



**METRO TAC AGENDA**  
**(Technical Advisory Committee to Metro JPA/Commission)**

**TO:** MetroTAC Representatives

**CC:** Metro JPA Directors (for information only)

**DATE:** November 20, 2024

**TIME:** 11:00 a.m. to 1:30 p.m.

**LOCATION:** Metro TAC is holding its November meeting via Zoom. An e-mail containing information on how to participate in the meeting will be distributed to the Metro TAC members e-mail list consisting of the appointed Primary and Alternate for the Participating Agency and approved San Diego City Staff. Please remember, Metro TAC is NOT a public meeting so please do not distribute the meeting link.

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1. **ACTION:** Review and Approve MetroTAC Action Minutes for the Meeting of October 16, 2024 (**Attachment**)
  2. **PRESENTATION:** Metro Wastewater JPA Two-Year Audit Ending June 30, 2023 (Daphne Munoz - CLA/Rod Greek/Lee Ann Jones Santos) (**Attachment**)
  3. **PRESENTATION:** Public Utilities Department Integrated Master Plan Update (Anh Nguyn) (**Attachment**)
  4. **PRESENTATION:** 2024 Metro Wastewater JPA Draft Strategic Plan (John Gavares /Karyn Keze) (**Attachment**)
  5. **PRESENTATION:** Phase 2 Pure Water Program Metro JPA Survey (Doug Owen/Ben Kuhnel) (**Attachment**)
  6. **UPDATE:** Metro Wastewater (General) (Standing Item) (Lisa Celeya)
  7. **UPDATE:** Pure Water Program Update (Standing Item) (Amy Dorman/Doug Owen)
  8. **UPDATE:** Metro Wastewater Financial (Standing Item) (Adam Jones)
  9. **UPDATE:** JPA Executive Director (Standing Item) (Karyn Keze) (**Attachment**)

10. **UPDATE:** Metro Commission/JPA Board Meeting Recap (Standing Item) (Alisa Nichols)
11. Review of Items to be Brought Forward to the Regular Metro Commission/Metro JPA Meeting (**December 5, 2024**)
12. Other Business of Metro TAC
13. Adjournment (**To the next Regular Meeting December 18, 2024**)

**Metro TAC 2024 Meeting Schedule**

January 17	May 15	September 18
February 21	June 19	October 16
March 20	July 17	November 20
April 17	August 21	December 18

# Metro TAC



(Technical Advisory Committee to Metro JPA/Commission)

## **ACTION MINUTES**

**DATE OF MEETING:** October 16, 2024  
**TIME:** 11:00 AM  
**LOCATION:** ZOOM Electronic Meeting

### **MEETING ATTENDANCE:**

#### **Members Present**

Michael Benozza, Chula Vista  
Leon Firsht, Coronado (absent)  
Joe Bride, Del Mar (absent)  
Blake Behringer, El Cajon  
Eric Minicilli, Imperial Beach  
Joe Kuhn, La Mesa  
Izzy Murguia/Atilano Moran, Lemon Grove  
Cynthia Peraza, National City  
Beth Gentry/Lito Santos, Otay WD  
Peejay Tubongbanua, Padre Dam MWD  
Troy DePriest, Poway  
Sumedh Bahl, County of San Diego

#### **San Diego City Staff/Consultants**

Lisa Celaya, City of San Diego  
Adam Jones, City of San Diego  
Edgar Patino, City of San Diego  
Anh Nguyen, City of San Diego  
Melissa Faber, City of San Diego  
Keli Balo, City of San Diego  
Doug Campbell, City of San Diego  
Orelia DeBraal, City of San Diego  
Akram Bassyouni, City of San Diego  
Amy Dorman, City of San Diego  
Ben Kuhnel, City of San Diego

#### **JPA Staff/Consultants Present**

Karyn Keze, Executive Director, Keze Group  
Adriana Ochoa, General Counsel  
Scott Tulloch, NV5  
Dexter Wilson, Dexter Wilson Engineering  
Kathleen Noel, Dexter Wilson Engineering  
Lee Ann Jones-Santos, Metro JPA Treasurer  
Lori Anne Peoples, Metro JPA Board Secretary

### **1. ACTION: Review and Approve Metro TAC Action Minutes for the Meeting of September 18, 2024**

**ACTION:** Motion by Sumedh Bahl, seconded by Peejay Tubongbanua the minutes be approved. Motion carried unanimously.

**2. PRESENTATION: SARA: Pretreatment and Administrative Agreements**

Metro JPA General Counsel, Adriana Ochoa provided a brief overview of her presentation included in the agenda packet.

**3. ACTION: Consideration and Possible Action to Recommend to the Metro Wastewater JPA Approval of the First Amendment to the Agreement with CDM Smith Inc. for Preparation of the Public Utilities Department Integrated Master Plan**

Anh Nguyn, City of San Diego, provided a brief verbal overview of his presentation included in the agenda package.

Dexter Wilson confirmed that this Master Plan will prioritize items on the Metro side and include projects that could prevent future spills and that the City will provide the TAC/JPA with regular updates.

Adam Jones, City of San Diego responded to inquiry of whether the recycled water would be affected, that it would, and that he, Dexter, Karyn, and Kathleen would be doing a walkthrough of the North City Recycled facilities to break out the Water vs Metro facilities after Phase 1 for cost allocation purposes.

Orelia DeBraal, City of San Diego, committed to returning to the TAC with updates on the progress of the Master Plan and periodic updates once implemented.

**ACTION:** Motion by Peejay Tubongbanua, second by Sumedh Bahl, to recommend approval to the Metro Wastewater JPA.

**4. INFORMATION: Fourth Quarter CIP Update**

Melissa Faber, City of San Diego, provided a brief verbal overview of her presentation included in the agenda package.

**5. UPDATE: Metro Wastewater (General) (Standing Item)**

Lisa Celaya, City of San Diego stated that the City would be coming back in November with a PS2 update. North City NPDES Permit was approved by the Regulatory Board last week and the Modified Permit for Point Loma is going to the Coastal Commission in November.

**6. UPDATE: Pure Water Program Update (Standing Item)**

Amy Dorman stated that she had no additional updates to provide since her prior months report.

**7. Metro Wastewater Financial (Standing Item)**

Adam Jones, City of San Diego, stated that the City was in the middle of preparing their 5-Year Outlook for both water and sewer. They are still seeing elevated costs in utilities and chemicals which the billings and estimates are based on. They have received a substantial



amount of SRF Loans and reimbursements are coming in from the State in November. In December, the City's Cost of Service and 5-Year Projections will be moving forward to the San Diego City Council.

**8. UPDATE: JPA Executive Director (Standing Item)**

Executive Director Keze noted that SARA was moving forward and that the City of San Diego was in the final stage of their legal review. The hope is that at the end of November it will be ready to move forward to TAC and the JPA/Com. The FAB group has been meeting and changes will be going out in DRAFT in December, so they need the PAs to provide any requested final changes to Exhibit B to Karyn, Dexter, or Kathleen by the end of October. The three of them are ready to meet with any of the PAs regarding their capacity for accuracy.

**9. Metro Commission/JPA Board Meeting Recap (Standing Item)**

Metro TAC Vice Chair Blake Berringer stated that the Metro JPA held a Special Meeting in September to transfer General Counsel Adriana Ochoa's contract from Procopio to Snell & Wilmer. At their Regular Meeting of October 3<sup>rd</sup>, they approved all 5 actions previously taken by TAC.

**10. Review of Items to be Brought Forward to the Regular Metro Commission/Metro JPA Meeting (November 7, 2024)**

JPA Executive Director Keze stated that Items 3 and 4 would move forward to the Metro JPA meeting.

**11. Other Business of Metro TAC**

There was none.

**12. Adjournment (To the next Regular Metro TAC Meeting November 20, 2024)**

Metro TAC Vice Chair Blake Berringer adjourned the meeting at 1:37 p.m.



*We'll get you there.*

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## Communication with Those Charged with Governance

2023 Audit Results

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1

### Scope of Work

- Audit of the financial statements for the two-year ended June 30, 2023 in accordance with Generally Accepted (US)



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2

2

### Auditors' Report

- Audit of financial statements for the two-years ended June 30, 2023
- Management is responsible for preparation and fair presentation of the financial statements
- Auditor's responsibility is to express opinion on the financial statements
- Standards require that audit is planned and performed to obtain reasonable assurance that financial statements are free from material misstatement
- Audit evidence is sufficient and appropriate to provide a basis of our audit opinions
- Unmodified opinion for June 30, 2023



### Management Letter

- Material Weakness
  - Accounts payable accrual
- Significant Deficiencies
  - None
- Other Matters
  - None



### Communication with Those Charged with Governance


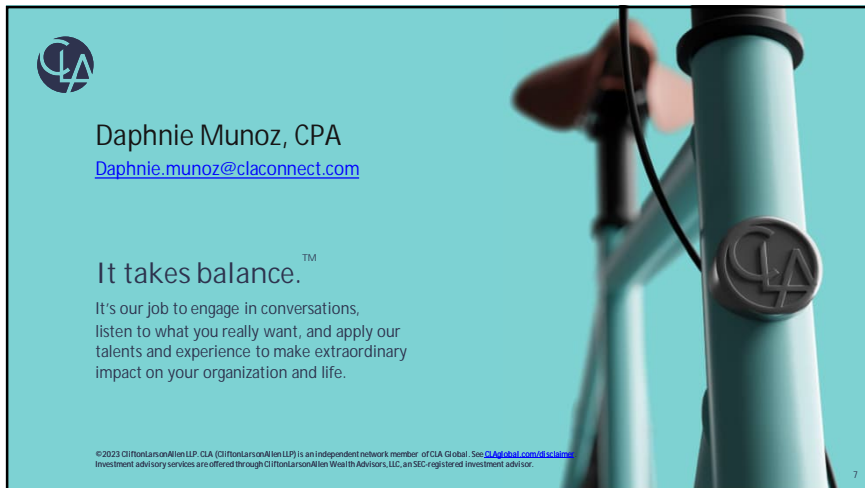
- The planned scope and timing of the June 30, 2023, audit was communicated in our engagement letter
- Management is responsible for the selection and use of appropriate accounting policies, which are described in note 1 to the financial statements
- No significant estimates
- Sensitive disclosures reported in the financial statements include the following:
  - Member agency assessment



### Communication with Those Charged with Governance

- We encountered no significant difficulties during our audit.
- Corrected and Uncorrected Misstatements.
- No disagreements arose during the course of our audit.
- To our knowledge, the Authority did not consult with other accountants regarding auditing or accounting matters.





Daphnie Munoz, CPA  
[Daphnie.munoz@claconnect.com](mailto:Daphnie.munoz@claconnect.com)

It takes balance.<sup>™</sup>  
It's our job to engage in conversations,  
listen to what you really want, and apply our  
talents and experience to make extraordinary  
impact on your organization and life.

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7



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Board of Directors  
Metro Wastewater Joint Powers Authority  
Santee, California

We have audited the financial statements of Metro Wastewater Joint Powers Authority as of and for the two-years ended June 30, 2023, and have issued our report thereon dated . We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit in our engagement letter dated August 9, 2023. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant audit findings or issues**

#### ***Qualitative aspects of accounting practices***

##### *Accounting policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Metro Wastewater Joint Powers Authority are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during the two-year period ended June 30, 2023.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

##### *Accounting estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

##### *Financial statement disclosures*

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

- The member agency assessment that is based on each agency's projected treated wastewater flow discharge.

The financial statement disclosures are neutral, consistent, and clear.

#### ***Significant unusual transactions***

We identified no significant unusual transactions.

***Difficulties encountered in performing the audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

***Uncorrected misstatements***

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

***Corrected misstatements***

The following material misstatements detected as a result of audit procedures were corrected by management:

- Adjustment of \$70,606 to accrue expenses incurred before yearend but not paid until after yearend.

***Disagreements with management***

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

***Management representations***

We have requested certain representations from management that are included in the attached management representation letter dated .

***Management consultations with other independent accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants. We were informed by management that there were no consultations with other accountants.

***Significant issues discussed with management prior to engagement***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

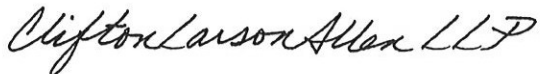
***Required supplementary information***

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods

of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

\* \* \*

This communication is intended solely for the information and use of Board of Directors and management of Metro Wastewater Joint Powers Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Irvine, California  
September 24, 2024





September 24, 2024

CliftonLarsonAllen LLP  
2875 Michelle Drive, Suite 300  
Irvine, CA 92606

This representation letter is provided in connection with your audit of the financial statements of Metro Wastewater Joint Powers Authority, which comprise the respective financial position as of June 30, 2023, and the respective changes in financial position and cash flows for the two-year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to misstatements that are material. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm, to the best of our knowledge and belief, as of September 24, 2024, the following representations made to you during your audit of the financial statements as of and for the two-year year ended June 30, 2023.

#### **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement agreement dated August 9, 2023, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures, including those measured at fair value, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
5. Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

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National City • Otay Water District • Poway • Padre Dam Municipal Water District

6. No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
7. We have not identified or been notified of any uncorrected financial statement misstatements.

You have proposed adjusting journal entries that have been posted to the entity's accounts. We have reviewed and approved those adjusting journal entries and understand the nature of the changes and their impact on the financial statements. We are in agreement with those adjustments and accept responsibility for them.

9. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
10. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date, and the carrying amounts of those receivables and related allowances are determined in accordance with U.S. GAAP.
11. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

#### **Information Provided**

1. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records (including information obtained from within and outside of the general and subsidiary ledgers), documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d. Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a. Management;

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#### **The Joint Powers Authority Proactively Addressing Regional Wastewater Issues**

- b. Employees who have significant roles in internal control; or
  - c. Others when the fraud could have a material effect on the financial statements.
5. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.
  6. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations and provisions of contracts and grant agreements, or waste or abuse whose effects should be considered when preparing financial statements.
  7. We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments, that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
  8. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.
  9. There are no known related-party relationships or transactions which need to be accounted for or disclosed in accordance with U.S. GAAP.
  10. The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.
  11. We have a process to track the status of audit findings and recommendations.
  12. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
  13. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
  14. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to Metro Wastewater Joint Powers Authority, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
  15. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

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## The Joint Powers Authority Proactively Addressing Regional Wastewater Issues

16. The entity has complied with all aspects of contractual or grant agreements that would have a material effect on the financial statements in the event of noncompliance.
17. We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.
18. We are responsible for determining whether we have received, expended, or otherwise been the beneficiary of any federal awards during the period of this audit. No federal award, received directly from federal agencies or indirectly as a subrecipient, was expended in an amount that cumulatively totals from all sources \$750,000 or more. For this representation, "award" means financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, user grants, or contracts used to buy goods or services from vendors.
19. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
20. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
21. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
22. Deposits and investment securities are properly classified as to risk and are properly valued and disclosed.
23. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
24. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
25. As part of your audit, you prepared the draft financial statements, related notes, and supplementary information. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your services; have made all management judgments and decisions; and have assumed all management responsibilities. We have evaluated the adequacy and results of the service. We have reviewed, approved, and accepted responsibility for those financial statements, related notes, and supplementary

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## The Joint Powers Authority Proactively Addressing Regional Wastewater Issues

information. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.

Signature: Karyn Keze Title: Executive Director

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National City • Otay Water District • Poway • Padre Dam Municipal Water District

**METRO WASTEWATER JOINT POWERS AUTHORITY**  
**BASIC FINANCIAL STATEMENTS**  
**WITH REPORT ON AUDIT BY**  
**INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**  
**FOR THE TWO-YEAR PERIOD ENDED JUNE 30, 2023**



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**METRO WASTEWATER JOINT POWERS AUTHORITY  
TABLE OF CONTENTS  
TWO-YEAR PERIOD ENDED JUNE 30, 2023**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>4</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>6</b>
<b>STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION</b>	<b>7</b>
<b>STATEMENT OF CASH FLOWS</b>	<b>8</b>
<b>NOTES TO BASIC FINANCIAL STATEMENTS</b>	<b>9</b>





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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Metro Wastewater Joint Powers Authority  
National City, California

### ***Report on the Audit of Financial Statements***

#### ***Opinion***

We have audited the accompanying financial statements of Metro Wastewater Joint Powers Authority (the Authority) as of and for the two-year period ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Metro Wastewater Joint Powers Authority as of June 30, 2023, and the changes in financial position and its cash flows for the two-year period then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

#### ***Responsibilities of Management for the Financial Statements***

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



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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Board of Directors  
Metro Wastewater Joint Powers Authority

***Required Supplementary Information***

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

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Irvine, California  
September 24, 2024

**METRO WASTEWATER JOINT POWERS AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
TWO-YEAR PERIOD ENDED JUNE 30, 2023**

Our discussion and analysis of Metro Wastewater Joint Powers Authority's (JPA) financial performance provides an overview of Metro's financial activities for the two-year period ended June 30, 2023. Please read it in conjunction with the JPA's financial statements, which follow this section.

**Financial Statements**

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

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

The statement of net position includes all of the JPA's assets and liabilities, with the difference between the two reported as net position. There were no deferred outflows or deferred inflows of resources at June 30, 2023. The JPA's entire net position is unrestricted.

The statement of revenues, expenses, and changes in net position shows how the JPA's net position changed during the two-year period. All revenues and expenses were recorded when the underlying transaction occurs, regardless of the timing of the related cash flows. The statement of revenues, expenses, and changes in net position measures the success of the JPA's operations over the two years and determines whether the JPA has recovered its costs through member agency assessments.

The statement of cash flows provides information regarding the JPA's cash receipts and cash disbursements during the two-year period ended June 30, 2023. This statement reports the JPA's cash activity as either Operating or Investing; the JPA had no Capital and Related Financing Activities or Noncapital and Related Financing Activities for the two-year period ended June 30, 2023. The statement of cash flows differs from the statement of revenues, expenses, and changes in net position because it accounts only for transactions that result in cash receipts or cash disbursements.

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

**METRO WASTEWATER JOINT POWERS AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
TWO-YEAR PERIOD ENDED JUNE 30, 2023**

**Financial Highlights**

For the two-year period ended June 30, 2023, the JPA's total net position decreased by \$322,047. Operating revenues, which is comprised of Member Agency Assessments, is set annually to cover the cost of operations. For the two-year period ending June 30, 2023, operating revenues were \$806,618 or an increase of \$69,418 from the prior two-year period. The reason for the increase is increase in the budget (projected expenses) that resulted in an increase in billing to the member agencies. Operating expenses for the two-year period ending June 30, 2023 was \$1,129,010; this an increase from the prior two-year period of \$699,114. The reason for this increase was due to increase in expenses including the work on the Second Amended and Restated Regional Agreement (SARA) and the development of a new Metro Billing System of Charges based upon the Functional Allocation Based (FAB) cost allocations. These major projects included work by all legal, engineering and financial consultants. There was also an increase in the number of in person JPA/Commission meetings that resulted in an increase in per diem expenses and meeting expenses. There were no non-operating expenses.

**Financial Analysis of the Financial Statements**

**Net Position**

The JPA's net position at June 30, 2023 totaled \$47,595 compared to \$569,642 at June 30, 2021. The \$322,047 decrease in net position is attributed to operating net loss for the two-year period of \$322,392. The following is a summary of the JPA's statement of net position:

	<u>June 30, 2021</u>	<u>June 30, 2023</u>	<u>Difference</u>
Assets:			
Current Assets	\$ 613,741	\$ 318,201	\$ (295,540)
Total Assets	<u>613,741</u>	<u>318,201</u>	<u>(295,540)</u>
Liabilities:			
Current Liabilities	44,099	70,606	26,507
Total Liabilities	<u>44,099</u>	<u>70,606</u>	<u>26,507</u>
Net Position:			
Unrestricted	569,642	247,595	(322,047)
Total Net Position	<u>\$ 569,642</u>	<u>\$ 247,595</u>	<u>\$ (322,047)</u>

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

The JPA reported a decrease in net position of \$322,047 for the two-year period ended June 30, 2023. This is a decrease of \$629,728 compared to the two-year period ending June 30, 2021.

**METRO WASTEWATER JOINT POWERS AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
TWO-YEAR PERIOD ENDED JUNE 30, 2023**

**Financial Analysis of the Financial Statements (Continued)**

**Revenues, Expenses, and Changes in Net Position (Continued)**

Revenues for the two-year period were \$806,963 or \$222,373 and \$584,245 for fiscal years 2022 and 2023, respectively; this is an increase of \$69,386 from the two-year period ended June 30, 2021. The increase was due to increased billing to member agencies.

Operating expenses for the two-year period ending June 30, 2023 were \$1,129,010 or \$ 495,744 and \$633,266 for fiscal years 2022 and 2023, respectively; this is an increase of \$699,114 from the two-year period ending June 30, 2021. The increase was due to the increase in expenses including the work on the Second Amended and Restated Regional Agreement (SARA) and the development of a new Metro Billing System of Charges based upon the Functional Allocation Based (FAB) cost allocations. These major projects included work by all legal, engineering and financial consultants. There was also an increase in the number of in person JPA/Commission meetings that resulted in an increase in per diem expenses and meeting expenses.

The following is a summary of the JPA's statement of revenues, expenses, and changes in net position:

	<u>June 30, 2021</u>	<u>June 30, 2023</u>	<u>Difference</u>
Operating Revenues	\$ 737,200	\$ 806,618	\$ 69,418
Nonoperating Revenues	377	345	(32)
Total Revenues	<u>737,577</u>	<u>806,963</u>	<u>69,386</u>
Operating Expenses	<u>429,896</u>	<u>1,129,010</u>	<u>699,114</u>
Changes in Net Position	307,681	(322,047)	(629,728)
Net Position - Beginning of Period	<u>291,961</u>	<u>599,642</u>	<u>307,681</u>
Net Position - End of Period	<u>\$ 599,642</u>	<u>\$ 277,595</u>	<u>\$ (322,047)</u>

**Long-Term Debt and Capital Assets**

The JPA has no long-term debt or capital assets.

**Conditions Affecting Current Financial Position**

There are no known facts, decisions, or conditions that are expected to have a significant effect on the JPA's net position or future results of operations.

**Contacting the JPA's Financial Manager**

This financial report is designed to provide Metro Wastewater JPA's member agencies, their constituents and the State of California with a general overview of the JPA's finances and to demonstrate the JPA's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the JPA's treasurer, Lee Ann Jones-Santos.

## **BASIC FINANCIAL STATEMENTS**

**METRO WASTEWATER JOINT POWERS AUTHORITY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

**ASSETS**

Current Assets:

Cash and Cash Equivalents  
Due from Other Government  
Total Assets

\$	302,774
	<u>15,427</u>
	<u>318,201</u>

**LIABILITIES**

Current Liabilities:

Accounts Payable

<u>70,606</u>
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**NET POSITION**

Unrestricted

<u>247,595</u>
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Total Net Position

<u>\$</u>	<u>247,595</u>
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*See accompanying Notes to Basic Financial Statements.*

**METRO WASTEWATER JOINT POWERS AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE TWO-YEAR PERIOD ENDED JUNE 30, 2023**

<b>OPERATING REVENUES</b>	
Member Agency Assessments	<u>\$ 806,618</u>
<b>OPERATING EXPENSES</b>	
Engineering	370,828
JPA Meetings	43,617
General and Administrative	72,013
Legal	393,455
Financial Advisor	222,432
Other Professional Services	<u>26,665</u>
Total Operating Expenses	<u>1,129,010</u>
<b>OPERATING LOSS</b>	(322,392)
<b>NONOPERATING REVENUES</b>	
Investment Income	<u>345</u>
<b>CHANGE IN NET POSITION</b>	(322,047)
Net Position - Beginning of Period	<u>569,642</u>
<b>NET POSITION - END OF PERIOD</b>	<u><u>\$ 247,595</u></u>

See accompanying Notes to Basic Financial Statements.



**METRO WASTEWATER JOINT POWERS AUTHORITY  
STATEMENT OF CASH FLOWS  
FOR THE TWO-YEAR PERIOD ENDED JUNE 30, 2023**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash Receipts from Membership Agency Assessments	\$ 798,887
Cash Paid to Vendors and Suppliers for Materials and Services	<u>(1,102,503)</u>
Net Cash Used by Operating Activities	<u>(303,616)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest Earnings	<u>345</u>
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**NET CHANGE IN CASH AND CASH EQUIVALENTS**

(303,271)

Cash and Cash Equivalents - Beginning of Period

606,045

**CASH AND CASH EQUIVALENTS - END OF PERIOD**

\$ 302,774

**RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS  
USED BY OPERATING ACTIVITIES**

Operating Loss	\$ (322,392)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in Due from Other Government	(7,731)
Increase (Decrease) in Accounts Payable	<u>26,507</u>
Total Adjustments	<u>18,776</u>
Net Cash Used by Operating Activities	<u><u>\$ (303,616)</u></u>

*See accompanying Notes to Basic Financial Statements.*

**METRO WASTEWATER JOINT POWERS AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Operations of the Reporting Entity**

The Metropolitan Wastewater Commission was formed in 1998 pursuant to the terms of the 1998 Regional Wastewater Disposal Agreement between the City of San Diego and the following municipalities collectively referred to as the Participating Agencies: Cities of Chula Vista, Coronado, Del Mar, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, the Otay Water District, Padre Dam Municipal Water District, East Otay Mesa, Lakeside/Alpine, Spring Valley, and Winter Gardens Sanitation District. The Metropolitan Wastewater Commission is an advisory body to the City of San Diego, advising the City on matters affecting the Metro System, owned by the City of San Diego.

In 2001, the Metro Wastewater Joint Powers Authority (the Authority) was formed to provide the Participating Agencies with a stronger voice in the operations of the Metro System, for which they collectively pay approximately 35% of the operation and capital costs. As of October 2007, all Participating Agencies of the Metropolitan Wastewater Commission are members of the Authority.

The Authority, along with the Metropolitan Wastewater Commission, acts as partners with the City of San Diego and the City's Metropolitan Wastewater Department in planning and budget development, and through its participation in the Metro Technical Advisory Committee, monitors the implementation of the City of San Diego Metropolitan Wastewater Plan and the City's Metropolitan Wastewater Department's engineering and financial practices.

**Measurement Focus, Basis of Accounting, and Financial Statements Presentation**

"Measurement focus" is a term used to describe *which* transactions are recorded within the various financial statements. "Basis of accounting" refers to *when* transactions are recorded regardless of the measurement focus applied. The accompanying financial statements are reported using the "economic resources measurement focus", and the "accrual basis of accounting". Under the economic resources measurement focus all assets and liabilities (whether current or noncurrent) are included on the statement of net position. The statement of revenues, expenses, and changes in net position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Operating revenues, mainly member agency assessments, result from exchange transactions associated with the principal activity of the Authority. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, result from non-exchange transactions, in which, the Authority receives value without directly giving value in exchange.

The Authority reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise.

**METRO WASTEWATER JOINT POWERS AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting, and Financial Statements Presentation (Continued)**

The basic financial statements of the Metro Wastewater Joint Powers Authority have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental accounting financial reporting purposes.

Net position of the Authority is classified into three components: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position. These classifications are defined as follows:

*Net Investment in Capital Assets* – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of notes or borrowing that are attributable to the acquisition of the asset, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. The Authority has no net investment in capital assets at June 30, 2023.

*Restricted Net Position* – This component of net position consists of net position with constrained use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. The Authority has no amounts in restricted net position at June 30, 2023.

*Unrestricted Net Position* – This component of net position consists of net position that does not meet the definition of “net investment in capital assets” or “restricted net position”.

When both restricted and unrestricted resources are available for use, it is the Authority's practice to use restricted resources first, then unrestricted resources as they are needed.

**Cash and Cash Equivalents**

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

**Accounts Receivable**

Management believes that all receivables are fully collectible; therefore, no allowance for doubtful accounts was recorded as of June 30, 2023.

**METRO WASTEWATER JOINT POWERS AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgetary Controls**

The Authority prepares a budget that is approved by the Board of Directors. Unspent appropriations for the operating budget lapse at fiscal year-end unless designated by Board action to be carried forward to the next budget period.

**Estimates**

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

**NOTE 2 CASH AND INVESTMENTS**

At June 30, 2023, the \$606,045 of cash and cash equivalents shown on the statement of net position are deposits with financial institutions.

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

**METRO WASTEWATER JOINT POWERS AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 3 MEMBER AGENCY ASSESSMENTS**

The Authority prepares an expense budget, then calculates member agency assessments to cover budgeted expenses. Member agency assessments are based on each agency's projected treated wastewater flow discharge. The projected discharge is based on the actual figures from the prior year.

Agency	For the Fiscal Year Ended June 30, 2022		For the Fiscal Year Ended June 30, 2023		
	Commission Flow Distribution Percentage	Billings	Commission Flow Distribution Percentage	Billings	Total Billings
Chula Vista	31.25	\$ 78,677	31.72	\$ 185,323	\$ 264,000
Coronado	2.84	-	2.58	15,074	15,074
County of San Diego	16.20	33,862	16.46	96,167	130,029
Del Mar	0.05	220	0.05	292	512
El Cajon	15.07	35,180	14.56	85,066	120,246
Imperial Beach	3.66	8,334	3.71	21,675	30,009
La Mesa	8.37	20,636	8.18	47,791	68,427
Lemon Grove	3.38	4,154	3.36	19,631	23,785
National City	7.57	16,816	8.45	49,369	66,185
Otay Water District	0.88	2,886	0.60	3,505	6,391
Padre Dam	5.75	12,577	5.67	33,127	45,704
Poway	4.98	9,031	4.66	27,226	36,257
Total	100.00	\$ 222,373	100.00	\$ 584,245	\$ 806,618

**NOTE 4 RELATED PARTY TRANSACTIONS**

Under the terms of the Authority's Amended and Restated Regional Wastewater Disposal Agreement, certain administrative expenses incurred by member agencies are reimbursed by the Authority. Reimbursements paid by the Authority during the two-year period ended June 30, 2023, totaled approximately \$95,057. Also, under the terms of the Amended and Restated Regional Wastewater Disposal Agreement, the City of San Diego reimburses the Agency for a portion of these administrative expenses. During the two-year period ended June 30, 2023, reimbursement submitted to the City of San Diego totaled \$41,954, of which \$15,427 have not been collected and are recorded as due from other government on the accompanying statement of net position.

**NOTE 5 CONTINGENCIES**

**Litigation**

In the ordinary course of operations, the Authority is subject to claims and litigation from outside parties. After consultation with legal counsel, the Authority believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.





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CliftonLarsonAllen LLP  
CLAAconnect.com

Board of Directors  
and Management of Metro Wastewater Joint Powers Authority  
Santee, California

In planning and performing our audit of the financial statements of the Metro Wastewater Joint Powers Authority as of and for the two-year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the entity's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to fraud or error may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

#### **Material weaknesses**

We consider the following deficiencies in the entity's internal control to be material weakness.

- During our review of payments made subsequent to yearend, we noted that certain payments totaling \$70,606 for goods and services received before June 30 were not accrued at yearend. This resulted to understatement of accounts payable and expenses.

\* \* \*

This communication is intended solely for the information and use of management, Board of Directors, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Irvine, California  
September 24, 2024

# RODNEY GREEK, CPA

## Municipal and Special District Accounting, Controls, Integration, Monitoring, Reporting, and Security

DATE: November 1, 2024

SUBJECT: 2-Year Audit for the Period ended June 30, 2023 – Management Letter

Dear Chair Jones and Vice Chair De Hoff,

As you know, we have been coordinating an audit being conducted by CliftonLarsonAllen LLP for our biennial financial statements for the Period Ended June 30, 2023. If any material weaknesses are found, they are communicated to the Board of Directors via the Internal Control Communication and Management Letter from the Audit Firm. A material weakness is a deficiency in internal controls that has a reasonable possibility of resulting in a material misstatement in the financial statements.

We have received a draft copy of the Internal Control Communication and Management Letter from the Audit Firm. The letter disclosed the following material weakness along with the resulting misstatement details:

### **Material weaknesses**

**We consider the following deficiencies in the entity's internal control to be material weakness.**

- During our review of payments made subsequent to yearend, we noted that certain payments totaling \$70,606 for goods and services received before June 30 were not accrued at yearend. This resulted to understatement of accounts payable and expenses.

We agreed with the auditor's finding and made the proper correction to the financial statements for the biennial audit period ended June 30, 2023.

We are currently working on revisions to Metro Wastewater JPA's financial policies and procedures. These revisions will be brought to the Board for consideration in early 2025 calendar year. We will be including enhanced year-end closing procedures to ensure we properly identify and accrue any transactions that cross over fiscal years.

If you have questions regarding this information, feel free to contact me at your convenience by email at [rjgreek@cox.net](mailto:rjgreek@cox.net) or by phone at 760-809-0681.

Kind regards,

*Rodney Greek*

Rodney Greek, CPA



## Public Utilities Department

# Public Utilities Department Integrated Master Plan

Metro TAC Update November 20, 2024

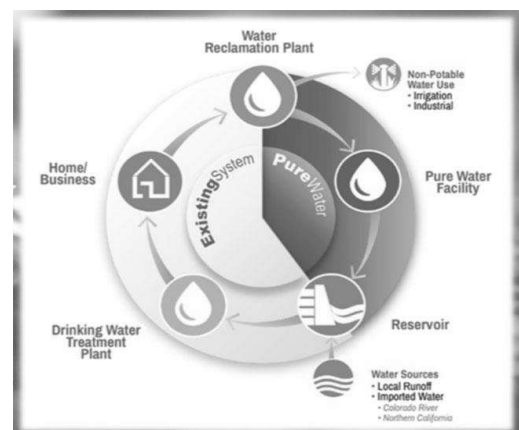


## Public Utilities Department

### PUD Integrated Master Plan Scope/Importance

Comprehensive, long-term planning document that outlines strategies and prioritizes projects across all utility areas

- Changes in water needs, system modifications, and the transition to a complete water cycle through the Pure Water Program require a more integrated and holistic approach to utility master planning.
- Provides a roadmap to ensure system can meet current and future demands, maintain regulatory compliance, maintain resilient infrastructure, and support sustainable growth.
- Includes an increased focus on the repair and rehabilitation of utilities to maximize the useful life of major assets and existing infrastructure



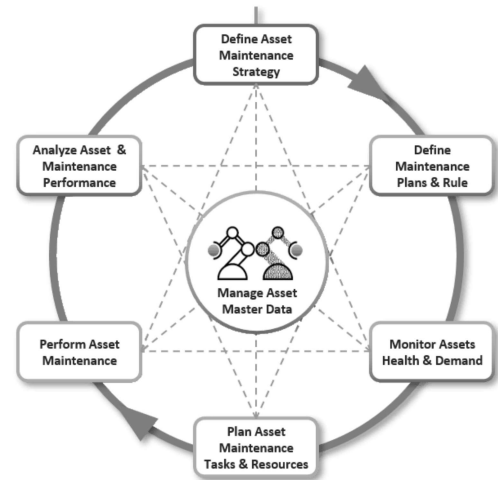
## Progress to Date

### Asset Management Software Review and Preparation of a Master Listing of All PUD Assets

- Reviewed the major software packages and made recommendations on suggested changes.
- Interviewed key users of each software to make recommendations on how to better utilize the software.
- Prepared a draft master listing of all PUD assets.

#### Major Takeaways:

- Asset Management Software is sufficient and just needs to be better utilized.
- Inventory of assets needed to complete Master Plan



## Progress to Date

### Standardization of Condition Assessment Protocols

- Prepared standard protocols for conducting future condition assessments, in accordance with industry standards and applicable regulations, that allow comparisons across various utilities.

#### Major Takeaways:

- PUD has been assessing many assets for years, but the information has not been comprehensively compiled.
- Different assessment methods have been utilized, making direct comparison of results across utilities, facilities, systems, or asset types challenging.

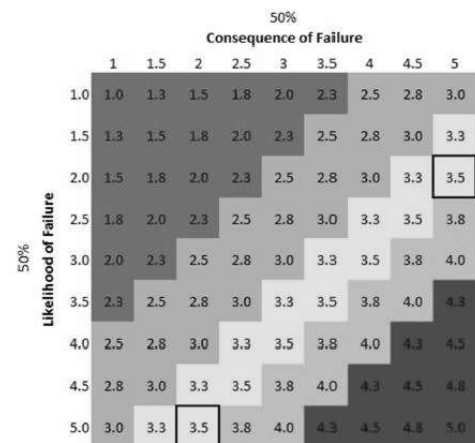


Figure 2. Risk = Average of LoF and CoF Scores

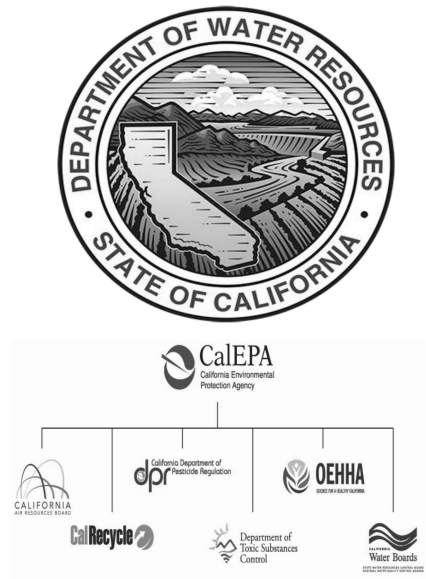
## Progress to Date

### Analysis of Existing and Anticipated Regulatory Environment

- Reviewed and summarized all the existing laws, regulations, policies, procedures, permits, and agency approval conditions, that currently apply to or affect City PUD utilities, including current and future reporting requirements.
- Prepared an anticipated schedule for new regulations that may affect PUD and analyzed the potential affects.

#### Major Takeaway:

- New regulations and potential changes to existing regulations will have significant impacts to PUD operations.



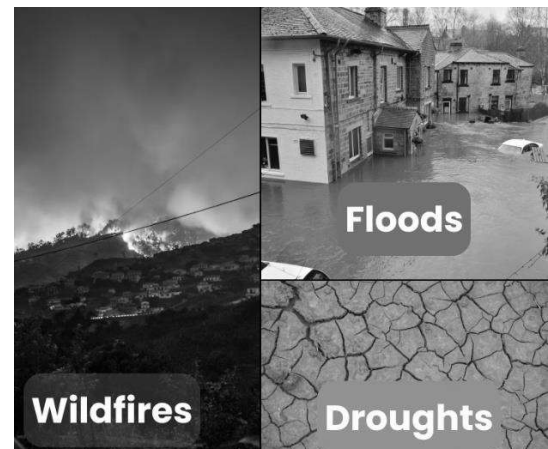
## Progress to Date

### Analyze the Effects of Climate Change on PUD Assets & Operations

- Prepared defensible estimates of the climate change impacts affecting PUD assets in two future 30-year periods (conducted for 2050 Near future and 2075 Late future).

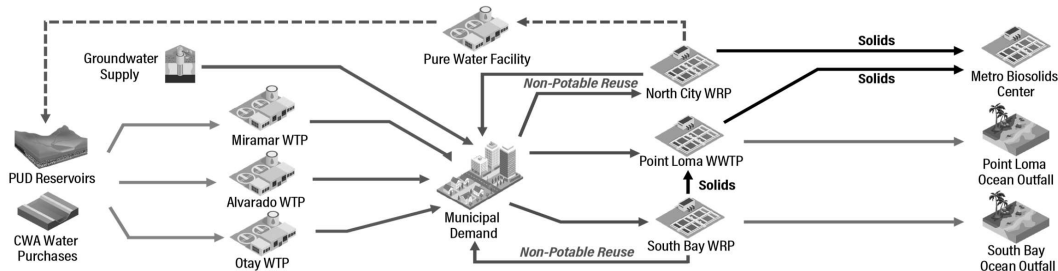
#### Major Takeaways:

- Extreme heat days, greater drought severity, wildfire vulnerability, flooding and sea level rise will have different level of impact on PUD assets and operations.
- PUD needs to develop specific strategies to combat the different type of climate related hazards.



## Data Gap - Proposed Contract Amendment

- Some assets missing from SAP/EAM (dams/reservoirs, groundwater, misc. across most vertical facilities)
- Assets in SAP/EAM missing key information and critical attributes required to assess risk
- Functional Asset Hierarchy needs correcting and updating
- Complete Master Asset List needed to enable preparation of the PUD priority list of projects



## Amendment

- Extend the duration of the agreement in order to perform a visual inventory of all assets necessary to complete the remaining tasks in the contract
- Add an additional twenty-eight (28) months and an amount of \$1,472,934
- Scope:
  - Update Functional Location hierarchy
  - Remove records of non-existing assets
  - Create new assets in EAM
  - Complete a visual assessment and rating of assets
  - Populate all available attributes for assets
  - Assemble all data for bulk uploading by City staff



## Ongoing/Future Work

- **Analyze future needs for New or Re-sized Infrastructure** – Conduct analysis to evaluate the need for new or re-sized infrastructure to accommodate future growth, changes in usage or consumption patterns, Pure Water impacts to existing infrastructure, new regulatory requirements, climate change, etc.
- **Analyze and prioritize maintenance, repair, rehabilitation and replacement of existing assets** – Prepare detailed recommendations of projects and methods to maximize the service life and functional utility of existing PUD assets without compromising service reliability and resiliency.
- **Project Information Sheets** – Prepare individual detailed project description sheets for all projects recommended by the Master Plan.
- **Standardized Project Prioritization Scoring** – Provide standardized prioritization scoring framework for all asset types consistent with existing Council Policy and with additional detail relevant for infrastructure projects.



## Next Steps

- 12/2024 – City Council- Contract Amendment
- 02/2025 – Initiate Contract Amendment Work- Data Collection
- 06/2026 – Master Asset List completed
- 09/2026 – New CIP and O&M List completed
- 01/2027 – Draft Integrated Master Plan Report completed
- 03/2027 – Executive CIP Dashboard Training
- 06/2027 – Final PUD Integrated Master Plan Report





Questions?



METRO JPA/TAC  
Staff Report  
Date: 11/20/2024

**Project Title:**

Public Utilities Department Integrated Master Plan Update

**Presenter(s) Name:** Anh Nguyen

**Presenter(s) Title:** Senior Civil Engineer (City of San Diego Public Utilities Department)

**Requested Action:**

Information Item Only. Providing updates regarding Public Utilities Department Integrated Master Plan to the Metro Wastewater JPA. This action was requested by Metro TAC Committee Member Dexter Wilson.

**Recommendations:**

Metro TAC:	To provide updates
IROC:	N/A
Prior Actions: (Committee/Commission, Date, Result)	N/A

**Fiscal Impact:**

Is this project budgeted?	Yes <u>X</u> No <u>    </u>
Cost breakdown between Metro & Muni:	Total: \$5,254,501 Muni: \$1,208,535.23 Metro: \$1,576,350.30 Water: \$2,469,615.47

Fiscal impact to the Metro JPA:	33% of Metro costs is \$378,375.13
------------------------------------	------------------------------------

**Capital Improvement Program:**

New Project?	Yes <u>    </u>	No <u>    </u>	N/A <u>X</u>
Existing Project?	Yes <u>X</u>	No <u>    </u>	Upgrade/addition <u>    </u> Change <u>    </u> N/A <u>    </u>

**Previous TAC/JPA Action:**

Approval of First Amendment to the Agreement with CDM Smith, Inc. for Preparation of the Public Utilities Department Integrated Master Plan

**Additional/Future Action:**

**City Council Action:**

Environmental Committee for November 2024.

City Council for December 2024.

**Background:** *Provide background information on the need for the project*

An Integrated Master Plan is a comprehensive, long-term planning document that outlines strategies for managing and developing water and wastewater infrastructure. It provides a roadmap to ensure systems can meet current and future demands, maintain regulatory compliance, and support sustainable growth. Historically, the Public Utilities Department (PUD) prepared separate planning documents for each major water and wastewater asset. While this approach has worked in the past, significant changes in water needs, system modifications, and the transition to a complete water cycle through the Pure Water 2 Program require a more integrated and holistic approach to utility master planning. Additionally, with our aging infrastructure, there is an increased focus on the repair and rehabilitation of utilities to maximize the useful life of major assets and existing infrastructure.

A contract amendment was approved by Metro TAC on October 16, 2024 and by Metro JPA on November 7, 2024 to support the subtasks underway and requires additional time and funding for completion. The amendment will provide funding and time to complete a necessary inventory of all PUD assets identified within the Integrated Master Plan, with a focus on vertical assets, such as pump stations and plants. This work is essential to develop a complete asset inventory and perform visual assessments.



**Discussion:** *Provide information on decisions made to advance the project*

On December 6, 2022, the City of San Diego issued the Notice to Proceed memo for the agreement with CDM Smith Inc. Staff is here to provide updates to the project as requested by committee members.

**Bid Results:** *If bidding was done provide bidding format and results*

The Request for Proposal (RFP) was advertised on May 13, 2021. Two firms (HDR & CDM Smith, Inc.) submitted their proposal. The two firms were then interviewed. After the review of the proposal and interview, CDM Smith, Inc. was selected to provide the service.

The scope of the Integrated Master Plan is to prepare a comprehensive master plan that will identify areas where current planning efforts for one utility area impact other utility areas in addition to presenting a detailed focus on needed repair, rehabilitation, and renovation projects for existing infrastructure.

The original contract amount is \$3,781,567 and the amendment amount is \$1,472,934, which brings the new total contract amount to \$5,254,501.

# **Metro WW JPA SP Ad Hoc Committee**

## **Presentation to the Metro TAC**

**November 20, 2024**

1

### **Goals of Presentation**

1. Promote understanding of the proposed Strategic Goals (SGs) and Objectives (SOs).
2. Provide an opportunity for questions and answers, and to hear suggestions for other Strategic Objectives that the Committee may have missed.
3. Begin to develop ownership and support for this important document, which will serve as the Metro JPA's roadmap in the years ahead.

2

## Overview of the Strategic Planning Ad Hoc Committee's Efforts-to-Date

3

### Overview of SP Committee's Efforts

- **1<sup>st</sup> workshop - Sept. 5:** Reviewed survey responses; this served as a springboard for dialogue. Some of the top issues included:
  - Oversight of Pure Water, and Cost Control, in general
  - Inflow and Infiltration Reduction
  - New Agreement (SARA) & Billing Model (FAB)
  - Repair & Mtce of Metro's Infrastructure – Reduce Spills
  - Planning - modeling for capital replacement
  - Ways to monitor regulation on emerging pollutants such as PFAS
- **2<sup>nd</sup> workshop - Sept. 26:** Discussed numerous issues, including the ones above, and more. Reviewed a draft list of 2025 Strategic Goals (SGs) and Strategic Objectives (SOs).
- **3<sup>rd</sup> workshop – Oct. 17:** Continued review of proposed Strategic Goals and Objectives
- **4<sup>th</sup> Workshop - Oct. 31:** Finalized proposed Strategic Goals and Objectives

4

# Definitions

5

## Definitions

- **Mission Statement:** A statement that articulates the organization's purpose. Generally, it describes what products or services you deliver, for whom, and how you will achieve it.

### **Metro Wastewater JPA / Commission Mission Statement**

The Metro JPA's mission is to create an equitable partnership with the San Diego City Council and Mayor on regional wastewater issues.

The JPA achieves this through:

- Striving to ensure fair rates for participating agencies, protect the environment, and make regionally balanced decisions.
- Advocating for services to be delivered safely, reliably, and at the lowest possible cost.
- Supporting stakeholder collaboration and open dialogue, and making data-informed policy decisions.

6

## Definitions

- **Strategic Goals** – SGs describe the broad areas of focus to which your efforts are directed. They help you achieve your Mission.
  - SGs are generally long-term. They're a "what," and not a "how"
  - It tells you where you are going rather than how you will get there
  - (e.g., Improve Health – physical, mental, and emotional)
- **Strategic Objectives** – SOs are more specific focus areas within a SG.
  - SOs are also long-term, and are a "what," and not a "how"
  - (e.g., Weight; Cardiovascular; Strength and Flexibility; Stress; Diet)
- **Strategic Initiatives** – SIs are projects that help you achieve the strategic goals and objectives.
  - SIs are a "How"
  - SMART (Specific, Measurable, Assigned, Realistic, Time-bound), usually in the 1-year time frame (e.g., Create a 2025 Strategic Plan by Jan.1, 2025)
  - (e.g., 1) Hire personal trainer for 2x/wk; 2) Go to gym 3x/wk; 3) Join weight watchers – Lose 10 lbs. in 2025; 4) Join yoga program 2 x/week)

7

7

## Overview of the Proposed 2025 Strategic Goals and Objectives

8

8

## Strategic Goal 1

1. **Strategic Goal 1 - Oversight of METRO System Management and Operations:** The METRO JPA and METRO TAC must continue their oversight of the City of San Diego's management and operation of the METRO System on behalf of the Participating Agencies' ratepayers.

9

## Strategic Goal 1's Objectives

- > **Strategic Objective 1 - Oversee Service and Billing: (Retain - No change)** Oversee City of San Diego Public Utilities Department to ensure that services provided to METRO member agencies are efficiently delivered.
- > **Strategic Objective 2 - Oversee Costs and Rates: (Retain - No change)** Oversee the City of San Diego's METRO wastewater programs, including Pure Water, sewer fees, and recycled water rates to protect the interests of METRO member agencies.
- > **Strategic Objective 3 - Oversee Capital Improvements and Maintenance Operations: (Retain - No change)** Oversee the City of San Diego's METRO wastewater system capital improvement program (CIP) and maintenance operations, to protect the environment and the investment of METRO member agencies.

10

## Strategic Goal 1's Objectives

- **Strategic Objective 4 – Continue Audit Process: (Retain - No change)** Maintain the integrity of the annual audit of the City of San Diego to ensure that only METRO wastewater costs are billed to METRO member agencies.
- **Strategic Objective 5 – Revised Language - Monitor Billing Equity Framework** - Conduct continual review of the billing system, including the progress of new procedures that determine flow and strength allocations to the Participating Agencies.

Conduct a review of the flow metering monitoring system, sampling locations, and cost allocation and audit parameters a minimum of every five years to be consistent with section 3.5.3 of the Amended Restated Agreement.

11

## Strategic Goal 1's Objectives

- **Strategic Objective 6 – New – Support Second Amended Restated Agreement (SARA) and Revised Billing Structure (FAB):** Advocate for and support the Participating Agencies (PA's) review and approval of the Second Amended Restated Agreement (SARA).

Support the successful implementation of the new SARA billing structure (e.g., Functional Allocated Billing (FAB), Industrial Waste Program payments, Administrative Agreement, etc.) contained in the SARA.

- **Strategic Objective 7 – New – Monitor and Mitigate Infiltration and Inflow (I&I):** Work with the City of San Diego and Participating Agencies to reduce infiltration and inflow (I&I) and Sanitary Sewer Overflows (SSOs).

These are becoming more frequent due to conditions of aging infrastructure, as well as increased frequency of storm severity.

Participate in a Regional I&I study that will identify ways to reduce I&I and implement recommendations from I&I study as appropriate.

12



## Strategic Goal 1's Objectives

- **Strategic Objective 8 – New – Monitor Industrial Waste Provisions:** There is extensive language in SARA about monitoring industrial waste and pretreatment requirements. Monitor the fees for industrial users on behalf of the City and Participating Agencies.

The financial burden will be retained for the most part by industrial users, but a general benefit to all other users will be recognized in the billing structure.

An example of a specific general benefit is that monitoring industrial waste and pretreatment prevents chemicals from being discharged into the sewer system that would upset biological processes in the Metro system needed for proper treatment and disposal.

13

## Strategic Goal 2

2. **Strategic Goal 2 - Oversight of the City of San Diego's Water Reuse Planning (Pure Water San Diego):** As the City of San Diego expands the scope of its wastewater operations to include the Pure Water San Diego program, the scope of oversight provided by the METRO JPA and the METRO TAC expands.

14



## Strategic Goal 2's Objectives

- **Strategic Objective 1 - Oversee and Support OPRA 2 Legislation:** (**Revised language**) Support the City of San Diego's efforts to obtain legislation (OPRA 2) to allow for secondary equivalency for the Pt. Loma Wastewater Treatment Plant. Obtaining this change in legislation will avoid unnecessary expenses and upgrades to the Pt. Loma treatment plant.

Maintain ongoing technical, financial and regulatory analyses of the permit process and provide comments to the City of San Diego, METRO Commission and METRO JPA as needed.

Obtaining this permit will avoid unnecessary expenses and upgrades to the Pt. Loma treatment plant.

- **Strategic Objective 2 - Oversee Permit Planning for Pt. Loma Treatment Plant:** (**Retained - Title revised slightly**) Maintain ongoing technical, financial and regulatory analyses and provide comments to the City of San Diego, METRO Commission and METRO JPA as needed.

15

## Strategic Goal 2's Objectives

- **Strategic Objective 3 - Oversee Recycled Water Pricing Study:** (**Retain - No change**) Maintain ongoing technical, financial and regulatory analyses and provide comments to the City of San Diego, METRO Commission and METRO JPA as needed.

- **Strategic Objective 4 - Monitor Potable Reuse Regulatory Development:** (**Revised language**) Regulations have been adopted for both indirect and direct potable reuse.

Metro JPA will continue to monitor, participate and advocate where appropriate for regulatory adoption that is environmentally safe and the most cost-effective.

16

## Strategic Goal 2's Objectives

- **Strategic Objective 5 - Oversee Pure Water Program, Phase 2, and any Associated Projects: (Retain, no change)**  
Maintain ongoing technical, financial and regulatory analyses as the location and composition of each facility is determined.

As Phase 2 costs are developed, ensure that an appropriate allocation methodology of costs will be established.

Provide comments to the City of San Diego, METRO Commission and METRO JPA as needed.

17

## Strategic Goal 2's Objectives

- **Strategic Objective 6 - New - Monitor Efforts to Regulate Newly-identified Chemicals and Pollutants** - Metro JPA will monitor, participate and advocate for appropriate regulations regarding wastewater pollutants and chemicals, such as PFAS.

Metro JPA will collaborate with the City of San Diego to develop the best strategies to minimize potential costs while maintaining appropriate environmental responsibility.

- **Strategic Objective 7 - New - Support the City's Consideration and Analysis of Possible New Sewage Sources:** Monitor and support the City of San Diego's consideration and analysis of new sources, such as sewage and stormwater, as these opportunities develop.

18

## Strategic Goal 3

- 3- **Strategic Goal 3 - Develop and Maintain Key Partnerships:** Effectively partner with the City of San Diego and key stakeholders, working together to ensure fair rates for participating agencies, regionally balanced decisions, and the best possible management for all multi-jurisdiction-use facilities.

19

## Strategic Goal 3's Objectives

- **Strategic Objective 1 - New - Commit to Partnering and Professionalism:** Work effectively with the City of San Diego and other stakeholders aspiring to high standards of professionalism and a commitment to collaboration.
- **Strategic Objective 2 - New - Participate in Committees and Projects:** Work collaboratively on projects and committees such as the Financial Implementation Group (FIG) and the Infiltration and Inflow (I&I) study.

20

# Questions and Suggestions?

21

21

## ***Draft* Metro JPA 2025 Strategic Goals & Objectives**

### **Mission Statement: Revised Language -**

The JPA's mission is to create an equitable partnership with the San Diego City Council and Mayor on regional wastewater issues. The JPA achieves this through:

- Striving to ensure fair rates for participating agencies, protect the environment, and make regionally balanced decisions.
- Advocating for services to be delivered safely, reliably, and at the lowest possible cost.
- Supporting stakeholder collaboration and open dialogue, and making data-informed policy decisions.

**Strategic Goal 1 - Oversee METRO System Management and Operations:** The METRO JPA and METRO TAC must continue their oversight of the City of San Diego's management and operation of the METRO System on behalf of the Participating Agencies' ratepayers.

**Strategic Objective 1 - Oversee Service and Billing: (Retain - No change)** Oversee City of San Diego Public Utilities Department to ensure that services provided to METRO member agencies are efficiently delivered.

**Strategic Objective 2 - Oversee Costs and Rates: (Retain - No change)** Oversee the City of San Diego's METRO wastewater programs, including Pure Water, sewer fees, and recycled water rates to protect the interests of METRO member agencies.

**Strategic Objective 3 - Oversee Capital Improvements and Maintenance Operations: (Retain - No change)** Oversee the City of San Diego's METRO wastewater system capital improvement program (CIP) and maintenance operations, to protect the environment and the investment of METRO member agencies.

**Strategic Objective 4 - Continue Audit Process: (Retain - No change)** Maintain the integrity of the annual audit of the City of San Diego to ensure that only METRO wastewater costs are billed to METRO member agencies.

<p><b>Strategic Objective 5 – Revised Language - Monitor Billing Equity Framework</b> - Conduct continual review of the billing system, including the progress of new procedures that determine flow and strength allocations to the Participating Agencies. Conduct a review of the flow metering monitoring system, sampling locations, and cost allocation and audit perimeters a minimum of every five years to be consistent with section 3.5.3 of the Amended Restated Agreement.</p>
<p><b>Strategic Objective 6 – New – Support Second Amended Restated Agreement (SARA) and Revised Billing Structure (FAB):</b> Advocate for and support the Participating Agencies (PA’s)’s review and approval of the Second Amended Restated Agreement (SARA). Support the successful implementation of the new SARA billing structure (e.g., Functional Allocated Billing (FAB), Industrial Waste Program payments, Administrative Agreement, etc.) contained in the SARA.</p>
<p><b>Strategic Objective 7 – New – Monitor and Mitigate Infiltration and Inflow (I&amp;I):</b> Work with the City of San Diego and Participating Agencies to reduce infiltration and inflow (I&amp;I) and Sanitary Sewer Overflows (SSOs). These are becoming more frequent due to conditions of aging infrastructure, as well as increased frequency of storm severity. Participate in a Regional I&amp;I study that will identify ways to reduce I&amp;I and implement recommendations from I&amp;I study as appropriate.</p>
<p><b>Strategic Objective 8 – New – Monitor Industrial Waste Provisions:</b> There is extensive language in SARA about monitoring industrial waste and pretreatment requirements. The Metro JPA staff will monitor the fees for industrial users on behalf of the City and Participating Agencies. The financial burden will be retained for the most part by industrial users, but a general benefit to all other users will be recognized in the billing structure. An example of a specific general benefit is that monitoring industrial waste and pretreatment prevents chemicals from being discharged into the sewer system that would upset biological processes in the Metro system needed for proper treatment and disposal.</p>

<p><b>Strategic Goal 2: Oversight of the City of San Diego’s Water Reuse Planning (Pure Water San Diego)</b> - As the City of San Diego expands the scope of its wastewater operations to include the Pure Water San Diego program, the scope of oversight provided by the METRO JPA and the METRO TAC expands.</p>
<p><b>Strategic Objective 1 - Oversee and Support OPRA 2 Legislation:</b> <b>(Revised language)</b> Support the City of San Diego’s efforts to obtain legislation (OPRA 2) to allow for secondary equivalency for the Pt. Loma Wastewater Treatment Plant. Obtaining this change in legislation will avoid unnecessary expenses and upgrades to the Pt Loma treatment plant. The Metro JPA staff will maintain ongoing technical, financial and regulatory analyses of the permit process and provide comments to the City of San Diego, METRO Commission and METRO JPA as needed.</p>
<p><b>Strategic Objective 2 - Oversee Permit Planning for Pt. Loma Treatment Plant: (Revised – New Title)</b> Maintain ongoing technical, financial and regulatory analyses and provide comments to the City of San Diego, METRO Commission and METRO JPA as needed.</p>
<p><b>Strategic Objective 3 - Oversee Recycled Water Pricing Study: (Retain - No change.)</b> Maintain ongoing technical, financial and regulatory analyses and provide comments to the City of San Diego, METRO Commission and METRO JPA as needed.</p>
<p><b>Strategic Objective 4 - Monitor Potable Reuse Regulatory Development: (Revised language)</b> Regulations have been adopted for both indirect and direct potable reuse. Metro JPA will continue to monitor, participate and advocate where appropriate for regulatory adoption that is environmentally safe and the most cost-effective.</p>
<p><b>Strategic Objective 5 - Oversee Pure Water Program, Phase 2, and any Associated Projects: (Retain, no change)</b> Maintain ongoing technical, financial and regulatory analyses as the location and composition of each facility is determined. As Phase 2 costs are developed, ensure that an appropriate allocation methodology of costs will be established. Provide comments to the City of San Diego, METRO Commission and METRO JPA as needed.</p>
<p><b>Strategic Objective 6 - Monitor Efforts to Regulate Newly-identified Chemicals and Pollutants - New</b> - Metro JPA will monitor, participate and</p>

advocate for appropriate regulations regarding wastewater pollutants and chemicals, such as PFAS. Metro JPA will collaborate with the City of San Diego to develop the best strategies to minimize potential costs while maintaining appropriate environmental responsibility.

**Strategic Objective 7 - New – Support the City’s Consideration and Analysis of Possible New Sewage and Other Inflow Sources:** Monitor and support the City of San Diego’s consideration and analysis of new sources, such as sewage and stormwater, as these opportunities develop.

**Strategic Goal 3: - New (Formerly SG1, SO6.) - Develop and Maintain Key Partnerships:** Effectively partner with the City of San Diego and key stakeholders, working together to ensure fair rates for participating agencies, regionally balanced decisions, and the best possible management for all multi-jurisdiction-use facilities.

**Strategic Objective 1 - New – Commit to Partnering and Professionalism:** Work effectively with the City of San Diego and other stakeholders aspiring to high standards of professionalism and a commitment to collaboration.

**Strategic Objective 2 - New – Participate in Committees and Projects:** Work collaboratively on projects and committees such as the Financial Implementation Group (FIG) and the Infiltration and Inflow (I&I) study.



# Pure Water Phase 2 Metro JPA Survey

Metro TAC

November 20, 2024



1

## Metro JPA Survey Purpose

### Purpose of Survey:

- City is currently in the planning stages for Phase 2 of the Pure Water Program
- Need to better understand long term planning of JPA members and potential impacts to future wastewater flow

(2)

[sandiego.gov](http://sandiego.gov)

2



## Metro JPA Survey Questions

### Question 1:

1. Do you have any ongoing planning or development efforts for wastewater reuse projects within your system?
  - a. If yes, please provide:
    - i. Brief description of the project(s) including:
      1. Total Flow (million gallons per day, MGD)
      2. Level of Planning (e.g., identified in long range planning, currently evaluating feasibility, conceptual design, preliminary design)
      3. Anticipated project completion date
      4. Volume of anticipated non-potable reuse (MGD)
      5. Volume of anticipated potable reuse (MGD)
      6. Anticipated treatment processes
      7. Planned residuals management approach, if applicable (will brine or solids be returned to the Metro collection system?)
      8. Maximum anticipated seasonal raw wastewater demand (MGD)
      9. Minimum anticipated seasonal raw wastewater demand (MGD)
      10. If the project will be phased, wastewater demand, product, and residuals flow for each phase (MGD)

(3)

sandiego.gov

3



## Metro JPA Survey Questions

### Question 2:

2. Do you foresee any conditions that might impact your future wastewater flowrate or loading (e.g., legislation, regulation, conservation, local reuse initiatives, grey water use, stormwater capture, etc.)? If so, please briefly describe.

### Question 3:

3. Would you (or any industrial/commercial entities within your service area) have any interest in purchasing recycled water (non-potable or potable)?

(4)

sandiego.gov

4



## Metro JPA Survey Next Steps

### Next Steps:

- City to formally send out survey
- Requesting responses by January 17, 2025



## Monthly Executive Director's Report October 2024

The primary emphasis of the Executive Director during the month of October was to support and facilitate the Metro Wastewater JPA's Strategic Planning AdHoc. The following is a summary of key tasks currently being addressed by the Executive Team members:

### Key Tasks and Updates:

#### 1. Website Reminder:

- The JPA maintains a website where valuable information about the Metro System, the Pure Water Program and the JPA can be easily accessed at <https://www.metrojpa.org/home>.
- Please note that you can efficiently add Metro TAC and Metro Wastewater JPA/Commission (JPA/Com) meetings to your calendar by selecting the meeting listed on the homepage once the agenda has been posted and downloading the calendar event available on the left side of the subsequent page. We will start sending links to this in the meeting notices.

#### 2. New Report: Monthly Metro TAC Chair Report

A new report has been added as Item 17 to the November JPA/Com agenda. The purpose of this report is to keep all JPA/Com Directors informed of the Metro Technical Advisory Committee's (TAC) review and analysis of each agenda item on the current month's JPA/Committee agenda. This report provides Directors with TAC's technical evaluations and insights on each Action or Information Item, enhancing informed decision-making.

For this month, the agenda includes two Reports from the September and October TAC Meetings to ensure all Directors are up to date. Moving forward, only the current month's TAC report will be provided.

**Purpose:** The purpose of this item is to ensure that all JPA/Com Directors have access to the Metro TAC's technical assessments and recommendations on each agenda item, supporting informed and effective decision-making. By reviewing TAC's evaluations, Directors can gain a deeper understanding of the technical considerations and implications associated with each Action or Information Item, fostering a more comprehensive and collaborative approach to Board discussions and decisions.

### 3. Strategic Planning:

The Strategic Planning Ad Hoc Committee has made significant progress in defining and refining our strategic direction over the past month. This ongoing effort reflects our commitment to a comprehensive and carefully considered Strategic Plan that aligns with the priorities of our organization and stakeholders.

Below is an overview of key developments:

- **Committee Meetings:** The Strategic Planning Ad Hoc Committee convened twice in October, on the 17th and the 31st. In addition, multiple preliminary meetings were held between myself, the Metro JPA Chair, and the Strategic Planning Facilitator to address the Committee's questions on the definitions and implications of certain draft Strategic Goals and Objectives.
- **Meeting 3 (October 17th):** During this meeting, the Committee focused on reviewing and revising the Draft Strategic Goals and Objectives. Consensus was reached on all but two Strategic Objectives, which were subsequently set as action items for the next meeting.
- **Meeting 4 (October 31st):** At this meeting, final wording was approved for Strategic Goal 1, Strategic Objective 8 ("Monitor Industrial Waste Provisions") and Strategic Goal 2, Strategic Objective 1 ("Oversee USEPA Modified Permit for Pt. Loma"). The Committee meticulously reviewed each element of the Draft Strategic Plan, reaching unanimous concurrence on all items. Attached to this report are the notes documenting discussions and decisions from Meeting 3 and 4.

**Upcoming Meetings and Deliverables:** Future meetings and deliverable deadlines have been scheduled to ensure continued progress and alignment with our strategic initiatives.

Nov. 7	Present proposed SGs and SOs to the Metro JPA as an information item
Nov. 20	Present proposed SP to Metro TAC as an information item
Dec. 5	Present SP to Metro JPA as an action item.

### 4. FY 2021 – FY 2023 Metro Contract Compliance Audit and Reconciliation

- **O&M Audit Questions Response from City:** The City completed responses to our Operations and Maintenance (O&M) audit questions in October. In November meetings will be held between the Executive Director and the City Audit Staff to address and resolve any remaining audit inquiries to ensure clarity and accuracy in audit sections. This is the largest section of the annual audit with over 300 audit samples reviewed by JPA Executive Team members.

- **CIP Audit Complete:** JPA Engineering Staff completed their review and resolved audit questions during October. This part of the audit is now complete
- **Audit Scope:** The Annual Metro Exhibit E Audit purpose is to review Metro O&M and CIP costs to ensure that Participating Agencies (PAs) are not allocated costs from other City of San Diego departments such as water or municipal sewer and only pay their fair share of allowable Metro costs. Once the total allowable costs are determined, the allocation to each PA is reviewed to ensure correct cost allocations based on each agency's actual sewage flows and strengths for the audited year. These costs and allocations are then reconciled with that year's budgeted amounts that had been billed to each PA.

**Purpose:** This collaboration will strengthen the foundation of our financial oversight and enhance the alignment of our operational processes with strategic goals.

#### 5. **Final Draft Second Amended and Restated Agreement (SARA) Language Review:**

**SARA Review and Revisions:** The City of San Diego's Attorney's Office has completed an initial review of the draft Second Amended and Restated Agreement (SARA). Throughout September and October, City Attorneys collaborated with Public Utilities Department (PUD) staff to discuss their findings and initiate revisions. At the end of October, the JPA's Attorney met twice with the City's attorneys to address language and philosophical differences, laying the groundwork for further staff discussions and alignment. These discussions will continue in November, expanding to include the JPA's Executive Team. The goal is to finalize these revisions by the end of November, after which the draft SARA will be distributed to the Metro Technical Advisory Committee (Metro TAC) and Metro JPA Directors for review.

**Purpose:** This process is essential to ensure that the SARA reflects a unified approach and meets the strategic and operational needs of all stakeholders.

#### 6. **FAB Implementation:**

**Exhibit B Capacity Refinement for FAB Cost Allocations:** The JPA Executive Team continues to work closely with JPA members and Public Utilities Department (PUD) staff to refine and finalize the capacity figures outlined in the draft of Exhibit B, which will serve as the foundation for the Financial Advisory Board (FAB) cost allocations. All Participating Agencies (PAs) are reminded that the goal was to finalize Exhibit B by the end of October, ensuring its timely release alongside the SARA and draft FAB cost allocations. If you have not Technical Advisory Committee (TAC) members are encouraged to schedule meetings with the Executive Team if further discussions are needed to finalize their individual capacities in Exhibit B.

**Purpose:** This collaborative effort is critical to achieving accurate and equitable cost allocations across all participating agencies.

## 7. Pump Station 1 Upgrade and Rehabilitation Contract Review

- The design build contract for PS1 went to the San Diego City Council on October 8<sup>th</sup> and was unanimously approved.

## 8. Inflow and Infiltration (I&I) Study:

- The City of San Diego and Metro Engineering Consultants are meeting with ADS on November 5<sup>th</sup> to discuss the information available from the current metering system and potential tools ADS can use to help with the I&I Study.
- The next meeting of the I&I meeting is on November 14<sup>th</sup> and the main topic will be the results of the ADS meeting.

### Upcoming Meetings:

- **Metro JPA/Commission Meeting:**
  - **Date:** November 7, 2024
  - **Format:** In-Person, MOC Auditorium
  - **Main Topics:** SCCWRP Presentation on San Diego River Investigative Order Study Findings (Ken Schiff); Amendment No. 2 to the Agreement with CH2M Hill Engineers, Inc. for Engineering Services for the Design of the North City Metropolitan Biosolids Center (MBC) Improvements Project; Metro Wastewater JPA FY21-23 Audit
- **Metro TAC Meeting:**
  - **Date:** November 20, 2024
  - **Format:** Zoom
  - **Main Topics:** Information: JPA 2024 Draft Strategic Plan; JPA FY21-23 Audit
- **Metro JPA/Commission Meeting:**
  - **Date:** December 5, 2024
  - **Format:** In-Person, MOC Auditorium
  - **Main Topics:** Action: JPA 2024 Final Strategic Plan; FY 2024 Fourth Quarter Metro CIP Update

<p style="text-align: center;"><b>Metro JPA Ad Hoc Strategic Planning Committee</b> <b><i>Summary of 3<sup>rd</sup> and 4<sup>th</sup> Workshops</i></b></p>
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The Strategic Planning Ad Hoc Committee held its 3<sup>rd</sup> and 4<sup>th</sup> workshops on Oct. 17<sup>th</sup> and 31<sup>st</sup>. The focus has been on the review and approval of Strategic Goals and Objectives to be included in the 2025 Strategic Plan. In addition, the Committee is recommending a revision to the Mission Statement. This will be presented to the Metro JPA at the Nov. 7<sup>th</sup> Board meeting.

Here is a sample of some of the new strategic Objectives that being proposed:

1. **Monitor Billing Equity Framework** – The Ad Hoc Committee reviewed the existing strategic objective and modified the title and description to make it more accurate and understandable. It previously was called “Strength-based Billing System and Process Audit (5-Year Audits).”
2. **Support Second Amended Restated Agreement (SARA) and Revised Billing Structure (FAB):** The Committee has developed this Objective to support the Participating Agencies (PA’s)’s review and approval of the Second Amended Restated Agreement (SARA).
3. **Monitor and Mitigate Infiltration and Inflow (I&I):** This Strategic Objective defines the Metro JPA’s focus to work with the City of San Diego and Participating Agencies to reduce infiltration and inflow (I&I) and Sanitary Sewer Overflows (SSOs).
4. **Monitor Industrial Waste Provisions:** The committee has developed this strategic Objective which highlights a key focus area to monitor the fees for industrial users on behalf of the City and Participating Agencies. Monitoring industrial waste and pretreatment will save the PAs money. It will prevent chemicals from being discharged into the sewer system that would upset biological processes in the Metro system needed for proper treatment and disposal.
5. **Oversee and Support OPRA 2 Legislation:** The committee reviewed the language from the 2020 strategic plan. They revised the title to more accurately describe this objective and added language that describes the importance of this legislation.
6. **Monitor Efforts to Regulate Newly-identified Chemicals and Pollutants:** The Committee has developed a new Strategic Objective for the Metro JPA to monitor and advocate appropriate regulations regarding wastewater pollutants and chemicals, such as PFAS.
7. **Support the City’s Consideration and Analysis of Possible New Sewage and Other Inflow Sources:** The committee has developed this strategic Objective to monitor and support the City of San Diego’s consideration and analysis of new sources, such as sewage and stormwater, as these opportunities develop.