



Metro Finance Committee
(Finance Advisory Committee to Metro JPA)

TO: Finance Committee Members and Metro Commissioners

DATE: Wednesday, August 24, 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://us06web.zoom.us/j/86715185981>

Meeting ID: 867 1518 5981

One tap mobile

+12532158782,,86715185981# US

Dial by your location

+1 669 444 9171 US

Find your local number: <https://us06web.zoom.us/u/kbqQqk3t1t>

**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:** Approval of Minutes from the July 27, 2022, Finance Committee Meeting
(Attachment)
4. **ACTION:** Consideration and Possible Action to Recommend to the Metro Commission/Metro Wastewater JPA Approval of the FY 2022 Year End Financial Statements **(Attachment)** (Karyn Keze/Lee Ann Jones-Santos)
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/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 3

ACTION MINUTES OF JULY 27, 2022



Metro Wastewater JPA Finance Committee
July 27, 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
Ed Spriggs, Imperial Beach
Bill Baber, La Mesa
Jerry Jones, Lemon Grove Sanitation District
Karen Jassoy, Padre Dam

Committee Members Absent:

Jill Galvez, Chula Vista

Support Staff:

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

San Diego Support Staff:

Adam Jones
Peter George - MGO
Miyuki Freeman - MGO

General Public:

There were no general public members.

2. PUBLIC COMMENT

There was no public comment.

3. APPROVAL OF AGENDA

This being a new item to the Committee, General Counsel Ochoa explained the use and requested consideration for approval of the agenda.

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

AYES: Spriggs, Baber, Jones, Jasso, Mullin

NAYS: None

ABSTAIN: None

ABSENT: Alternate Galvez

4. **ACTION: CONSIDERATION AND POSSIBLE ACTION TO MAKE FINDINGS TO CONTINUE HOLDING REMOTE/TELECONFERENCE MEETINGS PURSUANT TO ASSEMBLY BILL 361**

General Counsel Ochoa explained the nuances of this action in regard to the Governor's current order and the County of San Diego COVID attachments included for information in the agenda.

ACTION: Upon motion by Committee member Baber, seconded by Committee member Spriggs, to make the findings and continue holding remote/teleconference meetings. Motion carried as follows:

AYES: Spriggs, Baber, Jones, Jasso, Mullin

NAYS: None

ABSTAIN: None

ABSENT: Alternate Galvez

5. **ACTION: APPROVAL OF MINUTES FROM THE APRIL 27, 2022 FINANCE COMMITTEE MEETING**

ACTION: Motion by Committee member Baber, seconded by Committee member Spriggs to approve the minutes. Motion carried as follows:

AYES: Spriggs, Baber, Jones, Jasso, Mullin

NAYS: None

ABSTAIN: None

ABSENT: Alternate Galvez

6. **ACTION: CONSIDERATION AND POSSIBLE ACTION TO RECOMMEND TO THE METRO COMMISSION/METRO WASTEWATER JPA APPROVAL OF THE FY 2019 EXHIBIT E AUDIT**

Karyn Keze thanked Chair Mullin for taking time out of his vacation to chair the meeting. She felt it necessary as the 2019 Audit included major refunds to most of the PAs and wanted to insure that they received their checks in a timely manner. From here it will go to JPA for approval after which San Diego could issue checks. The TAC has already approved the FY2019 audit at their July meeting. She explained the main reason for the refund was due to the 2019 Pure Water Capital projects not going forward due to lawsuits filed over San Diego's project labor agreements.

Adam Jones, San Diego Deputy Director of Finance for the Public Utilities Department, stated there were two other items contributing to the refunds. The first was that portions of capital projects, that were grant or bond funded, had been reimbursed during FY2019. The second was the release of early reserve funds from the existing Clean Water bonds. Both of

these increased offsetting non-operating revenues and therefore decreased the total annual wastewater costs allocated to the PAs. He then introduced Peter George, Partner and Miyuki, Senior Manager from MGO who oversee the City of San Diego Audits. Mr. George provided a brief verbal overview of the audit provided in the agenda.

Committee Member Spriggs asked if the PAs had received interest on the funds that San Diego has held since the closing of FY2019. Ms. Keze replied yes that the Metro fund and therefore the PAs portion receives interest annually on any positive balances. These positive balances are also used as offsets to the Administrative Reserve Policy which reduce the PAs annual contributions to the required reserves. The interest is audited each year and is considered one of the offsetting non-operating revenues to the annual expenses.

ACTION: Motion by Committee member Jassoy, seconded by Committee member Spriggs, the FY 2019 Exhibit E Audit be approved. Motion carried as follows:

AYES: Spriggs, Baber, Jones, Jassoy, Mullin

NAYS: None

ABSTAIN: None

ABSENT: Alternate Galvez

7. INFORMATION ONLY: DISCUSSION REGARDING COMPOSITION OF FINANCE COMMITTEE

Chair Mullin noted that after the first of the year, the majority of the committee would be leaving office as none of them were running for re-election. Committee member Baber stated that they needed to pursue a succession plan for this anomaly and asked collective staff to determine an on-boarding process. Committee member Jones stated he felt it would be time for a new member Orientation after the first of the year. Karyn Keze noted we were lucky to have Karen Jassoy on the committee as her experience and knowledge go way back having served as the JPA Treasurer. She will be the only member of the Committee returning after the elections other than staff.

8. DISCUSSION: CONSIDERATION AND POSSIBLE ACTION TO RECOMMEND TO THE METRO COMMISSION/METRO WASTEWATER JPA APPROVAL OF A REVISION TO SECTIONS 2C AND 3 OF THE INVOICE PROCESSING AND PROCEDURE POLICY TO INCLUDE THE METROTAC VICE CHAIR

Karyn Keze led a brief discussion after explaining that when drafting the policy staff inadvertently left out a backup for the TAC Chair in the invoice processing process and that this needed to be corrected in case the TAC Chair was on vacation or otherwise unavailable.

General discussion ensued with General Counsel Ochoa stating the wording should read Chair **or** Vice Chair in Sections 2C and 3 and that Section 6 should be amended to include the **TAC Chair or TAC Vice Chair as long as the individual is different from the one who approved in 2C.**

Committee member Jones requested review of the need for 2 wet signatures as this has been a challenge for the treasurer and will be making things difficult for the incoming directors. Discussion ensued.

ACTION: Chair Mullin stated that consensus of the Committee members was to recommend the making of the changes discussed to add the Metro TAC Vice Chair. The consensus of the committee members was as follows:

AYES: Spriggs, Baber, Jones, Jassoy, Mullin

NAYS: None

ABSTAIN: None

ABSENT: Alternate Galvez

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

Chair Mullin stated that Items 6 and 8 would move forward.

10. OTHER BUSINESS OF THE FINANCE COMMITTEE

None.

11. ADJOURNMENT

The meeting was adjourned at 9:34 am

ATTACHMENT 4

FISCAL YEAR 2022 YEAR END FINANCIAL STATEMENTS



Metro Wastewater Joint Powers Authority
Treasurer's Report
Year ended June 30, 2022

Metro Wastewater JPA

Treasurer's Report

Year ended June 30, 2022

Beginning Cash Balance at July 1, 2021	\$	567,325
Operating Results		
Membership Dues & Interest Income		229,913
Expenses		<u>(489,888)</u>
Change in Net Position		(259,975)
Net change in Receivables & Payables		<u>(9,937)</u>
Cash used in Operations		(269,912)
Ending Cash Balance at June 30, 2022	\$	297,413

Metro Wastewater JPA
Statement of Net Position

As of July 1, 2021 and June 30, 2022

Unaudited

	July 1, 2021	June 30, 2022	\$ Change
<u>ASSETS</u>			
Checking/Savings	\$ 567,325	\$ 297,413	\$ (269,912)
Accounts Receivable	7,696	11,412	3,717
Total Assets	\$ 575,021	\$ 308,825	\$ (266,196)
 <u>LIABILITIES</u>			
Accounts Payable	\$ 8,264	\$ 2,044	\$ (6,220)
Unearned Membership Billings	-	-	-
Total Liabilities	\$ 8,264	\$ 2,044	\$ (6,220)
 <u>NET POSITION</u>			
Net Position at Beginning of Period	\$ 261,960	\$ 566,757	\$ 304,796
Change in Net Position	304,796	(259,975)	(564,771)
Net Position at End of Period	\$ 566,757	\$ 306,782	\$ (259,975)
<u>TOTAL LIABILITIES & NET POSITION</u>	\$ 575,021	\$ 308,826	\$ (266,195)

	FY23 Budget	Cash on Hand
<i>Net Position at 06/30/22</i>	\$ 306,782	\$ 308,826
<i>FY '23 Required Reserve (4 months of Op Exp)</i>	209,485	209,485
<i>Over (under) required reserve</i>	\$ 97,297	\$ 99,341

Metro Wastewater JPA
Statement of Operations
Budget vs. Actual

Year ended June 30, 2022
Unaudited

	Actual	Budget	Over (Under) Budget
Income			
Membership Dues	\$ 220,545	\$ 220,545	\$ -
City of San Diego	\$ 9,368		
Interest Income	-	150	(150)
Total Income	\$ 229,913	\$ 220,695	\$ (150)
Expense			
Administrative Assistant-LP	\$ 17,655	\$ 8,940	\$ 8,715
Bank Charges	-	200	(200)
Contingency	-	-	-
Dues & Subscriptions	-	600	(600)
Financial Services			
Audit Fees	5,300	12,000	(6,700)
Financial - The Keze Group	92,432	92,450	(18)
Treasurer - Padre Dam/El Cajon	8,193	31,500	(23,307)
JPA/TAC meeting expenses	-	5,000	(5,000)
Per Diem - Board	22,650	18,000	4,650
Professional Services			
Engineering - Dexter Wilson	141,700	141,700	-
Engineering - NV5	17,725	30,000	(12,275)
Legal - Procopio	125,281	65,000	60,281
Legal - BB&K	37,704	60,000	(22,296)
Paul Redvers Brown, Inc.	13,906	24,900	(10,994)
Strategic Planning	-	-	-
Other	4,457	2,150	2,307
Website Architecture Update	-	10,500	(10,500)
Website Maintenance & Hosting	2,885	2,900	(15)
Total Expense	\$ 489,888	\$ 505,840	\$ (15,952)
Net Income (Loss)	\$ (259,975)	\$ (285,145)	\$ 25,170

Metro Wastewater JPA
Statement of Cash Flows

Year ended June 30, 2022
Unaudited

OPERATING ACTIVITIES	
Change in Net Position	\$ (259,975)
Adjustments to Reconcile Change in Net Position to Net Cash Provided by Operations:	
Accounts Receivable	(3,717)
Accounts Payable	(6,220)
Deferred Revenue	-
	<hr/>
As of June 30, 2022	(269,912)
Net cash increase (decrease) for period	<hr/> 567,325
Cash at end of period	<hr/> \$ 297,413 <hr/>

ATTACHMENT 5

REVISIONS TO FY 2023 JPA MEMBER AGENCY BILLINGS

METRO WASTEWATER JPA
PROPOSED BUDGET - FY '23 Adjusted For Year-End Actuals

	FY '22 FORECAST 3/22						FY'22 ACTUAL YEAR-END				FY '23		
	Actual Through 2/28/22	Estimate remaining Months	Forecast Through 6/30/22	Approved Annual Budget	Forecast Over /(Under) Budget		Amended Budget	Forecast Over /(Under) Budget			Proposed Annual Budget	Difference from FY '22 Forecast	Difference from FY '22 Budget
					\$	%		Actual	\$	%			
Income													
Membership Dues	\$ 225,553	\$ (5,008)	\$ 220,545	\$ 220,545	\$ -	0%	\$ 220,545	\$ 220,545	\$ -	0%	\$ 398,082	\$ 177,537	\$ 177,537
Use of Reserves*		150,472	174,173	245,295	(71,122)	-29%	\$ 285,145	259,975	(25,170)	-9%	186,163	11,990	(59,132)
City of San Diego			13,293	-	13,293	17%	-	9,368	9,368		44,210	30,917	44,210
Interest Income	-	-	-	150	(150)	0%	150	-	(150)		-	-	(150)
Total Income	\$ 225,553	\$ 145,464	\$ 408,011	\$ 465,990	\$ (57,979)	-12%	\$ 505,840	\$ 489,888	\$ (15,952)	-3%	\$ 628,455	\$ 220,444	\$ 162,465
Expense													
Administrative Assistant-LP	\$ 5,335 ⁽¹⁾	\$ 5,000	\$ 10,335	\$ 8,940	\$ 1,395	16%	\$ 8,940	\$ 17,655	\$ 8,715	97%	\$ 37,100	\$ 26,765	\$ 28,160
Bank Charges	-	-	-	200	(200)		200	-	(200)		200	200	-
Contingency	-	-	-	-	-		-	-	-		-	-	-
Dues & Subscriptions	-	-	-	600	(600)		600	-	(600)		-	-	(600)
Financial Services													
Audit Fees	5,300 ⁽¹⁾	-	5,300	12,000	(6,700)	-56%	12,000	5,300	(6,700)	-56%	12,000	6,700	-
Financial Consulting Support (Auditor)											2,500	2,500	2,500
Financial - The Keze Group**	52,440 ⁽³⁾	40,010	92,450	\$77,600	14,850	19%	\$92,450	92,432	(18)	0%	100,000	7,550	22,400
Treasurer - Padre Dam/El Cajon	5,528 ⁽³⁾	5,000	10,528	31,500	(20,972)	-67%	31,500	8,193	(23,307)	-74%	30,000	19,472	(1,500)
JPA/TAC meeting expenses	-	-	-	5,000	(5,000)		5,000	-	(5,000)		5,000	5,000	-
Miscellaneous (Other)	-	-	-	250	(250)		2,150	4,457	2,307	107%	250	250	-
Per Diem - Board	11,850 ⁽³⁾	5,550	17,400	18,000	(600)	-3%	18,000	22,650	4,650	26%	18,000	600	-
Printing, Postage, Supplies	295	150	445	500	(55)	-11%					860	415	360
Professional Services													
Engineering - Dexter Wilson***	90,645 ⁽³⁾	51,055	141,700	116,700	25,000	21%	141,700	141,700	-	0%	141,700	-	25,000
Engineering - NV5	7,950 ⁽²⁾	9,975	17,925	30,000	(12,075)	-40%	30,000	17,725	(12,275)	-41%	30,000	12,075	-
Legal - Procopio	49,680 ⁽³⁾	11,000	60,680	65,000	(4,320)	-7%	65,000	125,281	60,281	93%	150,000	89,320	85,000
Legal - BB&K	20,887 ⁽³⁾	6,962	27,849	60,000	(32,151)	-54%	60,000	37,704	(22,296)	-37%	60,000	32,151	-
Paul Redvers Brown	8,990 ⁽²⁾	10,000	18,990	24,900	(5,910)	-24%	24,900	13,906	(10,994)	-44%	24,900	5,910	-
Telephone, Internet, Software	762 ⁽¹⁾	762	1,524	1,400	124	9%		-	-		2,140	616	740
Website Architecture Update	-	-	-	10,500	(10,500)		10,500	-	(10,500)		10,500	10,500	-
Website Maintenance & Hosting	2,885	-	2,885	2,900	(15)	-1%	2,900	2,885	(15)	-1%	3,305	420	405
Total Expense	\$ 262,547	\$ 145,464	\$ 408,011	\$ 465,990	\$ (57,979)	-12%	\$ 505,840	\$ 489,888	\$ (15,952)	-3%	\$ 628,455	\$ 220,444	\$ 162,465
Net Income (Loss)	\$ (36,994)	\$ (0)	\$ (0)	\$ -	\$ (0)	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ 0	\$ -

* Use of Reserves adjusted to cover Change Orders
**Includes approved change order of: \$14,850
***Includes approved change order of: \$25,000

- (1) Invoices received through 12/31/21
- (2) Invoices received through 1/31/22
- (3) Invoices received through 2/28/22

FY '23 PROJECTED RESERVE REQUIREMENT	
Projected Fund Balance at 6/30/22	\$ 380,911
Projected Net Income FY '22	-
Projected Fund Balance at 6/30/22	\$ 380,911
4 Months Operating Expenses FY '23	(194,748)
Amount over Required Reserve	\$ 186,163

FY '23 AMENDED RESERVE REQUIREMENT	
Actual Fund Balance at 6/30/22	\$ 308,825
Projected Net Income FY '22	(0)
Actual Fund Balance at 6/30/22	\$ 308,825
4 Months Operating Expenses FY '23	(209,485)
Amount over Required Reserve	\$ 99,340

METRO WASTEWATER JPA

ALTERNATIVE AGENCY FY'23 BILLINGS WITHOUT FY2020 TRUE-UP

Agency	FY'22				FY'23 Projected				
	Estimated Flow/Strength Distribution	Total Agency Billings @ 50% of Budget	FY'19 Audit True-up	Revised Agency Billings Per Audit	Estimated Flow/Strength/ Exhibit G Distribution	Total Agency Billing Without Reserves Billing	Difference From Prior Year	Total Agency Billing With Reserves Billing	Difference From Prior Year
Chula Vista	31.26%	\$ 68,932	\$ 9,745	\$ 78,677	31.72%	\$ 185,323	\$ 106,646	\$ 126,272	\$ 47,595
Coronado	2.84%	6,256	\$ (8,081)	\$ (1,826)	2.58%	\$ 15,074	\$ 16,899	\$ 10,271	\$ 12,096
County of SD*	16.20%	35,726	\$ (1,864)	\$ 33,862	16.46%	\$ 96,167	\$ 62,305	\$ 65,524	\$ 31,663
Del Mar	0.05%	121	\$ 99	\$ 220	0.05%	\$ 292	\$ 73	\$ 199	\$ (20)
El Cajon	15.07%	33,228	\$ 1,952	\$ 35,180	14.56%	\$ 85,066	\$ 49,887	\$ 57,961	\$ 22,781
Imperial Beach	3.66%	8,072	\$ 262	\$ 8,334	3.71%	\$ 21,675	\$ 13,341	\$ 14,769	\$ 6,435
La Mesa	8.37%	18,463	\$ 2,173	\$ 20,636	8.18%	\$ 47,791	\$ 27,156	\$ 32,563	\$ 11,928
Lemon Grove	3.38%	7,452	\$ (3,298)	\$ 4,154	3.36%	\$ 19,631	\$ 15,477	\$ 13,376	\$ 9,222
National City	7.57%	16,694	\$ 122	\$ 16,816	8.45%	\$ 49,369	\$ 32,553	\$ 33,638	\$ 16,822
Otay Water District	0.88%	1,935	\$ 951	\$ 2,886	0.60%	\$ 3,505	\$ 619	\$ 2,388	\$ (498)
Padre Dam MWD	5.76%	12,694	\$ (117)	\$ 12,577	5.67%	\$ 33,127	\$ 20,550	\$ 22,571	\$ 9,995
Poway	4.98%	10,975	\$ (1,944)	\$ 9,031	4.66%	\$ 27,226	\$ 18,195	\$ 18,551	\$ 9,520
Total Flow & Strength	100.00%	\$ 220,545	\$ -	\$ 220,545	100.00%	\$ 584,245	\$ 363,700	\$ 398,082	\$ 177,537

\$ - Planned Use of Reserves: \$ 186,163

* County of SD includes East Otay Mesa, Lakeside/Alpine, Spring Valley and Wintergardens