



Metro Finance Committee
(Finance Advisory Committee to Metro JPA)

Physical Location: 9192 Topaz Way, San Diego, MOC II Conference Room 2E

TO: Finance Committee Members and Metro JPA

DATE: Wednesday, March 27, 2024

TIME: 10:00 a.m.

Note: Any member of the public may attend this meeting and 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. **Written Comments.** Written public comments must be submitted prior to the start of the meeting to Lorimetrojpa@gmail.com. Please indicate whether your comment is on a specific agenda item or a non-agenda item. Comments are limited to four hundred (400) words. It is requested that comments and other information be provided 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. In 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 after the two (2) hour limit will be collected, sent to the Finance Committee members in writing, and be part of the public record.
2. **Providing Verbal Comments During the Meeting.** For those attending in person, please complete a speaker slip and submit it to the Board Secretary prior to the start of the meeting, if possible, or in advance of the specific item being called. To provide comments remotely during the meeting, join the Teams meeting by computer, or mobile phone and use the "Raise Hand" feature. This will notify the Chair that you wish to provide public comment in real time during a specific item on the agenda or during the general Public Comment portion of the meeting. Comments will be limited to three (3) minutes. When providing comments to the Finance Committee, it is requested that you provide your name and city of residence for the record. Those commenting are requested to address their comments to the Finance Committee members through the Chair. If you have anything that you wish to be distributed to the JPA/Commission, please provide it to the Secretary via Lorimetrojpa@gmail.com, who will distribute the information to the members.

The public may choose to participate in person or remotely by virtual means. For video use the Teams link below.

Microsoft Teams Meeting

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 239 897 574 422

Passcode: Epnokd

[Download Teams](#) | [Join on the web](#)

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

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. Public Comment may also be provided to on any item listed in the Agenda. Comments are limited to three (3) minutes.
3. **ACTION**: Approval of Board Member Request for Remote Appearance (Adriana Ochoa)
4. **ACTION**: Approval of Agenda (FC Chair De Hoff)
5. **ACTION**: Consideration and Possible Action to Approve Minutes from the January 23, 2024 Finance Committee Regular Meeting (**Attachments**)
6. **ACTION**: Discussion and Approval of Meeting Schedule (Adriana Ochoa)
7. **ACTION**: Consideration and Possible Action to Recommend Approval of the Second Amendment to the Agreement for Professional Services Between Metro Wastewater Joint Powers Authority and the Keze Group (Adriana Ochoa) (**Attachments**)
8. **ACTION**: Consideration and Possible Action to Recommend Approval of the Resolution of Metro Wastewater Joint Powers Authority Adopting an Amended Conflict of Interest Code Pursuant to the Political Reform Act of 1974 (Adriana Ochoa) (**Attachments**)
9. **ACTION**: Consideration and Possible Action to Recommend Approval to the Metro JPA/Commission of the Year-End FY 2023 Financial Statements (Unaudited) (Lee Ann Jones-Santos/Karyn Keze) (**Attachment**)
10. **ACTION**: Consideration and Possible Action to Recommend Approval to the Metro JPA/Commission of the Mid-Year FY 2024 Financials (Unaudited) (Lee Ann Jones-Santos/Karyn Keze) (**Attachment**)
11. **DISCUSSION**: Review, Discussion and Direction of FY 2025 Budget (Karyn Keze/Lee Ann Jones-Santos (**Attachment Forthcoming**))
12. Review of Items to be Brought Forward to the Metro Commission/Metro JPA
13. Other Business of the Finance Committee
14. 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.

In compliance with the AMERICANS WITH DISABILITIES ACT

Persons with disabilities that require modifications or accommodations, please contact General Counsel Adriana Ochoa at adriana.ochoa@procopio.com 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 Commission/Metro Wastewater JPA shall promptly work with you to resolve the matter in favor of accessibility.

ATTACHMENT 5

MINUTES OF THE REGULAR FINANCE COMMITTEE MEETING OF January 23, 2024



Metro Wastewater JPA Finance Committee
January 23, 2024
Minutes

The meeting was called to order: 10:09 a.m. by Committee Vice Chair Jones

1. ROLL CALL

Committee Attendees:

Jerry Jones, Lemon Grove Sanitation District
Ditas Yamane, National City
Mark Robak, Otay Water District (attended remotely)
Karen Jassoy, Padre Dam
Peter De Hoff, Poway (Alternate)

Committee Members Absent:

Bill Baber, La Mesa

Support Staff:

Karyn Keze, The Keze Group, LLC (attended remotely)
Adriana Ochoa, Procopio (attended remotely)
Lee Ann Jones-Santos, Metro JPA Treasurer, El Cajon
Lori Anne Peoples, Metro Secretary

Others Present:

Daphnie Munoz & Rob Pearl, Auditors – Clifton Larson Allen LLP

General Public:

There were no public members present.

2. PUBLIC COMMENT

There was no public comment.

3. ACTION: APPROVAL OF BOARD MEMBER REQUEST FOR REMOTE APPEARANCE

General Counsel Ochoa completed a remote appearance form for committee member Robak, attached as Exhibit A to these minutes.

ACTION: Motion by Director De Hoff, seconded by Director Jassoy, to approve the request for remote appearance. Motion carried as follows:

AYES: Jones, Yamane, Robak, Jassoy, De Hoff

NAYS: None

ABSTAIN: None

ABSENT: Baber

4. ACTION: APPROVAL OF THE AGENDA

ACTION: Motion by Director Jassoy, seconded by Director De Hoff, to approve the agenda. Motion carried as follows:

AYES: Jones, Yamane, Robak, Jassoy, De Hoff

NAYS: None

ABSTAIN: None

ABSENT: Baber

5. ACTION: CONSIDERATION AND POSSIBLE ACTION TO APPROVE MINUTES FROM THE May 24, 2023 REGULAR FINANCE COMMITTEE MEETING

ACTION: Motion by Director De Hoff, seconded by Director Jassoy, to approve the Minutes. Motion carried as follows:

AYES: Jones, Yamane, Robak, Jassoy, De Hoff

NAYS: None

ABSTAIN: None

ABSENT: Baber

6. ACTION: CONSIDERATION AND POSSIBLE ACTION TO APPROVE MINUTES FROM THE May 24, 2023 SPECIAL FINANCE COMMITTEE MEETING

ACTION: Motion by Director De Hoff, seconded by Director Jassoy, to approve the Minutes. Motion carried as follows:

AYES: Jones, Yamane, Robak, Jassoy, De Hoff

NAYS: None

ABSTAIN: None

ABSENT: Baber

7. ACTION: CONSIDERATION AND POSSIBLE ACTION TO RECOMMEND APPROVAL TO THE METRO JPA/COMMISSION OF THE BASIC FINANCIAL STATEMENTS WITH REPORT ON AUDIT BY INDEPENDENT CERTIFIED PUBLIC ACCOUNTS FOR THE TWO-YEAR PERIOD ENDED JUNE 230, 2021

Ms. Keze introduced Ms. Daphne Munoz and Rob Pearl from CLA, who served as the audit team for the JPA's FY 2020-21 audit, expressing gratitude for their swift completion of the task. She, along with the JPA's Treasurer, Lee Ann Jones-Santos, expressed satisfaction with the successful completion of the audit, which ensures the JPA is up to date with its reporting obligations. Looking ahead, preparations for the FY 2022-2023 JPA Audit are underway and it will commence shortly.

Ms. Munoz provided an overview of the Audit, included in the agenda package. Her overview included A) Presentation: Communication with Those Charged with Governance; B) Governance Communication; C) Financial Statements for the Two-Year Period Ended June 30, 2021 and D) Internal Controls Communication. Ms. Munoz stated that upon completion of their audit, they had issued an unmodified opinion which is the highest form of opinion any entity can get. She also noted that they had issued a management letter and during the year had one material weakness but did not have any significant deficiencies nor did they have any other matter comments. There were some adjustments proposed that were corrected by management and there were no disagreements during the course of the audit.

8. ACTION: DISCUSSION AND POSSIBLE ACTION TO RECOMMEND APPROVAL TO THE METRO JPA/COMMISSION OF AMENDED BYLAWS

General Counsel Ochoa provided a brief overview of her presentation (included in the agenda package) of the proposed amendments to the bylaws of the Metro Wastewater Joint Powers Authority. She noted that the bulk of the amendments center around the potential reorganization and creation of the position of Executive Director to the JPA. Ms. Ochoa then went through the proposed revisions which mostly pertained to governance and one minor proposal to add clarity for travel to and from board meetings and special board meetings compensation at government rate. She also noted that there were several items approved in April 2022 that were not incorporated in the bylaws which she had now captured and included, all of which are noted in her agenda attachments.

ACTION: Motion by Director De Hoff, seconded by Director Jassoy, to approve the amended bylaws. Motion carried as follows:

AYES: Jones, Yamane, Robak, Jassoy, De Hoff

NAYS: None

ABSTAIN: None

ABSENT: Baber

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

Karyn Keze noted that Items 7 and 8 would be moving forward, however, due to the length of the agenda, the audit will not move forward until March and Item 8 will go forward as other documents will be on the agenda that affect it.

10. OTHER BUSINESS OF THE FINANCE COMMITTEE

Karyn Keze announced that there will be a March Finance Committee Meeting to initiate the FY 2025 JPA budget process. The March meeting will be a planning meeting with the final draft budget coming back to the Committee in April.

Committee Vice Chair Jones proposed that the election of a new Finance Committee Chair be added to the agenda for the upcoming JPA/Commission meeting, citing Director Baber's decision to step down from the Committee due to other obligations.

11. ADJOURNMENT: There being no further business, Committee Vice Chair Jones declared the meeting adjourned at 10:43 am.

EXHIBIT A

Remote Appearance Form
Commissioner Robak



METRO WASTEWATER JPA BOARD MEETING REMOTE APPEARANCE FORM

Board Member Name _____

Member Agency _____

Date of Requested Remote Participation _____ **Date Request Submitted** _____

Basis for Remote Appearance (select one)

Emergency Circumstances (*i.e.*, a physical or family medical emergency that prevents in-person participation) *Subject to Board Approval

Just Cause (select applicable reason below)

- A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires remote participation
- A contagious illness that prevents in-person participation
- A need related to a physical or mental disability
- Travel while on official business of this legislative body or another state or local agency

General Description of Need to Appear Remotely – *Approximately 20 words. No need to disclose any medical diagnosis, disability or personal medical information.*

Important Reminders

- Notify the agency of your need to appear remotely at the earliest opportunity.
- You must participate remotely by both audio and video.
- At the meeting before any action is taken, you must publicly disclose whether there are any individuals 18 years of age or older in the room with you, and the general nature of your relationship with the individual(s).
- You must submit a request for each meeting in which you seek to appear remotely.
- You may not participate remotely for more than three consecutive months or for 20% of regular meetings within the calendar year. If the board meets 10 or fewer times per year, you may only participate remotely for two meetings per calendar year.
- You may only participate remotely for “just cause” for two meetings per calendar year.
- Requests to appear remotely under emergency circumstances require a Board action to approve the request.

ATTACHMENT 7

2nd Amendment to Agreement for Professional Services Between Metro Wastewater JPA and the Keze Group

**SECOND AMENDMENT TO THE AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN METRO WASTEWATER JOINT POWERS AUTHORITY
AND THE KEZE GROUP**

This Second Amendment (“**Second Amendment**”) to the Agreement for Professional Services Between Metro Wastewater Joint Powers Authority and The Keze Group LLC, dated July 1, 2022 (“**Agreement**”) is made and entered into this 4th day of April, 2024 by and between the parties to that Agreement, the Metro Wastewater Joint Powers Authority, existing and organized pursuant to the provisions of Government Code section 6500 *et seq.* (“**Metro JPA**”), on the one hand, and The Keze Group LLC (“**Consultant**”), on the other hand. Metro JPA and Consultant are sometimes referred to individually as “**Party**” and collectively as “**Parties.**”

RECITALS

A. WHEREAS, Metro JPA and Consultant entered into the Agreement in order for Consultant to provide duly licensed and qualified As-needed Technical, Financial, and Administrative Support Services to Metro JPA;

B. WHEREAS, Sections 3 and 21 of the Agreement state that the Agreement may be modified by an Amendment executed by both Parties, and the Parties previously amended the Agreement on May 16, 2023;

C. WHEREAS, on March 7, 2024, the Metro JPA Board of Directors did approve of the creation of an Executive Director position, which position would replace and eliminate the role of Administrative Coordinator;

D. WHEREAS, on March 7, 2024, the Metro JPA Board of Directors did approve of the appointment of Karyn Keze, previously the Administrative Coordinator, to the role of Executive Director;

E. WHEREAS, Metro JPA and Consultant mutually desire to amend the Agreement to modify the scope of work and increase the monthly budget amounts under the Agreement, thereby increasing the Metro JPA Fiscal Year 23-24 through 24-25 budgets as described below; and,

F. WHEREAS, Metro JPA and Consultant mutually desire to amend the Agreement consistent with the appointment of Karyn Keze to the role of Executive Director, as described below.

NOW THEREFORE, in consideration of the mutual obligations of the Parties herein expressed, Metro JPA and Consultant agree to amend the Agreement as follows:

AMENDMENT TO AGREEMENT

1. Scope and Powers of Executive Director: The Executive Director is responsible for the oversight, management and monitoring of Metro JPA's strategic goals, policies and budgets. The Executive Director leads the Executive Team and supervises all consultants to ensure contractual obligations, including those under the Metro Agreement, are diligently met and on budget. The Executive Director is responsible for shaping the work environment, setting strategy, allocating resources, developing and building the organization, overseeing City of San Diego operations of the Metro system, and direct communications with the Board of Directors of the Metro JPA. Additional responsibilities include planning events, handling expenses, overseeing the Metro JPA's budget process, and providing strategic direction of the organization. The Executive Director coordinates Metro JPA, TAC, and Ad Hoc meetings, in conjunction with the Board Secretary, s/he prepares agendas for meetings, updates the Metro JPA website as needed, and attends meetings as required. The Executive Director is authorized to exercise his or her discretion prudently in making management and contractual decisions on behalf of the Metro JPA in amounts that impact Metro JPA's budget by ten thousand dollars (\$10,000) or less, subject to prior consultation with the JPA Board Chair. The Executive Director position is contemplated to be a part-time position with a maximum obligation of 30 hours per month dedicated to Metro JPA Executive Director responsibilities.

2. Amendment to Role and Scope of Consultant. The Metro JPA hereby appoints Consultant, specifically Karyn Keze, to serve as the Metro JPA Executive Director, and with this appointment conveys to Consultant the duties, powers, and responsibilities set forth in paragraph 1 above. Consultant shall perform the duties of Executive Director in addition to the duties and obligations otherwise set forth in the Agreement, as amended. All references in the Agreement to Consultant as "Administrative Services Manager" shall henceforth be understood by Parties to convey the role of "Executive Director."

3. Term. Consultant's tenure as Executive Director shall commence on March 7, 2024 and shall end on June 30, 2025 unless otherwise directed by the Metro JPA. Consultant's position as As-Needed Technical, Financial, and Administrative Support services shall continue through the end of fiscal year 2025-2026 as set forth in the July 1, 2022 Agreement between the Metro JPA and the Keze Group.

4. Amendment to Budgeted Compensation. Section 2 of the Agreement, as amended, is hereby deleted and replaced in its entirety with the following:

2. Compensation.

- (a) Subject to paragraph 2(b) below, Metro JPA shall pay for Consultant's services in accordance with the Schedule of Charges set forth in Exhibit "B" to the Agreement, as revised by the following: Exhibit B is hereby amended to increase the Fiscal Year (July 1 – June 30) 2023-2024 budget amount by \$18,000, from a ceiling of \$150,000 to an amended ceiling of \$168,000. In other words, the total amount of compensation

Metro shall pay Consultant for services rendered under this Agreement for Fiscal Year 23-24 shall not exceed \$168,000.

(b) Exhibit B is further amended to reflect that (i) for Fiscal Year 24-25, the total amount of compensation Metro shall pay Consultant for services rendered under this Agreement shall not exceed \$168,000 per Fiscal Year, and (ii) for Fiscal Year 25-26, the total amount of compensation Metro shall pay Consultant for services rendered under this Agreement shall not exceed \$150,000, unless otherwise determined by the Metro JPA Board of Directors. Periodic payments shall be made within thirty (30) days of receipt of a statement for services rendered. Payments to Consultant for work performed will be made on a monthly billing basis.

5. Incorporation and Superiority. This Amendment is intended to be made a part of and is hereby incorporated into the terms of the Agreement. In all other respects, except only as specifically modified above, the Agreement is reaffirmed, remains in full force and effect, and is enforceable in accordance with its respective terms. In the event of any conflict or inconsistency between the provisions of this Amendment and the provisions of the Agreement, the provisions of this Amendment shall prevail.

6. Incorporation by Reference. The Recitals set forth in Sections A through F above are hereby incorporated into this Amendment by reference.

IN WITNESS HEREOF, BY SIGNING BELOW THE PARTIES HERETO VOLUNTARILY ENTER INTO THIS AMENDMENT AND ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE TERMS SET FORTH HEREIN AND AGREE TO BE BOUND THEREBY.

METRO WASTEWATER JOINT POWERS AUTHORITY

By: _____
Chairperson

Date: _____

THE KEZE GROUP LLC

By: _____
Karyn L. Keze

Date: _____

APPROVED AS TO FORM:

By: _____
Adriana R. Ochoa
Procopio, Cory, Hargreaves & Savitch LLP
General Counsel for Metro JPA

**AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN METRO WASTEWATER JOINT POWERS AUTHORITY
AND THE KEZE GROUP**

This agreement (“Agreement”) is made and entered into as of July 1, 2022, by and between the METRO WASTEWATER JOINT POWERS AUTHORITY (hereinafter referred to as the “Metro JPA”), a joint powers authority organized and operating pursuant to California Government Code section 6500 *et seq.*, and The Keze Group LLC (hereinafter referred to as “Consultant”). Metro JPA and Consultant are sometimes referred to individually as “Party” and collectively as “Parties.”

RECITALS

A. Metro JPA is a public agency of the State of California and is in need of professional services for the following project: As-needed Technical, Financial, and Administrative Support services from fiscal year 2022-2023 through fiscal year 2025-2026 as set forth in more detail herein.

B. Consultant is duly licensed and has the necessary qualifications to provide such services.

C. The Parties desire by this Agreement to establish the terms for Metro JPA to retain Consultant to provide the services described herein.

AGREEMENT

NOW THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

Consultant shall provide Metro JPA with the services described in the Scope of Services attached hereto as Exhibit “A” and incorporated herein (“Services”).

At such time that Metro JPA determines to have Consultant perform Services under Part II of Exhibit A, Metro JPA will issue a purchase order, notice to proceed, or other written authorization (which may be by email) to perform specified work. The written authorization will identify the specific work to be performed ("Requested Work"), may include a not-to-exceed cap or other monetary cap on Requested Work authorized by that authorization, and may include a time by which the Requested Work shall be completed. If Consultant agrees to perform the Requested Work, begins to perform the Requested Work, or does not respond within seven days, then Consultant will have agreed to perform the Requested Work on the terms set forth in the written authorization, this Agreement and its Exhibits. Consultant is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until Consultant has received a purchase order, notice to proceed, or other written authorization to perform work from the Metro TAC Chair.

2. Compensation.

a. Subject to paragraph 2(b) below, Metro JPA shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit "B," and incorporated herein.

b. In no event shall the total amount paid for services rendered by Consultant pursuant to Exhibit "A" exceed \$100,000 during any fiscal year (July 1 – June 30) or \$400,000.00 aggregate without the written approval of Metro JPA. Periodic payments shall be made within thirty (30) days of receipt of a statement for services rendered. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work.

If changes in the work seem merited by Consultant or the Metro JPA, and informal consultations with the other Party indicate that a change is warranted, it shall be processed by the Metro JPA in the following manner: a letter outlining the changes shall be forwarded to the Metro JPA by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the Metro JPA and executed by both Parties before performance of such services, or the Metro JPA will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Substitution of Key Personnel.

Consultant has represented to Metro JPA that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence and experience upon written approval of Metro JPA. In the event that Metro JPA and Consultant cannot agree as to the substitution of key personnel, Metro JPA shall be entitled to terminate this Agreement for cause, pursuant to provisions of Section 15 of this Agreement. The key personnel for performance of this Agreement are as follows: **Karyn Keze.**

5. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the Agreement period and for four (4) years from the date of final payment under the Agreement for inspection by Metro JPA. Consultant shall obtain the written consent of Metro JPA prior to destroying any such records or any work product prepared by Consultant as a result of the Services provided under this Agreement.

6. Time of Performance; Term.

Consultant shall commence and perform the Services in a prompt and timely manner and shall commence performance beginning upon Metro JPA's issuance of written authorization pursuant to Section 1 of this Agreement. This Agreement shall terminate on June 30, 2026, unless otherwise extended by a written amendment signed by both Parties or otherwise earlier terminated pursuant to Article 15 of this Agreement.

7. Delays in Performance.

Neither Metro JPA nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing Party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; and sabotage or judicial restraint.

Should such circumstances occur, the non-performing Party shall, within a reasonable time of being prevented from performing, give written notice to the other Party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

8. Compliance with Law.

Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government.

9. Standard of Care.

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

10. Assignment and Subconsultant.

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the Metro JPA, which may be withheld for any reason. Nothing contained herein shall prevent Consultant from employing independent associates and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

11. Independent Consultant.

Consultant is retained as an independent contractor and is not an employee of Metro JPA. No employee or agent of Consultant shall become an employee of Metro JPA. The work to be performed shall be in accordance with the work described in Exhibit "A," subject to such directions and amendments from Metro JPA as herein provided.

12. Insurance.

a. Commercial General Liability.

(i) The Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to Metro JPA.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

(iii) Commercial General Liability Insurance must include coverage for the following:

- (1) Bodily Injury and Property Damage
- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability
- (5) Aggregate Limits that Apply per Project
- (6) Explosion, Collapse and Underground (UCX) exclusion deleted
- (7) Contractual Liability with respect to this Agreement
- (8) Broad Form Property Damage
- (9) Independent Consultants Coverage

(iv) The policy shall contain no endorsements or provisions limiting coverage for (A) contractual liability; (B) cross liability exclusion for claims or suits by one insured against another; or (C) products/completed operations liability; or (D) contain any other exclusion(s) contrary to the terms or purposes of this Agreement.

(v) The policy shall give Metro JPA, the Board and each member of the Board, its officers, employees, agents and Metro JPA designated volunteers additional insured status using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(vi) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the Metro JPA, and provided that such deductibles shall not apply to Metro JPA as an additional insured.

b. Automobile Liability.

(i) At all times during the performance of the work under this Agreement, the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the Metro JPA.

(ii) Coverage for Automobile Liability Insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).

(iii) Subject to written approval by Metro JPA, the automobile liability program may utilize deductibles, but not a self-insured retention, provided that such deductibles shall not apply to Metro JPA as an additional insured.

(iv) The policy shall give Metro JPA, the Board and each member of the Board, its officers, employees, agents and Metro JPA designated volunteers additional insureds status.

c. Workers' Compensation/Employer's Liability.

(i) Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, the Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subconsultants to obtain and maintain, for the period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.

d. Minimum Policy Limits Required

(i) The following insurance limits are required for the Agreement:

	<u>Combined Single Limit</u>
Commercial General Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$500,000 per occurrence for bodily injury and property damage
Workers' Compensation	Statutory
Employer's Liability (if applicable)	\$1,000,000 per occurrence

(ii) Defense costs shall be payable in addition to the limits.

(iii) Requirement of specific coverage or minimum limits contained in this section are not intended as a limitation on coverage, limits or any other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as Additional Insured pursuant to this Agreement.

f. Evidence Required.

Prior to execution of the Agreement, the Consultant shall file with the Metro JPA evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with all required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

g. Policy Provisions Required.

(i) Consultant shall provide Metro JPA at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s), including the General Liability Additional Insured Endorsement, to Metro JPA at least ten (10) days prior to the effective date of cancellation or expiration.

(ii) [Intentionally left blank.]

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) All required insurance coverages, except for the professional liability coverage and automobile liability coverage, shall contain or be endorsed to waiver of subrogation in favor of Metro JPA, the Board and each member of the Board, its officers, employees, agents and Metro JPA designated volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against Metro JPA, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(v) The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Consultant from liability in excess of such coverage, nor shall it limit the Consultant's indemnification obligations to Metro JPA and shall not preclude Metro JPA from taking such other actions available to Metro JPA under other provisions of the Agreement or law.

h. Qualifying Insurers.

(i) All policies required shall be issued by acceptable insurance companies, as determined by the Metro JPA, which satisfy the following minimum requirements:

(ii) Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and admitted to transact in the business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

i. Additional Insurance Provisions.

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by Metro JPA, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, Metro JPA has the right but not the duty to obtain the insurance it deems necessary and any premium paid by Metro JPA will be promptly reimbursed by Consultant or Metro JPA will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, Metro JPA may cancel this Agreement.

(iii) Metro JPA may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(iv) Neither Metro JPA nor any of its officials, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.

j. Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to Metro JPA that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name Metro JPA as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, Metro JPA may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

13. Indemnification.

To the fullest extent permitted by law, Consultant shall defend (with counsel of Metro JPA's choosing), indemnify and hold Metro JPA, its Board, members of the Board, employees, and authorized volunteers free and harmless from any and all claims, demands, causes of action, suits, actions, proceedings, costs, expenses, liability, judgments, awards, decrees, settlements, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors,

consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Consultant's services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to Claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Metro JPA, its Board, members of the Board, employees, or authorized volunteers.

14. Laws, Venue, and Attorneys' Fees.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this agreement, the action shall be brought in a state or federal court situated in the County of San Diego, State of California. In the event of any such litigation between the Parties, the prevailing party shall be entitled to recover all reasonable costs incurred, including reasonable attorney's fees, as determined by the court.

15. Termination or Abandonment.

a. Metro JPA has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days' written notice to Consultant. In such event, Metro JPA shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. Metro JPA shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by Metro JPA and Consultant of the portion of such task completed but not paid prior to said termination. Metro JPA shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to Metro JPA only in the event of substantial failure by Metro JPA to perform in accordance with the terms of this Agreement through no fault of Consultant.

16. Documents.

Except as otherwise provided in Section 15, above, all original field notes, written reports, Drawings and Specifications and other documents, produced or developed for the Project shall, upon payment in full for the services described in this Agreement, be furnished to and become the property of Metro JPA.

17. Organization.

Consultant shall designate an individual from The Keze Group as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of Metro JPA.

18. Notice.

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

METRO JPA:	CONSULTANT:
Metro Wastewater JPA P.O. Box 1072 National City, CA 91951 Attn: Metro TAC Chair	The Keze Group, LLC 1801 E 51st Street, Suite 365, Unit 522 Austin, TX 78723 Attn: Karyn Keze

and shall be effective upon receipt thereof.

19. Third Party Rights.

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the Metro JPA and the Consultant.

20. Severability.

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

21. Integration.

This Agreement represents the entire understanding of Metro JPA and Consultant as to those matters contained herein, and supersedes and cancels any prior oral or written understanding, promises or representations with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

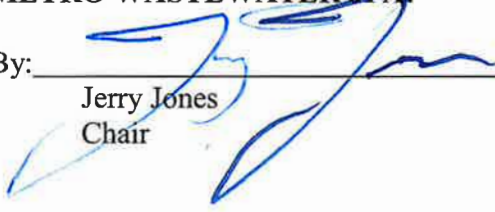
22. Annual Updates; Consultant’s Continuing Obligations to Provide Documents.

During the term of this Agreement, Consultant shall annually, no later than March 31 of each calendar year, provide Metro JPA with (1) proposed tasks for the upcoming fiscal year (July 1 of each calendar year to June 30 of the following calendar year [a “Fiscal Year”]) consistent with the Scope of Work in Exhibit A, (2) updated insurance certificates, endorsements, and other documents required under this Agreement (including, but not limited to, any and all documents evidencing compliance with Section 12 of this Agreement), and (3) an updated Schedule of Charges consistent with the annual increase authorized in Exhibit “B,” if any.

SIGNATURES ON FOLLOWING PAGE(S)

IN WITNESS WHEREOF, the Parties have executed this Professional Services Agreement as of the date first written above.

METRO WASTEWATER JPA:

By: 
Jerry Jones
Chair

THE KEZE GROUP, LLC:

By: 
Karyn Keze

APPROVED AS TO FORM:

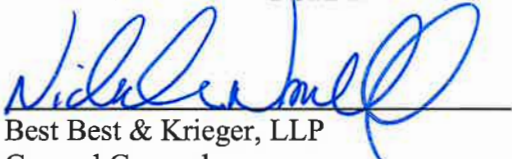

Best Best & Krieger, LLP
General Counsel
METRO WASTEWATER JPA

EXHIBIT “A”

Scope of Services

The purpose of this As-Needed Consulting Contract for the Metro Wastewater JPA is to provide technical and financial support to the Participating Agencies (“PAs”) in meeting their objectives of fair rates, equitable cost sharing, and program validation. The intention of the As-Needed Contract is to provide review and oversight of the San Diego Metropolitan Sewer System (Metro System) Fiscal Programs (Metro O&M, Metro CIP, and Pure Water Phase I and II) with a minimum of duplication by the PAs. By combining the efforts of the PAs into a central focal point, our goal is to assist in increasing the responsiveness of the group to key issues of concern, ensure coverage at key meetings, centralize data collection, minimize duplication of efforts by the PAs, and reduce the costs of both Metro TAC/JPA efforts, as well as the overall costs of the Metro System and Pure Water Programs.

Starting with FY 2023 the JPA is establishing a four-year contractual cycle for their consultant contracts and thus the services contained in this scope-of-services covers only the anticipated annual routine services provided during that time. Special services will be provided on an as-needed basis, at the request of the JPA Metro TAC Chair or JPA Chair, and a budget established based on required hours and the hourly rate as set forth in Exhibit B at the time the services are requested.

I. SCOPE OF SERVICES

The effort by The Keze Group, LLC (TKG) will be divided into six major categories, one each for: routine JPA services; participation in the annual “Exhibit E” audit; oversight of the Public Utilities Department (PUD) annual O&M and CIP budget preparation and cost allocations to the PA’s, and five-year forecast; review of PUD’s rate case(s); Pure Water Program support; and Metro TAC and JPA technical staff support.

A. Routine Services

The routine services will include the following tasks:

1. Attendance at and assistance in preparation of agendas for Metro TAC meetings.
2. Attendance at and assistance in preparation of agendas for the Metro JPA meetings.
3. Attendance at and assistance in preparation of agendas for the Metro JPA Finance Committee meetings.
4. Attendance at planning/work meetings with Public Utilities Department (PUD) staff.
5. Meetings with Metro TAC Chair, Vice-Chair, and other JPA officials and staff

- B. Routine Annual Audit Review – Public Utilities Department (PUD), Wastewater Operations Branch, Exhibit E Audit Review
1. Review and negotiate the auditors Scope of Work.
 2. Attend Entrance and Exit Conferences with the Auditors.
 3. Select operating, CIP, and non-operating revenue audit samples.
 4. Attend/call in to Interim work meetings with the Auditors (maximum of 5 per audit).
 5. Review all audit samples for contract compliance and accounting accuracy.
 6. Review the annual general services cost allocation.
 7. Review output for any special projects (In the past years this has included the tracking and reconciliation of Pure Water Program (PWP) task orders and construction project final bid costs to revise their original cost allocation and ensure that only appropriate Metro costs have/had been charged to the PAs). During the years covered by this Contract each year every PWP contract or task order, (either CIP or O&M) will be reviewed to insure that only correct Metro cost allocations are being utilized and that the PA's are not paying for Muni or Water costs.
 8. Review South Bay and North City recycled water sales and incentives to ensure that appropriate revenues are credited to the PAs. Review other income credits to insure those non-operating revenues are credited to the PAs.
 9. Review the draft and final audit numbers and sample test results. Review the administrative protocol calculations to insure proper allocation of revenues and expenses to the PAs. Prepare list of questions and work on resolution of issues regarding samples.
 10. Present the results to the Metro TAC , Metro Finance Committee, and Metro Wastewater JPA.
 11. Monitor closeout process to insure timely payment of refunds (if any) and the accuracy of any additional billings' (if any) to PAs.
- C. Annual Routine Review of City of San Diego's Metro Wastewater Budgets
1. Line-item review of the proposed CIP projects to verify that they are a part of the Wastewater Agreement. Provide a preliminary review of the O&M costs to identify areas of concern for the PAs.
 2. Identify budget items that show major deviation from previous years and discuss these deviations with PUD staff.

3. Attend meetings with the City of San Diego PUD staff to identify the nature and magnitude of the budget items.
 4. Ensure that costs are being correctly allocated to each PA based upon the Amended Restated Agreement's (ARA) Exhibits and any successor Agreements. Provide updates on budget issues to the Metro TAC, the Finance Committee, and the Metro Wastewater JPA meetings.
 5. Review January budget estimates for contractual compliance and implementation of quarterly billings to the PAs.
 6. In conjunction with the PUD staff, prepare five-year budget projections.
- D. Participation in PUD's Rate Cases – This task covers both the current (FY 2023 – FY 2024) update to the Strength Based Billing Methodology that is used to allocate annual costs to the PAs by Stantec as well as San Diego's own municipal rate cases for water, wastewater, and recycled water during the Contract period of FY 2025 and FY2026.
- E. Pure Water Program Support – This task includes 20 hours per month to cover the projects and meetings required to facilitate conclusion and adoption of the 2nd ARA and of assistance in financial oversight of Phase I and II of the Pure Water Program including cost reconciliations of project costs. Envisioned subtasks include revisions to the existing ARA's financial sections which include the "parking lot" items; and continued cost allocation monitoring and updates of all Pure Water purchase/task orders for both O&M and capital projects.
- F. Metro TAC and JPA Staff Support – This task includes 12 hours per month for financial analysis and consulting in support of varied Metro TAC Work Plan and JPA non-Pure Water projects. TKG will support, as needed, the items contained in the Metro TAC Work Plan. Some anticipated work tasks include the annual update of the remaining debt service associated with existing Metro Clean Water facilities, monthly update of TAC Work Plan, facilitation of the annual JPA budget and retro cost adjustments, and annual monitoring of the operations Protocol to insure proper reserve levels and interest allocations to the PAs.

II. ADDITIONAL SERVICES AS REQUESTED

- A. Review of ongoing background material not envisioned.
- B. Prepare for and attend additional meetings beyond what is included in Section I.
- C. Provide additional follow-up on the additional items identified.
- D. Provide additional technical support on specific projects as directed by the Metro TAC, Finance Committee, and Metro JPA Chair.
- E. Provide technical support, as requested, to fulfill other Metro JPA objectives.

EXHIBIT “B”

Schedule of Charges

The described scope of services for FY 2023 up to and including FY 2026 will be performed on a time and materials basis with a not to exceed budget of \$100,000 for each of the four years or \$400,000 aggregate. The estimated hours for FY 2023 are summarized in Attachment A to this Schedule of Charges. The hourly billing rate remains unchanged at \$160 for FY 2023 but may increase each July 1 based on the increase (if any) in the most recent San Diego Consumer Price Index - All Urban Consumers.

Attachment A to Schedule of Charges

Attachment A

**Metro JPA Draft Contract FYE 2023 to FY 2026
Summary of Hours and Costs by Tasks**

Task	Description	FY23 Proposed Budget		
		Budget Hours	Hourly Rate	Budget Amount
1	Routine Meetings	75	\$ 160.00	\$ 12,000
2	Exhibit E Audit Review	100	\$ 160.00	\$ 16,000
3	Review of PUD Budget	30	\$ 160.00	\$ 4,800
4	ARA SBB/SD Rate Cases	40	\$ 160.00	\$ 6,400
5	Pure Water Program Cost Allocation	236	\$ 160.00	\$ 37,760
6	Metro TAC & JPA Staff Support	144	\$ 160.00	\$ 23,040
	Direct Expense			
	TOTAL	625		\$100,000

EXHIBIT “C”

Insurance Certificates

Insurance documentation is included on the following pages.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/15/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Ren Haynes Agency 1106 Clayton Ln Ste 216e Austin TX 78723-1086	CONTACT NAME: Renwick Haynes <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">PHONE (A/C, NO, EXT): 512-961-4899</td> <td style="width: 50%;">FAX (A/C, NO): 512-672-6269</td> </tr> </table> E-MAIL ADDRESS: rhaynes2@farmersagent.com	PHONE (A/C, NO, EXT): 512-961-4899	FAX (A/C, NO): 512-672-6269												
PHONE (A/C, NO, EXT): 512-961-4899	FAX (A/C, NO): 512-672-6269														
INSURED The Keze Group, LLC 1801 E 51ST ST AUSTIN TX 78723	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: center;">NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A: Truck Insurance Exchange</td> <td style="text-align: center;">21709</td> </tr> <tr> <td>INSURER B: Farmers Insurance Exchange</td> <td style="text-align: center;">21652</td> </tr> <tr> <td>INSURER C: Mid Century Insurance Company</td> <td style="text-align: center;">21687</td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Truck Insurance Exchange	21709	INSURER B: Farmers Insurance Exchange	21652	INSURER C: Mid Century Insurance Company	21687	INSURER D:		INSURER E:		INSURER F:	
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COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAME ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

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DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 The Commercial General Liability Policy and Automobile Liability Policy shall contain a provision stating that the Consultant's policies are primary insurance and that any insurance, self-insurance or other coverage maintained by Metro JPA or any named insureds shall not be called upon to contribute to any loss.

CERTIFICATE HOLDER METRO WASTEWATER JPA PO BOX 1072 NATIONAL CITY CA 91951	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Renwick Haynes TX License # 1625437 DocuSigned by: FACE5032285F4A5...
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**AMENDMENT TO THE AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN METRO WASTEWATER JOINT POWERS AUTHORITY
AND THE KEZE GROUP**

This Amendment (“**Amendment**”) to the Agreement for Professional Services Between Metro Wastewater Joint Powers Authority and The Keze Group LLC, dated July 1, 2022 (“**Agreement**”) is made and entered into this 4 day of May, 2023 by and between the parties to that Agreement, the Metro Wastewater Joint Powers Authority, existing and organized pursuant to the provisions of Government Code section 6500 *et seq.* (“**Metro JPA**”), on the one hand, and The Keze Group LLC (“**Consultant**”), on the other hand. Metro JPA and Consultant are sometimes referred to individually as “**Party**” and collectively as “**Parties.**”

RECITALS

A. WHEREAS, Metro JPA and Consultant entered into the Agreement in order for Consultant to provide duly licensed and qualified As-needed Technical, Financial, and Administrative Support Services to Metro JPA;

B. WHEREAS, Consultant has expended additional hours per month in FY 22-23 than those set forth in the FY 22-23 Proposed Budget, as set forth in the April 11, 2023 letter from Consultant to Metro JPA attached hereto as “Exhibit 1” and incorporated into this Amendment by reference;

C. WHEREAS, Sections 3 and 21 of the Agreement state that the Agreement may be modified by an Amendment executed by both Parties. The Parties have not previously modified or amended the Agreement; and

D. WHEREAS, Metro JPA and Consultant mutually desire to amend the Agreement to increase the annual and total compensation amounts under the Agreement, thereby increasing the Metro JPA Fiscal Year 22-23 through 25-26 budgets as described below.

NOW THEREFORE, in consideration of the mutual obligations of the Parties herein expressed, Metro JPA and Consultant agree to amend the Agreement as follows:

AMENDMENT TO AGREEMENT

1. Amendment to Budgeted Compensation. Section 2 of the Agreement is hereby deleted and replaced in its entirety with the following:

2. Compensation.

(a) Subject to paragraph 2(b) below, Metro JPA shall pay for Consultant’s services in accordance with the Schedule of Charges set forth in Exhibit “B” to the Agreement, as revised by the following: Exhibit B is hereby amended to increase the Fiscal Year (July 1 – June 30) 2022–2023

budget amount by \$50,000, from an initial ceiling of \$100,000 to an amended ceiling of \$150,000. In other words, the total amount of compensation Metro shall pay Consultant for services rendered under this Agreement for Fiscal Year 22-23 shall not exceed \$150,000.

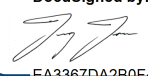
(b) Exhibit B is further amended to reflect that for Fiscal Years 23-24, 24-25, and 25-26, the total amount of compensation Metro shall pay Consultant for services rendered under this Agreement shall not exceed \$150,000 per Fiscal Year. The aggregate compensation paid during the four-year term of this Agreement shall not exceed \$600,000 without the written approval of Metro JPA. Periodic payments shall be made within thirty (30) days of receipt of a statement for services rendered. Payments to Consultant for work performed will be made on a monthly billing basis.

2. Incorporation and Superiority. This Amendment is intended to be made a part of and is hereby incorporated into the terms of the Agreement. In all other respects, except only as specifically modified above, the Agreement is reaffirmed, remains in full force and effect, and is enforceable in accordance with its respective terms. In the event of any conflict or inconsistency between the provisions of this Amendment and the provisions of the Agreement, the provisions of this Amendment shall prevail.

3. Incorporation by Reference. The Recitals set forth in Sections A through D above are hereby incorporated into this Amendment by reference.


IN WITNESS HEREOF, BY SIGNING BELOW THE PARTIES HERETO VOLUNTARILY ENTER INTO THIS AMENDMENT AND ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE TERMS SET FORTH HEREIN AND AGREE TO BE BOUND THEREBY.

METRO WASTEWATER JOINT POWERS AUTHORITY

DocuSigned by:

By: _____
EA3367DA2B0F471...
Chairperson

Date: May 16, 2023

APPROVED AS TO FORM:


By: _____
Adriana R. Ochoa
Procopio, Cory, Hargreaves & Savitch LLP
General Counsel for Metro JPA

THE KEZE GROUP LLC

DocuSigned by:
Karyn Keze
27B58613712A403...
By: _____
Karyn L. Keze

Date: May 16, 2023



April 11, 2023

Ms. Beth Gentry, P.E.
 Metro TAC Chair
 Metropolitan Wastewater Joint Powers Authority
 P.O. Box 1072
 National City, CA 91951

Dear Ms. Gentry:

Per Provisions in my current four-year Professional Service Agreement (Contract), with the Metro Wastewater Joint Powers Authority (Metro JPA), I am requesting an increase in my contract cost ceiling from \$100,000 to \$150,000. As we have discussed in budget tracking meetings with Metro JPA/Commission Chair Jones, this fiscal year has been an inordinately busy year with such unbudgeted items as the shift in my current consulting roll from consultant to a management role for the Metro JPA's Executive Team which included updating the JPA's website, planning two new Director orientations, and coordination of the Executive Consulting Team. In addition, as a member of the Executive Consulting Team I have addressed one-time unbudgeted issues such as the repeated sewage spills at Pumps Stations 1 and 2 and our inclusion in the Residuals Agreement negotiations, which started at the end of last fiscal year and continued for several months this fiscal year. All of these started after the Metro JPA's FY2023 budget was adopted (and thus my current Professional Services Agreement scope of services) and have affected all your Executive Consulting Team including myself, as they were not budgeted for in FYE2023.

Per your request I analyzed my year-to-date billings in detail to the Metro JPA (July 2022 to month-end February 2023). These were reviewed with Chair Jones and yourself and per your request I am providing an amended scope of services to my existing Contract to include the revised scope of services and the transition from financial consultant to the Metro JPA's Administrative Coordinator. The revised scope of service is attached to this letter and the new items to be included in my revised Contract are highlighted in yellow. The revised scope of services includes an additional 21 hours per month to generally cover the tasks described as follows:

Task	Description	HOURS			DOLLARS	
		Current Contract Hours	Proposed Monthly Increase	Proposed Annual Increase	Amended Contract Hours	Amended Contract Amount
1	Routine Meetings	75	4	48	123	\$20,910.00
2	Exhibit E Audit Review	100			100	\$17,000.00
3	Review of PUD Budget	30	2	24	54	\$9,180.00
4	ARA SBB/SD Rate Cases	40	4	48	88	\$14,960.00
5	Pure Water Program Cost Allocation	236	5	64	300	\$51,000.00
6	Metro TAC & JPA Staff Support	144			144	\$24,480.00
7	General JPA Administrative Management	0	6	72	72	\$12,240.00
	TOTAL	625	21	256	881	\$149,770.00

These are generally described below with more details included in the Scope of Services:

Task 1: Routine Board of Directors and Metro TAC Meetings – 4 hours per month

Inclusion of increased hours to support up to 2 AdHoc Committees per month.

Task 3: Review of City of San Diego Public Utilities (PUD) Budget and Five-Year Projections – 2 hours per month

Inclusion of hours to support Metro TAC members in understanding their annual billings from the City of San Diego for Metro O&M and Capital expenses and other technical and financial issues. These hours are based on the recent hours I have incurred preparing presentations and providing training meetings for two of our PAs who have new TAC members.

Task 4: ARA Strength Based Billing and PUD Internal Rate Case Review – 4 hours per month

Inclusion of hours to provide more in-depth review of the upcoming draft revised Metro Sewer Service Charge rate structure financial model to ensure the integrity of its calculations and cost allocations and implementation training during FYE2025 and FYE2026 for PAs.

Task 5: Pure Water Program Negotiations and Cost Allocations – 5 hours per month

Inclusion of additional hours, based on projected FYE 2023 year-end costs, to cover additional unbudgeted work tasks for completion and implementation of 2nd ARA and cost reconciliations of Pure Water Capital and O&M costs as we transition into the operation of Phase 1 facilities.

Task 7: Metro JPA Administrative Coordinator: General JPA Administrative Management – 6 hours per month

This is a new task added at the request of the Metro JPA and TAC Chairs to coordinate all aspects of the JPAs administration and Executive Team consultants.

I would like to thank you and Chair Jones for the opportunity to assume the role of Administrative Coordinator for the JPA. I look forward to working with you both to fulfill the Mission's and Vision's of the Metro Wastewater JPA in the upcoming years.

Sincerely,



Karyn L. Keze

ATTACHMENT 8

Resolution of the
Metro Wastewater
JPA Adopting an
Amended Conflict
of Interest Code

MEMORANDUM

SAN DIEGO
DEL MAR HEIGHTS
SILICON VALLEY
LAS VEGAS
PHOENIX

TO: Metro Wastewater JPA Finance Committee

FROM: Adriana R. Ochoa

DATE: March 21, 2024

RE: Agenda Item No. 8: Process to Amend Metro Wastewater JPA Conflict of Interest Code and Submittal to the County of San Diego

Presented for discussion and for recommendation for approval are draft documents to amend Metro Wastewater Joint Powers Authority's (the "JPA") Conflict of Interest Code ("Code") pursuant to the Political Reform Act ("Act"). It is appropriate and recommended to amend the JPA's Code in light of the most recent reorganization and approval of the new Executive Director position and other job descriptions.

Below are the steps needed for the JPA to amend its Code under the FPPC's regulations, utilizing the attached draft documents that we have updated.

A. Public Officials as "Designated Positions"

The Act applies to "public officials," including "every member, officer, employee or consultant of a state or local government agency." (Gov. Code § 82048.) A key threshold function of the Code is to identify JPA's "designated" positions that meet any of the following criteria:

1. A position is designated in a Conflict of Interest Code because the position entails the making or participation in the making of decisions which may foreseeably have a material effect on any financial interest.
2. A position that participates in decisions by regularly making recommendations to decision-makers at JPA that are generally followed. The FPPC requires such positions, whether an employee or a consultant, to be designated even though the person has no final decision-making authority.
3. Consultant positions with authority to make decisions affecting the day-to-day operations of JPA, and with the potential to have a foreseeable and material effect on any financial interest of the consultant. For example, an auditor who provides financial statements, and who may from time-to-time make recommendations on internal controls, need not be designated if the recommendations are not regular. By contrast, a Financial Consultant hired by JPA who by

definition makes regular recommendations to hire certain consultants or approve certain contracts should probably be designated for that limited scope.

The Code must require individuals who hold designated positions to annually file a Statement of Economic Interests (the “Form 700”). The Code also identifies the type and scope of financial interests each designated position must disclose on the Form 700, which is based on what decisions the position could foreseeably affect within the scope of its assigned duties.

B. Steps to Amend JPA’s Code

Step 1:¹ The JPA Board of Directors should adopt the proposed amended Code at its April 4, 2024 Board meeting. Attached is a draft resolution for the Board to consider (Attachment 1), along with the proposed amended Code and appendices that are attached to the resolution (Attachment A to Attachment 1).

Step 2: As soon as possible after the Board adopts the resolution, make the Notice of Intention to Amend a Conflict of Interest Code (draft provided as Attachment 2) publicly available, which we recommend by posting on JPA’s website (2 C.C.R. § 18750(a)(3)(A)(i)), and provide a copy of the Notice, including the proposed Code and appendices, to individuals who hold designated positions. You may provide the Notice to these individuals by email.

Step 3: Posting the Notice (in Step 2) starts a 45-day clock. During that time period, members of the public may submit written comments or request a hearing. Comments and hearings are rare in this context. The Board may adopt the final version of the amended Code after this 45-day period closes.

Step 4: The JPA should adopt the final version of the amended Code at its regular meeting scheduled for June 6, 2024. If JPA receives written comments, the Board should consider such input at the meeting. Revisions to the Code based on the public’s input are permissible, but not required. The Board may adopt the final version of the amended Code by motion; no resolution is required.

Step 5: After the Board adopts the amended Code, the following are sent to the County of San Diego:

(a) A copy of the proposed amended Code, including a strike out/underline comparison with the JPA’s current code (also included in Attachment 1-A);

(b) A declaration that the proposed amended Code lists each position within JPA that must file a Form 700 and that JPA followed the procedures required for amending the proposed Code (draft to be prepared);

¹ The FPPC offers an additional step as an option for an agency to submit its proposed amended Code for “preliminary” review and comment by FPPC staff prior to consideration by the agency’s Board. We do not believe this step is necessary here because Metro’s Code is not changing substantively, but rather, we are simply updating the designated positions and corresponding disclosure obligations.

(c) A copy of the Notice of Intention to Amend a Conflict of Interest Code (draft provided as Attachment 2);

(d) A description of changes to the Code from the JPA's current code (draft to be prepared); and,

(e) If necessary, a summary of any changes to the Code as a result of input from the public hearing or written comments.

The County may request additional documents and information, such as explanations for designations and disclosure responsibilities, a summary of written comments received by JPA or copies of the comments, an organizational chart, job descriptions, or recent minutes of JPA's Board meetings. The amended Code will become effective 30 days after the County gives its final approval.

If you have any questions about this process, please feel free to contact me.

Staff Recommendation

1. Staff recommends the Finance Committee recommend the JPA Board of Directors approve Resolution 2024-01, a Resolution of the Board of Directors of the Metro Wastewater Joint Powers Authority Adopting an Amended Conflict of Interest Code Pursuant to the Political Reform Act of 1974;
2. Discuss or take other action as appropriate.



Attachment 1
Draft Board Resolution

RESOLUTION NO. 2024-01

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
METRO WASTEWATER JOINT POWERS AUTHORITY
ADOPTING AN AMENDED CONFLICT OF INTEREST CODE
PURSUANT TO THE POLITICAL REFORM ACT OF 1974

WHEREAS, the Legislature of the State of California enacted the Political Reform Act of 1974, Government Code Section 81000 *et seq.* (the "**Act**"), which contains provisions relating to conflicts of interest which potentially affect all officers, employees and consultants of the Metro Wastewater JPA (the "**JPA**") and requires all public agencies to adopt and promulgate a conflict of interest code; and

WHEREAS, the Board of Directors adopted a Conflict of Interest Code (the "**Code**") which was amended on December 2, 2004, in compliance with the Act; and

WHEREAS, the Board of Directors adopted an amendment of the Code on September 1, 2016, in compliance with the Act; and

WHEREAS, subsequent changed circumstances within the JPA, namely the creation of new positions and the adoption of a new organizational chart, have made it advisable and necessary pursuant to Sections 87306 and 87307 of the Act to amend and update the JPA's Code; and

WHEREAS, the potential penalties for violation of the provisions of the Act are substantial and may include criminal and civil liability, as well as equitable relief which could result in the JPA being restrained or prevented from acting in cases where the provisions of the Act may have been violated; and

WHEREAS, notice of the time and place of a public meeting on, and of consideration by the Board of Directors of, the proposed amended Code was provided each affected designated employee and publicly posted for review; and

WHEREAS, a public meeting was held upon the proposed amended Code at a regular meeting of the Board of Directors on April 4, 2024, at which all present were given an opportunity to be heard on the proposed amended Code.

NOW, THEREFORE, BE IT RESOLVED BY THE METRO WASTEWATER JPA AS FOLLOWS:

Section 1. The Metro Wastewater JPA does hereby adopt the proposed amended Conflict of Interest Code, a copy of which is attached hereto as **Attachment A** in proposed final and strikeout/underline format, and shall be on file with the Board Secretary and available to the public for inspection and copying during regular business hours;

Section 2. That the said amended Code shall be submitted to the Board of Supervisors of the County of San Diego for approval and said Code shall become effective immediately upon approval by the Board of Supervisors, as submitted.

PASSED, APPROVED AND ADOPTED this 4th day of April 2024, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

CHAIR

METRO WASTEWATER JPA

ATTEST:

Board Secretary

Metro Wastewater JPA

ATTACHMENT A

CONFLICT OF INTEREST CODE OF THE METRO WASTEWATER JPA (Amended April 4, 2024)¹

PART “A”

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

Metro Wastewater JPA Officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18700.3(b), are NOT subject to the JPA’s Code, but must file disclosure statements under Government Code Section 87200 *et seq.* [Regs. § 18730(b)(3)]

It has been determined that the positions listed below are officials who manage public investments. These positions are listed here for informational purposes only²:

Members of the Board of Directors and their Alternates

Executive Director

Treasurer

Engineering Consultant

Financial Consultant

General Counsel

Consultants and New Positions

¹ This amendment to update organizational changes and new positions, as provided by the Fair Political Practice Commission, was adopted on April 4, 2024.

² Individuals holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Gov. Code § 87200.

DESIGNATED POSITIONS

GOVERNED BY THE CONFLICT OF INTEREST CODE

DESIGNATED POSITIONS **TITLE OR FUNCTION**

DISCLOSURE CATEGORIES **ASSIGNED**

Executive Director	1 through 6
Treasurer	1, 4, 5, 6
Engineering Consultant	1, 3, 5, 6
Financial Consultant	1, 4, 5, 6
Board Members and Alternates	1 through 6
General Counsel	1, 2, 3, 6
Consultants and New Positions ³	

³ Individuals serving as a consultant as defined in FPPC Reg. 18700.3(a) or in a new position created since this Code was last approved that makes or participates in making decisions must file under the broadest disclosure category in this Code subject to the following limitation:

The Board of Directors may determine in writing that due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements (Gov. Code Sec. 82019; FPPC Regulations 18219 and 18734). The Board of Directors' determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code (Gov. Code Sec. 81008).

PART “B”

DISCLOSURE CATEGORIES

The disclosure categories listed below identify the types of economic interests which the designated position must disclose for each disclosure category to which he or she is assigned.⁴ “Investment” means financial interest in any business entity (including a consulting business or other independent contracting business) and are reportable if they are either located in, doing business in, planning to do business in, or have done business during the previous two years in the jurisdiction of the JPA.

Category 1: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments.

Category 2: All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of the JPA.

Category 3: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments from, business entities that are engaged in land development, construction or the acquisition or sale of real property within the jurisdiction of the JPA.

Category 4: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments from, business entities that are banking, savings and loan, or other financial institutions.

Category 5: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments from, business entities that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the JPA.

Category 6: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments from, business entities that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the designated position’s department, unit or division.

⁴ This Conflict of Interest Code does not require the reporting of gifts from outside this agency’s jurisdiction if the source does not have some connection with or bearing upon the functions or duties of the position. (Reg. 18730.1)

~~APPENDIX~~ ATTACHMENT A

CONFLICT OF INTEREST CODE OF THE METRO WASTEWATER JPA

(Amended ~~December 2, 2004~~ April 4, 2024)¹

PART "A"

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

Metro Wastewater JPA Officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18700.3(b), are NOT subject to the JPA's Code, but must file disclosure statements under Government Code Section 87200 *et seq.* [Regs. § 18730(b)(3)]

It has been determined that the positions listed below are officials who manage public investments. These positions are listed here for informational purposes only²:

Members of the Board of Directors and their Alternates

[Executive Director](#)

Treasurer

[Engineering Consultant](#)

~~Investment~~ [Financial](#) Consultant

[General Counsel](#)

[Consultants and New Positions](#)

¹ This ~~non-substantive~~ amendment to update [organizational changes and new positions](#), ~~legal references and add clarifying language~~ as ~~provided~~ by the Fair Political Practice Commission, was adopted on ~~September 1, 2016~~ April 4, 2024.

²— Individuals holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by [Gov. Code § 87200](#).

DESIGNATED POSITIONS

GOVERNED BY THE CONFLICT OF INTEREST CODE

<u>DESIGNATED POSITIONS:</u>	<u>DISCLOSURE</u>
<u>CATEGORIES TITLE OR FUNCTION</u>	<u>ASSIGNED</u>
Engineering Project Manager <u>Executive Director</u>	<u>1 through 6</u> , 2, 3, 6
Financial Services Manager <u>Treasurer</u>	<u>1, 4, 5, 6</u> , 1, 2
General Counsel <u>Engineering Consultant</u>	<u>1, 3, 5, through 6</u> , 1, 2
<u>Financial Consultant</u>	<u>1, 4, 5, through 6</u>
<u>Board Members and Alternates</u>	<u>1 through 6</u>
<u>General Counsel</u>	<u>1, 2, 3, through 6</u>

=
Consultants and New Positions³

³ Individuals serving as a consultant as defined in FPPC Reg. 18700.3(a) or in a new position created since this Code was last approved that makes or participates in making decisions must file under the broadest disclosure category in this Code subject to the following limitation:

The Board of Directors may determine in writing that due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements (Gov. Code Sec. 82019; FPPC Regulations 18219 and 18734). The Board of Directors' determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code (Gov. Code Sec. 81008).

PART “B”

DISCLOSURE CATEGORIES

The disclosure categories listed below identify the types of economic interests which the designated position must disclose for each disclosure category to which he or she is assigned.⁴ “Investment” means financial interest in any business entity (including a consulting business or other independent contracting business) and are reportable if they are either located in, doing business in, planning to do business in, or have done business during the previous two years in the jurisdiction of the JPA.

Category 1: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments.

Category 2: All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of the JPA.

Category 3: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments from, business entities that are engaged in land development, construction or the acquisition or sale of real property within the jurisdiction of the JPA.

Category 4: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments from, business entities that are banking, savings and loan, or other financial institutions.

Category 5: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments from, business entities that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the JPA.

Category 6: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments from, business entities that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the designated position’s department, unit or division.

⁴ ~~—~~ This Conflict of Interest Code does not require the reporting of gifts from outside ~~—~~ this ~~—~~ agency’s jurisdiction if the source does not have some connection with or bearing upon the functions or duties of the position. (Reg. 18730.1)

Attachment 2
Draft Notice of Intention to Amend Code

NOTICE OF INTENTION TO AMEND THE CONFLICT OF INTEREST CODE OF THE METRO WASTEWATER JPA

NOTICE IS HEREBY GIVEN that the Metro Wastewater JPA (the “JPA”) intends to amend the JPA’s Conflict of Interest Code (the “Code”) pursuant to Government Code Section 87306.

The Code designates those employees, members, officers, and consultants who make or participate in the making of decisions and are subject to the disclosure requirements of the JPA’s Code. The JPA’s proposed amendment is necessitated by changed circumstances, including the creation of new positions which must be designated pursuant to Government Code 87302(a).

The proposed amended Code will be considered by the JPA on **June 6, 2024, at 12:00 p.m. at 9192 Topaz Way, San Diego, California.** Any interested person may be present and comment at the public meeting or may submit written comments concerning the proposed amendment. Any comments or inquiries should be directed to the attention of the Metro Wastewater JPA’s Board Secretary, c/o Lori Peoples, lorimetrojpa@gmail.com or P.O. Box 1072 National City, CA 91950. Written comments must be submitted no later than **June 1, at 12:00 p.m.**

The proposed amended Code may be reviewed on the JPA’s website www.metrojpa.org and copies may be obtained from the Board Secretary during regular business hours.

ATTACHMENT 9

Fiscal Year-End FY 2023 Financial Statements (unaudited)



METRO WASTEWATER JOINT POWERS AUTHORITY STAFF REPORT

Item : 9

Date : March 27, 2024

To : Metro JPA Finance Committee Members

From : Karyn Keze, Executive Director/ Lee Ann Jones-Santos, Treasurer

Re: Metro Wastewater JPA Treasurer's Report for Year-End 2023

Attachment: Metro Wastewater JPA Treasurer's Report for Year-End 2023

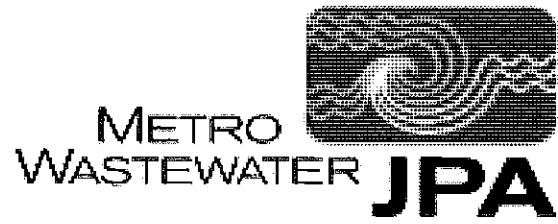
The Metro Wastewater JPA Treasurer's Report for Year-End 2023 is attached to this staff report. Please note that the Treasurer's report was delayed due to the required participation and staff support of JPA's External Auditors in completing the FY 2020-21 Audit report, which was adopted by the Board of Directors at their February 2024 meeting.

This Treasurer's report is unaudited but will be included in the current FY 2022-23 JPA Audit, scheduled to be completed in April 2024. Below are several remarks regarding the Year-End Treasurer's report.

- **Financial Operations:** Despite completing the year within the overall budgeted amount, the JPA faces a challenge with a remaining cash balance over the required Operations Reserve of only \$36,633. Consequently, there were limited funds available to initiate funding for the Contingency Reserve, as approved during the FY 2024 budget process by the Board of Directors. Discussion on formal funding for the Contingency Reserve is scheduled for the FY 2025 budget process, given the stagnant cash position over the past year.
- **Consultant Activity:** The JPA experienced a demanding year for its financial and engineering consultants, primarily due to ongoing Second Amended Restated Agreement (SARA) negotiations with the City of San Diego and the Metro billing methodology update project (FAB system of charges). Despite two JPA consultants, The Keze Group and Dexter Wilson Engineering, showing a negative balance at FY 2023 year-end, it's important to note that these financial statements do not reflect approved change orders for these consultants which were approved in May 2023. Both firms operated within their amended approved contract limits for FY 2023.
- **Board Secretary Duties:** Commencing in the last quarter of FY 2023, the Board Secretary's responsibilities expanded beyond their routine agenda and meeting

scope of work. Consequently, a thorough review and update of the Board Secretary's scope of work is slated for the FY 2025 budget process as part of the JPA's reorganization efforts to address these changes in role and responsibilities.

- **Board of Directors Expenses:** FY 2023 saw an increase in Board of Directors Per Diem expenses, primarily due to the addition of Pure Water (SARA) AdHoc meetings that were not anticipated at budget time.
- **Legal Expenses:** Legal expenses for the JPA would have remained under budget were it not for unforeseen work associated with the Metro system sewer spill events. It's worth noting that this budget was set prior to the assumption of duties by our current general counsel.
- **Website Updates:** A decision was made during the fiscal year not to pursue substantial updates or changes to the JPA's website, leading to the non-initiation of the website architecture contract. Instead, the JPA's current vendor, Granicus, with whom a four-year contract is in place, provided the requested services at no charge. However, an FY 2024 bill from Granicus was received and paid in FY 2023, creating an apparent overage in their contract. This payment was a pre-payment for their FY 2024 hosting services, not indicative of a contractual breach.



Metro Wastewater Joint Powers Authority
Treasurer's Report
ending June 30, 2023

Metro Wastewater JPA
Treasurer's Report
ending June 30, 2023

Beginning Cash Balance at July 1, 2022	\$ 297,413
Operating Results	
Membership Dues & Interest Income	617,129
Expenses	<u>(677,792)</u>
Change in Net Position	(60,663)
Net change in Receivables & Payables	<u>(2,049)</u>
Cash used in Operations	<u>(62,712)</u>
Ending Cash Balance at June 30, 2023	<u><u>\$ 234,701</u></u>

Metro Wastewater JPA
Statement of Net Position

As of July 1, 2022 and June 30, 2023
Unaudited

	<u>July 1, 2022</u>	<u>June 30, 2023</u>	<u>\$ Change</u>
<u>ASSETS</u>			
Checking/Savings	\$ 297,413	\$ 234,701	\$ (62,712)
Accounts Receivable	11,412	15,427	4,015
Total Assets	<u>\$ 308,825</u>	<u>\$ 250,128</u>	<u>\$ (58,697)</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 2,044	\$ 4,010	\$ 1,966
Unearned Membership Billings	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ 4,010</u>	<u>\$ 1,966</u>
<u>NET POSITION</u>			
Net Position at Beginning of Period	\$ 566,757	\$ 306,781	\$ (259,976)
Change in Net Position	(259,975)	(60,663)	199,312
Net Position at End of Period	\$ 306,782	\$ 246,118	\$ (60,664)
TOTAL LIABILITIES & NET POSITION	<u>\$ 308,826</u>	<u>\$ 250,128</u>	<u>\$ (58,698)</u>

<i>Net Position at 06/30/2023</i>	\$ 246,118
<i>FY '22 Required Reserve (4 months of Op Exp)</i>	<u>209,485</u>
<i>Over (under) required reserve</i>	\$ 36,633

Metro Wastewater JPA
Statement of Operations
Budget vs. Actual

ending June 30, 2023
Unaudited

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
Income			
Membership Dues	\$ 584,245	\$ 584,245	\$ -
City of San Diego	\$ 32,587	\$ 44,210	(11,623)
Interest Income	297	-	297
Total Income	<u>\$ 617,129</u>	<u>\$ 628,455</u>	<u>\$ (11,326)</u>
Expense			
Administrative Assistant-LP	\$ 53,123	\$ 37,100	\$ 16,023
Bank Charges	72	200	(128)
Contingency	-	-	-
Dues & Subscriptions	-	-	-
Financial Services		-	
Audit Fees	-	12,000	(12,000)
Financial Consulting Support (Auditor)	-	2,500	(2,500)
Financial - The Keze Group	130,000	100,000	30,000
Treasurer - Padre Dam/El Cajon	11,259	30,000	(18,741)
JPA/TAC meeting expenses	1,917	5,000	(3,083)
Miscellaneous		250	(250)
Per Diem - Board	20,400	18,000	2,400
Printing, Postage, Supplies	-	860	(860)
Professional Services		-	
Engineering - Dexter Wilson	182,682	141,700	40,982
Engineering - NV5	28,720	30,000	(1,280)
Legal - Procopio (Pure Water/2nd ARA)	114,069	150,000	(35,931)
Legal - Procopio (General)	83,985	60,000	23,985
Legal - Procopio (SD Spill 2020 & 2023)	30,854	-	30,854
Legal - BB&K	1,561	-	1,561
Paul Redvers Brown, Inc.	12,760	24,900	(12,140)
Strategic Planning	-	-	-
Telephone, Software & Internet	-	2,140	(2,140)
Website Architecture Update	-	10,500	(10,500)
Website Maintenance & Hosting	6,390	3,305	3,085
Total Expense	<u>\$ 677,792</u>	<u>\$ 628,455</u>	<u>\$ 49,337</u>
Net Income (Loss)	<u>\$ (60,663)</u>	<u>\$ -</u>	<u>\$ (60,663)</u>

Metro Wastewater JPA
Statement of Cash Flows

ending June 30, 2023
Unaudited

OPERATING ACTIVITIES

Change in Net Position	\$ (60,663)
Adjustments to Reconcile Change in Net Position to Net Cash Provided by Operations:	
Accounts Receivable	(4,015)
Accounts Payable	1,966
Deferred Revenue	-
	<hr/>
Year ended June 30, 2023	(62,712)
Net cash increase (decrease) for period	<hr/> 297,413
Cash at end of period	<hr/> \$ 234,701 <hr/>

ATTACHMENT 10

Mid-Year FY 2024
Financials (unaudited)



METRO WASTEWATER JOINT POWERS AUTHORITY STAFF REPORT

Item : 10

Date : March 27, 2024

To : Metro JPA Finance Committee Members

From : Karyn Keze, Executive Director/ Lee Ann Jones-Santos, Treasurer

Re: Metro Wastewater JPA Treasurer's Report for Mid-Year FY 2024

Attachment: Metro Wastewater JPA Treasurer's Report for Mid-Year FY 2024

The Metro Wastewater JPA Treasurer's Report for Mid-Year 2024 is attached to this staff report. This Treasurer's report is unaudited as it covers the financial operations of the JPA up to December 31, 2023, within the current fiscal year. Below are several remarks regarding the Mid-Year's Treasurer's report.

- **Financial Operations Update:** The financial operations of the JPA generally track with their designated budgets, with major consultants either slightly under budget or closely aligned. The majority of the items that are tracking higher than their budgeted amounts were discussed in the FY 2023 Year-End Treasurer's Report such as the Board Secretary and Board Member's Expenses. These aspects will be thoroughly reviewed during the FY 2025 budget assessment.
- **Audit Expenditures:** The current auditor's contract was approved by the Board and implemented in August 2023, subsequent to the approval of the FY 2024 JPA budget in June 2023. The budgeted amount of \$12,000 does not reflect the actual approved audit contract amount of \$45,000, which encompasses audits for FY 2020-2021 and FY 2022-2023, aimed at bringing the JPA up to date with its audits. The Mid-Year expenditure of \$20,800 remains within the confines of the contract terms, considering the completion of the FY 2020-2021 audit.
- **Cash Position:** Despite the Balance Sheet indicating excess cash of \$397,360 beyond the required Operations Reserve, it's anticipated that this entire amount will likely be necessary to cover operating expenses for the latter half of FY 2024. The Year-End Treasurer's report for FY 2023 highlights that deliberations on funding the JPA's Contingency Reserve will be undertaken during the FY 2025 budget evaluation.



Metro Wastewater Joint Powers Authority
Treasurer's Report
ending December 31, 2023

Metro Wastewater JPA
Treasurer's Report
ending December 31, 2023

Beginning Cash Balance at July 1, 2023	\$ 263,174
Operating Results	
Membership Dues & Interest Income	734,784
Expenses	<u>(354,764)</u>
Change in Net Position	380,020
Net change in Receivables & Payables	<u>11,417</u>
Cash used in Operations	<u>391,437</u>
Ending Cash Balance at December 31, 2023	<u><u>\$ 654,611</u></u>

Metro Wastewater JPA
Statement of Net Position

As of July 1, 2023 and December 31, 2023
Unaudited

	<u>July 1, 2023</u>	<u>December 31, 2023</u>	<u>\$ Change</u>
<u>ASSETS</u>			
Checking/Savings	\$ 263,174	\$ 654,611	\$ 391,437
Accounts Receivable	15,427	-	(15,427)
Total Assets	<u>\$ 278,601</u>	<u>\$ 654,611</u>	<u>\$ 376,010</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 4,010	\$ -	\$ (4,010)
Unearned Membership Billings	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,010)</u>
<u>NET POSITION</u>			
Net Position at Beginning of Period	\$ 306,781	\$ 274,591	\$ (32,190)
Change in Net Position	(32,190)	380,020	412,210
Net Position at End of Period	\$ 274,591	\$ 654,611	\$ 380,020
TOTAL LIABILITIES & NET POSITION	<u>\$ 278,601</u>	<u>\$ 654,611</u>	<u>\$ 376,010</u>

<i>Net Position at 12/31/2023</i>	\$ 654,611
<i>FY '24 Required Reserve (4 months of Op Exp)</i>	<u>257,252</u>
<i>Over (under) required reserve</i>	\$ 397,360

Metro Wastewater JPA
Statement of Operations
Budget vs. Actual
ending December 31, 2023
Unaudited

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
Income			
Membership Dues	\$ 727,544	363,773	\$ 363,772
City of San Diego	6,770	7,368	(598)
Interest Income	470	-	470
Total Income	<u>\$ 734,784</u>	<u>\$ 371,141</u>	<u>\$ 363,643</u>
Expense			
Administrative Assistant-LP	\$ 25,630	18,550	\$ 7,080
Bank Charges	36	100	(64)
Contingency	-	-	-
Dues & Subscriptions	-	-	-
Financial Services		-	
Audit Fees	20,800	6,000	14,800
Financial Consulting Support (Auditor)	-	-	-
Financial - The Keze Group	70,179	75,000	(4,821)
Treasurer - Padre Dam/El Cajon	-	15,000	(15,000)
JPA/TAC meeting expenses	-	3,000	(3,000)
Miscellaneous	24	125	(101)
Per Diem - Board	12,648	12,500	148
Printing, Postage, Supplies	-	430	(430)
Professional Services		-	
Engineering - Dexter Wilson	94,627	100,000	(5,373)
Engineering - NV5	7,935	20,000	(12,065)
Legal - Procopio (Pure Water/2nd ARA)	81,292	75,000	6,292
Legal - Procopio (General)	29,774	30,000	(226)
Legal - Procopio (SD Spill 2020 & 2023)	9,519	15,000	(5,481)
Paul Redvers Brown, Inc.	1,160	12,450	(11,290)
Strategic Planning	-	-	-
Telephone, Software & Internet	1,141	1,070	71
Website Architecture Update	-	-	-
Website Maintenance & Hosting	-	1,653	(1,653)
Total Expense	<u>\$ 354,764</u>	<u>\$ 385,878</u>	<u>\$ (31,113)</u>
Net Income (Loss)	<u>\$ 380,020</u>	<u>\$ (14,737)</u>	<u>\$ 394,757</u>

Metro Wastewater JPA
Statement of Cash Flows

ending December 31, 2023
Unaudited

OPERATING ACTIVITIES

Change in Net Position	\$ 380,020
Adjustments to Reconcile Change in Net Position to Net Cash Provided by Operations:	
Accounts Receivable	15,427
Accounts Payable	(4,010)
Deferred Revenue	-
	<hr/>
Year ended June 30, 2023	391,437
Net cash increase (decrease) for period	<hr/> 263,174
Cash at end of period	<hr/> \$ 654,611 <hr/>

ATTACHMENT 11

Review, Discussion,
Direction of FY
2025 Budget

(Attachment
Forthcoming)