SEASIDE COUNTY SANITATION DISTRICT

440 HARCOURT AVENUE SEASIDE, CA 93955

REGULAR **MEETING**
Board of Directors
Tuesday, May 10, 2022, 9:30 AM
VIRTUAL ONLY MEETING

Pursuant to California Government Code section 54953(e)(1)(A) and (C) and the Seaside County Sanitation District's resolution authorizing virtual participation in public meetings given the COVID-19 pandemic; meetings are being conducted in a virtual format providing in order to promote social distancing and protect the health and safety of attendees.

VIRTUAL PUBLIC PARTICIPATION INSTRUCTIONS

1. To view this meeting: Please click on the following link to the City of Seaside YouTube Channel: https://www.youtube.com/c/CityofSeasideCalifornia

2. To participate in this meeting: Using the Zoom application on your smart phone, laptop, tablet or desktop and click on this link: https://us02web.zoom.us/j/83946789270

   WEBINAR ID: **839 4678 9270**

3. To participate by phone: Please call (669) 900-9128. Enter the meeting ID **839 4678 9270** when prompted. There is no participate code – press the pound sign # after the recording prompts you.

4. To make public comment, the following options are available:

   - Before the Meeting via Email: Written comments can be emailed to pwinfo@ci.seaside.ca.us Include the following subject line: "Public Comment Item #___" (insert the agenda item number relevant to your comment). Written comments must be received at least two (2) hours prior to the meeting time on the day of the meeting.

   - During the Meeting via Oral Comments: When the Chair calls for public comment, attendees can queue to speak with the "Raise Hand" feature. On the Zoom application, click the "Raise Hand" button. On the phone, press *9.

1. **CALL TO ORDER**
BOARD OF DIRECTORS

Jerry Blackwelder	Chair
Pat Lintell	First Vice Chair
Jon Wizard	Second Vice Chair

2. **REVIEW OF AGENDA**
If there are any items that arose after the 72-hour posting deadline, this is the point in the meeting where a vote may be taken to add the item to the agenda. (A 2/3-majority vote is required).

3. **PUBLIC COMMENT**
Members of the public wishing to address the Seaside County Sanitation District on matters within the jurisdiction of the Board, but not on this agenda, may do so during Public Comment period for up to two minutes. Public Comments on specific agenda items are heard under that item. For the public record, please state your name.

4. **CONSENT AGENDA**

A. **APPROVE MINUTES FROM THE MARCH 8, 2022 MEETING**

B. **APPROVE MINUTES FROM THE APRIL 12, 2022 MEETING**

C. **ADOPT A RESOLUTION MAKING FINDINGS IN ACCORDANCE WITH AB361 AND GOVERNMENT CODE SECTION 54953(E) AUTHORIZING REMOTE TELECONFERENCE MEETINGS**

PURPOSE: ADOPT A RESOLUTION MAKING FINDINGS IN ACCORDANCE WITH AB361 AND GOVERNMENT CODE SECTION 54953(E) AUTHORIZING REMOTE TELECONFERENCE MEETINGS

RECOMMENDATION: Adopt a resolution making findings under AB361 and Government Code section 54953(e) authorizing continued teleconference (Zoom) hybrid meetings.

D. **ACCEPT AND FILE THE SEASIDE COUNTY SANITATION DISTRICT JUNE 30, 2021 AUDITED FINANCIAL STATEMENTS**

PURPOSE: Accept and file the Seaside County Sanitation District June 30, 2021 Audited Financial Statements.

RECOMMENDATION: It is recommended that the District Board accept and file the June 30, 2021 Audited Financial Statements.

E. **RECEIVE SEASIDE COUNTY SANITATION DISTRICT OPERATIONS REPORT FOR APRIL, 2022.**

PURPOSE: Receive Seaside County Sanitation District Operations Report for April, 2022.

RECOMMENDATION: Accept reports. This item is presented for information only.

5. NEW BUSINESS

6. STAFF REPORTS

Staff reports include items for which verbal reports/presentations will be provided. If a specific Seaside County Sanitation District presentation is planned, it will be listed and information included with the Agenda. Brief oral reports may be provided for items arising after the Agenda was prepared. The Board may wish to ask questions or discuss a staff report, but no action is appropriate other than referral to staff, or request that a matter be set as a future Agenda item.

7. BOARD MEMBERS COMMENTS

8. ADJOURNMENT

Next Regularly Scheduled Meeting:
June 14, 2022
Regular

In compliance with the Americans with Disabilities Act (ADA), the Seaside County Sanitation District (SCSD) does not discriminate against persons with disabilities. Any person with a disability who requires a modification or accommodation to be able to participate in this meeting is asked to contact the office of the District Clerk at cityclerk@ci.seaside.ca.us 831-899-6707, no fewer than two business days prior to the meeting to allow for reasonable arrangements. This agenda is posted in compliance with Pursuant to Governor Newsom's Executive Orders N-29-20 and N-33-20 Agenda related writings or documents provided to the Board are available for public inspection during the meeting or may be requested from the office of the District Clerk.

DRAFT MINUTES
SEASIDE COUNTY SANITATION DISTRICT
Tuesday, March 8, 2022 9:30 AM
REGULAR MEETING
Seaside Conference Room

1. CALL TO ORDER

The meeting was called to order at 9:30 a.m.
PRESENT: BLACKWELDER, LINTELL, WIZARD
ABSENT: NONE

2. ROLL CALL

3. REVIEW OF AGENDA

4. PUBLIC COMMENT

5. CONSENT AGENDA

On motion by First Vice Chair Pat Lintell and seconded by Second Vice Chair Jon Wizard and passed by the following vote, at the Seaside County Sanitation District Board approved the consent agenda as presented.

RESULT: ***Approved.***
AYES: Jerry Blackwelder, Pat Lintell, Jon Wizard
NOES: None.
Absent: None

A. APPROVE MINUTES FROM THE FEBRUARY 8, 2022 REGULAR MEETING

RESULT: ***Approved.***

B. ADOPT A RESOLUTION MAKING FINDINGS IN ACCORDANCE WITH AB361 AND GOVERNMENT CODE SECTION 54953(E) AUTHORIZING REMOTE TELECONFERENCE MEETINGS

RESULT: ***Approved.***

C. APPROVE A RESOLUTION AUTHORIZING THE SUPERINTENDENT OF SEASIDE COUNTY SANITATION DISTRICT TO DISPOSE OF SURPLUS DISTRICT VEHICLES AND EQUIPMENT

RESULT: ***Approved.***

D. APPROVAL OF JANUARY 2022 EXPENDITURE REPORT FOR SEASIDE COUNTY SANITATION DISTRICT.

RESULT: ***Approved.***

E. RECEIVE SEASIDE COUNTY SANITATION DISTRICT OPERATIONS REPORT FOR FEBRUARY 2022

RESULT: ***Approved.***

6. NEW BUSINESS

7. STAFF REPORTS

8. BOARD MEMBERS COMMENTS

9. ADJOURNMENT

This meeting adjourned at 9:55 a.m.

Respectfully Submitted,

______________________________	______________________________
Dominique L. Davis, District Clerk	**Jerry Blackwelder, Chair**

DRAFT MINUTES
SEASIDE COUNTY SANITATION DISTRICT
Tuesday, April 12, 2022 9:30 AM
REGULAR MEETING
Seaside Conference Room

1. CALL TO ORDER

This meeting was called to order at 9:30 a.m.
PRESENT: BLACKWELDER, LINTELL, WIZARD
ABSENT: NONE

2. ROLL CALL

3. REVIEW OF AGENDA

4. PUBLIC COMMENT

5. CONSENT AGENDA

On motion by First Vice Chair Pat Lintell and seconded by Second Vice Chair Jon Wizard and passed by the following vote, at the Seaside County Sanitation District Board approved the consent agenda as presented.

RESULT: *Approved.*
AYES: Jerry Blackwelder, Pat Lintell, Jon Wizard
NOES: None.
ABSENT: None.

A. ADOPT A RESOLUTION MAKING FINDINGS IN ACCORDANCE WITH AB361 AND GOVERNMENT CODE SECTION 54953(E) AUTHORIZING REMOTE TELECONFERENCE MEETINGS

RESULT: *Approved.*

B. APPROVAL OF FEBRUARY 2022 EXPENDITURE REPORT FOR SEASIDE COUNTY SANITATION DISTRICT

RESULT: *Approved.*

C. RECEIVE SEASIDE COUNTY SANITATION DISTRICT OPERATIONS REPORT FOR MARCH 2022

RESULT: *Approved.*

6. NEW BUSINESS

A. APPOINT DELEGATE FOR THE CALIFORNIA JPIA BOARD OF DIRECTORS

Acting District Manager Roberta Greathouse gave a brief description of the California JPIA Board of Directors.

On a motion by First Vice Chair Pat Lintell and seconded by Chair Jerry Blackwelder and passed by the following vote, the Seaside County Sanitation District Board approved. to maintain representation as Status Quo with Chair Jerry Blackwlder and Roberta Greathouse as appointed representatives.

Result: *Approved.*
AYES: Jerry Blackwelder, Pat Lintell, Jon Wizard.
NOES: None.
ABSENT: None.

7. STAFF REPORTS

District Engineer Nisha Patel presented the Board with an update. The Fremont, Broadway, Ortiz sewer project is still ongoing with planned completion at the end of August.
Finance Director Victor Damiani reported that the Fiscal Year 2021 financial statements will be provided at the next meeting and finance is currently working on the fiscal year 2022-2023 budget and should be available for review in June.

8. BOARD MEMBERS COMMENTS

None.

9. ADJOURNMENT

The meeting adjourned at 9:40 a.m.

Respectfully Submitted,

Jasmine Dolan for **Dominique L. Davis, District Clerk**	**Jerry Blackwelder, Chair**

SEASIDE COUNTY SANITATION DISTRICT **Item No.: 4.C.**
STAFF REPORT

TO: Seaside County Sanitation District

FROM: Roberta Greathouse, Acting District Manager

BY: Jasmine Dolan, Administrative Assistant

DATE: May 10, 2022

SUBJECT: **ADOPT A RESOLUTION MAKING FINDINGS IN ACCORDANCE WITH AB361 AND GOVERNMENT CODE SECTION 54953(E) AUTHORIZING REMOTE TELECONFERENCE MEETINGS**

PURPOSE

ADOPT A RESOLUTION MAKING FINDINGS IN ACCORDANCE WITH AB361 AND GOVERNMENT CODE SECTION 54953(E) AUTHORIZING REMOTE TELECONFERENCE MEETINGS

RECOMMENDATION

Adopt a resolution making findings under AB361 and Government Code section 54953(e) authorizing continued teleconference (Zoom) hybrid meetings.

BACKGROUND

At the Seaside County Sanitation meeting of February 8, 2022, the Board considered and authorized continuing teleconference meetings to conduct the business of the District in accordance with the provisions of AB361 which adds Government Code section 54953(e) to the Brown Act and provides for remote teleconferencing subject to the existence of certain conditions. Government Code section 54953(e) provides that when there is a proclaimed State of Emergency declared by the Governor, a local body may make a determination to authorize a meeting remotely via teleconference as a result of the emergency, within the first 30 days after the first meeting. To do so, a resolution would need to be adopted in which the legislative body finds that a meeting in person would present imminent risks to the health or safety of attendees, or that state or local officials have imposed or recommended measures to promote social distancing. Importantly, the resolution to continue teleconference meetings must be renewed every 30 days.

Since February 8, 2022, the situation has not changed. The State of California remains in a State of Emergency as a result of the threat posed by the COVID-19 pandemic. Although the FDA and CDC have approved boosters and a vaccination for Children 5 - 11, the SARS-CoV-2 virus continues to mutate and there continues to be break-through infections. Finally, renewing this resolution to continue with the option to participate remotely by teleconference (Zoom) to be in the health, safety and welfare of its citizenry during the continuing COVID-19 crisis.

FISCAL IMPACT

Zoom account and on-line services are already included in the budget.

ATTACHMENTS

1. Resolution

Reviewed for Submission to the
Board by:

RGreathouse

Roberta Greathouse, Acting District Manager

RESOLUTION NO. 22-XX

A RESOLUTION OF THE SEASIDE COUNTY SANITATION DISTRICT

MAKING FINDINGS FOR HOLDING REMOTE TELECONFERENCE/ZOOM MEETINGS IN ACCORDANCE WITH AB361 AND GOVERNMENT CODE SECTION 54953(e)

WHEREAS, on or about March 4, 2020, Governor Newsom declared a State of Emergency in the State of California pursuant to Government Code section 8625 as a result of the COVID-19 pandemic; and

WHEREAS, Governor Newsom issued Executive Orders N-25-20 and N-29-20. These orders suspended certain elements of the Brown Act and specifically allowed for legislative bodies to hold their meetings entirely electronically with no physical meeting place. On June 11, 2021, Governor Newsom issued Executive Order N-08-21, which provided that the emergency provisions suspending the Brown Act provisions would expire on September 30, 2021; and

WHEREAS, there have been continued transmission of the COVID-19 cases and most hospitalizations in Monterey County primarily due to the Delta and Omicron variants of the SARS-CoV-2, the virus that causes COVID-19. Emerging evidence indicates that the Omicron variant is far more transmissible than prior variants of the virus, may cause more severe illness, and that even fully vaccinated individuals can spread the virus to others; and

WHEREAS, Monterey County Health Officer continues to recommend social distancing measures for meetings of legislative bodies, or the state of emergency continues to directly impact the ability of the members to meet in person.

WHEREAS, on or about September 16, 2021, Governor Newsom signed AB361 into law which creates a new section of the Brown Act, Government Code section 54953(e), which authorizes the continuation of remote teleconference meetings without complying with provisions of noticing requirements of 54953(b) and physical location, so long as the local agency has made appropriate findings and the state continues to be in a state of emergency; and

WHEREAS, the District did not have sufficient business to conduct meetings in October and November. In January, the City of Seaside had a COVID outbreak which necessitated closing City Hall, and the District was unable to hold its January meeting; and

WHEREAS, the Seaside County Sanitation District now desires to adopt a Resolution finding that the requisite conditions exist for the legislative bodies of the Seaside County Sanitation District of Seaside, to conduct remote electronic/teleconference meetings without compliance with Government Code section 54953 (b)(3).

NOW, THEREFORE, BE IT RESOLVED that the Board of the Seaside County Sanitation District hereby makes the following findings:

1. The above recitals are true and correct and are incorporated herein by this reference.

2. The District Board determines that as a result of the proclaimed state of emergency in California due to COVID-19, and in particular the continued spread of the virus in Monterey County, along with the limited of vaccine for children under the age of 12 and the increased transmissibility of the Delta, Omicron, and other variants of the SARS-CoV-2a virus require the continuation of remote teleconference participation in the conduct of the Seaside County Sanitation District's business.

3. The District Manager and District Counsel shall ensure that all Seaside County Sanitation bodies are authorized to conduct their meetings via teleconference hybrid method, including in person and/or fully remote Zoom/teleconference meetings and are directed to take all steps to implement this Resolution including, continuing to conduct open and public remote meetings in accordance with the requirements of Government Code section 54953(e) and other applicable provisions of the Brown Act.

This Resolution shall take effect immediately upon its adoption and shall be effective for thirty (30) days, unless extended by the District Board.

PASSED AND ADOPTED at a meeting of the Seaside County Sanitation District duly held on the 10th day of May, 2022, by the following vote:

AYES:	BOARD MEMBERS:
NOES:	BOARD MEMBERS:
ABSENT:	BOARD MEMBERS:
ABSTAIN:	BOARD MEMBERS:

____
Jerry Blackwelder, Chair

ATTEST:

____
Dominique Davis, District Clerk

SEASIDE COUNTY SANITATION DISTRICT
STAFF REPORT

Item No.: 4.D.

TO: Seaside County Sanitation District

FROM: Roberta Greathouse, Acting District Manager

BY: Jessica Riley, Assistant Finance Director

DATE: May 10, 2022

SUBJECT: **ACCEPT AND FILE THE SEASIDE COUNTY SANITATION DISTRICT JUNE 30, 2021 AUDITED FINANCIAL STATEMENTS**

PURPOSE

Accept and file the Seaside County Sanitation District June 30, 2021 Audited Financial Statements.

RECOMMENDATION

It is recommended that the District Board accept and file the June 30, 2021 Audited Financial Statements.

BACKGROUND

The Seaside County Sanitation District's Financial Statements for the year-ended June 30, 2021, have been completed and audited. The Report is attached to this agenda packet.

As in previous years, the auditors have given the District an unmodified opinion on the financial statements. The audit opinion states that the financial statements present fairly the financial position of the District as of June 30, 2021, and the changes in financial position and cash flows, in accordance with generally accepted accounting principles.

FISCAL IMPACT

The cost of the annual audit is included in the annual budget.

ATTACHMENTS

1. June 30, 2021 Audited Financial Statements

Reviewed for Submission to the
Board by:

Roberta Greathouse, Acting District Manager

SEASIDE COUNTY SANITATION DISTRICT

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

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SEASIDE COUNTY SANITATION DISTRICT
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YEAR ENDED JUNE 30, 2021

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Seaside County Sanitation District
Seaside, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Seaside County Sanitation District (District), a component unit of the City of Seaside, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2022 on our consideration of the District'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 City'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 District's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Roseville, California
February 24, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Seaside County Sanitation District (District), we offer readers of the District's financial statements this discussion and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. Please read this overview in conjunction with the basic financial statements and accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

- The District's assets exceeded liabilities as of June 30, 2021 by $15.2 million, an increase of $1.2 million.
- Total District revenues were $2.6 million in fiscal year 2020-2021.
- Total District expenses were $1.5 million in fiscal year 2020-2021.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's Basic Financial Statements. The statement of net position, the statement of revenues, expenses, and changes in net position, and the statement of cash flows provide information about the activities of the District. The financial statements also include various footnote disclosures, which further describe the District activities.

During the fiscal year ended June 30, 2021, net position increased by $1.2 million, mostly attributable to the District's charges for services revenue that continues to support the District's goal of long-term financial health. In addition, the District has increased its charges for service in order to fund significant capital renovations that are needed to bring the sewer system up-to-date. .

A portion of the District's net position, $11.1 million, reflects its investment in capital assets such as infrastructure, machinery, vehicles, and equipment, minus any related outstanding debt. In addition, a significant portion of net position, $3.9 million or 26% is the District's cash and investments.

Table 1
Statement of Net Position

	2021	2020
Current and Other Assets	$ 4,696,933	$ 9,102,323
Capital Assets	11,141,518	7,903,071
Total Assets	15,838,451	17,005,394
Other Liabilities	571,693	2,890,317
Long-Term Liabilities	59,437	118,360
Total Liabilities	631,130	3,008,677
Net Investment in Capital Assets	10,760,535	7,784,711
Restricted	2,607,393	2,725,582
Unrestricted	1,839,393	3,486,424
Total Net Position	$ 15,207,321	$ 13,996,717

For the fiscal year ended June 30, 2021, revenue decreased by $192 thousand while expenses increased by $215 thousand.

Table 2
Statement of Revenues, Expenses, and Changes in Net Position

	2021	2020
Revenues:		
Program Revenues:		
Charges for Services	$ 2,053,972	$ 1,935,003
General Revenues:		
Property Tax	567,292	520,153
Investment Earnings	60,480	179,093
Other Revenues	-	240,242
Total Revenues	2,681,744	2,874,491
Expenses:		
Sanitation	1,471,140	1,255,950
CHANGE IN NET POSITION	1,210,604	1,618,541
Net Position - July 1	13,996,717	12,378,176
NET POSITION - JUNE 30	$ 15,207,321	$ 13,996,717

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The capital assets of the District are those assets which are used in the performance of the District's functions, including infrastructure assets.

As of June 30, 2021, the District's investment in capital assets amounted to $11.1 million (net of accumulated depreciation). This investment in capital assets includes land, building and improvements, equipment, and construction in progress.

The table below provides a comparison of the District's capital assets for the current and prior years. Capital Assets have increased due to several sewer main replacements and lift station improvement projects.

Table 3
Capital Assets, Net of Accumulated Depreciation

	2021	2020
Intangible	$ 164,066	$ 164,066
Construction in Progress	6,910,235	5,299,745
Equipment	369,545	461,087
Infrastructures	3,697,672	1,978,173
Total	$ 11,141,518	$ 7,903,071

For additional information on capital assets see Note 3.

Long-Term Obligations

At June 30, 2021, the District's total long-term obligations were $59,437, compared to $118,360 in the prior year. The long-term obligations amount was comprised of capital leases of $59,437 for the purchase of two vehicles.

For additional information on long-term debt see Note 4.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of the District's finances for all those with interest in them. Questions concerning any of the information provided in this report or requests for additional information, contact the Finance Director at 440 Harcourt Avenue, Seaside, California 93955, phone (813) 899-6718, or email at VDamiani@ci.seaside.ca.us.

SEASIDE COUNTY SANITATION DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS	
Current Assets:	
Cash and Investments	$ 3,987,420
User Fees Receivable	709,513
Total Current Assets	4,696,933
Capital Assets:	
Nondepreciable	7,074,301
Depreciable, Net of Accumulated Depreciation	4,067,217
Total Net Capital Assets	11,141,518
Total Assets	15,838,451
LIABILITIES	
Current Liabilities:	
Accounts Payable	409,178
Accrued Liabilities	21,488
Interest Payable	1,371
Deposits from Others	12,538
Due to City of Seaside	127,118
Capital Lease Payable - Due within One Year	59,125
Total Current Liabilities	630,818
Noncurrent Liabilities:	
Capital Lease Payable - Due in More than One Year	312
Total Liabilities	631,130
NET POSITION	
Net Investment in Capital Assets	10,760,535
Restricted - Capital Projects	2,607,393
Unrestricted	1,839,393
Total Net Position	$ 15,207,321

See accompanying Notes to Basic Financial Statements.

SEASIDE COUNTY SANITATION DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2021

OPERATING REVENUES	
Charges for Service	$ 2,053,972
OPERATING EXPENSES	
Contracted Salaries and Wages	648,331
Services and Supplies	640,256
Depreciation	181,051
Total Operating Expenses	1,469,638
OPERATING INCOME	584,334
NONOPERATING REVENUES (EXPENSES)	
Interest Income	60,480
Secured and Unsecured Property Taxes	567,292
Interest Expense	(1,502)
Total Nonoperating Revenues (Expenses)	626,270
CHANGE IN NET POSITION	1,210,604
Net Position - Beginning of Year	13,996,717
NET POSITION - END OF YEAR	$ 15,207,321

See accompanying Notes to Basic Financial Statements.

SEASIDE COUNTY SANITATION DISTRICT
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	$ 2,677,923
Payments for Contracted Salaries and Wages	(644,622)
Payments to Suppliers	(1,438,394)
Net Cash Provided by Operating Activities	594,907
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Property Taxes	567,292
Short-term Loan paid to City of Seaside	(1,522,855)
Net Cash Flows Provided by Noncapital Financing Activities	(955,563)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payment of Principal	(58,923)
Purchase of Capital Assets	(3,419,498)
Interest Paid	(2,842)
Net Cash Flows Used for Capital and Related Financing Activities	(3,481,263)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Income	60,480
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,781,439)
Cash and Cash Equivalents - Beginning of Year	7,768,859
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 3,987,420
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	$ 584,334
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	181,051
(Increase) Decrease in Assets:	
Receivables	623,951
Increase (Decrease) in Liabilities:	
Accounts Payable	(798,138)
Accrued Liabilities	3,709
Net Cash Provided for Operating Activities	$ 594,907

See accompanying Notes to Basic Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Seaside County Sanitation District (District) are prepared in accordance with accounting principles generally accepted in the United States of America. The District applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

A. Reporting Entity

The District is responsible for the transportation of sewage waste from residential and commercial buildings to a sewage treatment plant operated by the Monterey Regional Waste Pollution Control Agency. In addition, the District installs and maintains sewer lines and lift stations. The governing board consists of one appointed member each from the Cities of Del Rey Oaks, Sand City, and Seaside.

The District's basic financial statements include the operations of all organizations for which the Board of Directors exercises oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, selection of the governing authority, designation of management, ability to significantly influence operations, and accountability of fiscal matters. No operations of other entities met the aforementioned oversight criteria for inclusion from the accompanying basic financial statements.

The District is reported as a discretely presented component unit on the City of Seaside‘s (City) financial statements.

B. Basis of Presentation and Accounting

The accompanying financial statements of the District are prepared on the accrual basis method of accounting in accordance with accounting principles generally accepted in the United States of America as applicable to governmental units.

All activities of the District are accounted for within an enterprise fund. Enterprise funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation and Accounting (Continued)

Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. In accordance with GASB No. 33, *Accounting and Reporting for Nonexchange Transactions*, revenue from property taxes is recognized in the fiscal year for which the taxes are levied and resources are available. Revenues from sales tax are recognized when the underlying transactions take place and the resources are available. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligible requirements have been satisfied and the resources are available.

C. Cash and Cash Equivalents

The District's cash and investments are cash held by the County of Monterey (County) and the City of Seaside.

D. Receivables

Receivables consist of user fees and connections fee which are billed and collected by the County. The District believes its receivables are to be fully collectible and, accordingly, no allowance for doubtful accounts is required.

E. Capital Assets

Capital assets, which include intangible assets, construction in progress, infrastructure, vehicles, and equipment, are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated acquisition value at the date contributed. The District defines capital assets as assets with an initial individual cost of more than $25,000 for infrastructure and $5,000 for all other assets, and an estimated useful life in excess of one year.

Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method of depreciation over the estimated useful lives as follows:

Vehicles and Equipment	5-15 Years
Infrastructure	50-75 Years

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Net Position

Net position comprises the various net earnings from operating and nonoperating revenues, expenses, and contributions of capital. Net position is classified in the following three components: Net investment in capital assets; restricted; and unrestricted net position. Net investment in capital assets, consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination. Restricted net position consists of net position for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates. The District's restricted net position consists of monies set aside for future capital project outlays. Unrestricted net position consists of all other net position not included in the above categories.

When both restricted and unrestricted net positions are available, restricted resources are used only after the unrestricted resources are depleted.

G. Property Taxes

The District receives property taxes from the County, which has been assigned the responsibility for assessment, collection, and apportionment of property taxes for all taxing jurisdictions within the County. The District's property taxes are levied each July 1 on the assessed values as of the prior January 1 for all real and personal property located in the District. Property sold after the assessment date (January 1) is reassessed and the amount of supplemental property tax levied is prorated. Secured property taxes are due in two installments on November 1 and February 1 and are delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid by August 31.

H. Use of 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 and liabilities 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.

NOTE 2 CASH AND INVESTMENTS

Cash and investments at June 30, 2021 consisted of the following:

Cash and Investments with the County of Monterey	$ 3,987,420
Total Cash and Investments	$ 3,987,420

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

The District's investment policy authorizes investment in all investments authorized under provisions of California Government Code Section 53601.

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 the changes in market interest rates.

Authorized Investment Type	Maturity (in Years) (12 Months or Less)
Monterey County Investment Pool	$ 3,987,420
Total	$ 3,987,420

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The credit rating and other information regarding the investments for the Monterey County pool for the fiscal year 2019-2020 are disclosed in the annual financial reports for the County.

Authorized Investment Type	Minimum Legal Rating	Rating as of Year End Not Rated
Monterey County Investment Pool	N/A	$ 3,987,420
Total		$ 3,987,420

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, a government 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) to a transaction, a government 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 District'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: 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 fair 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 Districts deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. These principles recognize a three-tiered fair value hierarchy, as follows:

Level 1 – Investments reflect prices quoted in active markets;

Level 2 – Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and,

Level 3 – Investments reflect prices based upon unobservable sources.

The District has no investments measured at fair value as of June 30, 2021:

Investments measured at amortized cost:

Monterey County Investment Pool	$ 3,987,420
Total Pooled Investments	$ 3,987,420

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investment in the Monterey County Investment Pool

The District is a voluntary participant in the County Investment Pool which is regulated by the California Government Code under the oversight of the County Treasurer. The fair value of the District's investment in this pool is reported in the accompanying financial statement at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire investment portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on accounting records maintained by the County Treasurer. The average maturity of the County Investment Pool was 167 days.

NOTE 3 CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2021 was as follows:

	Balance July 1, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Nondepreciable Capital Assets:					
Intangible Assets	$ 164,066	$ -	$ -	$	$ 164,066
Construction in Progress	5,299,745	3,372,135	-	(1,761,645)	6,910,235
Total Nondepreciable Capital Assets	5,463,811	3,372,135	-	(1,761,645)	7,074,301
Depreciable Capital Assets:					
Intangible - Master Plan	340,028	-	-		340,028
Equipment and Vehicles	1,026,245	-	-		1,026,245
Infrastructure	7,441,445	47,363	-	1,761,645	9,250,453
Total Depreciable Capital Assets	8,807,718	47,363	-	1,761,645	10,616,726
Less Accumulated Depreciation:					
Intangible - Master Plan	(340,028)	-	-	-	(340,028)
Equipment and Vehicles	(565,158)	(91,542)	-	-	(656,700)
Infrastructure	(5,463,272)	(89,509)	-	-	(5,552,781)
Total Accumulated Depreciation	(6,368,458)	(181,051)	-	-	(6,549,509)
Net Depreciable Capital Assets	2,439,260	(133,688)	-	1,761,645	4,067,217
Net Capital Assets	$ 7,903,071	$ 3,238,447	$ -	$ -	$ 11,141,518

NOTE 4 LONG-TERM LIABILITIES

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Capital Leases	$ 118,360	$ -	$ 58,923	$ 59,437	$ 59,125

Capital Lease Payable

The assets acquired through capital leases are as follows:

Equipment and Vehicles	$ 636,883
Less: Accumulated Depreciation	(280,409)
Total	$ 356,474

During the fiscal year 2017-2018, the District entered into an agreement to lease a vehicle. The imputed interest rate is 2.4%. Principal and interest are payable monthly until August 2022. The future minimum lease obligations and net present value of these minimum lease payments as of June 30, 2021 is as follows:

Year Ending June 30,	Amount
2022	$ 1,258
2023	314
Total Requirements	1,572
Less: Interest	(28)
Present Value of Remaining Payments	$ 1,544

During the fiscal year 2015-2016, the District entered into an agreement to lease a vehicle. The imputed interest rate is 2.359%. Principal and interest are payable monthly on the 11th until July 2021. The future minimum lease obligations and net present value of these minimum lease payments as of June 30, 2021 is as follows:

Year Ending June 30,	Amount
2022	$ 59,301
Total Requirements	59,301
Less: Interest	(1,408)
Present Value of Remaining Payments	$ 57,893

NOTE 5 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and ommissions and natural disasters. The District is covered from risk of loss under the City of Seaside's risk management programs. During the past three fiscal (claims) years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage in 2020-2021.

NOTE 6 RELATED PARTY TRANSACTIONS

The City performs maintenance and administrative services for the District. In this regard, the City charged the district $1,333,667 for the fiscal year ended June 30, 2021.

OTHER REPORTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Seaside County Sanitation District
Seaside, California

We have audited, in accordance with the 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, the financial statements of the Seaside County Sanitation District (District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon February 24, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of their tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Roseville, California
February 24, 2022

SEASIDE COUNTY SANITATION DISTRICT
STAFF REPORT

Item No.: 4.E.

TO:	Seaside County Sanitation District
FROM:	Roberta Greathouse, Acting District Manager
BY:	Billy Thomas, Junior Engineer Nisha Patel, Public Works Director/City Engineer
DATE:	May 10, 2022
SUBJECT:	**RECEIVE SEASIDE COUNTY SANITATION DISTRICT OPERATIONS REPORT FOR APRIL, 2022.**

PURPOSE

Receive Seaside County Sanitation District Operations Report for April, 2022.

RECOMMENDATION

Accept reports. This item is presented for information only.

BACKGROUND

Attached is the Seaside County Sanitation District Operations Report and Flush Map for April, 2022.

FISCAL IMPACT

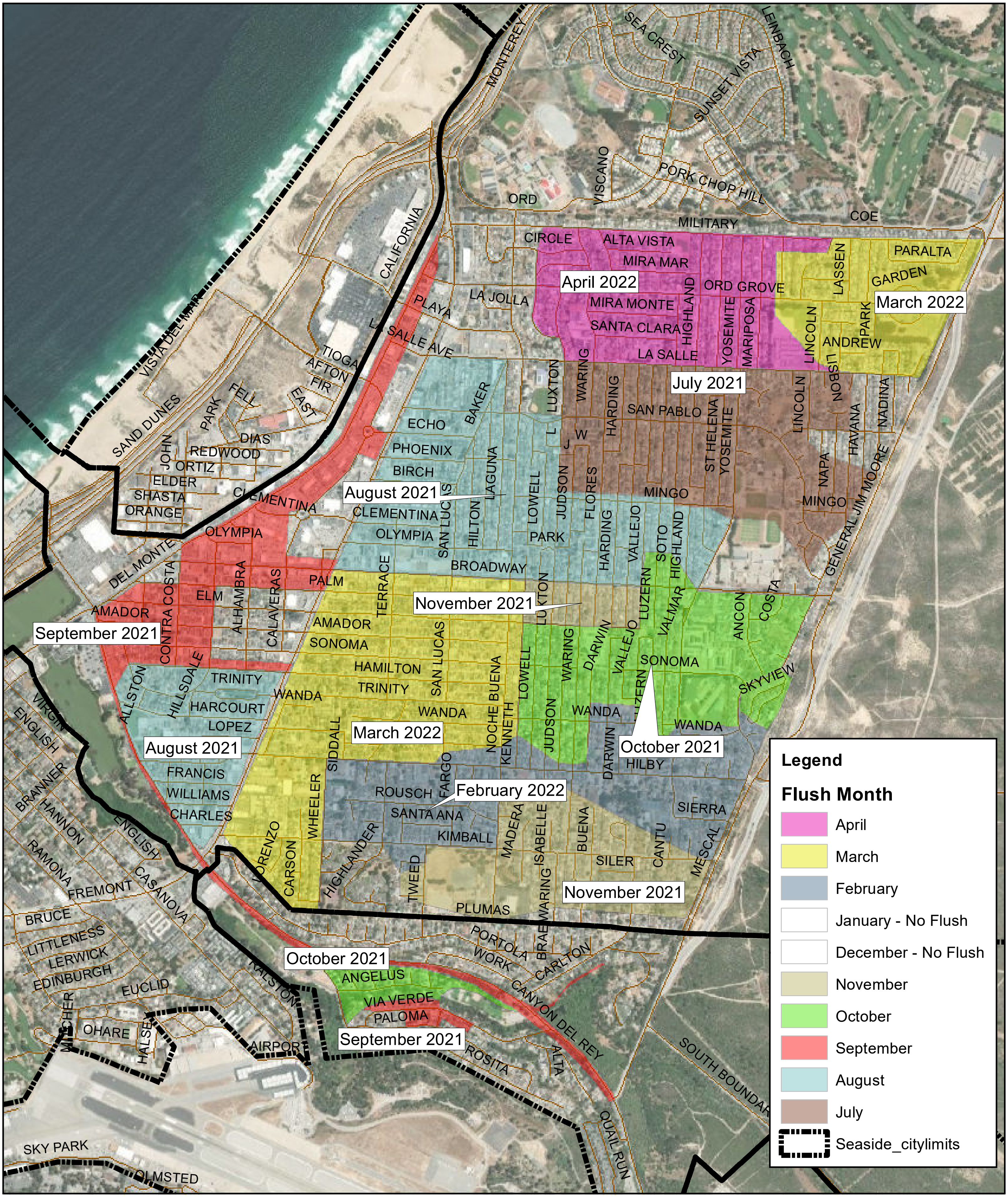
There is no fiscal impact associated with this item.

ATTACHMENTS

1. Flush Map_April_21-22
2. Monthly Sanitation Report April_21-22

Reviewed for Submission to the
Board by:

Roberta Greathouse, Acting District Manager



SEASIDE COUNTY SANITATION DISTRICT

0 1,250 2,500 Feet

Source: SCSD, AMBAG

Flush Map: 2021-2022

Seaside County Sanitation District
Operations Report

Fiscal Year 2021/2022 Month of April

	Del Rey Oaks (42,240)		Sand City (26,400)		Seaside (316,800)		District Totals (385,440 ft.)	
	Month	YTD	Month	YTD	Month	YTD	Month	YTD
Maintenance								
Mainline Rodded	0	0	0	0	0	0	0	0
Main Line Jetted	0	14,644	0	277	28,539	258,517	28,539	273,438
Main Line Video	0	0	0	0	17,168	31,714	17,168	35,927
Main Lines Treated for Grease Control (Jet Power II)	262	3,391	0	1,939	6,656	62,108	6,918	67,438
Mainline Root Treatment	0	0	0	0	0	0	0	0
Stoppages								
Main Line	0	1	0	0	0	8	0	9
Laterals	0	0	0	0	0	13	0	13
SSO's	0	1	0	0	0	9	0	10

Sewer Repairs

None

Sewer Video due to blockage/repairs

None

Stoppage Locations

Del Rey Oaks

None

Sand City

None

Seaside

None

Overflow Locations

Del Rey Oaks

None

Sand City

None

Seaside

None