Directors:

1. Adopt Resolution 2027-01 entitled, "A Resolution of the Board of Directors of the San Elijo Joint Powers Authority Amending Board Resolution No. 2025-01 Changing Appendix A Regarding Designated Employees and Disclosure Categories with Respect to Filings Under the SEJPA's Conflict of Interest Code"; and

2. Discuss and take action as appropriate.

BACKGROUND

The Political Reform Act of 1974, Government Code § 81000, *et seq.* (the Act), requires public officials to disclose assets, income, and other financial interests that could be materially affected by the governmental decisions they make or participate in making. (Govt. Code § 87300 *et seq.*) The Act also requires, in appropriate circumstances, that public officials be disqualified from acting when necessary to avoid conflicts of interest. Certain public officials, such as elected officials, are required to publicly disclose specified financial interests, including business interests, interests in real property, sources of income, and gifts. Other public officials, including agency employees, are required to disclose a more limited scope of financial interests in accordance with their agency's conflict of interest code. Each agency is required to develop its own conflict of interest code to identify the types of financial interests that might be affected by the agency's decisions and the positions that make or participate in making those decisions. (Govt. Code § 87300-87313). Designated officials file Statements of Economic Interests (Form 700) in accordance with the disclosure categories established in the agency's conflict of interest code.

The Act requires every agency to review its conflict of interest code biennially to determine whether the code accurately reflects the current organization of the agency and the job duties of the various positions listed in the code (Govt. Code § 87306.5). In its most recent biennial review, SEJPA staff identified the need for the proposed amendments to update designated positions, disclosure categories, and consultants to reflect SEJPA's current organizational structure. (See Attachment 1).

DISCUSSION

As part of the biennial review required by the Act, staff evaluated SEJPA's current Conflict of Interest Code (Code) to determine whether it accurately reflects the agency's organizational structure and the duties of positions that make or participate in making governmental decisions. Based on this review, staff recommends amending the Code to update designated positions, revise disclosure categories where appropriate, and clarify the applicability of the Code to consultants. The proposed amendments ensure that the Code remains consistent with current organizational responsibilities and the disclosure requirements of the Act.

Agency officials who manage public investments, as defined in Title 2, California Code of Regulations section 18700(b)(3), are not designated employees under SEJPA's local Conflict of Interest Code. Instead, they are subject to the statutory disclosure requirements applicable to public investment officials under Government Code section 87200 et seq. and Title 2, California Code of Regulations section 18730(b)(3). These positions are identified in the proposed amendment for informational purposes only to distinguish them from designated positions that file pursuant to SEJPA's local Conflict of Interest Code.

In October 2025, Governor Gavin Newsom signed Senate Bill 852 (Chapter 331, Statutes of 2025), which amended Government Code section 87500. Effective January 1, 2026, public officials who manage public investments on behalf of their agency are required to file their Statements of Economic Interests (Form 700) electronically and directly with the Fair Political Practices Commission (FPPC) through the FPPC's electronic filing system. These officials no longer file with the agency's filing officer for forwarding to the County of San Diego. The proposed amendments reflect this statutory change and clarify that public investment officials are subject to the disclosure and filing requirements established by state law rather than SEJPA's local Conflict of Interest Code.

The following positions are proposed to be added as designated positions required to file Statements of Economic Interests (Form 700):

- Accounting Supervisor
- Principal Engineer/Senior Project Manager
- Associate Engineer/Project Manager

The following non-designated positions manage public investments and are required to file Form 700 directly with the FPPC pursuant to state law:

- Board Members
- General Manager
- Director of Finance and Administration
- Consultants involved in the investment of public funds

The proposed amendment is being considered pursuant to Government Code sections 87306 and 87306.5, which require agencies to amend their Conflict of Interest Codes when changes to the agency's organizational structure or the duties assigned to designated positions make amendments necessary and to review their Conflict of Interest Codes at least biennially.

Government Code section 87302(a) requires every Conflict of Interest Code to identify the positions within the agency that make or participate in making governmental decisions and, for each designated position, specify the types of economic interests that must be disclosed. The proposed amendments update SEJPA's designated positions and disclosure categories to accurately reflect current organizational responsibilities and ensure continued compliance with the Political Reform Act.

Upon Board adoption, the amended Conflict of Interest Code will be submitted to the **San Diego** County Board of Supervisors, acting as the code-reviewing body pursuant to the Political Reform Act, for approval. Following approval, the amended Code will become effective as provided by law.

FINANCIAL IMPACT

There are no financial implications from this staff report.

RECOMMENDATION

It is therefore recommended that the Board of Directors:

1. Adopt Resolution 2027-01 entitled, "A Resolution of the Board of Directors of the San Elijo Joint Powers Authority Amending Board Resolution No. 2025-01 Changing Appendix A Regarding Designated Employees and Disclosure Categories with Respect to Filings Under the SEJPA's Conflict of Interest Code"; and

2. Discuss and take action as appropriate.

Respectfully submitted,

Kevin Lang, CPA
Director of Finance and Administration

Attachments:

1. Resolution 2027-01 with Appendix A

RESOLUTION NO. 2027-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN ELIJO JOINT POWERS AUTHORITY AMENDING BOARD RESOLUTION NO. 2025-01 CHANGING APPENDIX A REGARDING DESIGNATED EMPLOYEES AND DISCLOSURE CATEGORIES WITH RESPECT TO FILINGS UNDER THE SEJPA'S CONFLICT OF INTEREST CODE

WHEREAS, on August 2, 1989, by Board Resolution No. 89-5, the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) adopted the Standard Form Conflict of Interest Code promulgated by the Fair Political Practices Commission (CCR section 18730) as the Conflict of Interest Code of the SEJPA; and

WHEREAS, on December 12, 1996, by Board Resolution No. 96-6, the Board of Directors of the San Elijo Joint Powers Authority amended SEJPA Board Resolution No. 89-5 Changing Appendix A Regarding Designated Employees and Disclosure Categories with Respect to Filings Under the SEJPA's Conflict of Interest Code; and

WHEREAS, on December 14, 2000, by Board Resolution No. 2000-08, the Board of Directors of the San Elijo Joint Powers Authority amended SEJPA Board Resolution No. 96-6 Changing Appendix A Regarding Designated Employees and Disclosure Categories with Respect to Filings Under the SEJPA's Conflict of Interest Code; and

WHEREAS, on September 11, 2006, by Board Resolution No. 2006-06, the Board of Directors of the San Elijo Joint Powers Authority amended SEJPA Board Resolution No. 2000-08 Changing Appendix A Regarding Designated Employees and Disclosure Categories with Respect to Filings Under the SEJPA's Conflict of Interest Code; and

WHEREAS, on February 8, 2010, by Board Resolution No. 2010-05, the Board of Directors of the San Elijo Joint Powers Authority amended SEJPA Board Resolution No. 2006-06 Changing Appendix A Regarding Designated Employees and Disclosure Categories with Respect to Filings Under the SEJPA's Conflict of Interest Code; and

WHEREAS, on September 10, 2018, by Board Resolution No. 2019-02, the Board of Directors of the San Elijo Joint Powers Authority amended SEJPA Board Resolution No. 2010-05 Changing Appendix A Regarding Designated Employees and Disclosure Categories with Respect to Filings Under the SEJPA's Conflict of Interest Code; and

WHEREAS, on January 16, 2024, by Board Resolution No. 2024-01, the Board of Directors of the San Elijo Joint Powers Authority amended SEJPA Board Resolution No. 2019-02 Changing Appendix A Regarding Designated Employees and Disclosure Categories with Respect to Filings Under the SEJPA's Conflict of Interest Code; and

WHEREAS, on October 15,2024, by Board Resolution No. 2025-01, the Board of Directors of the San Elijo Joint Powers Authority amended SEJPA Board Resolution No. 2024-01 Changing Appendix A Regarding Designated Employees and Disclosure Categories with Respect to Filings Under the SEJPA's Conflict of Interest Code; and

WHEREAS, it is now appropriate to amend Appendix A to said Conflict of Interest Code to update the provisions regarding designated employees and their disclosure categories; and

WHEREAS, the Standard Form Conflict of Interest Code promulgated by the Fair Political Practices Commission, as amended by the Commission from time to time, will remain as the Conflict of Interest Code for the SEJPA;

NOW, THEREFORE, BE IT RESOLVED:

1. The foregoing recitals are true and correct.

2. The attachment to this Resolution is hereby adopted as amended Appendix A to the SEJPA's Conflict of Interest Code.

PASSED AND ADOPTED at a meeting of the Board of Directors of the San Elijo Joint Powers Authority held on July 21, 2026, by the following vote:

AYES: Shaffer, Zito, O'Hara, Becker
NOES:
ABSENT:
ABSTAIN:

ATTEST:

________________________	________________________
Michael T. Thornton, P.E. Secretary of the Board	Luke Shaffer, Chairperson SEJPA Board of Directors

SAN ELIJO JOINT POWERS AUTHORITY
CONFLICT OF INTEREST CODE

The Political Reform Act of 1974 (Government Code Sections 81000 et. Seq.) requires local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission (FPPC) has adopted 2 Cal. Code of Regs. (hereinafter, “Regulation”) Section 18730 that contains the terms of a standard conflict of interest code and may be incorporated by reference in an agency’s code. After public notice and hearing, Regulation 18730 may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act.

Therefore, the terms of Regulation 18730 and any amendments to it duly adopted by the FPPC are hereby incorporated by reference. This incorporation page, the Regulation 18730 and the attached Appendix designating positions and establishing disclosure requirements shall constitute the Conflict of Interest Code for the San Elijo Joint Powers Authority (the “Agency”).

Government Code Section 87306.5 also requires every local government agency to review its Conflict of Interest Code biennially to determine if it is accurate or if the code must be amended. Once the determinations have been made, a notice must be submitted to the code reviewing body pursuant to the biennial review.

Designated and Non-Designated Positions

Individuals holding designated positions identified in this Code shall file their Statements of Economic Interests with the Agency’s Clerk of the Board, who will make the statements available for public inspection and reproduction (Gov. Code section 81008). The Agency will retain all such statements for individuals in designated positions. Officials holding non-designated positions who manage public investments (identified in Government Code section 87200) do not file through the local agency or the County, but shall file their statements electronically directly with the FPPC pursuant to Government Code section 87500(o).

Officials Who Manage Public Investments

Agency officials who manage public investments, as defined by 2 Cal. Code of Regs. section 18700(b)(3), are not subject to SEJPA's local Code, but must file disclosure statements directly under Government Code section 87200 et seq., pursuant to 2 Cal. Code of Regs. section 18730(b)(3). These non-designated positions are listed here for informational purposes only.

In October 2025, Governor Newsom signed into law Senate Bill 852 (SB 852), which amended Government Code section 87500 of the Political Reform Act. Under SB 852, public officials who manage public investments on behalf of their agency must now file their Statements of Economic Interests (Form 700) directly with the FPPC utilizing the FPPC's electronic filing system, rather than submitting them to the local filing officer for transmission to the County of San Diego. This statutory mandate became effective January 1, 2026.

APPENDIX A

<u>Disclosure Categories</u>

Individuals holding designated positions must report their interests according to the following disclosure category(ies) to which their position has been assigned.

<u>Category 1: All Sources</u>

Interests in real property (not including primary residence) located within the Agency Service Area (ASA) or within two miles of the ASA; and the investments and business positions in the business entities, and income, including loans, gifts, and travel payments from all sources.

<u>Category 2: Agency Specific</u>

Interests in real property (not including primary residence) located within the ASA or within two miles of the ASA; investments and business positions in business entities doing business within the ASA and/or located in San Diego County; and income, including but not limited to loans, gifts, and travel payments, from sources in San Diego County, and/or from sources outside the County whose economic position may be affected by decisions or recommendations made by the agency at all levels.

<u>Category 3: Department Specific</u>

Interests in real property (not including primary residence) located within the (ASA) or within two miles of the ASA; investments and business positions in business entities located in San Diego County; and income, including loans, gifts, and travel payments from sources whose economic position may be affected by the decisions or recommendations made by the department to which the filer is assigned duties.

<u>Category 4: Property/Facilities Entitlement</u>

Interests in real property (not including primary residence) located within the ASA or within two miles of the ASA; investments and business positions in business entities located in San Diego County; and income, including loans, gifts, and travel payments from sources that are of the type to request an entitlement to use agency property or facilities, including, but not limited to: a license; a facilities use permit; or a vendor permit.

<u>Category 5: Consultant Specific</u>

Where the broadest disclosure is not necessary, the agency may set an interim disclosure that is more tailored to consulting positions with a limited range of duties. The disclosure requirements for Category 5 shall be determined in writing by the General Manager as set forth in this Appendix.

As used herein, “Agency Service Area” is defined as the jurisdictional boundaries of the Agency’s member agencies and those areas served by the Agency’s wastewater and recycled water services.

The following designated positions, when active, file according to the assigned categories associated with their title.

I. San Elijo Joint Powers Authority Staff

Designated Positions	**Disclosure Categories**
Deputy General Manager	2
Director of Operations	2
Director of Infrastructure and Sustainability	2
General Counsel	2
Accounting Supervisor	3
Chief Plant Operator	3
Mechanical Systems Manager	3
Laboratory Manager	3
Recycled Water Supervisor	3
SCADA Manager	3
Principal Engineer/Senior Project Manager	3
Associate Engineer/Project Manager	3

II. Consultants: Consultants shall be included in the list of designated positions and shall disclose in accordance with Category 1, except as otherwise provided, if the consultant, pursuant to a contact does either of the following (Reg. 18700.3):

1. Make a governmental decision whether to:
   - Approve a rate, rule or regulation;
   - Adopt or enforce a law;
   - Issue, deny, suspend, or revoke a permit, license application, certificate, approval, order, or similar authorization or entitlement;
   - Authorize the agency to enter into, modify, or renew a contract provided it is the type of contract which requires agency approval;
   - Grant agency approval to a contract which requires agency approval and in which the agency is a party, or to the specifications for such a contract;
   - Grant agency approval to a plan, design, report study, or similar item;
   - Adopt, or grant agency approval of, policies, standards, or guideline for the agency, or for any subdivision of the agency; or

2. Serves in a staff capacity and in that capacity participates in making governmental decisions as defined in Regulation 18704(a) and (b); or performs substantially all the same duties for the agency that would otherwise be performed by and holding a position specified in the agency's Conflict of Interest Code.

The General Manager, with the approval of the Agency's General Counsel, may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this paragraph. The written determination shall include a description of the consultant's duties and based upon that description, a statement of the extent of disclosure requirements. The written determination is a public record and shall be retained for public inspection in the office of the Agency's Clerk of the Board.

Non-*Designated* Positions

It has been determined that the positions listed below are officials who manage public investments. (Note: Individuals holding one of the below-listed positions may contact the FPPC for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The FPPC makes the final determination whether a position is covered by 87200). These positions are listed for informational purposes only:

Board Members
General Manager
Director of Finance and Administration
Consultants involved in the investment of public funds*

*Pursuant to 2 California Code of Regulations section 18700.3(b)(1). "Other public officials who manage public investments" means, members of the board and commissions, including pension and retirement boards or commissions, or of committees who exercise the responsibility for the management of public investments; high level officers and employees who exercise primary responsibility for the management of public investments, such as chief or principal investment officers or chief financial managers (this category shall not include officers and employees who work under the supervision of the chief or principal investment officers or the chief financial managers); and individuals who pursuant to a contract with a state or local government agency, perform the same or substantially all the same functions that would otherwise be performed by the high-level officers and employees who exercise primary responsibility for the management of public investments.

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

July 21, 2026

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: Deputy General Manager

SUBJECT: AMEND AGREEMENT FOR GENERATOR MAINTENANCE SERVICES FOR FISCAL YEAR 2026-27

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to amend the generator service agreement with Global Power Group, Inc. for an additional one-year term valued at $22,194.06, which results in a total agreement amount not-to-exceed $71,875.81; and

2. Discuss and take action as appropriate.

BACKGROUND

San Elijo Joint Powers Authority (SEJPA) is responsible for the operations and maintenance of eleven generators at the San Elijo Water Campus and at remote pump stations. Generators provide emergency backup power to these critical facilities. SEJPA maintains a contract with specialized generator service contractor to conduct annual preventive maintenance on the generators, assess equipment condition, and provide reporting necessary for compliance with air permits. The contract also includes funding for as-needed services, which is typically utilized for minor repairs identified during the annual inspections.

DISCUSSION

Staff solicited bids through PlanetBids for generator maintenance services in June 2024. The bid solicitation was for FY 2024-25 generator maintenance services and an option to extend the agreement for two additional one year periods. Three bids were received and SEJPA entered into a one-year agreement under the General Manager’s authority with Global Power Systems, Inc. in the amount of $18,235. The agreement was subsequently amended by $10,000 to increase the as-needed repair allowance to address specific generator repairs following the Year 1 annual inspection. The agreement was again extended for FY 2025-26 and the overall contract amount increased to $49,681.75

Global Power has provided excellent service over the past two years. Their team is knowledgeable, responsive, and is thorough in their work. Staff recommends extending the contract for the third optional year (FY 2026-27) in the amount of $22,194.06, bringing the total contract value to $71,875.81. This amount is greater than the General Manager’s signing authority and must be approved by the Board of Directors.

FINANCIAL IMPACT

SEJPA’s FY 2026–27 Budget includes $22,194.06 in funding for the recommended generator maintenance services amendment.

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to amend the generator service agreement with Global Power Group, Inc. for an additional one-year term valued at $22,194.06, which results in a total agreement amount not-to-exceed $71,875.81; and

2. Discuss and take action as appropriate.

Respectfully submitted,

Thomas (Tom) C. Falk, P.E., PMP
Deputy General Manager

AGENDA ITEM NO. 9A

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

July 21, 2026

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: Deputy General Manager

SUBJECT: CAPITAL PROGRAM UPDATE

RECOMMENDATION

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

BACKGROUND

SEJPA's Capital Program supports the agency's mission to protect public health and the environment by investing in reliable and sustainable infrastructure. Through careful planning and responsible management of SEJPA and member agency assets, the program ensures dependable operations and long-term value for the community and customers.

Over the past decade, SEJPA implemented approximately $60 million in capital improvements through 10 major construction contracts. This period culminated in an especially construction-intensive three-year cycle, during which five projects totaling approximately $22 million were delivered concurrently. The decade-long capital program was supported by a diversified funding strategy that included Clean Water Bond financing, wastewater revenues, recycled water loan proceeds, state and federal grants, and partner agency contributions.

In March 2026, staff presented the Board with an update on SEJPA's Capital Improvement Program, including an overview of immediate priority projects planned for Fiscal Years 2026–2028. In June 2026, staff also informed the Board of plans to reallocate recently received grant proceeds to fund the replacement of approximately 1,000 feet of failing recycled water pipeline along the south end of the San Elijo Water Campus. SEJPA's Facility Plan Update is nearing completion and compiles and prioritizes near- and long-term infrastructure needs based on risk and funding availability. The planning effort reinforces the importance of advancing the Fiscal Year Ending 2026–2028 asset management projects to maintain reliability and address priority infrastructure needs.

DISCUSSION

As SEJPA completes its recent cycle of major capital projects, the Capital Improvement Program is transitioning from large-scale construction to a more distributed portfolio focused primarily on asset management. Planned investments include facility rehabilitation, equipment replacement, and upgrades to aging electrical and control systems. These improvements are intended to maintain operational reliability, extend the useful life of existing infrastructure, improve system efficiency, and reduce the likelihood of unplanned system outages.

The Fiscal Years Ending 2026–2028 Capital Improvement Program is currently estimated at approximately $12 million and includes about 20 discrete projects. Funding will come from a combination of wastewater Pay-Go revenues, remaining recycled water loan proceeds, and available cash reserves.

Projects will be delivered using methods appropriate to their scope and complexity. Smaller facility rehabilitation projects and equipment rebuilds will be managed by SEJPA staff with direct procurements of equipment and leveraging in-house labor augmented by specialty contractors where necessary. Construction projects will use the conventional design-bid-build delivery method.

Staff is advancing the priority projects presented to the Board in March 2026 through planning, engineering/design, and bid/construction. Because the program includes a diverse mix of projects with varying technical and delivery requirements, both in-house staff and consultant support will be used for project management. Engineering and construction management services will be retained as needed to provide specialized technical expertise and supplement staff resources during periods of increased workload.

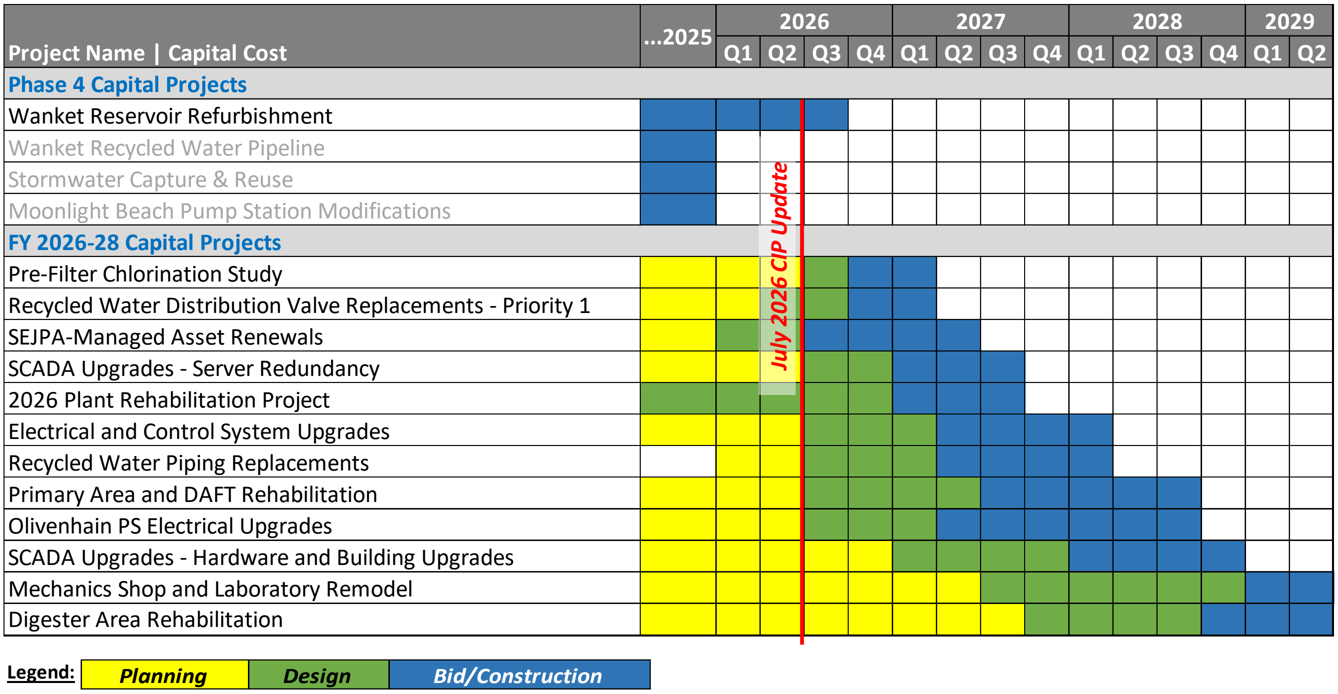
Table 1 identifies projects, scope and current project status for FY 2026-28 projects. Following, Figure 1, presents the anticipated project delivery schedule for the near-term priority asset management projects.

Table 1 – FYE 2026 – 2028 Capital Project Scope and Status as of July 2026

Project (Program[1])	Scope and Status
Wanket Reservoir (RW)	Rehab of existing tank and conversion to recycled water; contract and Construction Management & Inspection (CM&I) conducting inspections and quality control assessment of recently completed tank and pipe liners.
Pre-Filter Chlorination Study (RW)	Beginning evaluation of pre-filter chlorination alternatives to improve disinfection effectiveness to reduce coliform occurrences.
Recycled Water Distribution Valve Replacements (RW)	Design and permitting in progress for priority locations as part of a multi-year, phased program to replace critical distribution system valves.
SEJPA-Managed Asset Renewals (WW/RW/PS)	Continue in-house asset renewal projects, including the rebuild of twelve large pumps and replacement of chemical storage tanks that have reached the end of their service lives.
SCADA Server Redundancy (WW/RW/OO)	Beginning design for redundant server in the Admin/Ops Building and extension of networking to improve system reliability and mitigate physical and cybersecurity vulnerabilities.
2026 Plant Rehabilitation Project (WW)	Preparing to advertise a construction bid package for replacement of secondary clarifier launders, replacement of a DAFT recirculation pump, and installation of new mixing equipment in the aeration basins.
Electrical and Control System Upgrades (WW/RW)	Retain engineer to design replacement of aging control panels at the Effluent Pump Station, Recycled Water Treatment System, and Lomas Santa Fe Pump Station.
Recycled Water Piping Improvements (RW)	Retain engineer to design replacement of approximately 1,000 feet of failing 12-inch ductile iron recycled water pipeline along the south end of the San Elijo Water Campus and replacement of a critical process control valve at the chlorine contact basin.
Primary Area and DAFT Rehabilitation (WW)	Retain engineer to design rehabilitation of DAFT mechanical equipment and rehabilitation of Primary Sedimentation Basins.
Olivenhain PS Electrical Upgrades (PS)	Retain engineer to design replacement of the standby emergency generator and electrical switchboard.
SCADA System Upgrades (WW/RW/OO)	Replace aging SCADA hardware, complete software updates, and buildout a secure, controlled server room. Pre-project planning for scope and implementation prior to retaining consultants.
Mechanics Shop and Laboratory Remodel (WW/RW/OO)	Construct mechanics shop, warehouse and offices to improve efficiency of maintenance and in-house project execution and to better manage spare parts and equipment to meet expectations for system uptime. Pre-project planning for scope, permitting, and implementation prior to retaining consultants.
Digester Area Rehabilitation (WW)	Area rehabilitation program to restore system reliability and extend service life of major equipment and process tanks. Pre-project planning for scope and implementation prior to retaining consultants.
Coastal Bluff and Open Space Management (WW/RW/OO)	Conducting studies for scoping and permitting for fire hazard abatement and slope erosion mitigation on coastal bluff and protected open space along west side of property.

Notes:
1. SEJPA Program designations and funding source: WW = Wastewater; RW = Recycled Water; OO = Ocean Outfall; PS = Pump Station

Figure 1 – FYE 2026-28 Capital Project Delivery Schedule



FINANCIAL IMPACT

The FYE 2026-28 Capital Plan expenditures are budgeted at $8.25 million and $4 million from the wastewater and recycled water programs, respectively. This funding level is consistent with capital appropriations approved by the Board through the Annual Budget and Recycled Water Cost of Service Study. Under a “Pay-Go” funding strategy, projects will be advanced in order of priority and within available budgets. As projects move to implementation, the Board will authorize contracts in accordance with SEJPA’s Purchasing Policies and Procedures.

RECOMMENDATION

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

Respectfully submitted,

Thomas (Tom) C. Falk, P.E., PMP
Deputy General Manager