



**ENCINA  
WASTEWATER  
AUTHORITY**



# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

Fiscal Year Ended June 30



Encina Wastewater Authority  
6200 Avenida Encinas  
Carlsbad, CA 92011



[www.encinajpa.com](http://www.encinajpa.com)



760-438-3941

**20  
24**



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

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For Fiscal Year Ended June 30, 2024

## PREPARED BY THE

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**ENCINA  
WASTEWATER  
AUTHORITY**

Office of the General Manager  
Finance Department  
6200 Avenida Encinas  
Carlsbad, CA 92011



# MISSION STATEMENT

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To provide reliable, resilient and sustainable wastewater services to North San Diego County while optimizing the use of renewable resources.

## PROUDLY SERVING

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City of Carlsbad

City of Vista

Buena Sanitation District

Vallecitos Water District

City of Encinitas

Leucadia Wastewater District



# BOARD OF DIRECTORS

CALENDAR YEAR 2024

## CHAIR

Jim Hernandez

## VICE-CHAIR

Chris Roesink

### CITY OF CARLSBAD

Keith Blackburn

### CITY OF VISTA & BUENA SANITATION DISTRICT

John Franklin

### VALLECITOS WATER DISTRICT

Jim Hernandez

### CITY OF ENCINITAS

Bruce Ehlers

### LEUCADIA WASTEWATER DISTRICT

Chris Roesink

### CITY OF CARLSBAD

Carolyn Luna

### CITY OF VISTA & BUENA SANITATION DISTRICT

Joe Green

### VALLECITOS WATER DISTRICT

Jim Pennock

### CITY OF ENCINITAS

Joy Lyndes

### LEUCADIA WASTEWATER DISTRICT

Rolando Saldana





# EXECUTIVE LEADERSHIP TEAM

---

## General Manager

Scott McClelland, PE, BCEE, MBA

## Assistant General Manager

### Treasurer | Auditor

Jennifer Sabine

## General Counsel

Nicholaus Norvell

## Director of Operations

Octavio Navarrete

## Director of Technical Services

Dimitris Papachristoforou

## Director of Environmental Compliance

Alicia Appel

## Director of Finance

Aaron Beanan



# TABLE OF CONTENTS

## INTRODUCTORY SECTION

Letter of Transmittal .....	3
List of Officials .....	13
Service Area Map .....	13
Organization Chart .....	14
Government Finance Officers Association Award .....	15

## FINANCIAL SECTION

Independent Auditor’s Report .....	19
Management’s Discussion and Analysis .....	23
Basic Financial Statements	
<i>Statements of Net Position</i> .....	29
<i>Statements of Revenues, Expenses, and Changes in Net Position</i> .....	31
<i>Statements of Cash Flows</i> .....	32
<i>Notes to the Financial Statements</i> .....	35
Required Supplementary Information (Unaudited)	
<i>Schedule of Pension Plan’s Proportionate Share of the Net Pension Liability</i> .....	65
<i>Schedule of Contributions – Defined Benefit Pension Plan</i> .....	66
<i>Schedule of Changes in the Net OPEB Liability and Related Ratios</i> .....	67
<i>Schedule of Contributions – OPEB</i> .....	68
Supplementary Schedules	
<i>Investment in Capital Assets</i> .....	69
<i>Summary of Operating Program Amount Due From/(To) Member Agencies</i> .....	70
<i>Detail of Operating Program Amount Due From/(To) Member Agencies</i> .....	71
<i>Operating Program Expense Summary by Member Agency</i> .....	72
<i>Operating Program Expense Summary by Cost Center</i> .....	75
<i>Changes in Net Position Reserved - Capital Improvement Program</i> .....	78
<i>Net Position Reserved by Project - Capital Improvement Program</i> .....	79
<i>Net Position Reserved by Member Agency - Capital Improvement Program</i> .....	80

**STATISTICAL SECTION (UNAUDITED)**

Overview ..... 83

Net Position ..... 84

Changes in Net Position ..... 85

Investment in Capital Assets ..... 87

Demographic and Economic Information ..... 89

Facts and Figures ..... 90

Full-time Equivalent Employees by Function ..... 91

Operating Revenues and Expenses by Member Agency with Amount Due to (from) Member Agencies ..... 92

Operating Revenues and Expenses by Major Source and Use ..... 93

Operating Expenses per Million Gallons ..... 96

**BUDGET PERFORMANCE SECTION (UNAUDITED)**

*Operating Program Budget Performance* ..... 101

*Operating Expenses by Major Category* ..... 101

*Personnel Expense by Program* ..... 102

*Continuing Capital Improvement Program Appropriations* ..... 103



# INTRODUCTORY SECTION

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Letter of Transmittal

List of Officials

Service Area Map

Organizational Chart

Government Finance Officers Association Award

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## ENCINA WASTEWATER AUTHORITY

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A Public Agency

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Carlsbad, CA 92011-1095  
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FAX (760) 438-3861 (Plant)  
(760) 431-7493 (Admin)

November 22, 2024

The Board of Directors

and Residents of Encina's Member Agencies

Encina Wastewater Authority

6200 Avenida Encinas

Carlsbad, CA 92011-1095

Dear Chair and Members of the Board,

We are pleased to submit the Annual Comprehensive Financial Report (Report) of the Encina Wastewater Authority (Encina or the Authority) for the fiscal year ended June 30, 2024. Encina staff remains committed to reaching and maintaining the highest possible standards in financial reporting now and in the future.

Encina's Certified Public Accounting firm, Clifton Larson Allen LLP, and Encina accounting staff prepared the data in this Report. Moss, Levy, & Hartzheim, LLP independently audited the financial statements and related notes. Nonetheless, Encina bears the responsibility for the accuracy of all data presented in this Report. We, Encina's chief executive and financial officers, assume responsibility for the Report's completeness and fairness of presentation including all disclosures. We affirm that, to the best of our knowledge and belief, information in this Report provides an accurate and fair representation of Encina's financial position and the status of its operations during the fiscal year ended June 30, 2024. We believe that this Report contains all information and disclosures needed to clearly understand Encina's Fiscal Year 2023-24 financial activities.

Moss, Levy, & Hartzheim, LLP has issued an unmodified ("clean") opinion on Encina's financial statements for the fiscal year ended June 30, 2024. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it. In addition, the Report includes a statistical and budget performance section which provides information on financial trends, demographic trends, operating and budget activities. These two sections reflect common inquiries by the Member Agencies and serve to provide additional transparency and an easy form of reference.

## BACKGROUND

On July 13, 1961 the City of Carlsbad and Vista Sanitation District entered into a Basic Agreement to create a joint powers authority (JPA) for the purpose of acquiring and constructing a joint sewer system. In 1963, the City of Vista incorporated and assumed membership in the JPA. Between 1964 and 1971, additional partners became members of the JPA including: the Buena Sanitation District (January 1964); the Vallecitos Water District (March 1965); and the Leucadia Wastewater District and City of Encinitas (August 1971). These six Member Agencies remain Encina's partners. There are no current plans to alter the Encina purpose or membership.

From 1963 to 1979, the County of San Diego managed the JPA. In 1963, the partners acquired a twenty-five acre site in south Carlsbad near the confluence of the Pacific Ocean and Encinas Creek. The partners completed construction of the Encina Water Pollution Control Facility (EWPCF) in 1965 including a 4.5 million gallon per day (MGD) treatment plant and ocean outfall. By 1971, the Phase I expansion increased treatment capacity to 6.75 MGD. In 1975, the Phase II expansion extended the Encina Ocean Outfall and increased capacity to 13.75 MGD.

The Leucadia Wastewater District managed the JPA from 1979 to 1988. During this time, the Phase III expansion increased capacity to 22.5 MGD, enhanced wastewater treatment facilities to meet stringent secondary treatment standards and added critical effluent pumping facilities to the Encina Ocean Outfall system. In addition, cogeneration facilities were designed and placed in service to convert treatment process by-product methane and purchased natural gas to the electricity and compressed air required for plant operations.

In 1988, the partners amended the Basic Agreement through a Revised Basic Agreement (RBA). A short time later, the JPA's membership created an independent public entity called the Encina Administrative Agency (EAA) to operate, maintain, and administer the EWPCF, the Agua Hedionda Pump Station, and the Buena Vista Pump Station. In 1991, the EAA changed its name to the Encina Wastewater Authority.

In 1992, the Phase IV Expansion Project increased liquid treatment capacity to 36.0 MGD; enhanced solids treatment capacity to 38.0 MGD; provided interim wastewater flow equalization facilities to optimize treatment plant and Ocean Outfall operations; and implemented extensive odor control facilities to better serve the growing population of the service area. In 1995, Encina purchased the thirty-seven (37) acres adjacent to the southern boundary of the EWPCF now known, and referred to in this Report, as the South Parcel.

The Phase V Expansion Project commenced construction in September 2006 to meet anticipated wastewater flows through 2025. The Phase V Project included replacement of existing dewatering equipment with two decanter centrifuges and the installation of a triple-pass rotary drum heat dryer that produces Class A biosolids pellets. The Phase V Expansion was substantially complete in February 2009 and dedicated in May 2009. The Authority's Board of Directors took final acceptance of the project in December 2009. Permitted Phase V capacity is now 43.3 MGD.



**ORGANIZATION AND GOVERNANCE**

Encina is organized under the Joint Powers Act (California Government Code 6500 et seq). The Encina Member Agencies adopted the Revised Establishment Document (RED) on December 17, 1990 “to (a) retain Encina as the Operator/Administrator of the Encina Joint Powers and (b) reestablish the organization, administration, rules and specific powers of Encina.”

The powers enumerated in the RED are exercised subject to the restrictions of the County Water District Law (California Water Code 30000 et seq.). The RED provides for Encina’s governance by two elected officials appointed to Encina’s Board of Directors at the discretion of each Member Agency.

Members and officers of the Board of Directors on June 30, 2024 were:

<b>Member Agency</b>	<b>Representative</b>	<b>Representative</b>
City of Carlsbad	Keith Blackburn	Carolyn Luna
City of Vista & Buena Sanitation District	John Franklin	Joe Green
Vallecitos Water District	Jim Hernandez, Chair	Jim Pennock
City of Encinitas	Joy Lyndes	Bruce Ehlers
Leucadia Wastewater District	Chris Roesink, Vice Chair	Rolando Saldana

**CURRENT SERVICES**

Encina’s service area is comprised of approximately 123 square miles of coastal north San Diego County with a population of almost 400,000. Wastewater is collected from the six districts and arrives at the EWPCF through gravity and force main piping manifolds. During the fiscal year ended June 30, 2024, the EWPCF treated, recycled, or disposed of 8.6 billion gallons of wastewater. Encina also enforces industrial pretreatment regulations in the Encina service area. Additionally, Encina produces tactical and business planning documents that ensure the Encina Joint Facilities continue to meet Member Agency needs in compliance with local, state, and federal regulations.

The EWPCF consists of state-of-the art wastewater treatment and disposal facilities. Primary wastewater treatment facilities include an influent junction structure, bar screens, and grit and sedimentation tanks. Secondary wastewater treatment facilities include aeration basins, clarifiers and dissolved air flotation units to dewater residual secondary solids. Anaerobic digesters stabilize solids generated by primary and secondary treatment processes. After 15-20 days in the digesters, wastewater solids are pumped to the dewatering building where centrifuges spin the solids to remove excess water. The resultant product, which is approximately 21% solids, is considered Class B biosolids. Uses for Class B biosolids are regulated by U.S. Environmental Protection Agency (EPA).

With the Phase V expansion project, a triple-pass rotary drum heat dryer was placed in service in 2009. Biosolids from the centrifuges are pumped to the dryer and heated to approximately 200 degrees Fahrenheit. The heat drying process produces pellets that are more than 90% solids and considered unrestricted use Class A biosolids. Class A biosolids have unrestricted use, which provides Encina with more options for reuse of the product. The

system normally operates eleven days per two-week period and produces about 24 tons of Class A biosolids pellets per day. During Fiscal Year 2024-25 the dryer was offline for a month due to maintenance requirements.

The Phase V expansion project also incorporated an upgrade to the Authority’s cogeneration facility, including four 1,000hp Caterpillar engines driving 750kW generators. The engines can be fueled by either biogas or natural gas and recovered engine heat is used to heat the plant’s anaerobic digesters. These anaerobic digesters produce up to 900,000 cubic feet of digester gas daily to fuel the engine generators. This power system produces over 81% of the electricity used at the EWPCF.



In April 2015, the Alternative Fuel Receiving Facility was completed moving the EWPCF closer to energy independence. The project involved the construction of facilities to receive fats, oils and grease (FOG), brewery waste and other high strength organic waste products. This material is fed to existing digesters where it is converted into biogas, which is then used to offset natural gas usage in the cogeneration facility and the biosolids dryer. During Fiscal Year 2023-24 Encina received 4.1 million gallons of FOG and brewery waste and earned \$160,023 in alternative fuels tipping fees.

When necessary, equalization basins store high quality secondary effluent water. Flow from the outfall operations is processed through a bottom feed cylindrical sand filter system that produces Title 22 compliant recycled water for use in irrigation, engine cooling, odor reduction, and other EWPCF processes. Secondary treated wastewater not beneficially reused is discharged into the Pacific Ocean through the Encina Ocean Outfall pipe, which extends 1.5 miles offshore. Encina’s Laboratory conducts approximately 27,000 tests annually to support Encina’s Source Control Program, monitor compliance with ocean discharge permits, and provide contractual services to Encina Member Agencies for wastewater, recycled water, potable water and storm water quality testing.

Encina also operates and maintains the Agua Hedionda, Buena Vista, Buena Creek and Raceway Basin Pump Stations, and the Carlsbad Water Reclamation Facility under contracts with their respective owner agencies.

### STRATEGIC BUSINESS PLAN

Encina's 2024-2029 Five-Year Strategic Business Plan serves as the road map to accomplish the Board of Director's policy goals and establishes the basis for Encina's program, budgets, and other resource allocation determinations. The Strategic Plan links the strategic initiatives identified by the Board of Directors with management strategies and objectives to address those key initiatives.

The strategic initiatives are:

1. Protect public and environmental health.
2. Remain employer of choice.
3. Ensure administrative effectiveness.
4. Maintain infrastructure reliability.
5. Pursue resource recovery.
6. Optimize operational performance.

### ORGANIZATIONAL INITIATIVES

#### Renewable Energy Solutions

Encina has been a leader in the development of energy resources by constructing cogeneration facilities in the early 1980's and later leveraging high strength waste for enhanced biogas production in the anaerobic digestion process. These efforts and a commitment to renewable energy supply have been recognized by the EPA through the Better Plants Program. The EPA ranks Encina in the top 30 facilities in the nation for clean power generation. Even with Encina's effort to enhance on-site generation and thus reduce power consumption from the grid, EWPCF power costs continue to rise year over year.



The EWPCF has reached a point where easy-to-realize gains have already been made. Future power generation will need to come from alternative sources that due to emissions controls limitations and the pending regulations from APCD will impose reduced permit limits for CO and formaldehyde on Encina's operations. The impacts of this potential change along with an energy resilience assessment to identify alternative energy sources are being assessed during Fiscal Year 2023-24 and Fiscal Year 2024-25. The Board of Directors is expected to provide policy direction during the fall of 2024 on alternative energy production sources that will also meet the new air quality requirements. The current EWPCF power management system relies on two power sources. One from cogeneration using biogas and the other from SDGE, or "grid" power. EWPCF operations have optimized these two sources to work in conjunction with each other to minimize the cost to Member Agencies. In July 2021 staff was also successful in transitioning the EWPCF to net energy metering with SDGE. This change in the metering tariff has created substantial annual savings for the cost of grid supplied electricity.

## CAPITAL PROGRAM INITIATIVES

### Digester Rehabilitation and Improvements

The EWPCF has three anaerobic digesters (Digester Nos. 4, 5, and 6), each with a two million gallon capacity, in service and two additional digesters, 330,000 gallon capacity, that have been placed out of service since 1982. The digesters are operated as a conventional, mesophilic anaerobic digestion (MAD) process. Assessments recently performed on Digester Nos. 4, 5, and 6 have identified that the coatings need to be replaced and that the mixing, heating, and dewatering systems need rehabilitation.

The Digester Rehabilitation and Improvements Project will clean digesters Nos. 4 and 5 and replace the gas mixing system for Digester No. 4, constructed in 1982 during the Phase III expansion, with a pump mixing system, and will also rehabilitate the pump mixing system for Digester No. 5 which was constructed in 1992 during the Phase IV expansion. In addition, other recommended improvements to the digesters include improvements to the heat exchanger systems, transfer pumps, electrical and instrumentation systems, and waste gas flare system. This effort is currently in progress.

### Dissolved Air Flotation Tanks Repair Project

The dissolved air flotation tanks (DAFT) are used to thicken waste activated sludge (WAS) from the secondary treatment process prior to digestion. The DAFT Repair Project was originally anticipated to be a replacement project in which the DAFTs were supplanted by rotary drum thickeners. However, staff reevaluated this approach given the DAFTs were near the end of useful life and found opportunities to conduct strategic repairs to maintain safe and reliable operations of this critical plant process. The opportunities identified from the condition assessment are projected to extend the DAFTs useful operating life by another 5-7 years. This project is currently in progress.

### Secondary Clarifiers and Strainers Improvements Project

The secondary clarifiers are used as the final step in wastewater treatment at the EWPCF prior to ocean discharge. The Secondary Clarifiers and Strainers Improvements Project will complete rehabilitation in all seven active clarifiers, including coatings, gate rehabilitation and replacement, and minor structural, electrical, and controls improvements. In addition, the project will replace the entire mechanical systems in Clarifiers 5, 6, and 8, which have been in service for nearly 30 years, as well as two strainers for the plant water strainers, which have been in service for nearly 40 years. This project was completed in Fiscal Year 2023-24.

## FINANCE AND HUMAN RESOURCE ENVIRONMENT

### Internal Controls

Encina's management has established and maintains internal controls designed to ensure assets are adequately protected from loss, theft, or misuse. The objectives of an internal control structure are to ensure that transactions are executed in accordance with Encina policies and are recorded properly to allow preparation of financial statements in accordance with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

**Budgetary Controls**

Each fiscal year, Encina adopts annual Operating and Capital Improvement Program budgets in conformance with the RBA and RED. Each budget sets forth expenditure plans and the allocation of related expenditures among the Member Agencies. The annual budgetary appropriation and control resolution limits management's discretion to amend adopted budgets and contracts approved by the Board of Directors.

**Accounting Method**

Encina operates on the accrual method of accounting. Funds are encumbered as each purchase is authorized in conformance with Encina policies and procedures. Encumbered funds are carried forward in accordance with the budgetary appropriation and control resolution.

**Cash Management**

Encina began a trial billing methodology during Fiscal Year 2022-23 in accordance with Resolution No. 2022-08. This trial billing methodology was created to help more effectively manage cash flow and consists of quarterly projection billings with retrospective true ups to actuals. The trial billing methodology was extended to June 30, 2025. Should the Member Agencies and EWPCF agree to formalize this approach, formal changes will be made to the RED. Any temporarily idle cash is invested in accordance with the California Government Code and a conservative formal investment policy that is annually reviewed and adopted by the Board of Directors. During the fiscal year, all temporarily idle funds were invested in either the State of California's Local Agency Investment Fund or the California Asset Management Program.

**Debt Administration**

Other than existing pension obligations, Encina has no long-term debt or any contracts granting access to debt facilities of any kind in accordance with RBA requirements.

**Pension Obligation Administration**

With guidance and collaboration of Encina's Board of Directors and Member Agencies, Encina implemented the CalPERS Pension Liability Funding Policy in Fiscal Year 2018-19. This policy strives to fully fund Encina's existing pension liability by Fiscal Year 2021-22 by making additional payments to the California Public Employees' Retirement System (CalPERS) during Fiscal Years ended June 30, 2020, 2021, and 2022. While this objective was largely successful, staff will be proposing a policy for Board consideration that will ensure effective long-term management of Encina's CalPERS pension obligations in August 2024.

**Independent Audit**

Encina's financial accounts and records are independently audited each fiscal year in conformance with requirements prescribed by the State Controller for special districts and accounting principles generally accepted in the United States of America as well as Government Auditing Standards issued by the Comptroller General of the United States. Encina has met this requirement and the opinion and report of its independent auditor, Moss, Levy, & Hartzheim, LLP, Certified Public Accountants, is included in this Report.

**Human Resources**

Federal and state law, Encina ordinance and resolutions establish employee wages, hours and working conditions. Encina contributes to the CalPERS, a cost-sharing multiple-employer defined benefit pension plan. CalPERS provides retirement and disability benefits, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. In addition, Encina offers employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Participation is optional and Encina has no fiduciary responsibility for the deferred compensation plan.

**AWARDS AND ACKNOWLEDGEMENTS**

<p><b>CALIFORNIA ASSOCIATION OF SANITATION AGENCIES</b></p> <ul style="list-style-type: none"> <li>• 2020 Plant of the Year - Large</li> <li>• 2020 Safety Plant of the Year - Medium</li> <li>• 2020 Electrical Instrumentation Person of the Year - Yani Jovenal</li> <li>• 2020 Operator of the Year - Santiago Resendiz</li> </ul> <p><b>AMERICAN PUBLIC WORKS ASSOCIATION</b></p> <ul style="list-style-type: none"> <li>• 2023 Project of the Year (Environment) for the Autonomous Underwater Vehicle Plume Transport Assessment of the Encina Ocean Outfall</li> </ul> <p><b>GOVERNMENT FINANCE OFFICERS ASSOCIATION</b></p> <ul style="list-style-type: none"> <li>• Certificate of Achievement for Excellence in Financial Reporting for Fiscal Year 2022-23</li> </ul>	<p><b>AMERICAN SOCIETY OF CIVIL ENGINEERS</b></p> <ul style="list-style-type: none"> <li>• Outstanding Water Wastewater Treatment Project for the Encina Primary Effluent Conveyance System Upgrades</li> <li>• Outstanding Environmental Engineering Project for the Autonomous Underwater Vehicle Plume Transport Assessment of the Encina Ocean Outfall</li> </ul> <p><b>ENVIRONMENTAL PROTECTION AGENCY</b></p> <ul style="list-style-type: none"> <li>• Green Power Partnership Top 30 On-Site Generation</li> </ul> <p><b>CALIFORNIA WATER ENVIRONMENT ASSOCIATION</b></p> <ul style="list-style-type: none"> <li>• 2020 Award of Excellence for Innovation &amp; Resiliency for the Primary Effluent Conveyance Rehabilitation Project</li> </ul>
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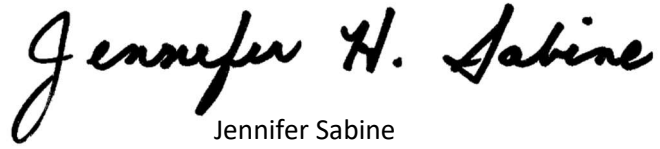
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Encina for its annual comprehensive financial report for the fiscal year ended June 30, 2023. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

This report has been a joint effort by each of Encina's seventy-six staff through unwavering dedication to their profession and by helping to create an environment that stimulates and values teamwork. Together, we are a model of excellence and innovation. Additionally, a special note of appreciation goes to Encina's Aaron Beanan and Clifton Larson Allen LLP's Daniel Langlois. Finally, this Report would not be possible without the continuing support of Encina's Board of Directors whose leadership and commitment serve as the foundation for our accomplishments.



Scott McClelland, P.E., BCEE  
General Manager



Jennifer Sabine  
Assistant General Manager

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# LIST OF OFFICIALS

## BOARD OF DIRECTORS AND OFFICERS

- Jim Hernandez**, Chair, Vallecitos Water District
- Chris Roesink**, Vice Chair, Leucadia Wastewater District
- Keith Blackburn**, City of Carlsbad
- Carolyn Luna**, City of Carlsbad
- John Franklin**, City of Vista and Buena Sanitation District
- Joe Green**, City of Vista and Buena Sanitation District
- Jim Pennock**, Vallecitos Water District
- Bruce Ehlers**, City of Encinitas
- Joy Lyndes**, City of Encinitas
- Rolando Saldana**, Leucadia Wastewater District
- Jennifer Sabine**, Treasurer/Auditor
- Jennifer Basco**, Board Secretary

## MANAGEMENT

- Scott McClelland, P.E., BCEE**, General Manager
- Jennifer Sabine**, Assistant General Manager
- Alicia Appel**, Director of Environmental Compliance
- Octavio Navarrete**, Director of Operations
- Dimitris Papachristoforou, P.E.**, Director of Technical Services
- Aaron Beanan**, Director of Finance

## GENERAL COUNSEL

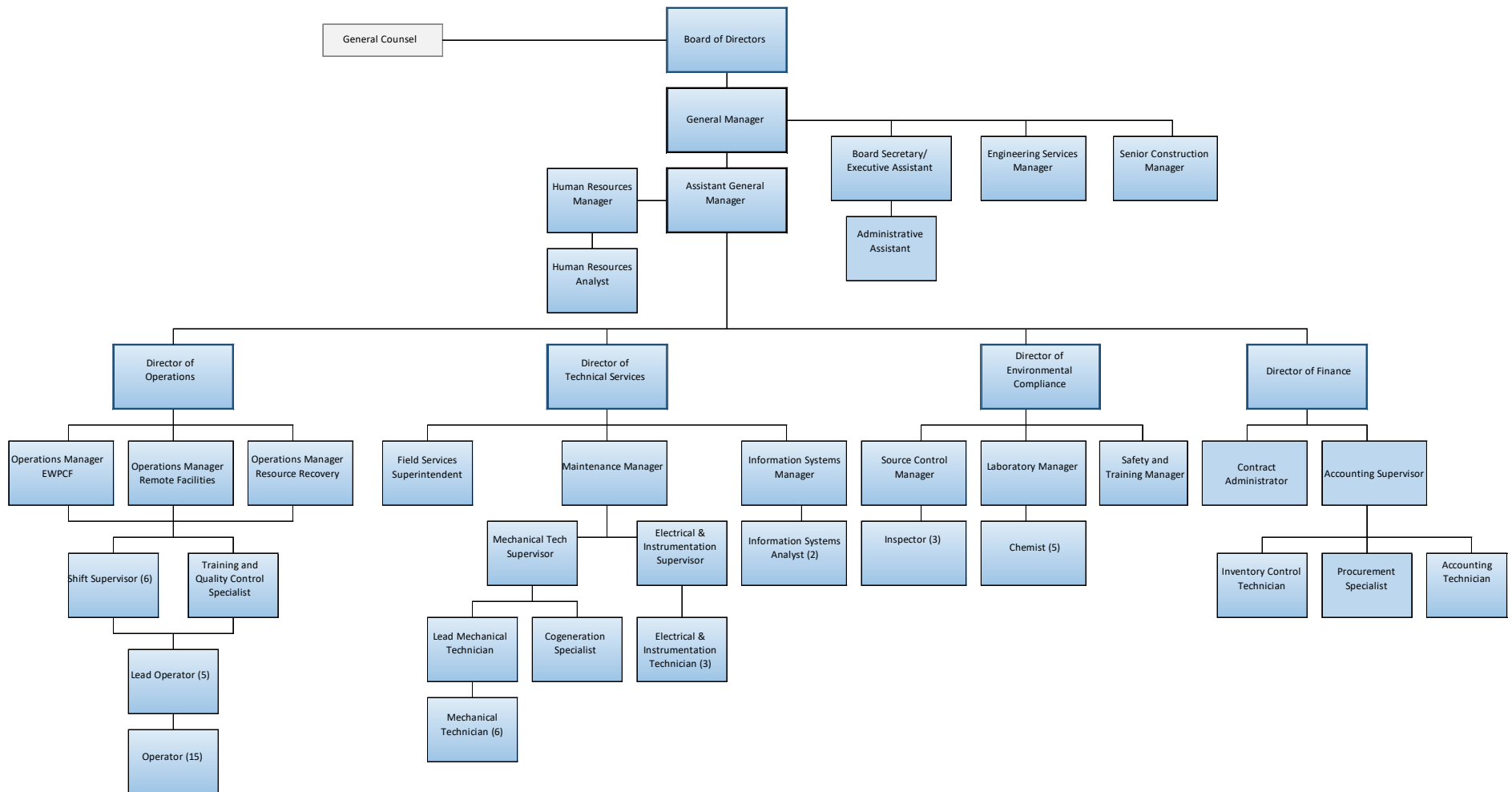
- Nicholaus Norvell**, Best Best & Krieger, LLP

For additional information visit our website at [www.encinajpa.com](http://www.encinajpa.com)

# SERVICE AREA



# FISCAL YEAR 2023-24 ORGANIZATION (76 FTEs)





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Encina Wastewater Authority  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

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# **FINANCIAL SECTION**

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Independent Auditor's Report  
Management's Discussion and Analysis  
Basic Financial Statements  
Required Supplementary Information  
Supplementary Schedules

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# MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Encina Wastewater Authority  
Carlsbad, California

### Report on Audit of the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Encina Wastewater Authority (Authority) as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority, as of June 30, 2024, and the respective changes in financial position and cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements Section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

OFFICES: BEVERLY HILLS · CULVER CITY · SANTA MARIA

MEMBER AMERICAN INSTITUTE OF C.P.A.'S · CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS · CALIFORNIA ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures response to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 23 through 28, the Schedule of Pension Plan's Proportionate Share of the Net Pension Liability, the Schedule of Contributions – Defined Benefit Pension Plan, the Schedule of the Changes in the Net OPEB Liability and Related Ratios, and the Schedule of Contributions – OPEB on pages 65 through 68 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



## Supplementary Information

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

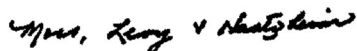
## Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, the supplementary schedules in the financial section, the statistical section, and the budget performance section but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



MOSS, LEVY & HARTZHEIM, LLP  
Culver City, California  
November 22, 2024

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# MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the financial performance of Encina Wastewater Authority (EWA or the "Authority") provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the Authority's financial statements, which follows this section.

## FINANCIAL STATEMENTS

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

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

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

- Net Investment in Capital Assets
- Restricted
- Unrestricted

The Statements of Net Position provide the basis for computing rate of return, evaluating the capital structure of the Authority, and assessing its liquidity and financial flexibility.

The Statements of Revenues, Expenses, and Changes in Net Position present information which shows how the Authority's net position changed during the fiscal year. Revenues and expenses are recorded when the underlying transaction occurs, regardless of the timing of the related cash flows. The Statements of Revenues, Expenses, and Changes in Net Position measure the success of the Authority's operations over the past fiscal year and determines whether the Authority has recovered its costs through user fees and other charges.

The Statements of Cash Flows provide information regarding the Authority's cash receipts and cash disbursements during the fiscal year. This statement may report cash activity in four categories:

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

These statements differ from the Statements of Revenues, Expenses, and Changes in Net Position because the Statements of Cash Flows only account for transactions that result in cash receipts or cash disbursements.

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

### FINANCIAL HIGHLIGHTS

- The Authority's total assets increased by \$12,310,127 from fiscal year 2023 to 2024. This is primarily the result of the Authority reinvesting in its capital infrastructure and rehabilitating many aged assets with capital contributions from its Member Agencies. Deferred outflows of resources and deferred inflows of resources have increased (decreased) by (\$501,730) and \$1,852,300, respectively, from fiscal year 2023 to 2024 as a result of changes in actuarial assumptions related to the Authority's defined benefit pension plans and other postemployment benefits.
- The Authority's net position increased by \$9,865,731 to \$183,027,845 for the fiscal year ended June 30, 2024. This increase was primarily the result of continued investment in capital infrastructure and the rehabilitation of aged assets.
- The Authority's operating revenues increased from \$16,927,328 for the fiscal year ended June 30, 2023, to \$24,091,121 for the fiscal year ended June 30, 2024, primarily due to increased Member Agency assessments in reimbursement of higher operating costs experienced during the fiscal year. Additionally, the Board-approved use of reserve funds during the fiscal year ended June 30, 2023, reduced operating revenues for that fiscal year by \$4,050,000. No reserve funds were used during the fiscal year ended June 30, 2024.
- The Authority's operating expenses increased from \$34,422,253 for the fiscal year ended June 30, 2023, to \$37,814,871 for the fiscal year ended June 30, 2024. The increase is primarily driven by increased Unit I operating costs due to increased biosolids costs, chemical costs, and labor reallocation from capital funds to operating funds based on actual work performed.

### FINANCIAL ANALYSIS OF THE AUTHORITY

#### Net Position

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

	<u>2024</u>	<u>2023</u>
<u>Assets:</u>		
Current and other assets	\$ 16,345,167	\$ 13,900,770
Capital assets	<u>180,127,844</u>	<u>170,262,114</u>
Total Assets	<u>196,473,011</u>	<u>184,162,884</u>
<u>Deferred Outflows of Resources</u>	<u>5,188,832</u>	<u>5,690,562</u>
<u>Liabilities:</u>		
Current liabilities	3,453,446	4,919,568
Noncurrent liabilities	<u>13,183,131</u>	<u>11,626,643</u>
Total Liabilities	<u>16,636,577</u>	<u>16,546,211</u>
<u>Deferred Inflows of Resources</u>	<u>1,997,421</u>	<u>145,121</u>
<u>Net Position:</u>		
Net Investment in capital assets	176,772,355	167,077,116
Restricted for capital program	7,111,560	10,279,813
Unrestricted	<u>(856,070)</u>	<u>(4,194,815)</u>
Total Net Position	<u>\$ 183,027,845</u>	<u>\$ 173,162,114</u>

**FINANCIAL ANALYSIS OF THE AUTHORITY (CONTINUED)**

**Net Position (Continued)**

Net position increased by \$9,865,731 from fiscal year 2023 to 2024. Net investment in capital assets increased by \$9,695,239 as a result of the amount spent on capital improvements exceeding depreciation expense and the discontinued projects, studies, and assessments. Restricted net position decreased by \$3,168,253 primarily as a result of increased spending of restricted capital cash balances on capital activities.

The accumulated deficit in unrestricted net position (those funds that can be used to finance day-to-day operations) decreased from (\$4,194,815) in fiscal year 2023 to (\$856,070) in fiscal year 2024.

The Authority maintains an internal reserve balance of net position designated in accordance with the Authority’s financial reserve policy, which is assigned as follows:

Remote Facility Reserve	\$ 250,000	Specific ownership
Capital Reserve	2,650,000	Unit I weighted ownership
	<u>\$ 2,900,000</u>	

**Revenues, Expenses, and Changes in Net Position**

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

	<u>2024</u>	<u>2023</u>
Member agency assessments	\$ 23,313,929	\$ 16,246,784
Other operating revenues	777,192	680,544
Investment income	479,786	268,445
Grant revenues	376,563	318,822
Total Revenues	<u>24,947,470</u>	<u>17,514,595</u>
Depreciation expense	13,723,750	13,444,925
Unit I - EWPCF usage costs	11,017,052	9,270,704
Unit I - EWPCF ownership costs	7,063,171	6,069,757
Pump station facilities	4,009,328	3,498,432
Other operating expenses	2,001,570	2,138,435
Nonoperating expenses	3,924,282	2,529,494
Total Expenses	<u>41,739,153</u>	<u>36,951,747</u>
Loss Before Capital Contributions	(16,791,683)	(19,437,152)
Capital Contributions	<u>26,657,414</u>	<u>16,106,218</u>
Changes in Net Position	9,865,731	(3,330,934)
Total Net Position at Beginning of Fiscal Year	<u>173,162,114</u>	<u>176,493,048</u>
Total Net Position at End of Fiscal Year	<u>\$ 183,027,845</u>	<u>\$ 173,162,114</u>

**FINANCIAL ANALYSIS OF THE AUTHORITY (CONTINUED)****Revenues, Expenses, and Changes in Net Position (Continued)**

Total revenues represent assessments to Member Agencies for reimbursement of operating expenses, as well as revenues from south parcel leasing, laboratory services, alternative fuel tipping fees, other environmental compliance activities, investment income, and grant revenues. A trial Member Agency billing methodology was temporarily adopted with an expiration date June 30, 2024. The trial billing methodology is still under analysis and has been extended to June 30, 2025. Designed to help more effectively manage cash flow, this methodology involves quarterly projection billings with retrospective adjustments to actuals. If the Member Agencies and Encina decide to formalize this approach, the Revised Basic Agreement will be officially amended.

Total operating expenses, exclusive of depreciation, increased by \$3,113,793 in fiscal year 2024. This increase was predominantly driven by increased commodity costs for process chemicals, increased biosolids hauling costs, and personnel reallocation from capital activities to operating activities based on actual work performed.

A loss on disposal of capital assets results when capital items are replaced before they are fully depreciated. Discontinued projects, studies, and assessments occur when capital funds have been used towards early development or construction of a capital project, but management has subsequently determined to discontinue the project or has determined there is no future value to the funds expended and must therefore expense the capital project in accordance with accounting principles generally accepted in the United States of America (GAAP). The fiscal year 2024 discontinued projects, studies, and assessments includes projects such as the Biosolids Management Plan Update, the EWPCF Comprehensive Asset Management Plan Update, Plant Wide Asset Paint and Protection Project, Odor Reduction Facility Carbon Media Replacement, and other general plant or remote facility repairs.

Capital contributions increased by \$10,608,937 in fiscal year 2024. The rise in contributions was primarily driven by the completion of the significant Secondary Clarifiers and Strainers Project, the ongoing advancement of other major projects, and receipt of additional federal grant revenues which are restricted for capital projects. Notably, projects such as the Digester Rehabilitation and the Administration Building and HVAC Improvements, currently under construction in fiscal year 2024, are expected to be completed in fiscal year 2025.

The Revised Basic Agreement (RBA) requires the Member Agencies to pay EWA only the actual costs of materials and supplies used or purchased for the operation, maintenance, administration, or capital improvement of the Joint System, contracts let by EWA for the performance of budgeted operations and maintenance work or capital improvement projects, and the salaries and wages of EWA employees. Accounts billed to Member Agencies for operating expenses are offset by other operating revenues and proceeds from the sale of capital assets. In conformance with these limitations, EWA has never billed Member Agencies for depreciation expense. However, the RBA ensures Member Agencies will provide the necessary and appropriate funding for the replacement of EWA's depreciable assets pursuant to recommendations by the Board of Directors and the Joint Advisory Committee. Thus, operating program losses attributable to non-billable depreciation expenses are expected and, thus, do not reflect a deterioration of EWA's financial position.

**FINANCIAL ANALYSIS OF THE AUTHORITY (CONTINUED)**

**Capital Assets**

Capital assets consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
<b><u>Capital Assets Not Being Depreciated:</u></b>		
Land	\$ 3,598,173	\$ 3,598,173
Construction-in-progress	<u>39,122,234</u>	<u>28,524,252</u>
 Total Capital Assets Not Being Depreciated	 <u>42,720,407</u>	 <u>32,122,425</u>
<b><u>Capital Assets Being Depreciated:</u></b>		
Joint wastewater treatment (Unit I)	269,041,439	262,482,723
Joint ocean outfall (Unit J)	14,751,348	14,751,348
Furnishings and office equipment	6,459,702	6,369,987
Pump station facilities	13,028,433	12,519,334
Flow metering system	<u>344,945</u>	<u>344,945</u>
Total Capital Assets Being Depreciated	303,625,867	296,468,337
Less: Accumulated depreciation	<u>(166,218,430)</u>	<u>(158,328,648)</u>
 Net Capital Assets Being Depreciated	 <u>137,407,437</u>	 <u>138,139,689</u>
 Net Capital Assets	 <u>\$ 180,127,844</u>	 <u>\$ 170,262,114</u>

The total additions to capital assets for fiscal year 2024, net of removed assets, amounted to \$17,755,512. Capital asset additions primarily consisted of the Secondary Clarifiers and Strainers Project, Cogeneration Engine Project, and Solids Processing Equipment Project. Additional details regarding capital assets can be found in note 4 to the basic Financial Statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

As a regional environmental agency providing wholesale treatment and disposal, industrial waste control, laboratory, and facility operations and maintenance services, the Authority's revenue, and therefore its budget, have historically been somewhat less sensitive to regional, national, and international economic trends than its six public entity Member Agencies. However, such trends do impact the Authority's expenses, and therefore its budget, when the price of raw goods and labor increases the cost of the chemicals, energy, and construction projects required to effectively operate, maintain, and administer the Encina Joint System. Increasing global volatility is now putting significant upward pressure on the cost of providing wastewater services. Increasing climate volatility, geopolitical instability, and resource scarcity impacted operating expenditures for Fiscal Year 2023-24. Significant wet weather swings directly impact Encina's energy, chemical, and insurance costs. Geopolitical instability impacts resources used in Encina's daily operations, especially those dependent on oil in their creation or transportation such as polymers and other treatment plant chemicals. Supply chain challenges, as a result of geopolitics or otherwise, are decreasing the availability of resources used in Encina's daily operations. The lack of goods is driving up prices leading to inflation not seen in decades. The Fiscal year 2024-25 budget was impacted by these factors, though stabilization in commodities and changes to insurance coverage helped temper the budget increases. As Encina moves into the future, increasing the adaptability, sustainability, and resiliency of its operations and finances will become increasingly more important as global volatility becomes a new normal that all public entities are addressing.

The recommended Fiscal Year 2024-25 budget reflects the Authority's continuing commitment to provide reliable and fiscally responsible wastewater services to the community it serves while optimizing the use of renewable resources. This budget begins a decades long journey focused on aging infrastructure renewal, increasing solids management capacity due to growth, and adapting to a more stringent regulatory environment. The recommended Fiscal Year 2024-25 budget was developed and approved with the guidance and collaboration of the Authority's Board of Directors and Member Agencies.

The fiscal year 2025 Recommended Operating Budget is \$26,624,721 with an additional \$214,288 carryforward from fiscal year 2024 for on-going projects, for a total fiscal year 2025 operating budget of \$26,839,009.

The fiscal year 2025 Recommended Capital Program budget is \$31,417,581, with an additional \$10,037,109 in appropriations continued from fiscal year 2024 for on-going projects, for a total fiscal year 2025 capital program budget of \$41,454,690.

The fiscal year 2025 budget reflects 78 authorized positions supporting EWA facilities and five regional facilities with a replacement value totaling approximately \$746 million in investments in regional clean water infrastructure. The Authority's employees' proven ability to provide sustainable wastewater services in a cost-effective manner demonstrates their commitment to maintain a workplace based on excellence and innovation.

## CONTACTING THE AUTHORITY

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Encina Wastewater Authority at (760) 438-3941 or via the internet at [www.encinajpa.com](http://www.encinajpa.com).



## STATEMENTS OF NET POSITION

JUNE 30, 2024

(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2023)

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Current Assets:		
Unrestricted Assets:		
Cash and cash equivalents - operating (Note 2)	\$ 200,000	\$ 200,000
Member receivables - operating billed	1,642,603	138,915
Member receivables - operating unbilled	108,273	159,040
Other receivables	405,586	136,709
Prepaid expenses	81,956	91,092
Inventory	1,332,965	1,115,614
Total Unrestricted Assets	<u>3,771,383</u>	<u>1,841,370</u>
Restricted Assets (Note 3):		
Restricted cash and cash equivalents - capital program (Note 2)	6,186,659	10,279,813
Member receivables - capital program	918,751	-
Interest receivables - capital program	6,150	-
Total Restricted Assets	<u>7,111,560</u>	<u>10,279,813</u>
Total Current Assets	<u>10,882,943</u>	<u>12,121,183</u>
Noncurrent Assets:		
Capital Assets		
Nondepreciable capital assets (Note 4)	42,720,407	32,122,425
Depreciable capital assets, net of accumulated depreciation (Note 4)	137,407,437	138,139,689
Total Capital Assets, Net	<u>180,127,844</u>	<u>170,262,114</u>
Other Assets		
Member receivables - pension (Note 1)	5,462,224	1,779,587
Total Other Assets	<u>5,462,224</u>	<u>1,779,587</u>
Total Noncurrent Assets	<u>185,590,068</u>	<u>172,041,701</u>
Total Assets	<u>196,473,011</u>	<u>184,162,884</u>
Deferred Outflows of Resources		
Deferred outflows related to pension contributions (Note 8)	1,166,173	950,837
Deferred outflows related to pensions (Note 8)	3,625,456	4,292,119
Deferred outflows related to other postemployment benefits (Note 7)	397,203	447,606
Total Deferred Outflows of Resources	<u>5,188,832</u>	<u>5,690,562</u>

(Continued)

## STATEMENTS OF NET POSITION (CONTINUED)

JUNE 30, 2024

(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2023)

	<u>2024</u>	<u>2023</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable - operating	\$ 931,925	\$ 842,225
Accrued liabilities	335,999	262,721
Amounts due to member agencies - operating	29,572	1,889,015
Unearned revenue	1,882,806	1,659,487
Long-term liabilities - due within one year:		
Compensated absences (Note 6)	<u>273,144</u>	<u>266,120</u>
 Total Current Liabilities	 <u>3,453,446</u>	 <u>4,919,568</u>
Noncurrent Liabilities:		
Liabilities Payable From Restricted Assets		
Accounts payable - capital program, payable from restricted assets	2,855,392	2,727,044
Retentions payable - capital program, payable from restricted assets	<u>500,097</u>	<u>457,954</u>
Total Liabilities Payable from Restricted Assets	<u>3,355,489</u>	<u>3,184,998</u>
Other Noncurrent Liabilities		
Net pension liability (Note 8)	8,355,414	6,926,475
Amounts due to member agencies - other postemployment benefits (Note 1)	98,475	20,017
Net other postemployment benefits liability (Note 7)	199,746	378,536
Compensated absences (Note 6)	<u>1,174,007</u>	<u>1,116,617</u>
 Total Other Noncurrent Liabilities	 <u>9,827,642</u>	 <u>8,441,645</u>
 Total Liabilities	 <u>16,636,577</u>	 <u>16,546,211</u>
Deferred Inflows of Resources		
Deferred inflows related to pensions (Note 8)	1,898,439	96,068
Deferred inflows related to other postemployment benefits (Note 7)	<u>98,982</u>	<u>49,053</u>
Total Deferred Inflows of Resources	<u>1,997,421</u>	<u>145,121</u>
<b>NET POSITION</b>		
Net Investment in capital assets	176,772,355	167,077,116
Restricted for capital program	7,111,560	10,279,813
Unrestricted	<u>(856,070)</u>	<u>(4,194,815)</u>
 Total Net Position	 <u>\$ 183,027,845</u>	 <u>\$ 173,162,114</u>

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2023)

	<u>2024</u>	<u>As Restated 2023</u>
<b>OPERATING REVENUES</b>		
Member agency assessments	\$ 23,313,929	\$ 16,246,784
Other operating revenues	<u>777,192</u>	<u>680,544</u>
Total Operating Revenues	<u>24,091,121</u>	<u>16,927,328</u>
<b>OPERATING EXPENSES</b>		
Depreciation expense	13,723,750	13,444,925
Unit I - EWPCF usage costs	11,017,052	9,270,704
Unit I - EWPCF ownership costs	7,063,171	6,069,757
Unit J - Encina ocean outfall	568,374	821,332
Directors' meetings	109,846	109,218
Flow metering	240,419	344,633
Source control	1,082,931	863,252
Agua Hedionda pump station	659,604	563,099
Buena Vista pump station	835,114	782,492
Buena Creek pump station	599,241	563,322
Carlsbad water reclamation facilities	1,698,053	1,343,530
Raceway basin pump station	<u>217,316</u>	<u>245,989</u>
Total Operating Expenses	<u>37,814,871</u>	<u>34,422,253</u>
Operating Loss	<u>(13,723,750)</u>	<u>(17,494,925)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment income	479,786	268,445
Discontinued projects, studies, and assessments	<u>(3,924,282)</u>	<u>(2,529,494)</u>
Total Nonoperating Revenues (Expenses)	<u>(3,444,496)</u>	<u>(2,261,049)</u>
Loss Before Capital Contributions	<u>(17,168,246)</u>	<u>(19,755,974)</u>
<b>CAPITAL CONTRIBUTIONS</b>		
Capital contributions	26,657,414	16,106,218
Grant revenues (Note 11)	<u>376,563</u>	<u>318,822</u>
Total Capital Contributions	<u>27,033,977</u>	<u>16,425,040</u>
Changes in Net Position	9,865,731	(3,330,934)
<b>Total Net Position, Beginning of Fiscal Year</b>	<u>173,162,114</u>	<u>176,493,048</u>
<b>Total Net Position, End of Fiscal Year</b>	<u>\$ 183,027,845</u>	<u>\$ 173,162,114</u>

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

**STATEMENTS OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2023)

	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash receipts from member agencies	\$ 22,028,672	\$ 23,770,664
Cash receipts from other operating activities	477,380	708,162
Cash payments to suppliers for goods and services	(12,885,620)	(9,690,943)
Cash payments to employees for services	(11,186,324)	(11,951,587)
	<u>(1,565,892)</u>	<u>2,836,296</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition and construction of capital assets	(27,343,271)	(21,889,993)
Proceeds from capital contributions	23,965,810	24,909,366
Proceeds from federal grants	376,563	318,822
	<u>(3,000,898)</u>	<u>3,338,195</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Investment earnings	473,636	268,445
	<u>473,636</u>	<u>268,445</u>
Cash Provided by Investing Activities	<u>473,636</u>	<u>268,445</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(4,093,154)	6,442,936
<b>Cash and Cash Equivalents at Beginning of Fiscal Year</b>	<u>10,479,813</u>	<u>4,036,877</u>
<b>Cash and Cash Equivalents at End of Fiscal Year</b>	<u>\$ 6,386,659</u>	<u>\$ 10,479,813</u>

(Continued)

**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2023)

	<u>2024</u>	<u>2023</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) in Operating Activities:</b>		
Operating loss	\$ (13,723,750)	\$ (17,494,925)
<b>Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) in Operating Activities:</b>		
Depreciation expense	13,723,750	13,444,925
<b>Changes in assets and liabilities</b>		
Member receivables - operating billed	(1,503,688)	7,693,246
Member receivables - operating unbilled	50,767	(292,677)
Member receivables - pensions	(3,682,637)	(1,779,587)
Member receivables - other post employment benefits	-	156,148
Net pension asset	-	2,222,882
Other receivables	(268,877)	(18,784)
Prepaid expenses	9,136	25,941
Deferred outflows related to pension contributions	(215,336)	2,643,900
Deferred outflows related to pensions	666,663	(2,252,556)
Deferred outflows related to other post employment benefits	50,403	(75,157)
Inventory	(217,351)	(158,308)
Accounts payable - operating	89,700	52,059
Accrued liabilities	73,278	(588,143)
Unearned revenue	136,729	169,713
Amounts due to Member Agencies - pension	-	(7,565,328)
Amounts due to Member Agencies - other post employment benefits	78,458	20,017
Net pension liability	1,428,939	6,926,475
Net other postemployment benefits liability	(178,790)	5,509
Compensated absences	64,414	3,249
Deferred inflows related to pensions	1,802,371	(195,786)
Deferred inflows related to other post employment benefits	49,929	(106,517)
Total Adjustments	<u>12,157,858</u>	<u>20,331,221</u>
Net Cash Provided (Used) in Operating Activities	<u>\$ (1,565,892)</u>	<u>\$ 2,836,296</u>
<b>Cash and Cash Equivalents</b>		
Financial Statement Classification:		
Cash and cash equivalents	\$ 200,000	\$ 200,000
Restricted cash and cash equivalents	<u>6,186,659</u>	<u>10,279,813</u>
Total Cash and Cash Equivalents	<u>\$ 6,386,659</u>	<u>\$ 10,479,813</u>
<b>Supplemental Disclosures of Cash Flow Information:</b>		
Net effect of acquisition and construction of capital assets held in accounts payable	<u>\$ 128,348</u>	<u>\$ (1,123,471)</u>
Net effect of acquisition and construction of capital assets held in retentions payable	<u>\$ 42,143</u>	<u>\$ 364,772</u>
Net effect of change in receivable related to capital contributions	<u>\$ (918,751)</u>	<u>\$ 2,450,302</u>

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**NOTES TO THE FINANCIAL STATEMENTS****JUNE 30, 2024****NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES:****Organization**

On July 13, 1961, the Vista Sanitation District and the City of Carlsbad entered into a joint exercise of power agreement for a joint sewerage system. This “basic agreement” provided for the establishment, construction, operation, and maintenance of facilities for the transmission, treatment, and disposal of wastewater.

By virtue of subsequent amendments and supplements to this basic agreement, Leucadia Wastewater District, Buena Sanitation District, Vallecitos Water District, and the City of Encinitas also became participants in the facility. The Vista Sanitation District was dissolved in September 1983 and its functions were assumed by the City of Vista.

Leucadia Wastewater District (District) was previously the operator and administrator of the facility and was responsible for the management, maintenance, and operations of the joint system. On August 1, 1988, the Encina Administrative Agency was created and assigned the duties previously performed by the District. The basic agreement and supplements were amended and rewritten on December 17, 1990, and on December 11, 1991, the Agency changed its name to Encina Wastewater Authority (Authority).

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

**Significant Accounting Policies**

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

Method of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied. The accompanying financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the economic measurement focus, all assets, deferred outflows and inflows of resources, and liabilities (whether current or noncurrent) associated with these activities are included on the Statements of Net Position. The Statements of Revenues, Expenses, and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The Authority reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

## NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

**Significant Accounting Policies (Continued)**Estimates

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

Revenue Recognition

The Authority recognizes revenues from wastewater treatment services and other fees when they are earned. Operating activities generally result from providing services and producing and delivering goods. As such, the Authority considers fees received from sewer services and other fees to be operating revenues. Nonoperating revenue results from investing activities. The Authority recognizes investment income in the period it is earned.

Investments

Investments are stated at their fair value which represents the quoted or stated market value. Investments that are not traded on a market, such as investments in external pools, are valued based on the stated fair value as represented by the external pool.

Allowance for Doubtful Accounts

Bad debts are recognized on the allowance method based on historical experience and management's evaluation of outstanding receivables. Management believes that all accounts receivable were fully collectible; therefore, no allowance for doubtful accounts was recorded at June 30, 2024.



**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2024**

**NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**Significant Accounting Policies (Continued)**

Member Receivable (Payable) – Pension and Other Postemployment Benefits (OPEB)

The Revised Basic Agreement (RBA) requires the Member Agencies to pay the Authority only the actual costs of materials and supplies used or purchased for the operation, maintenance, administration, or capital improvement of the joint system, contracts awarded by the Authority for the performance of budgeted operations and maintenance work, or capital improvement projects and the salaries and wages of employees. Under this agreement the participants are required to fund the net pension liability and net OPEB liability. Because the allocation of the funding of the pension and net OPEB liability is contingent upon future events (i.e. strength and volume of flows), it does not qualify as a “Special Funding Situation” as defined by the Governmental Accounting Standards Board. As such, the Authority has recorded a member receivable – pension and OPEB equal to the net pension liability and net OPEB liability net of any related deferred outflows of resources and deferred inflows of resources. The Authority had an amount receivable related to the pension activities in the amount of \$5,462,224 at June 30, 2024. The Authority had an amount payable to member agencies related to other postemployment benefits totaling \$98,475 at June 30, 2024, respectively.

Inventory

Inventory consists primarily of materials used in the construction and maintenance of capital assets and is valued at cost using the first-in, first-out (FIFO) method.

Capital Assets

Capital assets purchased or acquired with a cost exceeding \$5,000 and an estimated useful life of more than one year are reported at historical cost. Contributed assets are recorded at acquisition value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Donated capital assets, donated works of art, and similar items, and capital assets received in service concession agreements are reported at acquisition value rather than fair value. Depreciation is calculated on the straight-line method over the following estimated useful lives:

Joint wastewater treatment (Unit I)	3 - 50 years
Joint ocean outfall (Unit J)	5 - 75 years
Furnishings and office equipment	3 - 15 years
Pump station facilities	3 - 40 years
Flow metering system	5 - 15 years

Depreciation expense totaled \$13,723,750 for the fiscal year ended June 30, 2024.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

## NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

**Significant Accounting Policies (Continued)**Classification of Liabilities

Certain liabilities which are currently payable could be classified as noncurrent because they will be funded from restricted assets. Liabilities are otherwise shown as noncurrent unless due within one year (See Note 6).

Compensated Absences

Accumulated and unpaid vacation and sick leave totaling \$1,447,151 is accrued when incurred and included in current and noncurrent liabilities at June 30, 2024.

Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources and deferred inflows of resources represent a consumption of net assets, and an acquisition of net assets that applies to future periods, respectively. Deferred outflows of resources and deferred inflows of resources related to pensions are more fully described in Note 8 and the deferred outflows of resources and deferred inflows of resources related to other postemployment benefits are more fully described in Note 7.

Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority is a member of the California Sanitation Risk Management Authority (CSRMA), a public entity risk pool. The Authority pays a deposit to cover estimated losses for a fiscal year. CSRMA also serves as a joint insurance purchasing entity with respect to certain coverage. Based on pool performance, CSRMA makes additional assessments or refunds excess pool deposits to its members based on a retrospective risk rating adjustment.

At June 30, 2024, the Authority participated in CSRMA as follows:

Property Loss - Insured by Alliant Property Insurance Program with a total insurable value \$389,548,163 with \$50,000 deductible.

General Liability - Insured up to \$15,750,000 with a \$25,000 deductible. Excess insurance of \$10,000,000 has been purchased.

Earthquake & Flood – Insured up to \$10,000,000 with a \$50,000 deductible.

Auto Physical Damage Policy - Insured up to \$390,000 total value with a \$1,000 deductible.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Significant Accounting Policies (Continued)

Risk Management (Continued)

Cyber Liability Coverage – Insured up to \$2,000,000 with a \$50,000 retention.

Public Official’s Liability - Insured up to \$100,000; the Authority currently has six (6) public official bonds in place for officials.

Worker’s Compensation - Insured up to \$1,000,000 with no deductible. CSRMA has a self-insured retention of \$1,000,000 and excess insurance for workers’ compensation statutory limits have been purchased.

Crime and Theft Coverage – Insured up to \$1,000,000 with a \$2,500 deductible.

The Authority pays annual premiums for this coverage. They are subject to retrospective adjustments based on claims experienced. The nature and amounts of the adjustments cannot be estimated and are charged to expense as invoiced. The Authority’s insurance expense and workers compensation insurance expense was \$1,074,500 for the fiscal year ended June 30, 2024. There were no instances in the past three fiscal years where a settlement exceeded the Authority’s coverage and there were no reductions in the Authority’s insurance coverage during the fiscal year ended June 30, 2024.

Pensions

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

GASB Statement No. 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2024**

**NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**Significant Accounting Policies (Continued)**

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Authority’s OPEB Plan and additions to/deductions from the OPEB Plans’ fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Authority’s OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

GASB Statement No. 75 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

Fair Value Measurements

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

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

The Authority has no financial instruments that are required to be measured at fair value on a recurring basis.

Allocation of Costs

Expenses are allocated to the various member agencies in accordance with their capacity ownership percentages of the respective units, on usage (strength and/or wastewater flow), on direct costs, and based upon other special allocations, as provided for in the annual budgetary process.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Significant Accounting Policies (Continued)

Reserves

In accordance with the RBA, each member agency agrees to pay its actual portion of operating and capital costs on a quarterly basis. As such, the Authority is not dependent on economic performance, nor is it directly impacted by major structural changes in federal and state government fiscal policy. The Authority has adopted a financial reserve policy to maintain an appropriate amount of cash resources necessary to meet demands during any quarterly period.

The Reserve Policy amended on June 27, 2018 with Resolution 2018-05 was temporarily rescinded on May 25, 2022 by Resolution 2022-08. This temporary rescission was done in conjunction with a temporary revised billing approach aimed at increasing cash flow frequency. Reserve levels could be lowered under this temporary billing approach because of the increased cash flow frequency. Prior to the expiration of the temporary Reserve Policy on June 30, 2024, the Board authorized an extension in conjunction with the extension of the trial billing methodology. The new extension expires June 30, 2025, and provides the following:

- Remote facility reserve amount of \$250,000 from each Member Agency that owns a remote facility operated and maintained by the Authority based on ownership percentage.
- Capital reserve established at the average one-month cash flow requirement of the capital program.

Total reserves are reflected as a component of total net position and are comprised of the following:

Member Agency	Remote Facility Reserve	Capital Reserve	2024 Total	2023 Total
City of Carlsbad	\$ 70,650	\$ 642,400	\$ 713,050	\$ 713,050
City of Vista	129,350	667,800	797,150	797,150
Buena Sanitation District	50,000	187,900	237,900	237,900
Vallecitos Water District	-	594,100	594,100	594,100
Leucadia Wastewater District	-	445,200	445,200	445,200
City of Encinitas	-	112,600	112,600	112,600
Total Reserves	<u>\$ 250,000</u>	<u>\$ 2,650,000</u>	<u>\$ 2,900,000</u>	<u>\$ 2,900,000</u>

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

## NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

**Significant Accounting Policies (Continued)**Budgetary Controls

The Authority prepares a budget that is approved by the Board of Directors and recommended for Member Agency approval by the Joint Advisory Committee. Upon approval by all Member Agencies, the Authority adopts a resolution appropriating funds and establishing controls on changes in said appropriations. The General Manager is authorized to transfer appropriations between accounts within the operating or capital programs in an amount up to \$100,000 per transfer, approve change orders up to \$100,000 on any particular contract or agreement, and may also authorize expenditures up to \$100,000. The Board of Directors must approve any expenditure or transfer in excess of \$100,000 and any transfer between operating and capital programs.

Unspent appropriations for the operating budget lapse at fiscal year-end unless designated by Board action to be carried forward to the next budget period. Unspent appropriations for ongoing capital projects are carried forward to the next budget period.

Cash and Cash Equivalents

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

New Governmental Accounting Standards – Current Year

GASB Statement No. 99, Omnibus 2022 – Effective for fiscal years beginning after June 15, 2023. This omnibus statement addresses a variety of topics including leases, public-private and public-public partnerships, subscription-based information technology arrangements, and other topics to enhance the consistency of financial reporting. The statement had no impact on the Authority's financial statements for the fiscal year ended June 30, 2024.

GASB Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62 – Effective for fiscal years beginning after June 15, 2023. This statement provides guidance on accounting and financial reporting for accounting changes and error corrections. The Authority has implemented the provisions of this statement for the fiscal year ended June 30, 2024.

Upcoming GASB Pronouncements

The Authority will implement the following GASB pronouncements in future fiscal years, as applicable:

- The provisions of Statement No. 101, *Compensated Absences*, are effective for fiscal years beginning after December 15, 2023.
- The provisions of Statement No. 102, *Certain Risk Disclosures*, are effective for fiscal years beginning after June 15, 2024.
- The provisions of Statement No. 103, *Financial Reporting Model Improvements*, are effective for fiscal years beginning after June 15, 2025.

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2024**

**NOTE 2 - CASH AND INVESTMENTS:**

**Investments Authorized by the California Government Code and the Authority’s Investment Policy**

The table below identifies the investment types that are authorized for the Authority by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, and concentration of credit risk:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Quality Requirements
California Local Agency Investment Fund (LAIF)	N/A	None	None
Certificates of Deposit	5 years	30%	None
Joint Powers Authority Pool (CAMP)	N/A	None	Multiple

The Authority’s investment policy is more restrictive than the California Government Code. The policy restricts the Authority from investing in anything other than the California Local Agency Investment Fund, the California Asset Management Program, or certificates of deposit. In addition, all certificates of deposit must be collateralized by U.S. Treasury obligations.

Cash and cash equivalents held by the Authority were comprised of the following at June 30:

	<b>Maturity in Years</b>		
	<b>1 Year or Less</b>	<b>2024</b>	<b>2023</b>
Petty cash	\$ 1,000	\$ 1,000	\$ 1,000
California Local Agency Investment Fund (LAIF)	220,404	220,404	1,567,249
California Asset Management Program (CAMP)	3,611,322	3,611,322	6,794,964
Deposits with financial institutions	2,553,933	2,553,933	2,116,600
Total Cash and Investments	<u>\$ 6,386,659</u>	<u>\$ 6,386,659</u>	<u>\$ 10,479,813</u>

Financial Statement Classification:

Current:

Cash and cash equivalents - operating	\$ 200,000	\$ 200,000	\$ 200,000
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Restricted:

Cash and cash equivalents - capital program	6,186,659	6,186,659	10,279,813
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Total Cash and Investments	<u>\$ 6,386,659</u>	<u>\$ 6,386,659</u>	<u>\$ 10,479,813</u>
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**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2024**

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED):**

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Authority manages its exposure to interest rate risk by purchasing shorter term investments in order to provide the cash flows and liquidity needed for operations.

Information about the sensitivity of the fair values of the Authority’s investments to market interest rate fluctuations is provided in the previous table that shows the distribution of the Authority’s investments by maturity as of June 30, 2024.

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

<u>Investment</u>	<u>Rating as of Fiscal Year End Standard &amp; Poor’s</u>
California Local Agency Investment Fund (LAIF)	Not Rated
California Asset Management Program (CAMP)	AAAm

**Concentration of Credit Risk**

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

The investment policy of the Authority contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code, except that the Authority’s investment policy restricts the Authority to only investing in the LAIF, CAMP, and Certificates of Deposit that are collateralized by U.S. Treasury obligations. The Authority holds no investments in any one issuer (other than external investment pools) that represent 5% or more of total Authority investments at June 30, 2024.



**NOTES TO THE FINANCIAL STATEMENTS****JUNE 30, 2024****NOTE 2 - CASH AND INVESTMENTS (CONTINUED):****Custodial Credit Risk**

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

As of June 30, 2024, all of the Authority's deposits with financial institutions were covered by federal depository insurance limits or were held in collateralized accounts.

**Investment in State Investment Pool**

The Authority is a voluntary participant in the LAIF that is regulated by California Government Code Section 16429.1 under the oversight of the Treasurer of the State of California. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**Investment in California Asset Management Program (CAMP)**

The Authority is a voluntary participant in the CAMP. CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act for the purpose of exercising the common power of its Participants to invest funds. The investments are limited to investments permitted by California Government Code. The Authority reports its investment in CAMP at the fair value amounts provided by CAMP, which is the same value of the pool share. At June 30, 2024, the fair value of the investment approximated the Authority's cost.

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2024**

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED):**

**Classification of Cash and Cash Equivalents**

The statements of cash flows have been prepared by considering all investment instruments purchased with a maturity of three months or less to be cash equivalents. Details are as follows:

	<u><b>2024</b></u>
California Local Agency Investment Fund (LAIF)	\$ 220,404
California Asset Management Program (CAMP)	3,611,322
Deposits with financial institutions	2,553,933
Petty cash	<u>1,000</u>
Total	<u><u>\$ 6,386,659</u></u>

**NOTE 3 - RESTRICTED ASSETS:**

The Authority restricts certain contributions from its member agencies for use in capital projects only. As of June 30, 2024, the amount of restricted contributions for capital projects received or receivable on the statement of net position was \$7,111,560.

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NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 4 - CAPITAL ASSETS:

Capital assets consist of the following at June 30:

	2024				Balance at June 30, 2024
	Balance at June 30, 2023	Additions	Deletions	Transfers	
<b>Capital Assets Not Being Depreciated:</b>					
Land	\$ 3,598,173	\$ -	\$ -	\$ -	\$ 3,598,173
Construction in progress	28,524,252	27,513,762	(3,924,282)	(12,991,498)	39,122,234
Total Capital Assets Not Being Depreciated	<u>32,122,425</u>	<u>27,513,762</u>	<u>(3,924,282)</u>	<u>(12,991,498)</u>	<u>42,720,407</u>
<b>Capital Assets Being Depreciated:</b>					
Joint wastewater treatment (Unit I)	262,482,723	-	(5,632,579)	12,191,295	269,041,439
Joint ocean outfall (Unit J)	14,751,348	-	-	-	14,751,348
Furnishings and office equipment	6,369,987	-	-	89,715	6,459,702
Pump station facilities	12,519,334	-	(201,389)	710,488	13,028,433
Flow metering system	344,945	-	-	-	344,945
Total Capital Assets Being Depreciated	<u>296,468,337</u>	<u>-</u>	<u>(5,833,968)</u>	<u>12,991,498</u>	<u>303,625,867</u>
<b>Less Accumulated Depreciation For:</b>					
Joint wastewater treatment (Unit I)	(130,701,340)	(12,458,560)	5,632,579	-	(137,527,321)
Joint ocean outfall (Unit J)	(13,786,075)	(109,854)	-	-	(13,895,929)
Furnishings and office equipment	(5,670,792)	(296,986)	-	-	(5,967,778)
Pump station facilities	(7,841,664)	(850,835)	201,389	-	(8,491,110)
Flow metering system	(328,777)	(7,515)	-	-	(336,292)
Total Accumulated Depreciation	<u>(158,328,648)</u>	<u>(13,723,750)</u>	<u>5,833,968</u>	<u>-</u>	<u>(166,218,430)</u>
Net Capital Assets Being Depreciated	<u>138,139,689</u>	<u>(13,723,750)</u>	<u>-</u>	<u>12,991,498</u>	<u>137,407,437</u>
<b>Net Capital Assets</b>	<u>\$ 170,262,114</u>	<u>\$ 13,790,012</u>	<u>\$ (3,924,282)</u>	<u>\$ -</u>	<u>\$ 180,127,844</u>

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**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2024**

**NOTE 5 - LEASES:**

The Authority, acting as lessor, leases portions of its “South Parcel property” which consists of approximately 29 acres of vacant land adjacent to the Authority’s main office, under long-term non-cancelable lease agreements and short-term cancelable lease agreements. During the fiscal year ended June 30, 2024, the Authority recognized \$35,935 in lease revenue. The Authority did not recognize any interest revenue related to its leasing activities during the fiscal year ended June 30, 2024. As of June 30, 2024, the Authority did not have any outstanding long-term lease contracts, acting as lessor. As of June 30, 2024, the Authority’s only leasing activity, acting as lessor, was a prepaid right of way contract with the State of California Department of Transportation, which began June 1, 2022 and is being recognized on a straight-line basis through December 31, 2024.

**NOTE 6 – COMPENSATED ABSENCES:**

Compensated absences consist of the following at June 30:

	<u>2024</u>				
	<u>Balance at June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2024</u>	<u>Amount Due Within One Year</u>
Compensated absences (Note 1)	<u>\$ 1,382,737</u>	<u>\$ 1,170,372</u>	<u>\$ (1,105,958)</u>	<u>\$ 1,447,151</u>	<u>\$ 273,144</u>

**NOTE 7 – OTHER POST EMPLOYMENT BENEFITS (OPEB):**

**A. General Information about the OPEB Plan:**

Plan Description

The Authority provides retiree medical (including prescription drug benefits) coverage to eligible employees and their eligible dependents through the CalPERS’ Health Program, a cost-sharing multiple-employer defined benefit plan. Eligible employees are employees who retire under the California Public Employees’ Retirement System (CalPERS) on or after age 50, with at least 5 years of service. The Authority’s contribution will continue for the lifetime of the retiree and any surviving eligible spouse. For the calendar year 2023 the Authority provided a monthly contribution of \$113.25. For the calendar year 2024 the Authority provides a monthly contribution of \$125.60. In April 2016, the Authority established an irrevocable trust fund through the California Employers’ Retiree Benefits Trust (CERBT), an agent multiple-employer postemployment healthcare trust administered by CalPERS.

CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for CERBT. That report may be obtained from CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 7 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED):

A. General Information about the OPEB Plan (Continued):

Employees Covered

As of the June 30, 2023 actuarial valuation for Fiscal Year End June 30, 2024, the following current and former employees were covered by the benefit terms under the plan:

Inactive employees or beneficiaries currently receiving benefits	14
Active employees	70
Total	84

Contributions

The OPEB Plan and its contribution requirements are established by the Authority’s policy and may be amended by the Board of Directors. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2024, the Authority’s cash contributions were \$104,596 in payments to the trust and the estimated implied subsidy was \$60,520 resulting in payments of \$165,116.

B. Net OPEB Liability:

The Authority’s net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

C. Total OPEB Liability:

Actuarial Assumptions

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

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.75% (net of expenses)
Inflation	2.50%
Projected Salary Increase	2.75% per annum, in aggregate
Expected long term investment rate of return	6.75%
Healthcare Cost Trend Rates	4%
Pre-retirement Turnover	Derived from CalPERS' pension plan
Mortality	The mortality assumptions are based on the 2021 CalPERS' Retiree Mortality for Miscellaneous and Schools Employees table created by CalPERS.

The actuarial assumptions used in the June 30, 2023 valuation were based on a standard set of assumptions the actuary has used for similar valuations, modified as appropriate for the Authority.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 7 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED):

C. Total OPEB Liability (Continued):

Actuarial Assumptions (Continued)

The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan’s target asset allocation as of the measurement date June 30, 2023 are summarized in the following table:

Asset Class	New Strategic Allocation	Long-Term Expected Real Rate of Return
CERBT		
All Equities	59.00%	7.55%
All Fixed Income	25.00%	4.25%
Real Estate Investment Trusts	8.00%	7.25%
All Commodities	3.00%	7.55%
Treasury Inflation Protected Securities (TIPS)	5.00%	3.00%
Total	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that Authority’s contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 7 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED):

D. Changes in the net OPEB Liability:

The changes in the net OPEB liability during the measurement period ending June 30, 2023 are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
<b>Measurement Date</b>			
<b>Balance at June 30, 2022</b>	\$ 1,335,157	\$ 956,621	\$ 378,536
<b>Changes in the Fiscal Year:</b>			
Service cost	55,064	-	55,064
Interest on the total OPEB liability	88,858	-	88,858
Contribution - employer	-	194,563	(194,563)
Difference between expected & actual experience	(57,237)	-	(57,237)
Changes of assumptions	(3,656)	-	(3,656)
Net investment income	-	67,563	(67,563)
Administrative expenses	-	(307)	307
Benefit payments	(92,563)	(92,563)	-
<b>Net Changes</b>	<b>(9,534)</b>	<b>169,256</b>	<b>(178,790)</b>
<b>Measurement Date</b>			
<b>Balance at June 30, 2023</b>	<b>\$ 1,325,623</b>	<b>\$ 1,125,877</b>	<b>\$ 199,746</b>

Change of Assumptions

Assumed rates of retirement, termination, and mortality have been updated to align with those currently being used by the statewide pension systems.

Change of Benefit Terms

There were no changes of benefit terms since the prior measurement date.

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 7 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED):

D. Changes in the net OPEB Liability (Continued):

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

The following presents the net OPEB liability of the Authority as of June 30, 2024, as well as what the Authority’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current discount rate:

	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
Net OPEB Liability	\$ 361,578	\$ 199,746	\$ 64,429

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

The following presents the net OPEB liability of the Authority as of June 30, 2024, as well as what the Authority’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower (3%) or 1-percentage point higher (5%) than the current healthcare cost trend rates:

	1% Decrease 3.0%	Current Healthcare Cost Trend Rates 4.0%	1% Increase 5.0%
Net OPEB Liability	\$ 35,334	\$ 199,746	\$ 402,950

E. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB:

For the fiscal year ended June 30, 2024, the Authority recognized OPEB expense of \$105,663. At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>2024</b>	
	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 165,116	\$ -
Differences between expected and actual experience	146,321	(60,104)
Changes of assumptions	15,092	(38,878)
Net differences between projected and actual earnings on plan investments	70,674	-
Total	\$ 397,203	\$ (98,982)



**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2024**

**NOTE 7 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED):**

**E. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued):**

The net difference between projected and actual earnings on plan investments is amortized over a five-year period. All other deferred outflows will be amortized over the average remaining service lives of all employees (11 years).

The \$165,116 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Fiscal Year Ending June 30,	Amount
<u>2025</u>	\$ 28,101
2026	23,339
2027	52,717
2028	11,279
2029	11,191
Thereafter	6,478
	<u>\$ 133,105</u>

**F. Payable to the OPEB Plan:**

At June 30, 2024, the Authority had no outstanding amount of contributions to the OPEB plan required for the fiscal year ended June 30, 2024.

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**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2024**

**NOTE 8 - DEFINED BENEFIT PENSION PLAN:**

**A. General Information About the Pension Plan**

Plan Description:

All qualified permanent and probationary employees are eligible to participate in the Miscellaneous Plan of the Authority, a cost-sharing multiple-employer defined benefit pension plan administered by CalPERS. Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS’ website.

Benefits Provided:

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire between the ages of 50 and 62 with statutorily reduced benefits. All members are eligible for non-industrial disability benefits after five (5) years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan’s provisions and benefits in effect at June 30, 2024, are summarized as follows:

	Classic and PEPR	
	Prior to January 1, 2013	On or After January 1, 2013
Benefit formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	7.96%	8.00%
Required employer contribution rates	16.240%	7.750%

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 8 - DEFINED BENEFIT PENSION PLAN (CONTINUED):

A. General Information About the Pension Plan (Continued)

Contribution Description:

Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS annual actuarial valuation process. The Plan’s actuarially determined rate is based on the estimated amount necessary to pay the Plan’s allocated share of the risk pool’s costs of benefits earned by employees during the year and any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The Authority’s contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions are classified as plan member contributions.

As of June 30, 2024 and 2023, the Authority reported net pension liabilities for its proportionate shares of the net pension liability as follows:

	<u>2024</u>	<u>2023</u>
Classic & PEPRA Plans	<u>\$ 8,355,414</u>	<u>\$ 6,926,475</u>

The Authority’s net pension asset for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, using standard update procedures. The Authority’s proportionate share of the net pension liability was based on a projection of the Authority’s long-term share of contributions to the plan relative to the projected contributions of all participating employers, actuarially determined.

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NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 8 - DEFINED BENEFIT PENSION PLAN (CONTINUED):

A. General Information About the Pension Plan (Continued)

The Authority’s proportionate share of the net pension liability as of June 30, 2023 and 2022 was as follows:

	<u>Classic &amp; PEPRA</u>
Proportion - June 30, 2022	0.148030%
Proportion - June 30, 2023	<u>0.001671%</u>
Change - Increase (Decrease)	<u><u>-0.146359%</u></u>

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2024, the Authority recognized pension expense of \$4,848,810 for the Plan. As of June 30, 2024, the Authority reports deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	<u>2024</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 1,166,173	\$ -
Differences between actual and expected experience	426,829	(66,211)
Changes in assumptions	504,441	-
Change in employer's proportion and difference between the employer's contributions and the employer's proportionate share of contributions	1,341,405	(1,832,228)
Net difference between projected and actual earnings on pension plan investments	<u>1,352,781</u>	<u>-</u>
Total	<u><u>\$ 4,791,629</u></u>	<u><u>\$ (1,898,439)</u></u>

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NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 8 - DEFINED BENEFIT PENSION PLAN (CONTINUED):

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

The \$1,166,173 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ 828,311
2026	361,594
2027	498,295
2028	38,817
2029	-
Thereafter	-
	\$ 1,727,017

Actuarial Assumptions Used to Determine Total Pension Liability

The total pension liability for the June 30, 2023 measurement period was determined by an actuarial valuation as of June 30, 2022, with update procedures used to roll forward the total pension liability to June 30, 2023. The total pension liability was based on the following assumptions:

	Classic & PEPRA Plans
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
<b>Actuarial Assumptions:</b>	
Discount Rate	6.90%
Inflation	2.30%
Projected Salary Increase	(1)
Mortality Rate Table	(2)
Post Retirement Benefit Increase	(3)

- (1) Varies by entry age and service
- (2) The mortality table used was developed based on CalPERS' specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS' website.
- (3) Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter. Purchasing Power Protection Allowance (PPPA) is a benefit designed to restore the original purchasing power of CalPERS retirees to a predetermined limit.

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2024**

**NOTE 8 - DEFINED BENEFIT PENSION PLAN (CONTINUED):**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

Long-term Expected Rate of Return

In determining the long-term expected rate of return, CalPERS considered long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and combined with risk estimates to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The expected real rates of return by asset class are as follows:

Asset Class	New Strategic Allocation	Real Return (a, b)
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)
Total	100.00%	

(a) An expected inflation of 2.30% used for this period.

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 8 - DEFINED BENEFIT PENSION PLAN (CONTINUED):

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority’s proportionate share of the net pension liability (asset) for the Plan as of June 30, 2024, calculated using the discount rate for the Plan, as well as what the Authority’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (5.90%) or 1-percentage point higher (7.90%) than the current rate:

	<u>Classic &amp; PEPR</u>
1% Decrease	5.90%
Net Pension Liability	\$ 18,960,331
Current Discount Rate	6.90%
Net Pension Liability	\$ 8,355,414
1% Increase	7.90%
Net Pension Liability (Asset)	\$ (373,342)

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2024**

**NOTE 8 - DEFINED BENEFIT PENSION PLAN (CONTINUED):**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS’ financial reports.

**C. Payable to the Pension Plan**

At June 30, 2024, the Authority has no outstanding amount of contributions to the pension plan required for the fiscal year ended June 30, 2024.

**NOTE 9 - OWNERSHIP AND USAGE ALLOCATIONS:**

**Phase V Ownership**

All Phase V expansion and upgrades were completed in December of 2009. On October 22, 2014, the Authority’s Board of Directors revised the RBA to reflect post Phase V capacity and ownership allocations, effective July 1, 2013. Unit I was enlarged from 36 million gallons per day (MGD) liquid capacity and 38 MGD solids capacity to 40.51 MD and 43.3 MGD, respectively. The Unit I and Unit J capacities and ownership of Phase V are as follows:

Agency	UNIT I - Treatment Plant				UNIT J - Ocean Outfall	
	Liquids		Solids		Disposal	
	MGD	%	MGD	%	MGD	%
Carlsbad	10.26	25.33%	10.26	23.68%	10.26	23.68%
Vista	10.67	26.34%	10.67	24.64%	10.67	24.64%
Buena	3.00	7.41%	3.00	6.93%	3.00	6.93%
Vallecitos	7.67	18.93%	10.47	24.17%	10.47	24.17%
Leucadia	7.11	17.55%	7.11	16.42%	7.11	16.42%
Encinitas	1.80	4.44%	1.80	4.16%	1.80	4.16%
<b>Total</b>	<b>40.51</b>	<b>100.00%</b>	<b>43.31</b>	<b>100.00%</b>	<b>43.31</b>	<b>100.00%</b>



NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 9 - OWNERSHIP AND USAGE ALLOCATIONS (CONTINUED):

Phase V Ownership (Continued)

Allocation of Unit I - Encina plant ownership costs are based on the above two percentages weighted by the design engineers’ replacement value breakdown, at June 30, 2008, of areas within the facility that pertain to liquids or solids processing. The following are the weighted average percentages used to allocate Encina plant ownership costs:

Agency	Unit I Weighted Average Percentages
City of Carlsbad	24.24%
City of Vista	25.20%
Buena Sanitation District	7.09%
Vallecitos Water District	22.42%
Leucadia Wastewater Authority	16.80%
City of Encinitas	4.25%
	100.00%

Wastewater Flow and Usage Allocation - Unit I Treatment Plant

Administrative, maintenance, and operation expenses for Unit I of the Joint System are allocated to the Member Agencies based on each agency’s percentage of ownership and usage (actual flow and strength) of Unit I influent wastewater. Insurance, administrative, maintenance, laboratory costs, and other costs which are incurred irrespective of the amount of wastewater which enters Unit I are allocated based on ownership. Chemicals, utilities, disposal fees, and other costs which result from wastewater entering Unit I are allocated based on usage (average daily wastewater flows (ADF), biochemical oxygen demand (BOD), and suspended solids (SS)) received at the Encina plant.

Wastewater flow usage is averaged on an annual basis. The usage and percentage of total flow by Member Agency for the fiscal year ended June 30, 2024 and 2023 are as follows:

Agency	MGD ADF UNIT I					
	2024		2023		Increase (Decrease)	
	MGD	% of Total	MGD	% of Total	MGD	%
Carlsbad	5.90	24.60%	6.32	27.24%	(0.42)	-2.64%
Vista	6.85	28.57%	6.43	27.72%	0.42	0.85%
Buena	2.00	8.34%	1.97	8.49%	0.03	-0.15%
Vallecitos	4.52	18.85%	3.80	16.38%	0.72	2.47%
Leucadia	3.78	15.76%	3.72	16.03%	0.06	-0.27%
Encinitas	0.93	3.88%	0.96	4.14%	(0.03)	-0.26%
Total	23.98	100.00%	23.2	100.00%	0.78	

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 9 - OWNERSHIP AND USAGE ALLOCATIONS (CONTINUED):

Wastewater Flow and Usage Allocation - Unit I Treatment Plant (Continued)

Biochemical oxygen demand usage is averaged on a three-year basis. The usage and percentage of total BOD by Member Agency for the fiscal years ended June 30, 2024 and 2023 are as follows:

Agency	BOD LBS/DAY UNIT I					
	2024		2023		Increase (Decrease)	
	BOD	% of Total	BOD	% of Total	BOD	%
Carlsbad	17,232	23.66%	18,271	25.84%	(1,039)	-2.18%
Vista	19,451	26.71%	18,572	26.28%	879	0.43%
Buena	9,136	12.54%	8,699	12.30%	437	0.24%
Vallecitos	14,584	20.02%	12,789	18.09%	1,795	1.93%
Leucadia	9,276	12.74%	9,177	12.98%	99	-0.24%
Encinitas	3,157	4.33%	3,189	4.51%	(32)	-0.18%
Total	72,836	100.00%	70,697	100.00%	2,139	

Suspended solids (SS) are averaged on a three-year basis. The usage and percentage of total SS by Member Agency for the fiscal years ended June 30, 2024 and 2023 are as follows:

Agency	SS LBS/Day Unit I					
	2024		2023		Increase (Decrease)	
	SS	% of Total	SS	% of Total	SS	%
Carlsbad	20,963	30.69%	21,540	32.72%	(577)	-2.03%
Vista	14,173	20.74%	13,334	20.25%	839	0.49%
Buena	5,992	8.77%	5,666	8.61%	326	0.16%
Vallecitos	14,685	21.49%	13,118	19.93%	1,567	1.56%
Leucadia	9,494	13.89%	9,177	13.94%	317	-0.05%
Encinitas	3,021	4.42%	2,996	4.55%	25	-0.13%
Total	68,328	100.00%	65,831	100.00%	2,497	

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 9 - OWNERSHIP AND USAGE ALLOCATIONS (CONTINUED):

Wastewater Flow and Usage Allocation – Unit J Treatment Plant

Treated wastewater flow discharged through Unit J is averaged on an annual basis. The changes for the fiscal years ended June 30, 2024 and 2023 for Unit J are as follows:

Agency	Outfall MGD ADF Unit J					
	2024		2023		Increase (Decrease)	
	MGD	% of Total	MGD	% of Total	MGD	%
Carlsbad	4.64	20.47%	5.02	22.54%	(0.38)	-2.07%
Vista	6.86	30.26%	6.47	29.04%	0.39	1.22%
Buena	1.99	8.78%	1.98	8.89%	0.01	-0.11%
Vallecitos	4.80	21.17%	4.41	19.79%	0.39	1.38%
Leucadia	3.45	15.22%	3.43	15.39%	0.02	-0.17%
Encinitas	0.93	4.10%	0.97	4.35%	(0.04)	-0.25%
Total	22.67	100.00%	22.28	100.00%	0.39	

Other Cost Allocations

The expenses for the Agua Hedionda pump station, the Buena Creek pump station, the Buena Vista pump station, the Carlsbad Water Recycling Facility and the Raceway Basin pump station, are allocated based on ownership. Directors’ meeting expenses are allocated based on direct costs. Source control and related laboratory expenses are allocated based on direct labor charges, and flow for Unit J. Flow metering costs are allocated based on the number and types of meters and on Unit J ownership.

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2024**

**NOTE 10 - COMMITMENTS AND CONTINGENCIES:**

**Construction Commitments**

The Authority had contractual agreements with outside firms for capital program construction and professional services as follows at June 30, 2024:

<b>Project</b>	<b>Balance</b>
SEEBC	\$ 11,955,004
Digester Rehabilitation and Improvements Projects	4,639,733
DAFT Repair Projects	832,411
Water Reuse Projects	801,793
Cogen Improvements	565,984
Roofing and HVAC Rehabilitation Projects	527,831
Engineering Planning, Modeling, and Support Services	518,329
Odor Control Projects	488,351
Network Improvements Projects	364,238
Drying Safety Improvements Projects	201,703
Energy Resilience Assessment	74,286
Diffuser Membrane Project	61,764
Other Construction Support Services	60,493
Carbon Replacement Project	60,081
Influent Junction Repairs	56,098
Alternative Fueling Facility	48,988
Heat Dryer Controls	45,872
Secondary Clarifiers and Strainers Construction Projects	44,759
Painting & Coating	32,051
Land Outfall Inspection Project	4,535
	<b>\$ 21,384,304</b>

**Contingencies**

Litigation

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

**NOTE 11 - RESTATEMENT:**

Amounts presented on the financial statements for the fiscal year ended June 30, 2023, have been provided for comparison purposes only. For the fiscal year ended June 30, 2023, grant revenues were incorrectly reported as nonoperating revenues on the statement of revenues, expenses, and changes in net position. These revenues have been reclassified and are now presented as capital contributions. There was no impact to net position as a result of this reclassification.

**REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

Fiscal Year	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Plan's Proportion of the Net Pension Liability	0.167090%	0.148030%	(0.117070%)	0.255690%	0.134510%	0.132380%	0.146233%	0.156650%	0.165626%	0.157794%
Plan's Proportionate Share of the Net Pension Liability	\$ 8,355,414	\$ 6,926,475	\$ (2,222,882)	\$ 10,785,249	\$ 13,783,340	\$ 12,756,065	\$ 14,502,283	\$ 13,555,110	\$ 11,368,400	\$ 9,575,481
Plan's Covered Payroll	\$ 8,109,024	\$ 7,516,092	\$ 7,569,061	\$ 7,619,948	\$ 7,308,947	\$ 6,839,096	\$ 6,549,482	\$ 6,523,691	\$ 6,078,845	\$ 5,879,239
Plan's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	103.04%	92.16%	(29.37%)	141.54%	188.58%	186.52%	221.43%	207.78%	187.02%	162.87%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	89.34%	90.56%	103.31%	82.96%	75.26%	75.26%	72.12%	70.65%	73.83%	76.84%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 2,912,382	\$ 3,445,444	\$ 2,732,585	\$ 2,345,251	\$ 1,881,676	\$ 1,614,558	\$ 1,419,358	\$ 1,214,854	\$ 1,109,229	\$ 859,087

Notes to Schedule

Benefit Changes: There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

The inflation rate was decreased from 2.625% to 2.500%.

The investment rate of return was decreased from 7.25% to 7.00%.

From fiscal year June 30, 2021 to June 30, 2022:

The investment rate of return was increased from 7.00% to 7.15%.

From fiscal year June 30, 2022 to June 30, 2023:

The investment rate of return was decreased from 7.15% to 6.90%

The inflation rate was decreased from 2.50% to 2.30%

From fiscal year June 30, 2023 to June 30, 2024:

There were no changes in assumptions.

**REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**SCHEDULE OF CONTRIBUTIONS – DEFINED BENEFIT PENSION PLAN  
LAST TEN FISCAL YEARS**

Fiscal year ended	Miscellaneous									
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined)	\$ 1,166,173	\$ 950,837	\$ 3,594,737	\$ 5,151,786	\$ 5,829,358	\$ 1,510,585	\$ 2,562,580	\$ 2,339,966	\$ 1,543,996	\$ 1,398,994
Contributions in relation to the actuarially determined contributions	(1,166,173)	(950,837)	(3,594,737)	(5,151,786)	(5,829,358)	(1,510,585)	(2,562,580)	(2,339,966)	(1,543,996)	(1,398,994)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 8,109,024	\$ 7,516,092	\$ 7,569,061	\$ 7,619,948	\$ 7,308,947	\$ 6,839,096	\$ 6,549,482	\$ 6,523,691	\$ 6,078,845	\$ 5,879,239
Contributions as a percentage of covered payroll	14.38%	12.65%	47.49%	67.61%	79.76%	22.09%	39.13%	35.87%	25.40%	23.80%
Notes to Schedule:										
Valuation Date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Methods and Assumptions Used to Determine Contribution Rates:										
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	15 Year Smoothed Market Method
Inflation	2.300%	2.300%	2.500%	2.500%	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return	6.90% (3)	6.90% (3)	7.15% (3)	7.00% (3)	7.25% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) 55 for classic and 62 for PEPRA
- (5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS' Experience Study adopted by the CalPERS' Board.

**REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
LAST TEN FISCAL YEARS\***

Fiscal year end	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Measurement date	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
<b>Total OPEB Liability:</b>							
Service cost	\$ 55,064	\$ 53,590	\$ 43,245	\$ 42,088	\$ 36,418	\$ 35,357	\$ 33,044
Interest on total OPEB liability	88,858	85,585	77,810	76,609	66,700	62,221	57,799
Differences between expected and actual experience	(57,237)	-	156,620	(12,465)	59,429	-	-
Changes of assumptions	(3,656)	-	(48,876)	-	27,669	-	-
Benefit payments	(92,563)	(90,300)	(64,939)	(71,062)	(38,812)	(30,487)	(29,470)
Net Change in Total OPEB Liability	(9,534)	48,875	163,860	35,170	151,404	67,091	61,373
Total OPEB Liability - Beginning of Year	<u>1,335,157</u>	<u>1,286,282</u>	<u>1,122,422</u>	<u>1,087,252</u>	<u>935,848</u>	<u>868,757</u>	<u>807,384</u>
Total OPEB Liability - End of Year (a)	<u>1,325,623</u>	<u>1,335,157</u>	<u>1,286,282</u>	<u>1,122,422</u>	<u>1,087,252</u>	<u>935,848</u>	<u>868,757</u>
<b>Plan Fiduciary Net Position:</b>							
Contributions - employer	194,563	273,300	64,939	101,062	117,812	102,487	49,970
Net investment income	67,563	(139,379)	197,034	23,636	34,555	35,444	40,344
Administrative expenses	(307)	(255)	(271)	(324)	(118)	(237)	(205)
Benefit payments	(92,563)	(90,300)	(64,939)	(71,062)	(38,812)	(30,487)	(29,470)
Other expense	-	-	-	-	-	(587)	-
Net Change in Plan Fiduciary Net Position	169,256	43,366	196,763	53,312	113,437	106,620	60,639
Plan Fiduciary Net Position - Beginning of Year	<u>956,621</u>	<u>913,255</u>	<u>716,492</u>	<u>663,180</u>	<u>549,743</u>	<u>443,123</u>	<u>382,484</u>
Plan Fiduciary Net Position - End of Year (b)	<u>1,125,877</u>	<u>956,621</u>	<u>913,255</u>	<u>716,492</u>	<u>663,180</u>	<u>549,743</u>	<u>443,123</u>
Net OPEB Liability - Ending (a)-(b)	<u>\$ 199,746</u>	<u>\$ 378,536</u>	<u>\$ 373,027</u>	<u>\$ 405,930</u>	<u>\$ 424,072</u>	<u>\$ 386,105</u>	<u>\$ 425,634</u>
Plan fiduciary net position as a percentage of the total OPEB liability	84.93%	71.65%	71.00%	63.83%	61.00%	58.74%	51.01%
Covered payroll	\$ 8,109,024	\$ 7,516,092	\$ 7,619,948	\$ 7,308,947	\$ 7,308,947	\$ 6,839,096	\$ 6,549,482
Net OPEB liability as percentage of covered payroll	2.46%	5.04%	4.90%	5.55%	5.80%	5.65%	6.50%

## Notes to Schedule:

## Benefit Changes:

There were no changes in benefits.

## Changes in Assumptions:

The interest assumption changed from 7.00% to 6.75%.

\* Fiscal year 2018 was the first year of implementation; therefore, only seven years are shown.

**REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
SCHEDULE OF CONTRIBUTIONS – OPEB  
LAST TEN FISCAL YEARS\***

	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Actuarially determined contribution	\$ 80,582	\$ 73,139	\$ 92,563	\$ 88,783	\$ 87,535	\$ 78,011	\$ 57,445
Contributions in relation to the actuarially determined contributions	<u>(165,116)</u>	<u>(175,557)</u>	<u>(166,724)</u>	<u>(154,939)</u>	<u>(100,172)</u>	<u>(102,487)</u>	<u>(49,970)</u>
Contribution deficiency (excess)	<u>\$ (84,534)</u>	<u>\$ (102,418)</u>	<u>\$ (74,161)</u>	<u>\$ (66,156)</u>	<u>\$ (12,637)</u>	<u>\$ (24,476)</u>	<u>\$ 7,475</u>
Covered payroll	\$ 8,109,024	\$ 7,516,092	\$ 7,619,948	\$ 7,308,947	\$ 7,308,947	\$ 6,839,096	\$ 6,549,482
Contributions as a percentage of covered payroll	2.04%	2.34%	2.19%	2.12%	1.37%	1.50%	0.76%

Notes to Schedule:

Valuation Date	6/30/2023	6/30/2021	6/30/2021	6/30/2019	6/30/2019	6/30/2018	6/30/2017
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Methods and Assumptions Used to Determine Contribution Rates:

Single and agent employers	Entry age
Amortization method	Level percentage of payroll, closed
Asset valuation method	Market Value
Discount rate	6.75%
Inflation	2.50%
Salary increases	2.75% plus merit scale
Mortality	CalPERS Pension Plan

\* Fiscal year 2018 was the first year of implementation; therefore, only seven years are shown.



**SUPPLEMENTARY SCHEDULE OF INVESTMENT IN CAPITAL ASSETS  
AT JUNE 30, 2024**

	<u>Carlsbad</u>	<u>Vista</u>	<u>Buena</u>	<u>Vallecitos</u>	<u>Leucadia</u>	<u>Encinitas</u>	<u>June 30, 2024</u>	<u>Carlsbad</u>	<u>Vista</u>	<u>Buena</u>	<u>Vallecitos</u>	<u>Leucadia</u>	<u>Encinitas</u>	
<b>PLANT</b>														
Joint Wastewater Treatment (Unit I)	24.24%	25.20%	7.09%	22.42%	16.80%	4.25%	\$ 269,041,439	\$ 63,933,131	\$ 72,023,201	\$ 17,051,157	\$ 63,944,061	\$ 41,505,723	\$ 10,584,166	
Joint Wastewater Disposal (Unit J)	23.69%	24.63%	6.93%	24.17%	16.42%	4.16%	14,751,348	3,583,523	3,146,267	1,348,340	2,954,193	3,023,498	695,527	
Furnishings and Office Equipment (Unit I)	24.24%	25.20%	7.09%	22.42%	16.80%	4.25%	6,459,702	1,581,914	1,526,554	488,183	1,386,757	1,185,110	291,184	
Buena Vista Pump Station (BVPS)	10.40%	89.60%	-	-	-	-	4,684,689	487,207	4,197,482	-	-	-	-	
Agua Hedionda Pump Station (AHPS)	30.90%	69.10%	-	-	-	-	2,507,650	774,864	1,732,786	-	-	-	-	
Carlsbad Water Reclamation Facility (CWRF)	100.00%	-	-	-	-	-	4,021,721	4,021,721	-	-	-	-	-	
Buena Creek Pump Station (BCPS)	-	-	100.00%	-	-	-	1,131,549	-	-	1,131,549	-	-	-	
Raceway Basin Pump Station (RBPS)	-	100.00%	-	-	-	-	682,824	-	682,824	-	-	-	-	
Flow Metering System							(Based on Type and Location of Required Meters)	344,945	74,761	106,616	59,806	34,007	34,242	35,513
							<b>SUB-TOTAL: PLANT</b>	<b>303,625,867</b>	<b>74,457,121</b>	<b>83,415,730</b>	<b>20,079,035</b>	<b>68,319,018</b>	<b>45,748,573</b>	<b>11,606,390</b>
<b>REAL PROPERTY</b>														
South Parcel (Unit I)	24.24%	25.20%	7.09%	22.42%	16.80%	4.25%	3,412,173	846,560	737,371	278,433	690,624	694,036	165,149	
Encina Water Pollution Control Facilities (Unit I)	24.24%	25.20%	7.09%	22.42%	16.80%	4.25%	186,000	46,147	40,195	15,178	37,646	37,832	9,002	
							<b>SUB-TOTAL: REAL PROPERTY</b>	<b>3,598,173</b>	<b>892,707</b>	<b>777,566</b>	<b>293,611</b>	<b>728,270</b>	<b>731,868</b>	<b>174,151</b>
<b>CONSTRUCTION IN PROGRESS</b>														
Major Plant Rehab (Unit I)	24.24%	25.20%	7.09%	22.42%	16.80%	4.25%	39,122,234	9,483,231	9,858,799	2,773,767	8,771,206	6,572,536	1,662,695	
							<b>SUB-TOTAL: CONSTRUCTION IN PROGRESS</b>	<b>39,122,234</b>	<b>9,483,231</b>	<b>9,858,799</b>	<b>2,773,767</b>	<b>8,771,206</b>	<b>6,572,536</b>	<b>1,662,695</b>
<b>TOTAL INVESTMENT IN CAPITAL ASSETS</b>							<b>346,346,274</b>	<b>84,833,059</b>	<b>94,052,095</b>	<b>23,146,413</b>	<b>77,818,494</b>	<b>53,052,977</b>	<b>13,443,236</b>	
<b>ACCUMULATED DEPRECIATION</b>														
Joint Wastewater Treatment (Unit I)	24.24%	25.20%	7.09%	22.42%	16.80%	4.25%	(137,527,324)	(33,022,076)	(35,004,006)	(9,322,925)	(31,493,751)	(22,962,766)	(5,721,800)	
Joint Wastewater Disposal (Unit J)	23.69%	24.63%	6.93%	24.17%	16.42%	4.16%	(13,895,929)	(3,378,563)	(2,948,237)	(1,280,583)	(2,763,327)	(2,867,406)	(657,813)	
Furnishings and Office Equipment (Unit I)	24.24%	25.20%	7.09%	22.42%	16.80%	4.25%	(5,967,776)	(1,462,580)	(1,403,168)	(453,132)	(1,276,819)	(1,101,895)	(270,182)	
Buena Vista Pump Station (BVPS)	10.40%	89.60%	-	-	-	-	(3,438,856)	(357,641)	(3,081,215)	-	-	-	-	
Agua Hedionda Vista Pump Station (AHPS)	30.90%	69.10%	-	-	-	-	(2,185,132)	(675,206)	(1,509,926)	-	-	-	-	
Carlsbad Water Reclamation Facility (CWRF)	100.00%	-	-	-	-	-	(1,638,075)	(1,638,075)	-	-	-	-	-	
Buena Creek Pump Station (BCPS)	-	-	100.00%	-	-	-	(784,421)	-	-	(784,421)	-	-	-	
Raceway Basin Pump Station (RBPS)	-	100.00%	-	-	-	-	(444,625)	-	(444,625)	-	-	-	-	
Flow Metering System							(Based on Type and Location of Required Meters)	(336,292)	(72,614)	(104,746)	(59,100)	(32,256)	(32,482)	(35,094)
							<b>TOTAL ACCUMULATED DEPRECIATION</b>	<b>(166,218,430)</b>	<b>(40,606,755)</b>	<b>(44,495,923)</b>	<b>(11,900,161)</b>	<b>(35,566,153)</b>	<b>(26,964,549)</b>	<b>(6,684,889)</b>
<b>INVESTMENT IN CAPITAL ASSETS</b>							<b>\$ 180,127,844</b>	<b>\$ 44,226,304</b>	<b>\$ 49,556,172</b>	<b>\$ 11,246,252</b>	<b>\$ 42,252,341</b>	<b>\$ 26,088,428</b>	<b>\$ 6,758,347</b>	

**SUPPLEMENTARY SUMMARY SCHEDULE OF  
OPERATING PROGRAM AMOUNT DUE FROM/(TO) MEMBER AGENCIES  
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**(WITH SUMMARIZED FINANCIAL INFORMATION AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023)**

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Member Assessments Billed	\$ 23,343,501	\$ 16,087,744
South Parcel Leasing	35,936	159,313
PureGreen Sales	22,100	40,923
Alternative Fuels Tipping Fees	160,023	166,011
Lab Contract Services Receipts (Unit I Ownership)	231,337	128,174
Insurance Proceeds	256,409	-
Environmental Enforcement Receipts (Jurisdiction)	63,700	106,850
Miscellaneous Receipts (Unit I Ownership)	<u>7,687</u>	<u>79,273</u>
 TOTAL OPERATING REVENUES - BILLED	 <u>24,120,693</u>	 <u>16,768,288</u>
 OPERATING EXPENSES INCURRED		
Encina Water Pollution Control Facilities		
Unit I - Treatment Plant Usage	11,017,052	9,270,704
Unit I - Treatment Plant Ownership	7,063,171	6,069,757
Unit J - Ocean Outfall	568,374	821,332
Board of Directors	109,846	109,218
Flow Metering	<u>240,419</u>	<u>344,633</u>
Encina Water Pollution Control Facilities Sub-Total	<u>18,998,862</u>	<u>16,615,644</u>
 Source Control	 1,082,931	 863,252
Agua Hedionda Pump Station	659,604	563,099
Buena Vista Pump Station	835,114	782,492
Buena Creek Pump Station	599,241	563,322
Carlsbad Water Recycling Facility	1,698,053	1,343,530
Raceway Basin Pump Station	<u>217,316</u>	<u>245,989</u>
 TOTAL OPERATING EXPENSES INCURRED	 <u>24,091,121</u>	 <u>20,977,328</u>
 OPERATING REVENUES BILLED (OVER)/UNDER EXPENSES INCURRED	 (29,572)	 4,209,040
 LESS BOARD-APPROVED USE OF RESERVE FUNDS	 <u>-</u>	 <u>(4,050,000)</u>
 AMOUNT DUE FROM/(TO) MEMBER AGENCIES END OF YEAR	 <u>\$ (29,572)</u>	 <u>\$ 159,040</u>

**SUPPLEMENTARY DETAIL SCHEDULE OF OPERATING PROGRAM AMOUNT DUE FROM/(TO) MEMBER AGENCIES  
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Totals</u>	<u>Carlsbad</u>	<u>Vista</u>	<u>Buena</u>	<u>Vallecitos</u>	<u>Leucadia</u>	<u>Encinitas</u>
<b>OPERATING REVENUES - BILLED</b>							
Member Assessments Billed	\$ 23,343,501	\$ 7,045,416	\$ 6,213,408	\$ 2,415,393	\$ 4,046,741	\$ 2,771,473	\$ 851,070
South Parcel Lease Revenue	35,936	8,711	9,056	2,548	8,057	6,037	1,527
PureGreen Sales	22,100	6,780	4,584	1,938	4,750	3,071	977
Alternative Fuels Tipping Fees	160,023	38,789	40,326	11,346	35,877	26,884	6,801
Lab Contract Services Billed (Unit I Ownership)	231,337	56,075	58,297	16,402	51,866	38,865	9,832
Insurance Proceeds	256,409	62,154	64,615	18,179	57,487	43,077	10,897
Environmental Enforcement Actions Billed (Jurisdiction)	63,700	9,950	53,450	-	300	-	-
Miscellaneous Receipts (Unit I Ownership)	7,687	1,863	1,937	545	1,723	1,292	327
<b>TOTAL OPERATING REVENUES - BILLED</b>	<b>24,120,693</b>	<b>7,229,738</b>	<b>6,445,673</b>	<b>2,466,351</b>	<b>4,206,801</b>	<b>2,890,699</b>	<b>881,431</b>
<b>OPERATING EXPENSES</b>							
Encina Water Pollution Control Facilities							
Plant-Unit I Usage	11,017,052	2,970,820	2,648,494	1,164,195	2,274,048	1,480,232	479,263
Plant-Unit I Ownership	7,063,171	1,712,112	1,779,919	500,779	1,583,563	1,186,613	300,185
Outfall-Unit J	568,374	116,344	171,906	49,961	120,357	86,549	23,257
Board of Directors	109,846	23,614	10,000	10,000	23,357	19,759	23,116
Flow Metering	240,419	61,304	58,594	42,893	32,211	30,777	14,640
<b>Encina Water Pollution Control Facilities Sub-Total</b>	<b>18,998,862</b>	<b>4,884,194</b>	<b>4,668,913</b>	<b>1,767,828</b>	<b>4,033,536</b>	<b>2,803,930</b>	<b>840,461</b>
Source Control	1,082,931	347,807	348,725	96,492	167,286	82,886	39,735
Agua Hedionda Pump Station	659,604	203,818	455,786	-	-	-	-
Buena Vista Pump Station	835,114	86,852	748,262	-	-	-	-
Buena Creek Pump Station	599,241	-	-	599,241	-	-	-
Carlsbad Water Recycling Facility	1,698,053	1,698,053	-	-	-	-	-
Raceway Basin Pump Station	217,316	-	217,316	-	-	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>24,091,121</b>	<b>7,220,724</b>	<b>6,439,002</b>	<b>2,463,561</b>	<b>4,200,822</b>	<b>2,886,816</b>	<b>880,196</b>
<b>DUE FROM (TO) MEMBER AGENCIES JUNE 30, 2024</b>	<b>\$ (29,572)</b>	<b>\$ (9,014)</b>	<b>\$ (6,671)</b>	<b>\$ (2,790)</b>	<b>\$ (5,979)</b>	<b>\$ (3,883)</b>	<b>\$ (1,235)</b>

**SUPPLEMENTARY SCHEDULE OF OPERATING PROGRAM EXPENSE - SUMMARY BY MEMBER AGENCY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2023)**

<b>CITY OF CARLSBAD</b>	<b>2024</b>	<b>% of Total</b>	<b>2023</b>	<b>Change \$</b>	<b>Change %</b>
Unit I Encina Treatment Plant Usage	\$ 2,970,820	41.3%	\$ 2,632,876	\$ 337,944	12.8%
Unit I Encina Treatment Plant Ownership	1,712,112	23.7%	1,471,307	240,805	16.4%
Unit J Encina Ocean Outfall	116,344	1.6%	184,928	(68,584)	-37.1%
Board of Directors	23,614	0.3%	22,511	1,103	4.9%
Flow Metering	61,304	0.8%	87,879	(26,575)	-30.2%
Source Control	347,807	4.8%	268,725	79,082	29.4%
Agua Hedionda Pump Station	203,818	2.8%	173,997	29,821	17.1%
Buena Vista Pump Station	86,852	1.2%	81,379	5,473	6.7%
Carlsbad Water Recycling Facility	1,698,053	23.5%	1,343,530	354,523	26.4%
<b>TOTALS</b>	<b>\$ 7,220,724</b>	<b>100.0%</b>	<b>\$ 6,267,132</b>	<b>\$ 953,592</b>	<b>15.2%</b>
<b>CITY OF VISTA</b>					
Unit I Encina Treatment Plant Usage	\$ 2,648,494	41.1%	\$ 2,199,245	\$ 449,249	20.4%
Unit I Encina Treatment Plant Ownership	1,779,919	27.6%	1,529,580	250,339	16.4%
Unit J Encina Ocean Outfall	171,906	2.7%	238,655	(66,749)	-28.0%
Board of Directors	10,000	0.2%	11,139	(1,139)	-10.2%
Flow Metering	58,594	0.9%	83,993	(25,399)	-30.2%
Source Control	348,725	5.4%	284,544	64,181	22.6%
Agua Hedionda Pump Station	455,786	7.1%	389,102	66,684	17.1%
Buena Vista Pump Station	748,262	11.6%	701,113	47,149	6.7%
Raceway Basin Pump Station	217,316	3.4%	245,989	(28,673)	-11.7%
<b>TOTALS</b>	<b>\$ 6,439,002</b>	<b>100.0%</b>	<b>\$ 5,683,360</b>	<b>\$ 755,642</b>	<b>13.3%</b>

Continued

**SUPPLEMENTARY SCHEDULE OF OPERATING PROGRAM EXPENSE - SUMMARY BY MEMBER AGENCY**

**(CONTINUED)**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2023)**

<b>BUENA SANITATION DISTRICT</b>	<b>2024</b>	<b>% of Total</b>	<b>2023</b>	<b>Change \$</b>	<b>Change %</b>
Unit I Encina Treatment Plant Usage	\$ 1,164,195	47.4%	\$ 976,655	\$ 187,540	19.2%
Unit I Encina Treatment Plant Ownership	500,779	20.3%	430,346	70,433	16.4%
Unit J Encina Ocean Outfall	49,961	2.0%	73,142	(23,181)	-31.7%
Board of Directors	10,000	0.4%	11,139	(1,139)	-10.2%
Flow Metering	42,893	1.7%	61,485	(18,592)	-30.2%
Source Control	96,492	3.9%	67,879	28,613	42.2%
Buena Creek Pump Station	599,241	24.3%	563,322	35,919	6.4%
<b>TOTALS</b>	<b>\$ 2,463,561</b>	<b>100.0%</b>	<b>\$ 2,183,968</b>	<b>\$ 279,593</b>	<b>12.8%</b>
<b>VALLECITOS WATER DISTRICT</b>					
Unit I Encina Treatment Plant Usage	\$ 2,274,048	54.0%	\$ 1,815,714	\$ 458,334	25.2%
Unit I Encina Treatment Plant Ownership	1,583,563	37.7%	1,360,840	222,723	16.4%
Unit J Encina Ocean Outfall	120,357	2.9%	162,441	(42,084)	-25.9%
Board of Directors	23,357	0.6%	21,467	1,890	8.8%
Flow Metering	32,211	0.8%	46,173	(13,962)	-30.2%
Source Control	167,286	4.0%	139,258	28,028	20.1%
<b>TOTALS</b>	<b>\$ 4,200,822</b>	<b>100.0%</b>	<b>\$ 3,545,893</b>	<b>\$ 654,929</b>	<b>18.5%</b>

Continued

## SUPPLEMENTARY SCHEDULE OF OPERATING PROGRAM EXPENSE - SUMMARY BY MEMBER AGENCY

(CONTINUED)

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2023)

LEUCADIA WASTEWATER DISTRICT	2024	% of Total	2023	Change \$	Change %
Unit I Encina Treatment Plant Usage	\$ 1,480,232	51.2%	\$ 1,233,456	\$ 246,776	20.0%
Unit I Encina Treatment Plant Ownership	1,186,613	41.1%	1,019,719	166,894	16.4%
Unit J Encina Ocean Outfall	86,549	3.0%	126,593	(40,044)	-31.6%
Board of Directors	19,759	0.7%	21,266	(1,507)	-7.1%
Flow Metering	30,777	1.1%	44,118	(13,341)	-30.2%
Source Control	82,886	2.9%	71,655	11,231	15.7%
<b>TOTALS</b>	<b>\$ 2,886,816</b>	<b>100.0%</b>	<b>\$ 2,516,807</b>	<b>\$ 370,009</b>	<b>14.7%</b>
<b>CITY OF ENCINITAS</b>					
Unit I Encina Treatment Plant Usage	\$ 479,263	54.5%	\$ 412,758	\$ 66,505	16.1%
Unit I Encina Treatment Plant Ownership	300,185	34.1%	257,965	42,220	16.4%
Unit J Encina Ocean Outfall	23,257	2.6%	35,573	(12,316)	-34.6%
Board of Directors	23,116	2.6%	21,696	1,420	6.5%
Flow Metering	14,640	1.7%	20,985	(6,345)	-30.2%
Source Control	39,735	4.5%	31,191	8,544	27.4%
<b>TOTALS</b>	<b>\$ 880,196</b>	<b>100.0%</b>	<b>\$ 780,168</b>	<b>\$ 100,028</b>	<b>12.8%</b>
<b>Total Operating Expense All Member Agencies</b>	<b>\$ 24,091,121</b>		<b>\$ 20,977,328</b>	<b>\$ 3,113,793</b>	<b>14.8%</b>

## SUPPLEMENTARY SCHEDULE OF OPERATING PROGRAM EXPENSE - SUMMARY BY COST CENTER

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2023)

	2024	% of Total	2023	Change \$	Change %
<b>UNIT I: ENCINA TREATMENT PLANT USAGE</b>					
City of Carlsbad	\$ 2,970,820	27.0%	\$ 2,632,876	\$ 337,944	12.8%
City of Vista	2,648,494	24.0%	2,199,245	449,249	20.4%
Buena Sanitation District	1,164,195	10.6%	976,655	187,540	19.2%
Vallecitos Water District	2,274,048	20.6%	1,815,714	458,334	25.2%
Leucadia Wastewater District	1,480,232	13.4%	1,233,456	246,776	20.0%
City of Encinitas	479,263	4.4%	412,758	66,505	16.1%
<b>TOTALS</b>	<b>\$ 11,017,052</b>	<b>100.0%</b>	<b>\$ 9,270,704</b>	<b>\$ 1,746,348</b>	<b>18.8%</b>
<b>UNIT I: ENCINA TREATMENT PLANT OWNERSHIP</b>					
City of Carlsbad	\$ 1,712,112	24.2%	\$ 1,471,307	\$ 240,805	16.4%
City of Vista	1,779,919	25.2%	1,529,580	250,339	16.4%
Buena Sanitation District	500,779	7.1%	430,346	70,433	16.4%
Vallecitos Water District	1,583,563	22.4%	1,360,840	222,723	16.4%
Leucadia Wastewater District	1,186,613	16.8%	1,019,719	166,894	16.4%
City of Encinitas	300,185	4.3%	257,965	42,220	16.4%
<b>TOTALS</b>	<b>\$ 7,063,171</b>	<b>100.0%</b>	<b>\$ 6,069,757</b>	<b>\$ 993,414</b>	<b>16.4%</b>
<b>UNIT J: ENCINA OCEAN OUTFALL</b>					
City of Carlsbad	\$ 116,344	20.5%	\$ 184,928	\$ (68,584)	-37.1%
City of Vista	171,906	30.2%	238,655	(66,749)	-28.0%
Buena Sanitation District	49,961	8.8%	73,142	(23,181)	-31.7%
Vallecitos Water District	120,357	21.2%	162,441	(42,084)	-25.9%
Leucadia Wastewater District	86,549	15.2%	126,593	(40,044)	-31.6%
City of Encinitas	23,257	4.1%	35,573	(12,316)	-34.6%
<b>TOTALS</b>	<b>\$ 568,374</b>	<b>100.0%</b>	<b>\$ 821,332</b>	<b>\$ (252,958)</b>	<b>-30.8%</b>
<b>BOARD OF DIRECTORS</b>					
City of Carlsbad	\$ 23,614	21.5%	\$ 22,511	\$ 1,103	4.9%
City of Vista	10,000	9.1%	11,139	(1,139)	-10.2%
Buena Sanitation District	10,000	9.1%	11,139	(1,139)	-10.2%
Vallecitos Water District	23,357	21.3%	21,467	1,890	8.8%
Leucadia Wastewater District	19,759	18.0%	21,266	(1,507)	-7.1%
City of Encinitas	23,116	21.0%	21,696	1,420	6.5%
<b>TOTALS</b>	<b>\$ 109,846</b>	<b>100.0%</b>	<b>\$ 109,218</b>	<b>\$ 628</b>	<b>0.6%</b>

Continued

**SUPPLEMENTARY SCHEDULE OF OPERATING PROGRAM EXPENSE - SUMMARY BY COST CENTER (CONTINUED)**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2023)

	<u>2024</u>	<u>% of Total</u>	<u>2023</u>	<u>Change \$</u>	<u>Change %</u>
<b>FLOW METERING PROGRAM</b>					
City of Carlsbad	\$ 61,304	25.5%	\$ 87,879	\$ (26,575)	-30.2%
City of Vista	58,594	24.4%	83,993	(25,399)	-30.2%
Buena Sanitation District	42,893	17.8%	61,485	(18,592)	-30.2%
Vallecitos Water District	32,211	13.4%	46,173	(13,962)	-30.2%
Leucadia Wastewater District	30,777	12.8%	44,118	(13,341)	-30.2%
City of Encinitas	14,640	6.1%	20,985	(6,345)	-30.2%
<b>TOTALS</b>	<b>\$ 240,419</b>	<b>100.0%</b>	<b>\$ 344,633</b>	<b>\$ (104,214)</b>	<b>-30.2%</b>
<b>TOTAL ENCINA WATER POLLUTION CONTROL FACILITIES</b>					
City of Carlsbad	\$ 4,884,194	25.6%	\$ 4,399,501	\$ 484,693	11.0%
City of Vista	4,668,913	24.7%	4,062,612	606,301	14.9%
Buena Sanitation District	1,767,828	9.3%	1,552,767	215,061	13.9%
Vallecitos Water District	4,033,536	21.2%	3,406,635	626,901	18.4%
Leucadia Wastewater District	2,803,930	14.8%	2,445,152	358,778	14.7%
City of Encinitas	840,461	4.4%	748,977	91,484	12.2%
<b>TOTALS</b>	<b>\$ 18,998,862</b>	<b>100.0%</b>	<b>\$ 16,615,644</b>	<b>\$ 2,383,218</b>	<b>14.3%</b>
<b>SOURCE CONTROL PROGRAM</b>					
City of Carlsbad	\$ 347,807	32.1%	\$ 268,725	\$ 79,082	29.4%
City of Vista	348,725	32.2%	284,544	64,181	22.6%
Buena Sanitation District	96,492	8.9%	67,879	28,613	42.2%
Vallecitos Water District	167,286	15.4%	139,258	28,028	20.1%
Leucadia Wastewater District	82,886	7.7%	71,655	11,231	15.7%
City of Encinitas	39,735	3.7%	31,191	8,544	27.4%
<b>TOTALS</b>	<b>\$ 1,082,931</b>	<b>100.0%</b>	<b>\$ 863,252</b>	<b>\$ 219,679</b>	<b>25.4%</b>
<b>AGUA HEDIONDA PUMP STATION</b>					
City of Carlsbad	\$ 203,818	30.9%	\$ 173,997	\$ 29,821	17.1%
City of Vista	455,786	69.1%	389,102	66,684	17.1%
<b>TOTALS</b>	<b>\$ 659,604</b>	<b>100.0%</b>	<b>\$ 563,099</b>	<b>\$ 96,505</b>	<b>17.1%</b>

Continued



**SUPPLEMENTARY SCHEDULE OF OPERATING PROGRAM EXPENSE - SUMMARY BY COST CENTER (CONTINUED)**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2023)

	<u>2024</u>	<u>% of Total</u>	<u>2023</u>	<u>Change \$</u>	<u>Change %</u>
<b>BUENA VISTA PUMP STATION</b>					
City of Carlsbad	\$ 86,852	10.4%	\$ 81,379	\$ 5,473	6.7%
City of Vista	748,262	89.6%	701,113	47,149	6.7%
<b>TOTALS</b>	<b><u>\$ 835,114</u></b>	<b><u>100.0%</u></b>	<b><u>\$ 782,492</u></b>	<b><u>\$ 52,622</u></b>	<b><u>6.7%</u></b>
<b>BUENA CREEK PUMP STATION</b>					
Buena Sanitation District	\$ 599,241	100.0%	\$ 563,322	\$ 35,919	6.4%
<b>TOTALS</b>	<b><u>\$ 599,241</u></b>	<b><u>100.0%</u></b>	<b><u>\$ 563,322</u></b>	<b><u>\$ 35,919</u></b>	<b><u>6.4%</u></b>
<b>CARLSBAD WATER RECYCLING FACILITY</b>					
City of Carlsbad	\$ 1,698,053	100.0%	\$ 1,343,530	\$ 354,523	26.4%
<b>TOTALS</b>	<b><u>\$ 1,698,053</u></b>	<b><u>100.0%</u></b>	<b><u>\$ 1,343,530</u></b>	<b><u>\$ 354,523</u></b>	<b><u>26.4%</u></b>
<b>RACEWAY BASIN PUMP STATION</b>					
City of Vista	\$ 217,316	100.0%	\$ 245,989	\$ (28,673)	-11.7%
<b>TOTALS</b>	<b><u>\$ 217,316</u></b>	<b><u>100.0%</u></b>	<b><u>\$ 245,989</u></b>	<b><u>\$ (28,673)</u></b>	<b><u>-11.7%</u></b>
<b>TOTAL OPERATING EXPENSE</b>					
City of Carlsbad	\$ 7,220,724	30.0%	\$ 6,267,132	\$ 953,592	15.2%
City of Vista	6,439,002	26.7%	5,683,360	755,642	13.3%
Buena Sanitation District	2,463,561	10.2%	2,183,968	279,593	12.8%
Vallecitos Water District	4,200,822	17.4%	3,545,893	654,929	18.5%
Leucadia Wastewater District	2,886,816	12.0%	2,516,807	370,009	14.7%
City of Encinitas	880,196	3.7%	780,168	100,028	12.8%
<b>TOTALS</b>	<b><u>\$ 24,091,121</u></b>	<b><u>100.0%</u></b>	<b><u>\$ 20,977,328</u></b>	<b><u>\$ 3,113,793</u></b>	<b><u>14.8%</u></b>

**SUPPLEMENTARY SCHEDULE OF CHANGES IN NET POSITION RESERVED FOR  
CAPITAL IMPROVEMENT PROGRAM  
AS OF AND FOR THE FISCAL YEARS ENDED JUNE 30, 2024  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023)**

	<u>2024</u>	<u>As Restated 2023</u>
<b>CAPITAL CONTRIBUTIONS</b>		
Member Assessments	\$ 26,657,414	\$ 16,106,218
Grant Revenues	376,563	318,822
<b>TOTAL CAPITAL CONTRIBUTIONS</b>	<u>27,033,977</u>	<u>16,425,040</u>
<b>CAPITAL EXPENDITURES</b>		
Encina Water Pollution Control Facility (EWPCF) Capital Acquisitions	82,982	420,088
Agua Hedionda Pump Station (AHPS) Capital Acquisitions	307,313	381,819
Buena Vista Pump Station (BVPS) Capital Acquisitions	245,153	257,614
Buena Creek Pump Station (BCPS) Capital Acquisitions	155,815	247,447
Carlsbad Water Reclamation Facility (CWRF) Capital Acquisitions	417,203	237,719
Raceway Basin Pump Station (RBPS) Capital Acquisitions	134,806	169,503
EWPCF Planned Asset Replacement	1,910,436	1,687,407
EWPCF Major Plant Rehabilitation Program		
Liquid Process Improvements	578,053	1,302,526
Outfall	77,448	6,991
Solids Process Improvements	12,121,653	9,573,251
Energy Management	861,138	532,122
General Improvements	6,681,179	4,998,538
Engineering Services	1,480,181	517,367
Technology Master Plan	2,460,403	1,811,093
<b>TOTAL CAPITAL EXPENDITURES</b>	<u>27,513,763</u>	<u>22,143,485</u>
<b>CAPITAL CONTRIBUTIONS OVER/(UNDER) CAPITAL EXPENDITURES</b>	<b>(479,786)</b>	<b>(5,718,445)</b>
<b>NONOPERATING REVENUES</b>		
Investment and other capital income	479,786	268,445
<b>TOTAL NONOPERATING REVENUES</b>	<u>479,786</u>	<u>268,445</u>
<b>NET POSITION RESERVED FOR CIP, BEGINNING OF FISCAL YEAR</b>	<u>2,650,000</u>	<u>8,100,000</u>
<b>NET POSITION RESERVED FOR CIP, END OF FISCAL YEAR</b>	<u>\$ 2,650,000</u>	<u>\$ 2,650,000</u>

**SUPPLEMENTARY SCHEDULE OF NET POSITION RESERVED FOR CAPITAL IMPROVEMENT PROGRAM BY PROJECT  
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<b>PROJECTS</b>	<b>Balance June 30, 2023</b>	<b>Member Billings</b>	<b>Other Income</b>	<b>Capital Expenditures</b>	<b>Balance June 30, 2024</b>
<u>Continuing Projects</u>					
EWPCF Major Plant Rehabilitation Program					
Liquid Process Improvements	\$ -	\$ (578,053)	\$ -	\$ 578,053	\$ -
Outfall	-	(77,448)	-	77,448	-
Solids Process Improvements	-	(12,121,653)	-	12,121,653	-
Energy Management	-	(861,138)	-	861,138	-
General Improvements	-	(6,681,179)	-	6,681,179	-
Engineering Services	-	(1,480,181)	-	1,480,181	-
Technology Master Plan	-	(2,460,403)	-	2,460,403	-
Sub Total Continuing Projects	<u>-</u>	<u>(24,260,055)</u>	<u>-</u>	<u>24,260,055</u>	<u>-</u>
<u>Other</u>					
Capital Acquisitions					
EWPCF	-	(82,982)	-	82,982	-
Remote Facilities	-	(1,260,290)	-	1,260,290	-
Planned Asset Replacement	-	(1,910,436)	-	1,910,436	-
Capital Reserve	(2,650,000)	-	-	-	(2,650,000)
Income On Capital Reserve Funds	-	479,786	(479,786)	-	-
Grant Revenues	-	376,563	(376,563)	-	-
Sub Total Other	<u>(2,650,000)</u>	<u>(2,397,359)</u>	<u>(856,349)</u>	<u>3,253,708</u>	<u>(2,650,000)</u>
Total Capital Improvement Program	<u>\$ (2,650,000)</u>	<u>\$ (26,657,414)</u>	<u>\$ (856,349)</u>	<u>\$ 27,513,763</u>	<u>\$ (2,650,000)</u>

**SUPPLEMENTARY SCHEDULE OF NET POSITION RESERVED FOR CAPITAL IMPROVEMENT PROGRAM BY MEMBER AGENCY  
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>PROJECTS</u>	<u>Carlsbad</u>	<u>Vista</u>	<u>Buena</u>	<u>Vallecitos</u>	<u>Leucadia</u>	<u>Encinitas</u>	<u>Balance June 30, 2024</u>
Other							
Capital Reserve	\$ (642,400)	\$ (667,800)	\$ (187,900)	\$ (594,100)	\$ (445,200)	\$ (112,600)	\$ (2,650,000)
Total Capital Improvement Program	<u>\$ (642,400)</u>	<u>\$ (667,800)</u>	<u>\$ (187,900)</u>	<u>\$ (594,100)</u>	<u>\$ (445,200)</u>	<u>\$ (112,600)</u>	<u>\$ (2,650,000)</u>



# STATISTICAL SECTION

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Financial Trends

Demographic and Economic Information

Operating Information

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# STATISTICAL SECTION

This part of the Encina Wastewater Authority's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and other supplementary information says about the Authority's overall financial health.

## Financial Trends

These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.

- Net Position
- Changes in Net Position
- Investment in Capital Assets

## Revenue Capacity

The principal source of revenue to the Authority is assessments to Member Agencies for reimbursement of expenses. Therefore, an analysis of revenue capacity is not applicable. Data on sources of revenue are presented in this section under Operating Information.

## Debt Capacity

The Authority does not currently maintain any long-term debt and has not maintained any debt in the past ten years. Therefore, information on debt capacity is not applicable.

## Demographic and Economic Information

This information offers demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.

- Population and Property Data
- Principal Employers
- Principal Property Taxpayers

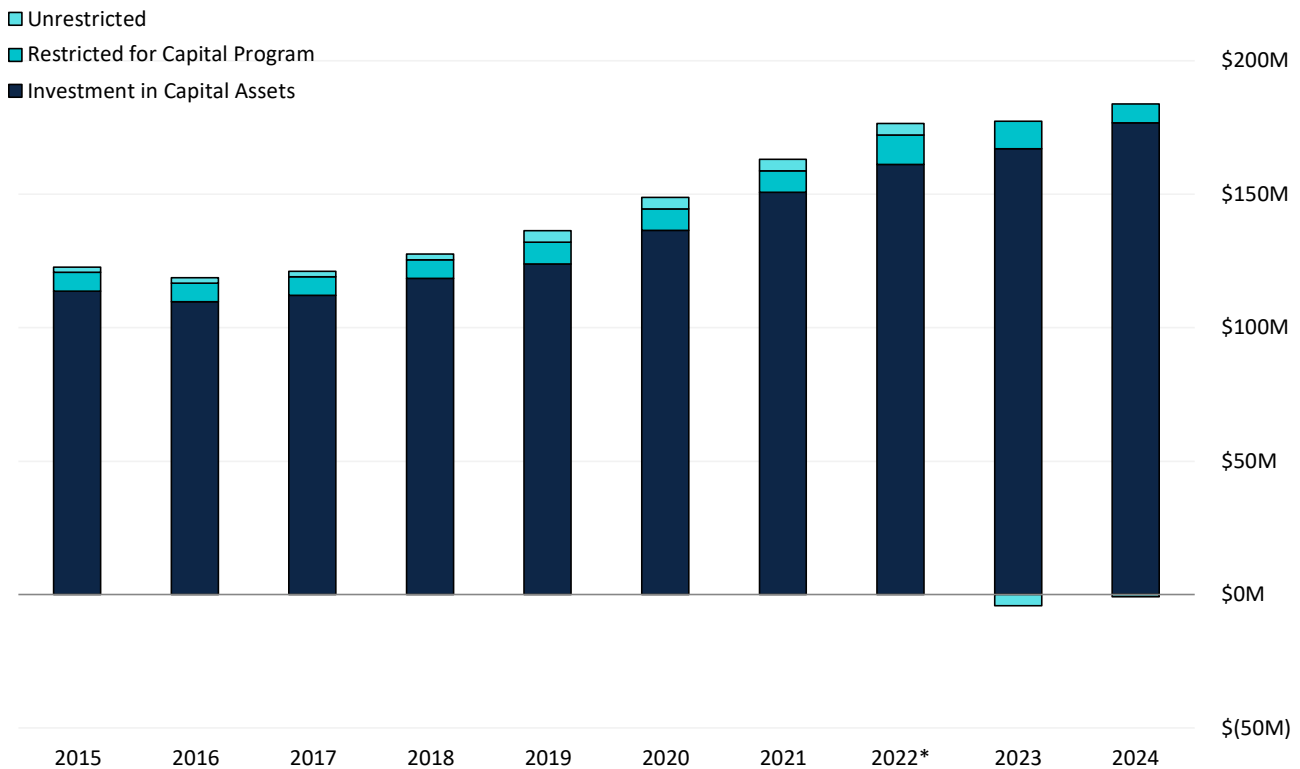
## Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the government provides and the activities it performs.

- Facts and Figures
- Full-time Equivalent Employees by Function
- Operating Revenues and Expenses by Major Source and Use
- Operating Revenues and Expenses by Member Agency
- Operating Expenses per Million Gallons

**NET POSITION  
LAST TEN FISCAL YEARS**

Fiscal Year	Investment in Capital Assets	Restricted for Capital Program	Unrestricted	Total
2024	\$ 176,772,355	\$ 7,111,560	\$ (856,070)	\$ 183,027,845
2023	167,077,116	10,279,813	(4,194,815)	173,162,114
2022*	161,161,542	11,031,506	4,300,000	176,493,048
2021	150,718,023	8,036,026	4,300,000	163,054,049
2020	136,520,458	8,022,765	4,300,000	148,843,223
2019	123,904,422	8,097,285	4,300,000	136,301,707
2018	118,467,691	7,000,000	2,100,000	127,567,691
2017	112,047,443	7,010,247	2,100,000	121,157,690
2016	109,764,177	7,003,009	2,000,000	122,712,777
2015	113,689,724	7,023,053	2,000,000	119,113,179



- ▶ FY 2024 reflects increased investments in capital improvement projects including the Secondary Clarifiers and Strainers Project, the Digester Rehabilitation & Improvements Project and Cogeneration Project.
  - ▶ FY 2023 reflects increased investments in capital improvement projects including the Secondary Clarifiers and Strainers Project, the Digester Rehabilitation & Improvements Project and Admin Building HVAC Project.
  - ▶ FY 2022 reflects increased investments in capital improvement projects including the Secondary Clarifiers and Strainers Project
  - ▶ FY 2021 & 2020 reflects increased investments in capital improvement projects including the Primary Area Improvements Project, Digester Rehab and Improvements Project, the SCADA Network and Infrastructure Improvement Project, and Secondary Clarifiers & Strainers Project.
  - ▶ FY 2019 reflects increased investment in rehabilitating the capital infrastructure along with an increase in the Reserve balances.
  - ▶ FY 2018 reflects increased construction in progress activities attributed to the FY15 Major Plant Rehab Project efforts.
  - ▶ FY 2017 reflects increased construction in progress activities and a \$100K increase to the Unrestricted - Remote Facility Reserve
  - ▶ FY 2009 reflects Phase V Expansion Capital Project and \$850k addition to unrestricted
- \* As restated.

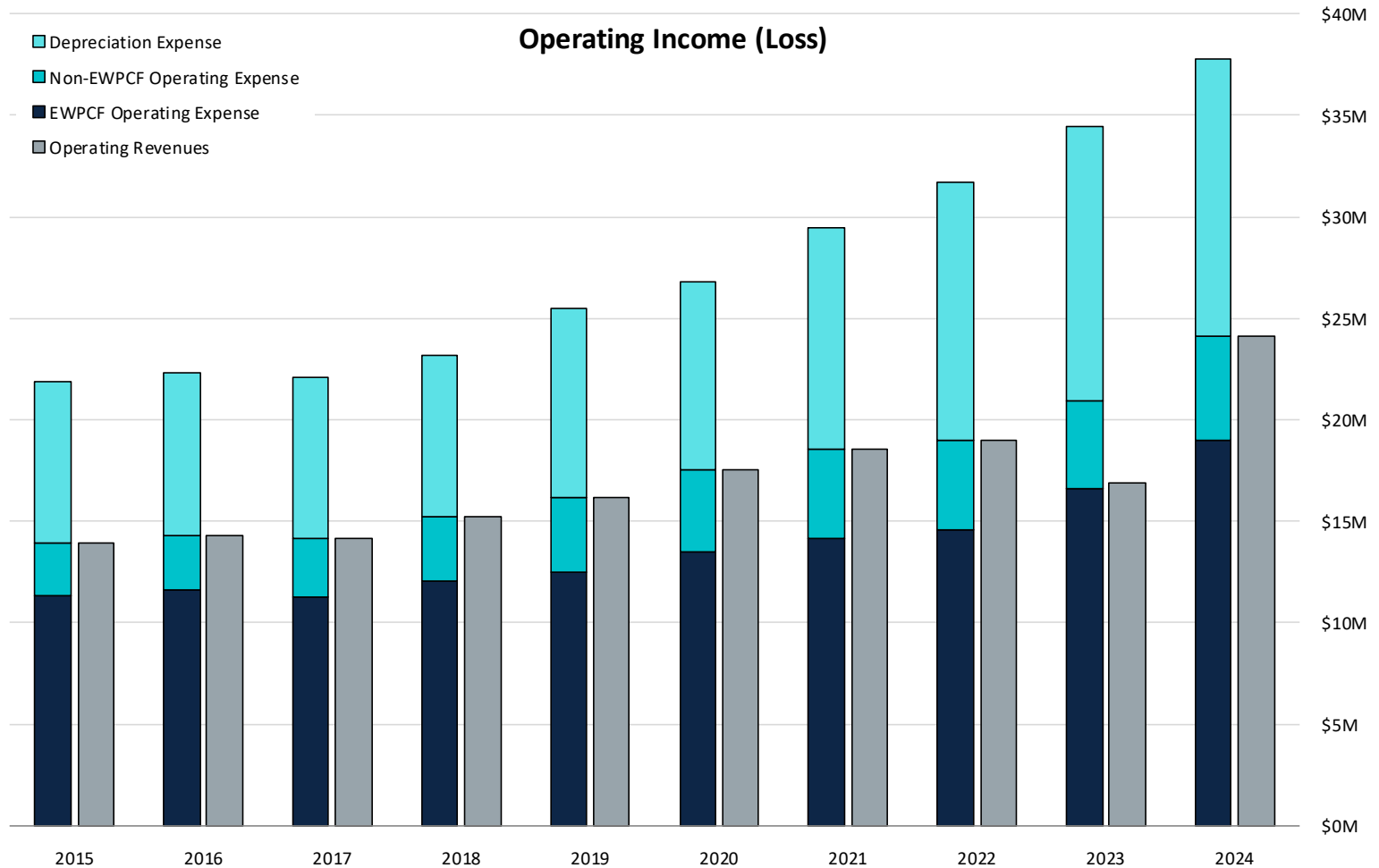
Source: Encina Wastewater Authority



**CHANGES IN NET POSITION (IN THOUSANDS)**  
**LAST TEN FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Operating Revenues</b>										
Member Agency Assessments	\$ 23,314	\$ 16,247	\$ 18,061	\$ 17,415	\$ 16,722	\$ 15,416	\$ 14,719	\$ 13,614	\$ 13,515	\$ 13,637
Other Operating Revenues	777	681	965	1,113	796	750	548	561	793	314
<b>Total Operating Revenues</b>	<b>24,091</b>	<b>16,928</b>	<b>19,026</b>	<b>18,528</b>	<b>17,518</b>	<b>16,166</b>	<b>15,267</b>	<b>14,715</b>	<b>14,308</b>	<b>13,951</b>
<b>Operating Expenses</b>										
Unit I - EWPCF Usage Costs	11,017	9,271	7,388	7,171	7,459	6,777	6,575	6,020	6,356	6,219
Unit I - EWPCF Ownership Costs	7,063	6,070	5,661	5,808	5,059	4,723	4,629	4,405	4,335	4,278
Unit J - Encina Ocean Outfall	568	821	979	760	614	589	497	495	523	523
Directors Meetings	110	109	137	91	66	64	63	57	52	74
Flow Metering	240	345	402	342	323	305	316	295	332	272
Subtotal Encina Wastewater Pollution Control Facilities (EWPCF)	<b>18,998</b>	<b>16,616</b>	<b>14,567</b>	<b>14,172</b>	<b>13,521</b>	<b>12,458</b>	<b>12,080</b>	<b>11,272</b>	<b>11,598</b>	<b>11,366</b>
Source Control	1,083	863	889	1,037	921	771	692	688	638	588
Aqua Hedionda Pump Station	660	563	618	599	656	673	315	297	303	286
Buena Vista Pump Station	835	782	712	705	654	580	627	427	438	407
Buena Creek Pump Station	599	563	577	537	390	367	334	330	328	311
Carlsbad Water Reclamation Facilities	1,698	1,344	1,414	1,226	1,151	1,107	1,028	979	831	811
Raceway Basin Pump Station	217	246	247	251	225	210	189	182	172	183
Depreciation expense	13,724	13,445	12,699	10,937	9,269	9,328	7,937	7,907	8,043	7,904
<b>Total Operating Expenses</b>	<b>37,814</b>	<b>34,422</b>	<b>31,723</b>	<b>29,464</b>	<b>26,787</b>	<b>25,494</b>	<b>23,202</b>	<b>22,082</b>	<b>22,351</b>	<b>21,856</b>
<b>Operating Loss</b>	<b>(13,723)</b>	<b>(17,494)</b>	<b>(12,697)</b>	<b>(10,936)</b>	<b>(9,269)</b>	<b>(9,328)</b>	<b>(7,935)</b>	<b>(7,908)</b>	<b>(8,043)</b>	<b>(7,905)</b>
<b>Nonoperating Revenues (Expenses)</b>										
Discontinued Projects, Studies and Assessments	(3,924)	(2,529)	(2,596)	(1,817)	(1,835)	(1,407)	(2,365)	(1,286)	(2,327)	(1,573)
Investment & Other Capital Income	480	268	3	6	66	120	36	27	17	5
Other Nonoperating Revenues	377	319	-	-	-	2,200	-	100	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(3,067)</b>	<b>(1,942)</b>	<b>(2,593)</b>	<b>(1,811)</b>	<b>(1,769)</b>	<b>913</b>	<b>(2,329)</b>	<b>(1,158)</b>	<b>(2,310)</b>	<b>(1,570)</b>
<b>Loss Before Contributions and Distributions</b>	<b>(16,790)</b>	<b>(19,436)</b>	<b>(15,290)</b>	<b>(12,747)</b>	<b>(11,038)</b>	<b>(8,415)</b>	<b>(10,264)</b>	<b>(9,066)</b>	<b>(10,353)</b>	<b>(9,473)</b>
<b>Capital Contributions and Distributions</b>										
Member Agency Assessments	26,657	16,106	28,731	26,959	23,579	16,049	16,676	11,456	6,408	13,073
Contributions (Distributions) from (to) Mem. Agen.	-	-	-	-	-	1,100	-	-	-	-
<b>Total Capital Contributions</b>	<b>26,657</b>	<b>16,106</b>	<b>28,731</b>	<b>26,959</b>	<b>23,579</b>	<b>17,149</b>	<b>16,676</b>	<b>11,456</b>	<b>6,408</b>	<b>13,073</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$ 9,867</b>	<b>\$ (3,330)</b>	<b>\$ 13,439</b>	<b>\$ 14,212</b>	<b>\$ 12,541</b>	<b>\$ 8,734</b>	<b>\$ 6,412</b>	<b>\$ 2,390</b>	<b>\$ (3,945)</b>	<b>\$ 3,600</b>

CHANGES IN NET POSITION (IN THOUSANDS)  
LAST TEN FISCAL YEARS



- ▶ FY2024: reflects higher utility, chemical, and insurance costs along with higher personnel costs and a labor reallocation from capital to operating.
- ▶ FY2023: reflects higher utility, chemical, and insurance costs along with higher personnel costs.
- ▶ FY2022 & 2021: reflects increased professional services along with higher personnel, chemical, and insurance costs.
- ▶ FY2020: reflects increased personnel and chemical costs along with additional biosolid loads being dispersed.
- ▶ FY2019: reflects significant energy cost increases
- ▶ FY2018: reflects increased personnel costs, information technology costs and a general improvement of budget execution
- ▶ FY2017: reflects operational savings through reduced energy consumption, chemical contract negotiations and select services being brought back in-house
- ▶ FY2016: non-EWPCF Operating Expense captures Process Master Plan and increased studies and designs
- ▶ FY2015: reflects significant FY12 major plant rehabilitation projects and alternative fuel receiving facility

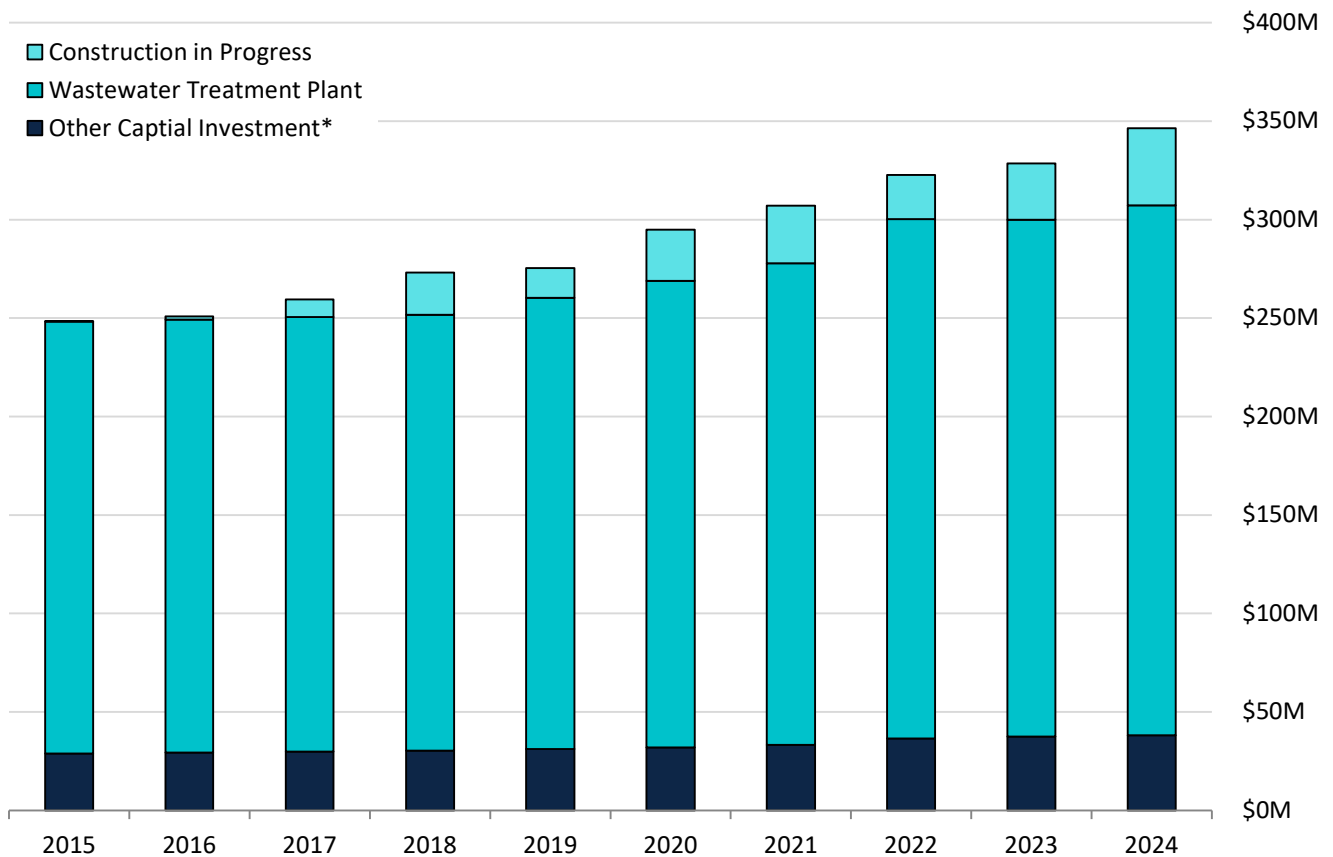
Source: Encina Wastewater Authority

**INVESTMENT IN CAPITAL ASSETS  
LAST TEN FISCAL YEARS**

**By Function**

Fiscal Year	Wastewater Treatment Plant	Ocean Outfall	Pump Station Facilities	Furnishings and Office Equipment	Flow Metering System	Real Property	Construction in Progress	Accumulated Depreciation	Total
2024	\$ 269,041,440	\$ 14,751,348	\$ 13,028,433	\$ 6,459,702	\$ 344,945	\$ 3,598,173	\$ 39,122,234	\$ (166,218,431)	\$ 180,127,844
2023	262,482,723	14,751,348	12,519,334	6,369,987	344,945	3,598,173	28,524,252	(158,328,648)	170,262,114
2022	263,692,494	14,751,348	11,638,785	6,209,667	344,945	3,598,173	22,436,250	(158,578,614)	164,093,048
2021	244,516,945	14,751,348	8,615,722	6,002,407	344,945	3,598,173	29,330,263	(156,441,780)	150,718,023
2020	236,893,992	14,517,397	8,111,258	5,517,037	344,945	3,598,173	26,051,795	(158,514,139)	136,520,458
2019	229,172,451	14,115,650	7,928,581	5,210,372	344,945	3,598,173	15,093,501	(151,559,251)	123,904,422
2018	221,355,330	14,115,650	7,603,411	4,794,834	344,945	3,598,173	21,288,567	(154,633,219)	118,467,691
2017	220,536,997	14,115,650	7,506,388	4,397,250	344,945	3,598,173	9,116,097	(147,568,057)	112,047,443
2016	219,644,465	14,115,650	7,235,023	4,236,888	340,489	3,598,173	1,555,579	(140,962,090)	109,764,177
2015	219,293,160	14,115,650	7,069,872	3,900,554	314,269	3,598,173	157,990	(134,759,944)	113,689,724

**Investment in Capital Assets by Category Excluding Depreciation**



\* includes ocean outfall, pump station facilities, furnishings and office equipment, flow metering system, and real property

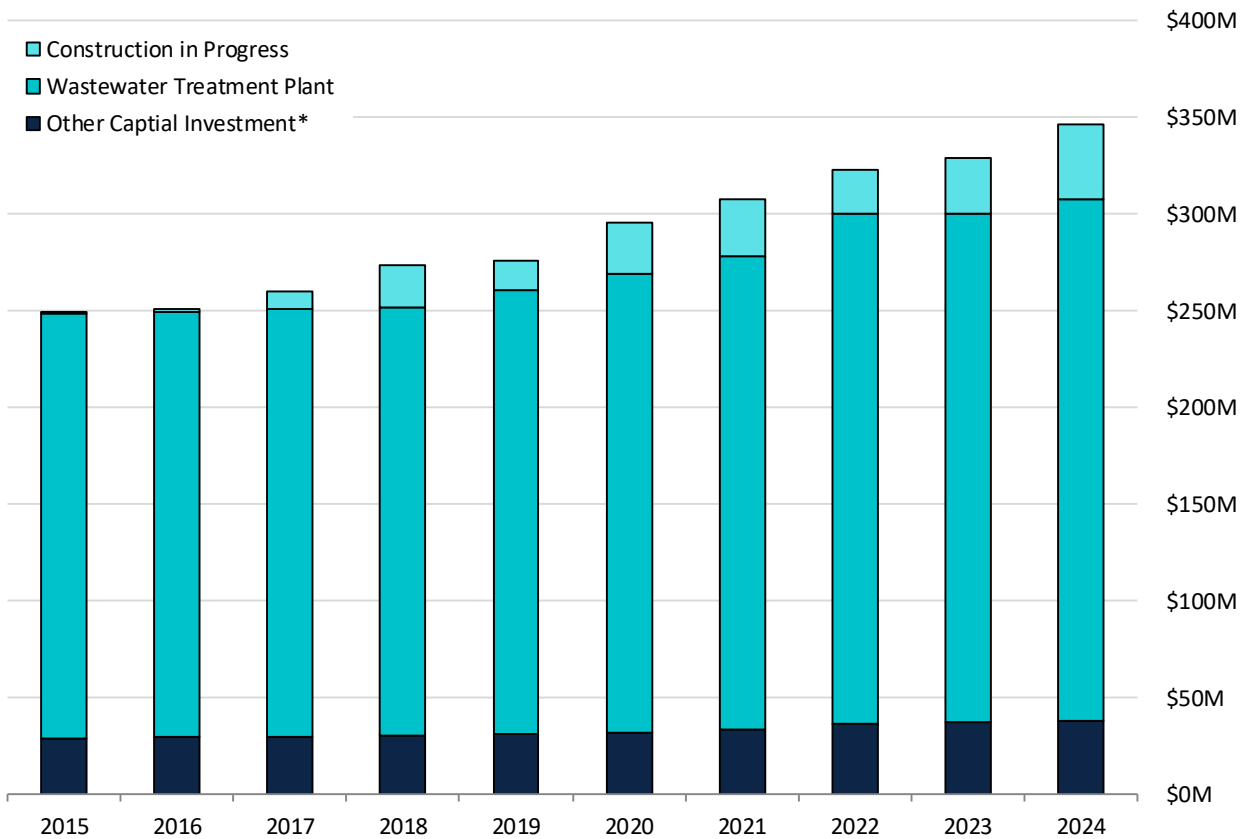
Source: Encina Wastewater Authority

**INVESTMENT IN CAPITAL ASSETS  
LAST TEN FISCAL YEARS**

**By Member Agency**

Fiscal Year	Carlsbad	Vista	Buena	Vallecitos	Leucadia	Encinitas	Total
2024	\$ 44,226,304	\$ 49,556,172	\$ 11,246,252	\$ 42,252,341	\$ 26,088,428	\$ 6,758,347	\$ 180,127,844
2023	41,727,631	48,091,805	10,089,777	40,819,394	23,401,316	6,132,191	170,262,114
2022	40,512,887	45,890,459	9,749,656	39,126,468	22,848,856	5,964,722	164,093,048
2021	35,372,696	43,425,435	8,811,287	36,909,653	20,752,426	5,446,526	150,718,023
2020	31,804,517	40,123,490	7,646,346	33,991,883	18,153,798	4,800,424	136,520,458
2019	28,657,855	37,301,026	6,631,957	31,345,588	15,759,863	4,208,134	123,904,423
2018	27,202,591	36,284,780	6,101,920	30,350,470	14,601,267	3,926,664	118,467,692
2017	25,574,386	35,044,264	5,523,537	29,067,979	13,243,432	3,593,845	112,047,443
2016	24,878,977	34,865,953	5,228,868	28,735,212	12,612,139	3,443,028	109,764,177
2015	25,777,202	36,102,270	5,435,237	29,783,001	13,036,766	3,555,248	113,689,724

**Investment in Capital Assets by Member Agency**



\* includes ocean outfall, pump station facilities, furnishings and office equipment, flow metering system, and real property

Source: Encina Wastewater Authority

**DEMOGRAPHIC & ECONOMIC INFORMATION**  
**LAST TEN FISCAL YEARS**

**Population & Property Data**

Fiscal Year	Population*	% Change from previous year	Personal Income (in millions)	Personal Income (Per Capita)	Unemployment Rate*	Assessed Value of Taxable Property (in millions)*
2023	372,000	-1.3%	\$ 30,375	\$ 81,654	3.9%	\$ 71,337
2022	370,000	-1.9%	\$ 27,926	\$ 75,476	5.1%	\$ 85,041
2021	370,000	-1.9%	\$ 26,277	\$ 71,020	6.0%	\$ 81,982
2020	377,000	0.0%	\$ 23,623	\$ 62,661	9.9%	\$ 78,163
2019	377,000	0.0%	\$ 23,402	\$ 62,075	2.9%	\$ 73,894
2018	377,000	0.0%	\$ 22,449	\$ 59,547	3.4%	\$ 65,857
2017	377,000	1.3%	\$ 21,494	\$ 57,013	4.0%	\$ 62,174
2016	372,000	3.3%	\$ 20,463	\$ 55,008	4.4%	\$ 58,929
2015	360,000	0.2%	\$ 19,055	\$ 52,930	4.3%	\$ 55,705
2014	359,411	0.9%	\$ 17,842	\$ 49,641	5.6%	\$ 51,804

\* historical information revised from earlier reports as a result of more accurate data becoming available

**Principal Employers**

Employer	Business Category	Number of Employees	Percent of Total Employment**	Member Agency
ViaSat, Inc.	Information Technology	4,010	5.28%	Carlsbad
Thermo Fisher Scientific	Life Sciences	2,332	3.07%	Carlsbad
Legoland California, LLC	Hospitality/Tourism	2,300	3.03%	Carlsbad
San Marcos Unified School District	Education	3,519	7.61%	San Marcos
California State University San Marcos	Education	1,995	4.31%	San Marcos
Vista Unified School District	Education	2,865	6.51%	Vista
Scripps Memorial Hospital	Healthcare	1,017	2.99%	Encinitas

\*\* within specified Member Agency jurisdiction

**Principal Property Taxpayers**

Taxpayer	2023 Assessed Taxable Value	Member Agency
Poseidon Resources	\$ 409,666,576	Carlsbad
MG Preserve of Melrose Apartment	145,236,207	Vista
PMI Monarch LLC	123,301,850	Vista
Encinitas Beach Hotel Venture LLC	127,364,142	Encinitas
TRC Encinitas Village LLC	106,719,334	Encinitas

- ▶ Data presented is a composite of data from FY 2022-23 ACFRs of Encina Member Agencies or their representative cities
- ▶ Data for the City of San Marcos is representative of the Vallecitos Water District
- ▶ Data for the City of Encinitas is representative of the Leucadia Wastewater District
- ▶ Unemployment data was gathered from the U.S. Bureau of Labor Statistics or respective Member Agencies

Source: Encina Wastewater Authority

**FACTS & FIGURES**

**Establishment History**

City of Carlsbad and Vista Sanitation District (City of Vista) formed Joint Powers Authority	July 1961
Buena Sanitation District joined JPA	January 1964
Vallecitos Water District joined JPA	March 1965
Leucadia Wastewater District joined JPA	August 1971
Encinitas Sanitary District (City of Encinitas) joined JPA	August 1971
Encina Administrative Agency created	August 1988
Revised Establishment Document and Revised Basic Agreement approved by Member Agencies	October 1990
Encina Administrative Agency renamed Encina Wastewater Authority	December 1991
Revised Basic Agreement approved by Member Agencies	October 2014
Revised Establishment Document amendment approved by Member Agencies	November 2019

**Member Agencies**

Cities	3
Water Districts	1
Wastewater/Sanitation Districts	2
<b>Total</b>	<b>6</b>

**Statistics**

Encina Wastewater Pollution Control Facility Area	25	acres
System Service Area	123	sq.mi.
Population of Service Area	372,000	
Wastewater Treatment & Disposal Capacity (permitted)	43.30	MGD
Average Daily Wastewater Flow	23.99	MGD
Average Daily Biochemical Oxygen Demand (influent)	72,834	PPD
Average Suspended Solids (influent)	68,328	PPD
Average Treated Wastewater Reclaimed (excl. plant use)	2.75	MGD
Average Treated Wastewater Disposal	21.04	MGD
Average Years of Employee Service	8.34	years

**Industrial User Discharge: Top 10 by Average Flow (Rounded, Gallons per Day)**

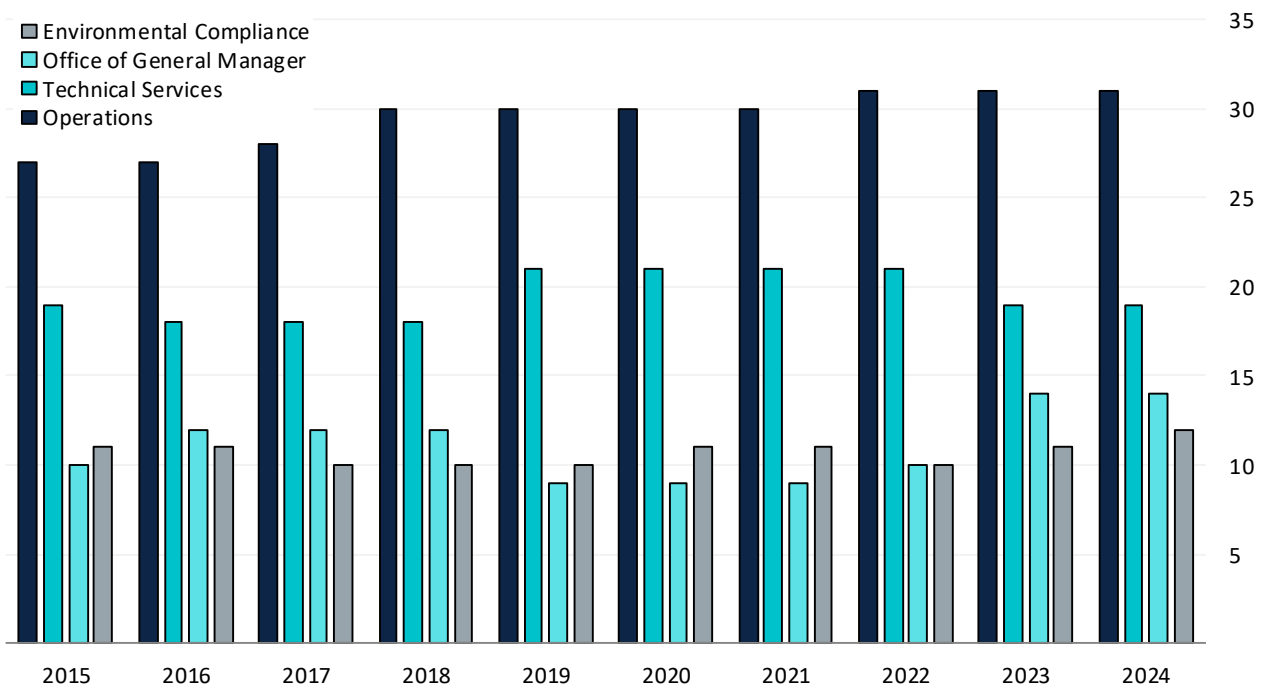
Prudential Overall Supply	Industrial laundry	80,000	
Cintas Corporation	Industrial laundry	70,000	
Hollandia Dairy	Beverage producer	55,000	
Palomar Laundry	Industrial laundry	46,399	
Javo Beverage Company	Beverage producer	43,000	
Alsco Uniforms	Industrial laundry	30,000	
Captek Softgel (formerly J&D Labs)	Pharmaceutical Manufacturing	30,000	
Fresh Creative Foods	Food Processing	18,000	
Hughes Circuits, Inc.	Metal Finisher	14,500	
Pizza Port Brewing Company	Brewery	10,000	

- ▶ MGD = million gallons per day
- ▶ PPD = pounds per day

Source: Encina Wastewater Authority

**FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS**

Fiscal Year	Operations	Technical Services	Office of General Manager	Environmental Compliance	Total FTE
2024	31.00	19.00	14.00	12.00	76.00
2023	31.00	19.00	14.00	11.00	75.00
2022	31.00	21.00	10.00	10.00	72.00
2021	30.00	21.00	9.00	11.00	71.00
2020	30.00	21.00	9.00	11.00	71.00
2019	30.00	21.00	9.00	10.00	70.00
2018	30.00	18.00	12.00	10.00	70.00
2017	28.00	18.00	12.00	10.00	68.00
2016	27.00	18.00	12.00	11.00	68.00
2015	27.00	19.00	10.00	11.00	67.00



- ▶ FY2024 : Chemist I position added.
- ▶ FY2023 : Various transfers between groups. Administrative Assistant, Contract Administrator, and Procurement Specialist positions added.
- ▶ FY2022 : Safety Specialist transferred to General Manager. Operations Trainer position added
- ▶ FY2020 : Industrial Waste Control Inspector I position added
- ▶ FY2019 : Project Manager position replaced with CMMS Administrator
- ▶ FY2018 : Two operator positions added to Heat Dryer operations for safety purposes
- ▶ FY2017 : Biosolids Coordinator position converted to Operator
- ▶ FY2016 : Director of Engineering position added, Inventory Control Technician moved from GS to OGM
- ▶ FY2015 : Open Engineer position reorganized to Systems Specialist in GS

Source: Encina Wastewater Authority

**OPERATING REVENUES AND EXPENSES BY MEMBER AGENCY WITH AMOUNT DUE TO/(FROM) MEMBER AGENCIES  
LAST TEN FISCAL YEARS**

**Operating Revenues: Member Agency Assessments Billed, Net of Other Sources**

Fiscal Year	Carlsbad	Vista	Buena	Vallecitos	Leucadia	Encinitas	Total	YOY Change
2024	\$ 7,229,738	\$ 6,445,673	\$ 2,466,351	\$ 4,206,801	\$ 2,890,699	\$ 881,431	\$ 24,120,693	43.8%
2023	5,289,969	4,632,917	1,874,304	2,531,950	1,833,445	605,703	16,768,288	-11.8%
2022	5,674,411	5,056,588	2,029,149	3,139,613	2,373,843	747,127	19,020,731	3.9%
2021	5,538,148	4,737,295	1,933,453	3,191,013	2,189,226	717,175	18,306,310	4.8%
2020	5,204,162	4,706,476	1,725,700	3,174,000	2,011,571	648,522	17,470,431	8.2%
2019	4,901,586	4,460,937	1,569,679	2,696,066	1,901,533	623,049	16,152,850	5.8%
2018	4,723,102	4,112,520	1,512,951	2,499,448	1,840,725	577,734	15,266,480	7.7%
2017	4,374,908	3,496,760	1,444,634	2,524,071	1,735,485	593,079	14,168,937	-1.0%
2016	4,118,055	3,685,592	1,363,951	2,735,673	1,791,922	615,451	14,310,644	2.4%
2015	4,102,472	3,524,984	1,333,738	2,657,520	1,785,125	571,496	13,975,335	10.0%

**Operating Expenses, excluding Depreciation**

Fiscal Year	Carlsbad	Vista	Buena	Vallecitos	Leucadia	Encinitas	Total	YOY Change
2024	\$ 7,220,724	\$ 6,439,002	\$ 2,463,561	\$ 4,200,822	\$ 2,886,816	\$ 880,196	\$ 24,091,121	14.8%
2023	6,267,132	5,683,360	2,183,968	3,545,893	2,516,807	780,168	20,977,328	10.3%
2022	5,702,480	5,038,348	2,027,685	3,142,576	2,366,885	748,035	19,026,009	2.7%
2021	5,587,638	4,814,181	1,955,094	3,226,688	2,218,853	725,150	18,527,604	5.8%
2020	5,218,653	4,723,088	1,730,363	3,177,916	2,017,173	650,789	17,517,982	8.4%
2019	4,905,117	4,464,106	1,570,663	2,698,767	1,903,591	623,645	16,165,889	5.9%
2018	4,723,232	4,112,639	1,512,988	2,499,530	1,840,787	577,750	15,266,926	7.7%
2017	4,376,266	3,497,640	1,445,321	2,525,408	1,736,273	593,413	14,174,321	-0.9%
2016	4,131,572	3,679,177	1,363,235	2,729,669	1,789,303	614,878	14,307,834	2.6%
2015	4,081,787	3,563,175	1,339,122	2,548,702	1,822,529	595,571	13,950,886	7.4%

**Operating Revenues (Over) Under Operating Expenses  
Amount Due (To) From by Member Agency**

Fiscal Year	Carlsbad	Vista	Buena	Vallecitos	Leucadia	Encinitas	Total
2024	\$ (9,014)	\$ (6,671)	\$ (2,790)	\$ (5,979)	\$ (3,883)	\$ (1,235)	\$ (29,572)
2023	977,163	1,050,443	309,664	1,013,943	683,362	174,465	4,209,040
2022	28,069	(18,240)	(1,464)	2,963	(6,958)	908	5,278
2021	49,490	76,886	21,641	35,675	29,627	7,975	221,294
2020	14,491	16,612	4,663	3,916	5,602	2,267	47,551
2019	3,531	3,169	984	2,701	2,058	596	13,039
2018	130	119	37	82	62	16	446
2017	1,358	880	687	1,337	788	334	5,384
2016	13,517	(6,415)	(716)	(6,004)	(2,619)	(573)	(2,810)
2015	(20,685)	38,191	5,384	(108,818)	37,404	24,075	(24,449)

- ▶ Amounts Due (To) From arise from the fiscal year's close taking place subsequent to the fiscal year's 4th quarter billing to the Member Agencies.
- ▶ Fiscal Year 2022-23 included the return of reserves under a trial billing methodology. This was net with Member Agency billings.

Source: Encina Wastewater Authority

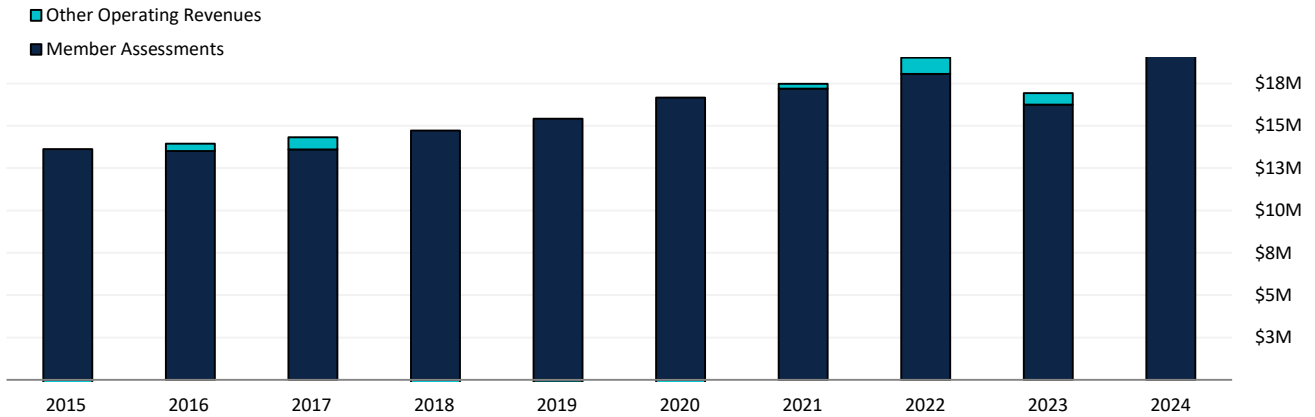


**OPERATING REVENUES AND EXPENSES BY MAJOR SOURCE AND USE  
LAST TEN FISCAL YEARS**

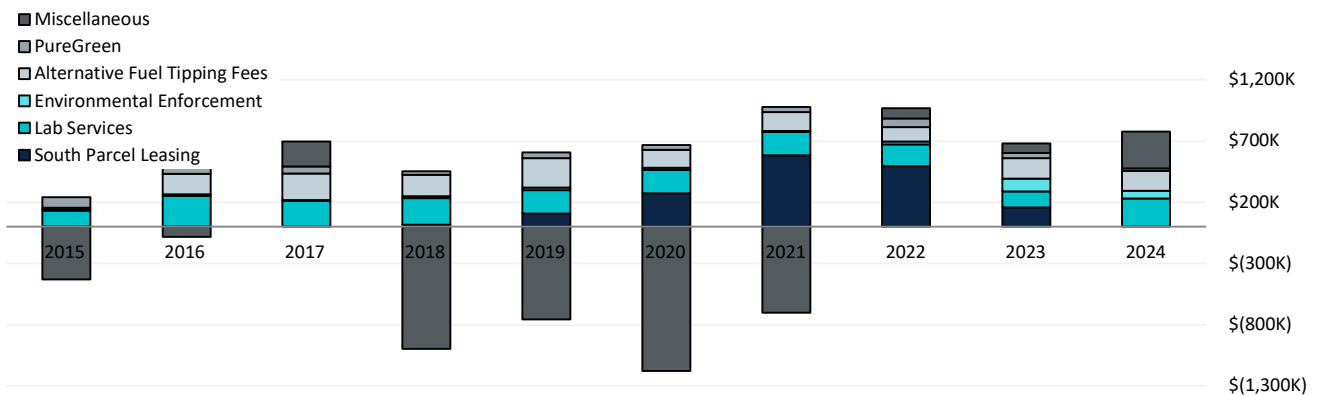
**Operating Revenues**

Fiscal Year	Member Assessments	Alternative Fuel Tipping Fees	South Parcel Leasing	PureGreen	Lab Services	Environmental Enforcement	Miscellaneous	Total
2024	\$ 23,313,929	\$ 160,023	\$ -	\$ 22,100	\$ 231,337	\$ 63,700	\$ 300,032	\$ 24,091,121
2023	16,246,784	166,011	159,313	40,923	128,174	106,850	79,273	16,927,328
2022	18,061,001	119,747	494,933	69,139	176,633	22,650	81,906	19,026,009
2021	17,193,454	155,309	583,363	41,124	190,328	7,750	(700,897)	17,470,431
2020	16,674,819	144,581	273,009	41,399	191,224	16,664	(1,175,807)	16,165,889
2019	15,416,312	241,108	106,319	46,940	192,940	20,100	(756,793)	15,266,926
2018	14,718,859	177,113	18,436	26,239	215,347	14,500	(996,173)	14,174,321
2017	13,613,755	216,909	-	57,925	207,972	9,150	202,123	14,307,834
2016	13,515,144	167,689	-	83,956	253,526	12,150	(81,579)	13,950,886
2015	13,637,230	14,806	-	84,138	131,738	9,150	(430,438)	13,446,624

**Total Operating Revenues**



**Other Operating Revenues**



- ▶ FY 2023: Revenues are lower as a trial billing methodology resulted in the return of previously held reserves. These were net with revenues.
- ▶ FY 2020 & 2021: South Parcel leasing revenue increasing as a result of temporary construction easements. Alternative fuels tipping fees reduced due to Digester Improvements project.
- ▶ FY 2019: Misc income includes the benefit of a settlement from a class action lawsuit in which EWA did not have any direct involvement in
- ▶ FY 2018: South parcel leasing revenue initiated
- ▶ FY 2016: First full year of the Alternative Fuel Receiving Facility being live. Misc revenues captures a one-time \$150K award from SDG&E.

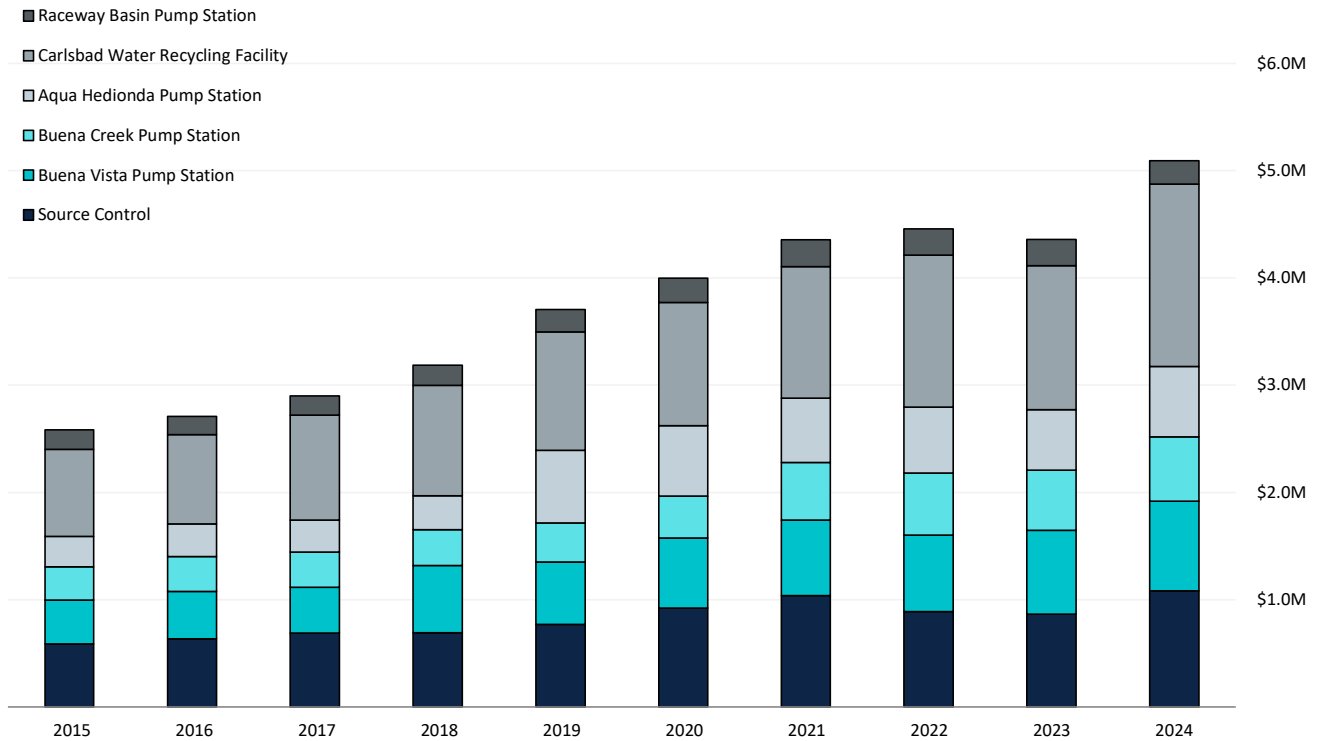
Source: Encina Wastewater Authority

**OPERATING REVENUES AND EXPENSES BY MAJOR SOURCE AND USE  
LAST TEN FISCAL YEARS**

**Operating Expenses**

Fiscal Year	EWPCF	Source Control	Aqua Hedionda Pump Station	Buena Vista Pump Station	Buena Creek Pump Station	Carlsbad Water Recycling Facility	Raceway Basin Pump Station	Total
2024	\$ 18,998,862	\$ 1,082,931	\$ 659,604	\$ 835,114	\$ 599,241	\$ 1,698,053	\$ 217,316	\$ 24,091,121
2023	16,615,645	863,252	563,100	782,492	563,322	1,343,528	245,989	20,977,328
2022	14,568,036	889,245	618,495	711,712	577,412	1,414,009	247,100	19,026,009
2021	14,172,954	1,036,871	599,217	705,363	536,675	1,225,786	250,738	18,527,604
2020	13,520,821	920,931	656,183	653,866	390,416	1,151,086	224,679	17,517,982
2019	12,457,968	770,842	672,563	579,628	367,226	1,107,357	210,305	16,165,889
2018	12,080,625	692,301	315,269	627,262	334,278	1,028,469	188,722	15,266,926
2017	11,272,007	687,678	297,059	427,136	329,876	978,967	181,598	14,174,321
2016	11,597,641	637,700	302,966	438,134	328,200	830,701	172,492	14,307,834
2015	11,365,544	587,980	286,446	406,595	310,637	810,972	182,712	13,950,886

**Other Operating Expenses**



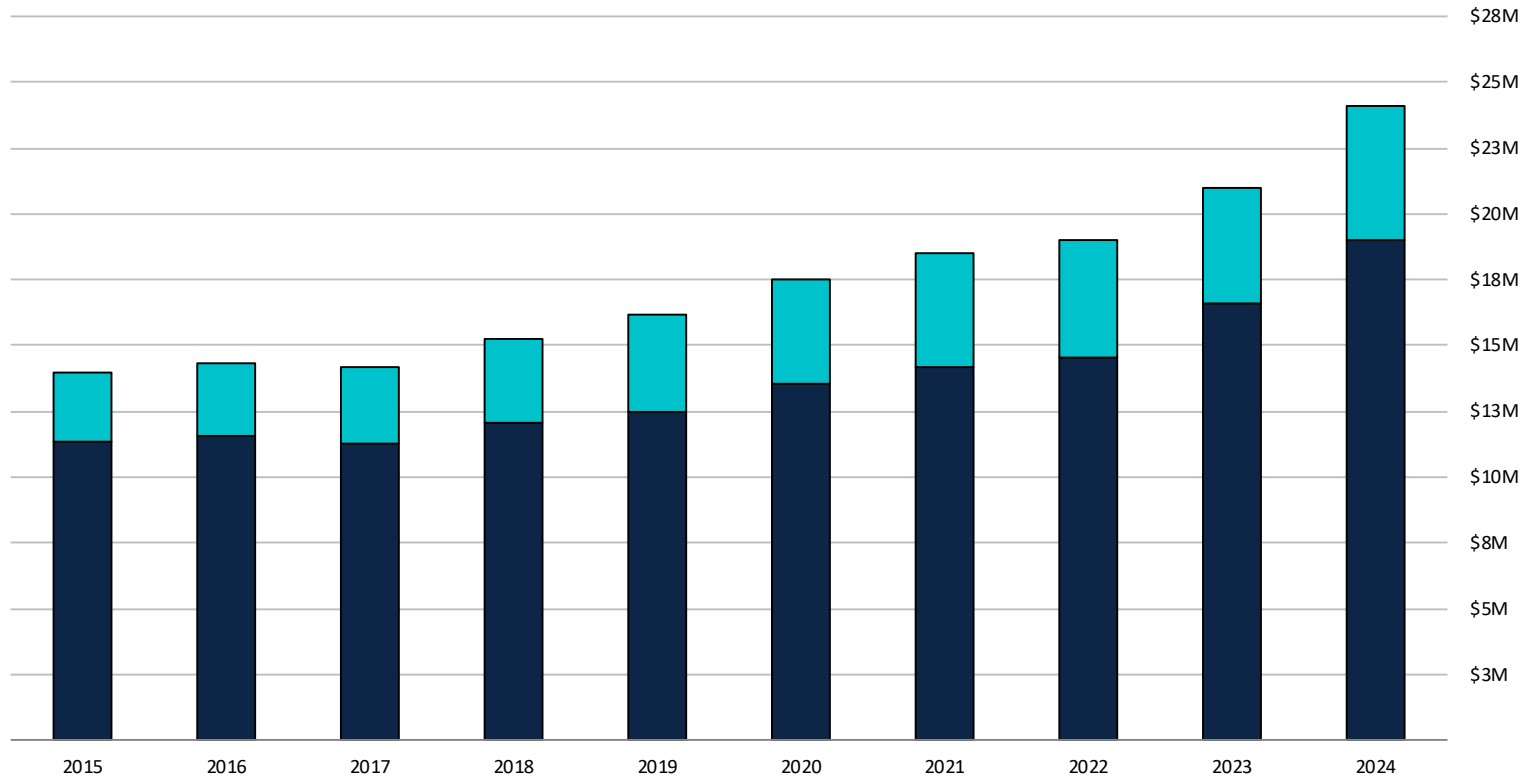
- ▶ FY 2024: Reflects increased utility, chemical, and insurance costs, along with higher personnel expenses and a labor reallocation from capital to operating.
- ▶ FY 2023: Reflects increased utility, chemical, and insurance costs, along with higher personnel expenses.
- ▶ FY 2021: Reflects increased professional services along with higher personnel, chemical, and insurance costs.
- ▶ FY2020: Operating costs reflect increased personnel and chemical costs, along with additional biosolid loads being dispersed.
- ▶ FY2019: Operating costs reflect significant electricity and natural gas price & usage increases. In addition, AHPS witnessed a bar screen failure mid-year leading to a shift of labor costs from EWPCF to AHPS.
- ▶ Member Agencies are billed the amount of Operating Expenses less Other Operating Revenues

Source: Encina Wastewater Authority

OPERATING REVENUES AND EXPENSES BY MAJOR SOURCE AND USE  
LAST TEN FISCAL YEARS

Operating Expenses

■ All Other Operating Expenses ■ EWPCF



- ▶ FY2024: Reflects increased utility, chemical, and insurance costs, along with higher personnel expenses and a labor reallocation from capital to operating.
- ▶ FY2023: Reflects increased utility, chemical, and insurance costs, along with higher personnel expenses.
- ▶ FY2021: reflects increased professional services along with higher personnel, chemical, and insurance costs.
- ▶ FY2020: Operating costs reflect increased personnel and chemical costs, along with additional biosolid loads being dispersed.
- ▶ FY2019: Operating costs reflect significant electricity and natural gas price & usage increases throughout EWPCF and the Remote Facilities. In addition, AHPS witnessed a bar screen failure mid-year leading to a shift of labor costs from EWPCF to AHPS.
- ▶ Member Agencies are billed the amount of Operating Expenses less Other Operating Revenues

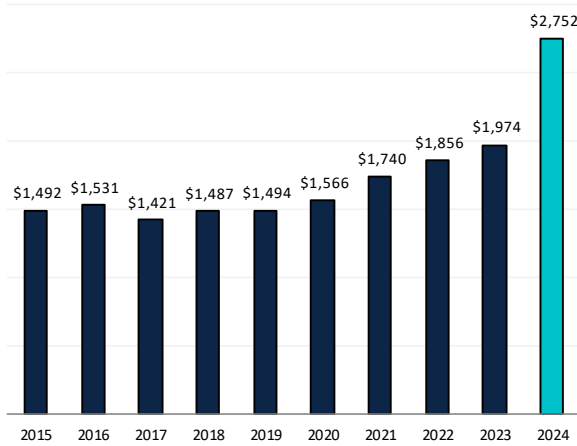
Source: Encina Wastewater Authority

**OPERATING EXPENSES PER MILLION GALLONS (MG)  
LAST TEN FISCAL YEARS**

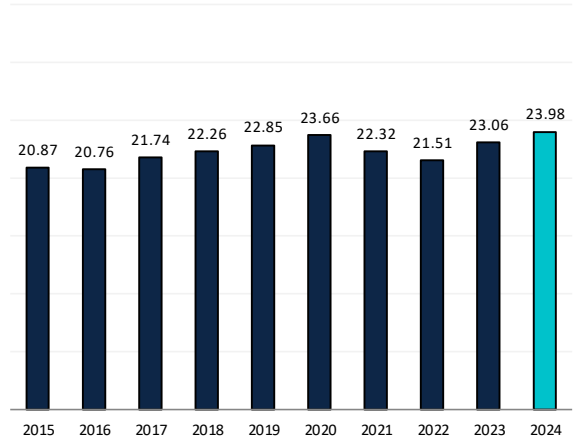
Year Ended	Carlsbad	Vista	Buena	Vallecitos	Leucadia	Encinitas	EWPCF Totals
<b>June 30, 2024</b>							
Operating Expenses	\$ 7,220,724	\$ 6,439,002	\$ 2,463,561	\$ 4,200,822	\$ 2,886,816	\$ 880,196	\$ 24,091,121
Avg. Daily Flow in MG	5.90	6.85	2.00	4.52	3.78	0.93	23.98
Annualized Flow in MG	2153.50	2500.25	730.00	1649.80	1379.70	339.45	8752.70
Cost Per MG	\$ 3,353.02	\$ 2,575.34	\$ 3,374.74	\$ 2,546.26	\$ 2,092.35	\$ 2,593.01	\$ 2,752.42
MG cost change from prior year	71.01%	48.05%	55.39%	6.10%	15.23%	20.46%	39.43%
<b>June 30, 2023</b>							
Operating Expenses	\$ 4,422,771	\$ 4,082,654	\$ 1,561,633	\$ 3,328,722	\$ 2,465,600	\$ 754,264	\$ 16,615,644
Avg. Daily Flow in MG	6.18	6.43	1.97	3.80	3.72	0.96	23.06
Annualized Flow in MG	2255.70	2346.95	719.05	1387.00	1357.80	350.40	8416.90
Cost Per MG	\$ 1,960.71	\$ 1,739.56	\$ 2,171.80	\$ 2,399.94	\$ 1,815.88	\$ 2,152.58	\$ 1,974.08
MG cost change from prior year	7.22%	4.73%	9.97%	3.31%	9.85%	7.56%	6.39%
<b>June 30, 2022</b>							
Operating Expenses	\$ 3,831,389	\$ 3,467,879	\$ 1,362,414	\$ 2,984,778	\$ 2,220,322	\$ 701,254	\$ 14,568,036
Avg. Daily Flow in MG	5.74	5.72	1.89	3.52	3.68	0.96	21.51
Annualized Flow in MG	2095.10	2087.80	689.85	1284.80	1343.20	350.40	7851.15
Cost Per MG	\$ 1,828.74	\$ 1,661.02	\$ 1,974.94	\$ 2,323.15	\$ 1,653.01	\$ 2,001.30	\$ 1,855.53
MG cost change from prior year	11.83%	3.47%	5.10%	5.59%	8.05%	3.48%	6.66%
<b>June 30, 2021</b>							
Operating Expenses	\$ 3,813,977	\$ 3,193,229	\$ 1,296,296	\$ 3,051,604	\$ 2,133,102	\$ 684,746	\$ 14,172,954
Avg. Daily Flow in MG	6.39	5.45	1.89	3.80	3.82	0.97	22.32
Annualized Flow in MG	2332.35	1989.25	689.85	1387.00	1394.30	354.05	8146.80
Cost Per MG	\$ 1,635.25	\$ 1,605.24	\$ 1,879.10	\$ 2,200.15	\$ 1,529.87	\$ 1,934.04	\$ 1,739.70
MG cost change from prior year	5.90%	17.21%	7.46%	14.89%	10.33%	8.19%	11.12%
<b>June 30, 2020</b>							
Operating Expenses	\$ 3,562,012	\$ 3,159,151	\$ 1,225,482	\$ 3,005,699	\$ 1,948,604	\$ 619,873	\$ 13,520,821
Avg. Daily Flow in MG	6.32	6.32	1.92	4.30	3.85	0.95	23.66
Annualized Flow in MG	2306.80	2306.80	700.80	1569.50	1405.25	346.75	8635.90
Cost Per MG	\$ 1,544.14	\$ 1,369.49	\$ 1,748.69	\$ 1,915.07	\$ 1,386.66	\$ 1,787.67	\$ 1,565.65
MG cost change from prior year	2.70%	6.42%	4.90%	1.69%	5.21%	8.66%	4.82%
<b>June 30, 2019</b>							
Operating Expenses	\$ 3,303,695	\$ 3,020,312	\$ 1,137,774	\$ 2,584,515	\$ 1,823,188	\$ 588,484	\$ 12,457,968
Avg. Daily Flow in MG	6.02	6.43	1.87	3.76	3.79	0.98	22.85
Annualized Flow in MG	2197.30	2346.95	682.55	1372.40	1383.35	357.70	8340.25
Cost Per MG	\$ 1,503.52	\$ 1,286.91	\$ 1,666.95	\$ 1,883.21	\$ 1,317.95	\$ 1,645.19	\$ 1,493.72
MG cost change from prior year	2.92%	-0.50%	0.81%	-5.38%	1.25%	3.41%	0.46%
<b>June 30, 2018</b>							
Operating Expenses	\$ 3,295,342	\$ 2,945,663	\$ 1,110,530	\$ 2,389,949	\$ 1,781,655	\$ 557,486	\$ 12,080,625
Avg. Daily Flow in MG	6.18	6.24	1.84	3.29	3.75	0.96	22.26
Annualized Flow in MG	2255.70	2277.60	671.60	1200.85	1368.75	350.40	8124.90
Cost Per MG	\$ 1,460.90	\$ 1,293.32	\$ 1,653.56	\$ 1,990.21	\$ 1,301.67	\$ 1,591.00	\$ 1,486.86
MG cost change from prior year	11.09%	-1.77%	9.16%	3.12%	8.06%	3.15%	4.67%
<b>June 30, 2017</b>							
Operating Expenses	\$ 3,033,663	\$ 2,551,773	\$ 1,056,083	\$ 2,409,195	\$ 1,675,199	\$ 546,094	\$ 11,272,007
Avg. Daily Flow in MG	6.32	5.31	1.91	3.42	3.81	0.97	21.74
Annualized Flow in MG	2306.80	1938.15	697.15	1248.30	1390.65	354.05	7935.10
Cost Per MG	\$ 1,315.10	\$ 1,316.60	\$ 1,514.86	\$ 1,929.98	\$ 1,204.62	\$ 1,542.42	\$ 1,420.52
MG cost change from prior year	-4.77%	-5.03%	-15.80%	-11.02%	-5.11%	-6.77%	-7.19%
<b>June 30, 2016</b>							
Operating Expenses	\$ 2,973,999	\$ 2,712,247	\$ 971,876	\$ 2,628,340	\$ 1,737,527	\$ 573,651	\$ 11,597,640
Avg. Daily Flow in MG	5.90	5.36	1.48	3.32	3.75	0.95	20.76
Annualized Flow in MG	2153.50	1956.40	540.20	1211.80	1368.75	346.75	7577.40
Cost Per MG	\$ 1,381.01	\$ 1,386.35	\$ 1,799.10	\$ 2,168.96	\$ 1,269.43	\$ 1,654.36	\$ 1,530.56
MG cost change from prior year	5.24%	4.07%	3.35%	-7.95%	2.33%	2.14%	2.58%
<b>June 30, 2015</b>							
Operating Expenses	\$ 2,955,115	\$ 2,650,019	\$ 959,439	\$ 2,451,148	\$ 1,770,450	\$ 579,373	\$ 11,365,544
Avg. Daily Flow in MG	6.17	5.45	1.51	2.85	3.91	0.98	20.87
Annualized Flow in MG	2252.05	1989.25	551.15	1040.25	1427.15	357.70	7617.55
Cost Per MG	\$ 1,312.19	\$ 1,332.17	\$ 1,740.79	\$ 2,356.31	\$ 1,240.55	\$ 1,619.72	\$ 1,492.02

**OPERATING EXPENSES PER MILLION GALLONS (MG)  
LAST TEN FISCAL YEARS**

Operating Expenses per Million Gallons

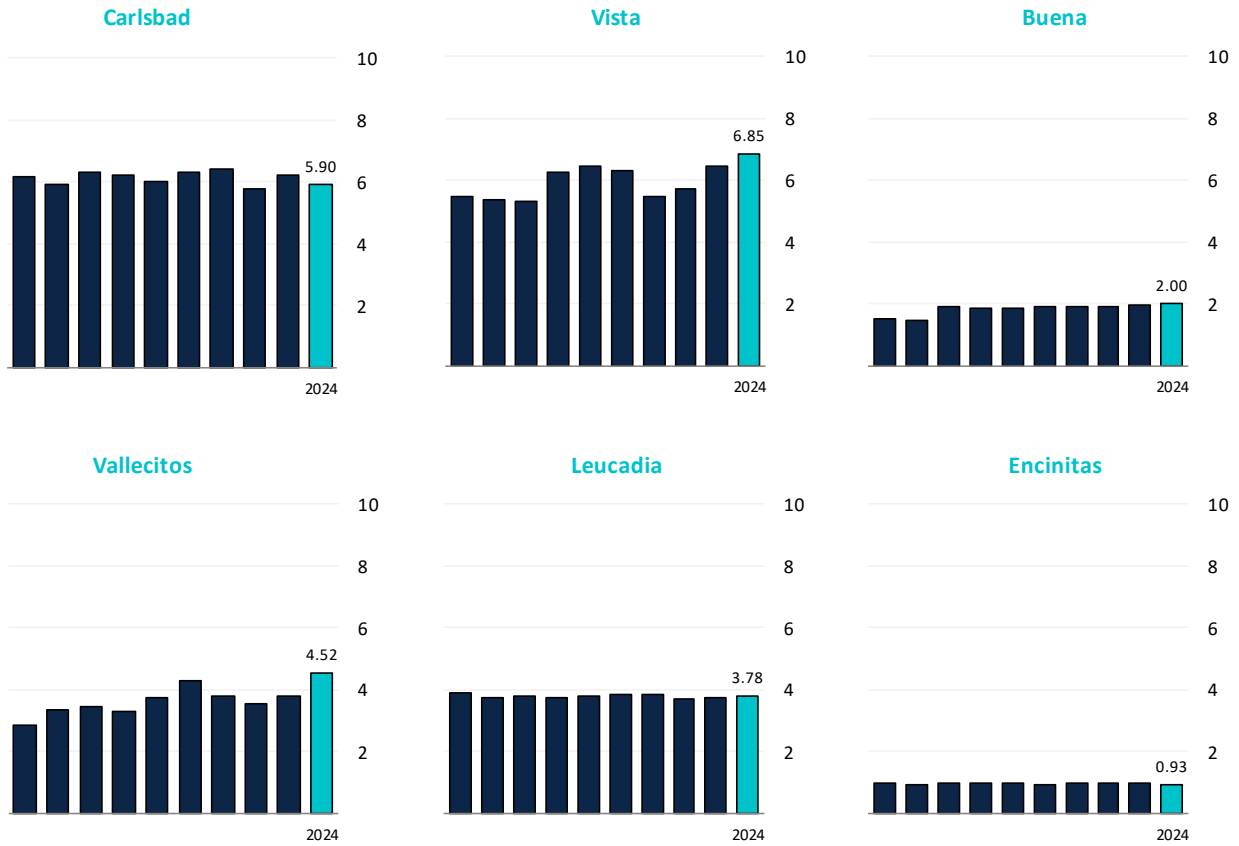


Total Average Daily Flow (MGD)



► FY 2024 reflects a personnel reallocation from capital to operating based on actual time spent.

**Average Daily Flow (MGD) by Member Agency**



► FY 2018 reflects the first year of flows from City of Oceanside beginning to be routed into Encina through Vista channels

► FY 2014-2016 reflects impact of CA three year drought

Source: Encina Wastewater Authority

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# **BUDGET PERFORMANCE SECTION**

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Operating Program

Personnel Expenses

Capital Program

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**SUPPLEMENTARY SCHEDULE OF OPERATING PROGRAM BUDGET PERFORMANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Adopted Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>\$ Variance</u>	<u>% Actual to Budget</u>
<b>Revenues:</b>					
Member Assessments	\$ 23,501,441	\$ 23,501,441	\$ 23,313,929	\$ (187,512)	99.2%
Other	529,000	1,016,545	777,192	(239,353)	76.5%
<b>Total Revenues</b>	<u>\$24,030,441</u>	<u>\$ 24,517,986</u>	<u>\$24,091,121</u>	<u>(\$426,865)</u>	<u>98.3%</u>
<b>Expenses:</b>					
Personnel Expense	\$ 10,540,014	\$ 10,538,839	\$ 11,425,711	\$ (886,872)	108.4%
Chemicals	3,442,156	3,191,632	3,026,081	165,551	94.8%
Biosolids	1,032,600	1,199,364	1,195,572	3,792	99.7%
Utilities	3,680,079	3,643,420	2,983,743	659,677	81.9%
Other Non-Personnel	5,335,592	5,996,370	5,460,014	536,356	91.1%
<b>Total Expenses</b>	<u>\$ 24,030,441</u>	<u>\$ 24,569,625</u>	<u>\$ 24,091,121</u>	<u>\$478,504</u>	<u>98.1%</u>

**SUPPLEMENTARY SCHEDULE OF OPERATING EXPENSES BY MAJOR CATEGORY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2023)**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel Expense	\$ 11,425,711	\$ 9,741,635	\$ 1,684,076	17.3%
Chemicals	3,026,081	2,352,342	673,739	28.6%
Biosolids	1,195,572	717,569	478,003	66.6%
Utilities	2,983,743	3,723,530	(739,787)	-19.9%
Other Non-Personnel	5,460,014	4,442,252	1,017,762	22.9%
<b>Total</b>	<u>\$ 24,091,121</u>	<u>\$ 20,977,328</u>	<u>\$ 3,113,793</u>	<u>14.8%</u>

Source: Encina Wastewater Authority

**SUPPLEMENTARY SCHEDULE OF PERSONNEL EXPENSE BY PROGRAM  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<b>Programs</b>	<b>Adopted Budget</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>\$ Variance</b>	<b>% Actual to Budget</b>
EWPCF	\$ 7,737,886	\$ 7,516,277	\$ 8,386,381	\$ (870,104)	111.6%
Source Control	800,229	782,718	855,053	(72,335)	109.2%
Remote Facilities					
Agua Hedionda Pump Station	409,220	407,864	347,223	60,641	85.1%
Buena Vista Pump Station	270,148	266,672	226,014	40,658	84.8%
Buena Creek Pump Station	312,948	301,540	281,242	20,298	93.3%
Carlsbad Water Reclamation Facility	689,611	684,950	640,685	44,265	93.5%
Raceway Basin Pump Station	190,412	194,694	125,396	69,298	64.4%
Total Remote Facilities	1,872,339	1,855,720	1,620,560	235,160	87.3%
<b>Subtotal Operating Program</b>	10,410,454	10,154,715	10,861,994	(707,279)	107.0%
<b>Capital Program</b>	747,835	727,860	640,602	87,258	88.0%
<b>Total Personnel Expense by Program</b>	<u>\$ 11,158,289</u>	<u>\$ 10,882,575</u>	<u>\$ 11,502,596</u>	<u>\$ (620,021)</u>	<u>105.7%</u>

Source: Encina Wastewater Authority

**SUPPLEMENTARY SCHEDULE OF CONTINUING CAPITAL IMPROVEMENT PROGRAM APPROPRIATIONS  
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<b>BY PROJECT</b>	APPROPRIATIONS BEGINNING OF FISCAL YEAR REPORTED	FY 2024 NEW APPROPRIATIONS	TRANSFERS IN(OUT)	ALLOCATED PERSONNEL EXPENSE	TOTAL CAPITAL EXPENSES	APPROPRIATION BALANCES ON JUNE 30, 2024	CONTINUING APPROPRIATIONS JULY 1, 2024
SALARIES & BENEFITS	\$ -	\$ 3,084,320	\$ 2,169	\$ (2,183,329)	\$ -	\$ 903,160	\$ -
EWPCF CAPITAL ACQUISITIONS	22,789	368,000	5,960	-	(341,988)	54,761	28,660
AHPS CAPITAL ACQUISITIONS	26,181	482,000	30,507	-	(307,313)	231,375	162,271
BVPS CAPITAL ACQUISITIONS	-	284,750	35	-	(245,153)	39,632	15,390
BCPS CAPITAL ACQUISITIONS	1,858	204,667	96	-	(155,815)	50,806	41,058
CWRF CAPITAL ACQUISITIONS	19,008	465,000	-	-	(417,203)	66,805	52,799
RBPS CAPITAL ACQUISITIONS	-	166,500	-	-	(134,806)	31,694	40
PLANNED ASSET REPLACEMENT	11,431	1,534,200	8,200	413,532	(1,910,435)	56,928	42,829
MAJOR PLANT REHAB PROGRAM	12,681,945	19,245,000	(46,967)	1,769,797	(24,001,050)	9,648,725	9,694,062
<b>TOTAL</b>	<b>\$ 12,763,212</b>	<b>\$ 25,834,437</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (27,513,763)</b>	<b>\$ 11,083,886</b>	<b>\$ 10,037,109</b>

Source: Encina Wastewater Authority

**SUPPLEMENTARY SCHEDULE OF CONTINUING CAPITAL IMPROVEMENT PROGRAM APPROPRIATIONS (CONTINUED)**  
**AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>BY MEMBER AGENCY</u>	<u>CARLSBAD</u>	<u>VISTA</u>	<u>BUENA</u>	<u>VALLECITOS</u>	<u>LEUCADIA</u>	<u>ENCINITAS</u>	<u>TOTAL</u>
EWPCF CAPITAL ACQUISITIONS	\$ 6,947	\$ 7,222	\$ 2,032	\$ 6,426	\$ 4,815	\$ 1,218	\$ 28,660
AHPS CAPITAL ACQUISITIONS	50,142	112,129	-	-	-	-	162,271
BVPS CAPITAL ACQUISITIONS	1,601	13,789	-	-	-	-	15,390
BCPS CAPITAL ACQUISITIONS	-	-	41,058	-	-	-	41,058
CWRF CAPITAL ACQUISITIONS	52,799	-	-	-	-	-	52,799
RBPS CAPITAL ACQUISITIONS	-	40	-	-	-	-	40
PLANNED ASSET REPLACEMENT	10,382	10,793	3,037	9,602	7,195	1,820	42,829
MAJOR PLANT REHAB PROGRAM	<u>2,349,433</u>	<u>2,442,484</u>	<u>687,191</u>	<u>2,174,701</u>	<u>1,628,321</u>	<u>411,932</u>	<u>9,694,062</u>
TOTAL	<u>\$ 2,471,304</u>	<u>\$ 2,586,457</u>	<u>\$ 733,318</u>	<u>\$ 2,190,729</u>	<u>\$ 1,640,331</u>	<u>\$ 414,970</u>	<u>\$ 10,037,109</u>

Source: Encina Wastewater Authority