



Metro Finance Committee
(Finance Advisory Committee to Metro JPA)

TO: Finance Committee Members and Metro Commissioners
DATE: Wednesday, November 28, 2022
TIME: 10.00 a.m.

IN LIGHT OF THE PROCLAIMED STATE OF EMERGENCY RELATED TO THE COVID-19 PANDEMIC, AND PURSUANT TO GOVERNMENT CODE SECTION 54953(e)(1), THIS METRO FINANCE COMMITTEE MEETING WILL BE CONDUCTED REMOTELY AND THERE WILL BE NO PHYSICAL LOCATION FOR IN-PERSON ATTENDANCE. THIS MEETING SHALL ONLY BE ACCESSIBLE TO MEMBERS OF THE PUBLIC TELEPHONICALLY OR VIA ZOOM. ALL MEMBERS OF THE PUBLIC WISHING TO OBSERVE THIS PUBLIC MEETING MUST DIAL IN TO THE TELEPHONE NUMBER INDICATED BELOW OR JOIN THE MEETING BY COMPUTER USING THE LINK BELOW, AND WHEN PROMPTED, USE THE MEETING ID IDENTIFIED BELOW. FURTHER DETAILS ARE BELOW.

Note: Any member of the public may provide comments to the Metro Finance Committee on any agenda item or on a matter not appearing on the agenda, but within the jurisdiction of the Committee. Public comments must be submitted in either of the following manners:

1. Providing Oral Comments During Meeting. To provide comments in real time during the meeting, join the Zoom meeting by computer, mobile phone, or dial-in number. On Zoom video conference by computer or mobile phone, use the "Raise Hand" feature. This will notify the Secretary that you wish to speak during a specific item on the agenda or during non-agenda Public Comment. If joining the meeting using the Zoom dial-in number, you can raise your hand by pressing *9. Comments will be limited to three (3) minutes
2. Written Comments. In order to provide written public comments, your comments must be submitted prior to the start of the meeting to lpeoples@chulavistaca.gov. Please indicate whether your comment is on a specific agenda item or a non-agenda item. Comments are limited to four hundred (400) words. Please submit written comments at least two (2) hours before the start of the meeting. All comments received by such time will be provided to the Committee members in writing. At the discretion of the Chair, the first five (5) comments received on each agenda item, or on non-agenda matters, may be read into the record at the meeting. Comments received less than two (2) hours prior to the start of the meeting will be collected, sent to the Finance Committee members in writing, and made part of the public record.

When providing comments to the Finance Committee, please provide your name and city of residence for the record. If you have a written record that you wish to distribute to the Finance Committee, please provide it to the Secretary via lpeoples@chulavistaca.gov, who will distribute the record to the members. With limited exceptions, all records distributed to the Commission/JPA Board or any Committee of the Board become public records upon distribution.

The public may participate using the following remote options

Join Zoom Meeting
<https://us02web.zoom.us/j/86233675274>

Meeting ID: 862 3367 5274

One tap mobile
+16694449171,,86233675274# US

Dial by your location
+1 669 444 9171 US

**THIS NOTICE HAS BEEN DISTRIBUTED TO THE METRO FINANCE COMMITTEE MEMBERS
and METRO COMMISSIONERS**

1. **Roll Call**
2. **Public Comments**
Persons speaking during Public Comment may address the Metro Finance Committee on any subject matter within the jurisdiction of the Metro Finance Committee that is not listed as an agenda item. Comments are limited to three (3) minutes.
3. **ACTION:** Consideration and Possible Action to Make Findings to Hold Remote/Teleconference Meetings Pursuant to Assembly Bill 361
4. **ACTION:** Approval of Minutes from the August 24, 2022, Finance Committee Meeting (**Attachment**)
5. **ACTION:** Consideration and Possible Action to Recommend to the Metro Commission/Metro Wastewater JPA Approval of the FY2023 First Quarter Financial Statements and Treasurer's Report (Karyn Keze/Lee Ann Jones-Santos) (**Attachment**)
6. Review of Items to be Brought Forward to the Metro Commission/Metro JPA
7. Other Business of the Finance Committee
8. Adjournment

The Metro Finance Committee may take action on any item listed on the agenda whether or not it is listed "for action." Materials provided to the Metro Finance Committee related to any open-session item on this agenda are available for public review by contacting Karyn Keze (619) 733-8876 during normal business hours.

Persons with disabilities that require modifications or accommodations should email adriana.ochoa@procopio.com or call 619.525.3861 by no later than two hours prior to the meeting to request reasonable modifications or accommodations consistent with the Americans with Disabilities Act and Metro shall promptly work with you to resolve the matter in favor of accessibility.

ATTACHMENT 4

ACTION MINUTES OF AUGUST 24, 2022



Metro Wastewater JPA Finance Committee
August 24, 2022
Minutes

Meeting called to order: 8:36 a.m. via Zoom by Committee Chairman Mullin

1. ROLL CALL

Committee Attendees:

John Mullin, Chair, Poway
Jill Galvez, Chula Vista
Ed Spriggs, Imperial Beach
Bill Baber, La Mesa
Jerry Jones, Lemon Grove Sanitation District
Karen Jassoy, Padre Dam

Committee Members Absent:

None

Support Staff:

Karyn Keze, The Keze Group, LLC
Adriana Ochoa, General Counsel
Lee Ann Jones-Santos, Metro JPA Treasurer, El Cajon
Yazmin Arellano, MetroTAC Vice Chair
Lori Anne Peoples, Metro Secretary

San Diego Support Staff:

None

General Public:

There were no general public members.

2. PUBLIC COMMENT

There was no public comment.

3. ACTION: APPROVAL OF MINUTES OF July 27, 2022

ACTION: Upon motion by Committee member Jones, seconded by Committee member Spriggs, to approve the Minutes. Motion carried as follows:

AYES: Baber, Galvez, Jassoy, Jones, Mullin, Spriggs

NAYS: None

ABSTAIN: None

ABSENT: None

4. ACTION: CONSIDERATION AND POSSIBLE ACTION TO RECOMMEND TO THE METRO COMMISSION/METRO WASTEWATER JPA APPROVAL OF THE FY2022 YEAR END FINANCIAL STATEMENTS (Treasurers Report Year ended June 30, 2022)

Karyn Keze provided an introduction to the Treasurer's Report. Treasurer Lee Ann Jones-Santos provided an overview of the financials including the Treasurer's Report beginning cash balance as of July 1, 2021 as well as the FY2022 operating results, cash used in operation and the FY2022 ending cash balance. She then reviewed the Statement of Net Position including the assets, liabilities, and net position. At the bottom of the report, she highlighted the FY2022 Budget vs. Cash on Hand net position as of 06/30/22, FY2023 required reserve (4 months of the operating expenses), and the over/(under) required reserve amounts. The next report was the Statement of Operations – Budget vs. Actual which reflected the Actual Over/(Under) budget for each of the following: income and expenses ending with total expenses and net income/(loss) under each category. The results were that the JPA was over budget by \$25,170 at the end of FY2022. Last she presented the Statement of Cash Flows which included operating activities with change in net position; adjustments to reconcile change in net position to net cash provided by operations which included accounts receivable; accounts payable and deferred revenue. Then the balance as of June 30, 2022; net cash increase/(decrease) for period and cash at end of period.

Committee member Spriggs stated he felt information was missing on the causes of these overages that he needed to understand prior to voting on this item.

Karyn Keze explained that it would be heard in the next item.

Item 4 was tabled until review of Item 5.

Action on Item 4 was included in Action on Item 5.

5. ACTION: CONSIDERATION AND POSSIBLE ACTION TO RECOMMEND TO THE METRO COMMISSION/METRO WASTEWATER JPA APPROVAL OF REVISIONS TO FY 2023 JPA MEMBER AGENCY BILLINGS

Karyn Keze led the discussions based on her analysis of the FY2022 forecast of all line-items showing an overage and the FY 2022 budget vs. actual including the current standing of the budget for FY2023. She reviewed the hours the consultants have used from March 2022 to present. In addition, she requested the Committee consider recommending the billing of the full JPA budget to its members as the anticipated reserves to "lower" the FY2023 budget allocations are not available due to the FY2022 budget overruns.

General Counsel Ochoa went over in detail the Residuals Agreement, that is being negotiated between the City of San Diego and the East County JPA, and its potential financial impacts on the Metro JPA members. Protection of the JPA member's financial interests, that potentially might result from this Agreement, and the transition of legal counsel have caused the engineering, financial, and legal consultant overages as well as more meetings for the Commissioner's through the end of FY2022 and to date in FY2023.

Committee member Jones stated that the things going on with legal issues really points out our charge – what the JPA was formed for.

ACTION: Motion by Committee member Jones, seconded by Committee member Spriggs to approve Items 4 and 5. Motion carried as follows:

AYES: Baber, Galvez, Jassoy, Jones, Mullin, Spriggs

NAYS: None

ABSTAIN: None

ABSENT: None

6. REVIEW OF ITEMS TO BE BROUGHT FORWARD TO THE METRO COMMISSION/METRO WASTEWATER JPA

Chair Mullin stated that Items 4 and 5 would move forward.

7. OTHER BUSINESS OF THE FINANCE COMMITTEE

The Committee discussed the potential of having a meeting in November to review the 1st quarter of FY2023 financials and see if any action might need to be taken. Karyn Keze stated that she and Lee Ann would track the budget on a monthly basis and if need be a meeting in November could be scheduled.

8. ADJOURNMENT

The meeting was adjourned at 11:33 am

ATTACHMENT 5

FY2023 1ST QTR FINANCIALS AND TREASURER'S REPORT



Metro Wastewater Joint Powers Authority
Treasurer's Report
ending September 30, 2022

Metro Wastewater JPA
Treasurer's Report
ending September 30, 2022

Beginning Cash Balance at July 1, 2022	\$ 297,413
Operating Results	
Membership Dues & Interest Income	62
Expenses	<u>(201,701)</u>
Change in Net Position	(201,639)
Net change in Receivables & Payables	<u>42,620</u>
Cash used in Operations	<u>(159,019)</u>
Ending Cash Balance at September 30, 2022	<u><u>\$ 138,394</u></u>

Metro Wastewater JPA
Statement of Net Position
As of July 1, 2022 and September 30, 2022
Unaudited

	<u>July 1, 2022</u>	<u>September 30, 2022</u>	<u>\$ Change</u>
<u>ASSETS</u>			
Checking/Savings	\$ 297,413	\$ 138,394	\$ (159,019)
Accounts Receivable	11,412	5,978	(5,434)
Total Assets	<u>\$ 308,825</u>	<u>\$ 144,372</u>	<u>\$ (164,453)</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 2,043	\$ 39,229	\$ 37,186
Unearned Membership Billings	-	-	-
Total Liabilities	\$ -	\$ 39,229	\$ 37,186
<u>NET POSITION</u>			
Net Position at Beginning of Period	\$ 566,757	\$ 306,783	\$ (259,974)
Change in Net Position	<u>(259,974)</u>	<u>(201,639)</u>	<u>58,335</u>
Net Position at End of Period	\$ 306,783	\$ 105,144	\$ (201,639)
<u>TOTAL LIABILITIES & NET POSITION</u>	<u>\$ 308,826</u>	<u>\$ 144,373</u>	<u>\$ (164,453)</u>

<i>Net Position at 02/28/22</i>	\$ 105,144
<i>FY '22 Required Reserve (4 months of Op Exp)</i>	<u>209,485</u>
<i>Over (under) required reserve</i>	\$ (104,341)

Metro Wastewater JPA
Statement of Operations
Budget vs. Actual
ending September 30, 2022
Unaudited

	Actual	Budget	Over (Under) Budget	
Income				
Membership Dues	\$ -	\$ 194,748	\$ (194,748)	
City of San Diego		14,737	\$ (14,737)	
Interest Income	62	-	62	
Total Income	\$ 62	\$ 209,485	\$ (209,423)	
Expense				
Administrative Assistant-LP	\$ 5,110	\$ 9,275	\$ (4,165)	(1)
Bank Charges	31	50	(19)	
Contingency	-	-	-	
Dues & Subscriptions	-	-	-	
Financial Services				
Audit Fees	-	3,000	(3,000)	(1)
Financial Consulting Support (Auditor)		625	(625)	
Financial - The Keze Group	33,040	25,000	8,040	(1)
Treasurer - Padre Dam/El Cajon	-	7,500	(7,500)	(1)
JPA/TAC meeting expenses	-	1,250	(1,250)	
Miscellaneous	-	63	(63)	
Per Diem - Board	6,300	4,500	1,800	(1)
Printing, Postage, Supplies	40	215	(175)	
Professional Services				
Engineering - Dexter Wilson	55,563	35,425	20,138	(1)
Engineering - NV5	12,300	7,500	4,800	(2)
Legal - Procopio	-	-	-	(1)
Pure Water	51,300	37,500	13,800	
General	14,700	7,500	7,200	
SD Spill 2020	13,088	7,500	5,588	
Legal - BB&K	1,561	-	1,561	(1)
Paul Redvers Brown, Inc.	5,148	6,225	(1,078)	(1)
Telephone	435	535	(100)	(1)
Website Architecture Update	-	2,625	(2,625)	
Website Maintenance & Hosting	3,087	826	2,261	(1)
Total Expense	\$ 201,701	\$ 157,114	\$ 44,588	
Net Income (Loss)	\$ (201,639)	\$ 52,371	\$ (254,010)	

(1) Invoices received through 9/30/22

(2) June statement received after f/s in July

Metro Wastewater JPA
Statement of Operations
Budget vs. Actual
ending September 30, 2022
Unaudited

	Actual	Budget	Over (Under) Budget		Annual Budget
Income				Month	3
Membership Dues	\$ -	\$ 194,748	\$ (194,748)		\$ 584,245.00
City of San Diego		14,737	\$ (14,737)		44,210.00
Interest Income	62	-	62		-
Total Income	\$ 62	\$ 209,485	\$ (209,423)		\$ 628,455
Expense					
Administrative Assistant-LP	\$ 5,110	\$ 9,275	\$ (4,165)	(1)	\$ 37,100
Bank Charges	31	50	(19)		200
Contingency	-	-	-		-
Dues & Subscriptions	-	-	-		-
Financial Services					
Audit Fees	-	3,000	(3,000)	(1)	12,000
Financial Consulting Support (Auditor)		625	(625)		2,500
Financial - The Keze Group	33,040	25,000	8,040	(1)	100,000
Treasurer - Padre Dam/El Cajon	-	7,500	(7,500)	(1)	30,000
JPA/TAC meeting expenses	-	1,250	(1,250)		5,000
Miscellaneous	-	63	(63)		250
Per Diem - Board	6,300	4,500	1,800	(1)	18,000
Printing, Postage, Supplies	40	215	(175)		860
Professional Services					
Engineering - Dexter Wilson	55,563	35,425	20,138	(1)	141,700
Engineering - NV5	12,300	7,500	4,800	(2)	30,000
Legal - Procopio	-	-	-	(1)	-
Pure Water	51,300	37,500	13,800		150,000
General	14,700	7,500	7,200		30,000
SD Spill 2020	13,088	7,500	5,588		30,000
Legal - BB&K	1,561	-	1,561	(1)	-
Paul Redvers Brown, Inc.	5,148	6,225	(1,078)	(1)	24,900
Telephone	435	535	(100)	(1)	2,140
Website Architecture Update	-	2,625	(2,625)		10,500
Website Maintenance & Hosting	3,087	826	2,261	(1)	3,305
Total Expense	\$ 201,701	\$ 157,114	\$ 44,588		\$ 628,455
Net Income (Loss)	\$ (201,639)	\$ 52,371	\$ (254,010)		\$ -

(1) Invoices received through 9/30/22

(2) June statement received after f/s in July

Metro Wastewater JPA
Statement of Cash Flows
ending September 30, 2022
Unaudited

OPERATING ACTIVITIES

Change in Net Position	\$ (201,639)
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Adjustments to Reconcile Change in Net
Position to Net Cash Provided by Operations:

Accounts Receivable	5,434
Accounts Payable	37,186
Deferred Revenue	<u>-</u>

Year ended September 30, 2022	(159,019)
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Net cash increase (decrease) for period	<u>297,413</u>
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Cash at end of period	<u><u>\$ 138,394</u></u>
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