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## Credit Rating of Local Wastewater Agency Upgraded to AA+

***Local wastewater agency issues new bond to finance expansion of recycled water system in North County; credit rating concurrently raised from AA to AA+ due to strong financials and new water sales***

**Encinitas, CA**— The San Elijo Joint Powers Authority (SEJPA) recently received notice of a credit rating upgrade by Standard and Poors (S&P) Global Ratings from AA to AA+. This upgrade acknowledges consistent and conservative financial management practices by the SEJPA, City of Solana Beach, and City of Encinitas. It follows a recently announced \$35 million dollar Capital Improvement Program (CIP) by the SEJPA for a suite of clean water projects including the replacement of aging infrastructure, improving water treatment, and expanded recycled water distribution.

### **Strong Financial Profile**

According to S&P analysts, the ratings were raised based on “the Authority’s consistent financial performance...” S&P cited several factors it determined as substantially important including, “An economic base with strong underlying fundamentals; ample wastewater treatment capacity; improved economies of scale due to expansion of wastewater treatment services and reclaimed water sales to neighboring beach communities; member agencies historical maintenance of very strong financial metrics; and good financial management as demonstrated by the maintenance of unrestricted cash equal to 133% of one year of operating expenses.”

### **Clean Water Projects**

The SEJPA is proposing to leverage its strong credit rating to finance a portion of its planned \$35 million capital program. The majority of the projects will replace and upgrade aging water infrastructure that protects the environment and public health. An essential component will be modernizing the water reclamation facility located in Cardiff by the Sea on the north shore of the San Elijo Lagoon. The facility currently produces more than 480 million gallons of recycled water annually, and has plans to expand to 550 million gallons annually. This will help the region be less dependent on imported water and will expand the local water supply portfolio.

### **Facilities Upgrades & Community Integration**

Over the past 20 years, SEJPA has focused its upgrades on water quality and process improvements to ensure the highest quality recycled water for its customers. As part of this multi-year capital improvement project new administrative, operations, and laboratory facilities will be built to support water treatment and quality control, as well as to provide improved/enhanced community access. As part of the North Coast Corridor Program led by the San Diego Association of Governments (SANDAG) and the California Department of Transportation, the SEJPA is proposing to partner on a bike and pedestrian path that will connect Birmingham Drive to Manchester Avenue and the San Elijo Lagoon Conservancy’s trail network and interpretation center. The path is an important link to provide access between the Cities of Encinitas and Solana Beach.

According to Ginger Marshall, Chairperson of the SEJPA Board of Directors, “Properly managing the replacement and upgrade of our infrastructure keeps our system working smoothly and helps avoid costly emergency repairs. S&P’s acknowledgement of the SEJPA’s sound financial and operational performance is testament to the diligent efforts of the Board of Directors, staff, and member agencies to run an efficient and forward thinking wastewater treatment and water reuse agency.”

*The San Elijo Joint Powers Authority provides water reclamation, wastewater treatment, and analytical laboratory services for the Cities of Encinitas, Solana Beach, and Del Mar, and portions of Rancho Santa Fe.*

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