

Metro Wastewater JPA



FINANCIAL POLICIES MANUAL



The Joint Powers Authority Proactively Addressing Regional Wastewater Issues

Chula Vista • Coronado • Del Mar • El Cajon • Imperial Beach • La Mesa • Lemon Grove Sanitation District
National City • Otay Water District • Poway • Padre Dam Municipal Water District
County of San Diego, representing East Otay, Lakeside/Alpine, Spring Valley & Winter Gardens Sanitation Districts

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Metro Wastewater JPA Policy No. 1

Records Retention Policy

The Joint Powers Authority Proactively Addressing Regional Wastewater Issues

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METRO WASTEWATER JOINT POWERS AUTHORITY RECORDS RETENTION AND DESTRUCTION POLICY

I. PURPOSE

The purpose of this policy is to provide guidelines regarding the retention or destruction of records of the Metro Wastewater Joint Powers Authority (the "JPA"); provide for the identification, maintenance, safeguarding and destruction of records in the normal course of business; ensure prompt and accurate retrieval of records; and ensure compliance with legal and regulatory requirements.

II. AUTHORIZATION

Staff is hereby authorized to destroy records in accordance with this policy and the records retention and destruction schedule set forth in Attachment "A", which shall comply with the records retention guidelines provided by the California Secretary of State, as may be updated from time to time.

III. PROCEDURE

- A. The Board Secretary shall be responsible for the administration of this policy and shall oversee compliance with the provisions of this policy and with the Records Retention Schedule, set forth in Attachment "A."
- B. The Board Secretary reviews documents to confirm that each document to be destroyed is: (1) not required to be permanently retained, or (2) has been retained for the legally required period of time. The Board Secretary also confirms that any applicable reproduction requirements (i.e., microfilming, etc.) for each document are complete.
- C. The Board Secretary completes and signs a "Request for Destruction of Obsolete Records" form, listing the date and description of each document to be destroyed.
- D. The Board Secretary submits the form to the Chair, who reviews and signs the form and then returns the signed form to the Board Secretary.
- E. After receiving the signed form from the Chair, the Board Secretary oversees the destruction of the documents, indicates the method of destruction on the form, signs the form and returns the original signed form to the Chair.
- F. The Board Secretary will retain all original signed forms requesting destruction of records for a minimum period of two (2) years.

IV. GENERAL GUIDELINES

A. The following general guidelines apply to all JPA records.

1. The Board Members of the JPA, by majority vote, may authorize the destruction of any **duplicate** records, if they are no longer needed. (Gov. Code § 60200.)
2. Pursuant to the resolution adopted by the Board Members of the JPA, except where a record is expressly required to be preserved according to State law, the JPA may approve the destruction of any original document without retaining a copy of the document as long as the retention and destruction of the document complies with the retention schedule as set forth in this policy (Gov. Code § 60201.)
3. In addition to the retention period required under this policy, the JPA shall retain original administrative, legal, fiscal and/or historical records with continued value (i.e., records for long-term transactions and/or special projects) until all matters pertaining to such records are completely resolved or the time for appeals has expired. (Gov. Code § 14755, subd. (a); Gov. Code 34090.)
4. Pursuant to Government Code section 60201, the JPA shall not destroy any of the following records:
 - (a) Records relating to the formation, change of organization, or reorganization of the JPA;
 - (b) Ordinances and resolutions, unless they have been repealed or have become invalid or otherwise unenforceable for five years;
 - (c) Minutes of any meeting of the JPA;
 - (d) Records relating to any pending claim, litigation, any settlement or other disposition of litigation within the past two years;
 - (e) Records that are the subject of any pending request for records under the California Public Records Act, whether or not the record is exempt from disclosure, until the request has been granted or two (2) years after the request has been denied by the JPA;
 - (f) Records relating to any pending construction that the JPA has not accepted or for which a stop notice claim may be legally presented;
 - (g) Records relating to any non discharged debt of the JPA;
 - (h) Records relating to the title to real property in which the JPA has an interest;
 - (i) Records relating to any non discharged contract to which the JPA is a party;
 - (j) Records that have not fulfilled the administrative, fiscal, or

- legal purpose for which they were created or received;
- (k) Unaccepted bids or proposals, which are less than two (2) years old, for the construction or installation of any building, structure or other public work;
- (l) Records less than seven (7) years old that specify the amount of compensation or expense reimbursement paid to JPA members, officers, or independent contractors

V. SPECIFIC GUIDELINES

A. Accounting Records

1. Accounting Records include, but are not limited to, the following:

(a) Source Documents

- Invoices
- Warrants
- Vouchers
- Requisitions/Purchase Orders (attached to invoices)
- Cash Receipts
- Claims (attached to warrants in place of invoices)
- Bank Statements
- Bank Deposits
- Checks
- Bills
- Various accounting authorizations taken from JPA minutes, resolutions or contracts

(b) Journals

- Cash Receipts
- Accounts Receivable or Payable Register
- Check or Warrant Register
- General Journal

(c) Ledgers

- Expenditure
- Revenue
- Accounts Payable or Receivable Ledger
- Assets/Depreciation
- Warrants payable
- General ledger

(d) Trial Balance

(e) Adjusting Entries

(f) Statements (Interim or Certified - Individual or All Fund)

- Balance Sheet
- Analysis of Changes in Available Fund Balance
- Cash Receipts and Disbursements
- Inventory of Fixed Assets (Purchasing)

(g) Journal Entries

(h) Reversing Entries

(i) Other

- Inventory Records (Purchasing)
- Capital Asset Records (Purchasing)
- Depreciation Schedule
- Cost Accounting Records

2. General ledgers must be permanently retained. (Sec. of State Local Gov't. Records Mgmt. Guidelines.)
3. In general, the JPA should retain original source documents that are detailed in a register, journal, ledger or statement **until audited plus four (4) years**. Certain source documents may be retained for a shorter period of time. Refer to the records retention schedule for specific accounting documents.
4. The JPA may destroy rough drafts, notes, working papers (except audit), cards, listings, nonpermanent indices, and papers used for controlling work or transitory files at any time.
5. In addition to any required legal retention period, the JPA shall not authorize the destruction of any record subject to audit until it has been determined that the audit has been performed. (Gov. Code § 14755, subd. (b); Gov. Code § 34090.)

B. JPA Records

1. The JPA shall retain original records of the minutes of meetings of the JPA **indefinitely**. (Gov. Code §§ 34090; 60201.)
2. The JPA shall retain original resolutions adopted by the Board **indefinitely**. (Gov. Code § 60201.)

C. Statements and Reports Filed Pursuant to the Political Reform Act.

1. Filing officers shall retain original campaign statements and reports for **seven (7) years**. (Gov. Code § 81009 (c), (e).)

2. Filing officers shall retain copies of statements or reports for **four (4) years**. The officer does not have to keep more than one copy of a statement or report. (Gov. Code § 81009 (f).)

D. Contracts

1. The JPA shall retain original contracts for **four (4) years** after the end of the contracts. (Code of Civ. Proc. § 337.)
2. The JPA shall retain contracts with any person or entity who develops real property or furnishes the design, specifications, surveying, planning, supervision, testing, or observation of construction or improvement to real property for **ten (10) years** after the completion of the construction or improvement. (Code of Civ. Proc. § 337.15.)

E. Video Monitoring, Telephone and Radio Communications; Other Video and Audio Recordings

1. If the JPA keeps another record, such as written minutes, of an event that is recorded on video tape (e.g., JPA meetings), the JPA must keep the video tape recording of the event for **at least 90 days** after the occurrence of the event. **After 90 days**, the video tape may be destroyed or erased, upon approval by the JPA. (Gov. Code § 34090.7.)
2. When an audio tape recording of a meeting (e.g., JPA) is made solely to facilitate the preparation of minutes for that meeting, the tape recording may be destroyed or erased after it is no longer required and after the minutes for that meeting have been approved. (Gov. Code § 34090; 64 Ops.Atty.Gen. 317.)
3. Other audio or video tape recordings which are not related to the conduct of the public's business (e.g., educational or promotional videos) are not considered to be official JPA records and may be destroyed after they are no longer required, upon approval by the JPA. (Gov. Code §§ 6252, subd. (e); 34090.)

VI. ELECTRONIC COMMUNICATION

Electronic mail generates correspondence and other documentation which are public records in need of protection/retention in accordance with the California Public Records Act (Gov. Code §§ 6250-6276.48). Electronic communication also includes any messages sent through a Mobile Phone or other electronic device that end up as e-mail to or from any JPA member (collectively, "e-mail"). The JPA's e-mail system should not be used to store or maintain documents, including, but not limited to, official JPA records.

It is the responsibility of the individual member to determine if e-mail is an JPA record

which must be retained in accordance with the JPA's Records Retention and Destruction Policy. Generally, an e-mail message and any attachments regardless of format may be considered an official JPA record if it: (1) is created or received in connection with official JPA business; (2) documents the formulation and implementation of JPA policies and decisions; or (3) initiates, authorizes or completes a transaction of official JPA business.

Preliminary drafts, notes or interagency or intra-agency memoranda which are not retained by the JPA in the ordinary course of business are generally not considered to be official JPA records subject to disclosure. JPA members are encouraged to delete documents which are not otherwise required to be kept by law or whose preservation is not necessary or convenient to the discharge of your duties or the conduct of the JPA's business. Examples of e-mail messages that are not generally considered official JPA records may include: (1) personal messages and announcements not related to official JPA business; (2) messages with attached copies or extracts of documents distributed for convenience or reference (with the original documents being preserved according to the JPA's Records Retention and Destruction Policy); and (3) messages that are essentially cover notes or distribution slips. The JPA's General Counsel can assist you in determining whether an e-mail message is required to be retained and/or is necessary or convenient to the discharge of your duties or the conduct of the JPA's business.

Any e-mail message, including any attachments regardless of format, that can be considered an official JPA record must be preserved in accordance with the retention periods specified in the JPA's Records Retention and Destruction Policy. Generally, the JPA member who sends an e-mail that qualifies as an official JPA record should be the person responsible for preserving that e-mail, but persons responsible for a particular program or project file shall also be responsible for preserving all e-mail they send or receive related to that program or project. JPA members may print and file hard copies of e-mail messages that must be preserved. Members may also save e-mail messages electronically, in electronic folders separate from their regular e-mail inboxes. However, e-mail messages must not be stored in a JPA member's regular inbox, since the JPA's automatic maintenance system will periodically delete e-mails from all inboxes. Many types of e-mail can also be stored electronically as a Word document. The JPA's Information Technology staff can assist members with setting up electronic folders or other methods of electronically archiving e-mail messages. However, all e-mail messages that are retained electronically must be easy to retrieve, view and print out, if necessary.

For projects that involve two or more members, any e-mails pertaining to a specific project should be retained in that project's central file(s). Members should work with Information Technology staff on the best method for central storage of e-mails on a project to make sure the e-mails remain easily accessible to everyone.

In addition, any e-mail messages that relate to a claim or a potential claim against the JPA, must be preserved. Likewise, any e-mail messages that may relate to a lawsuit filed against the JPA, even if a subpoena or court order for such e-mail messages has not yet been issued, must be preserved. Under newly enacted federal rules regarding electronic discovery, any information stored electronically, including e-mail messages, must be produced for a requesting party. A court can impose severe penalties if e-mail messages

relevant to a lawsuit are deliberately destroyed when it is known, or should have reasonably been anticipated, that a claim or lawsuit could be filed against the JPA. There are no penalties if electronic information is “lost” through “the routine operation of an electronic information system” (i.e., automatic deletion after a period of time; automatic overwriting of backup tapes, etc.). (Rule 37(f) of the Federal Rules of Civil Procedure.)

However, the JPA has a duty to preserve any relevant data when there is even a hint of possible litigation. Therefore, when JPA members become aware of a potential claim, an actual claim, or a lawsuit against the JPA, they must preserve any e-mail messages and attachments that have any information relevant to that matter. The JPA’s General Counsel can provide you with guidance on these issues.

VII. RECORDS RETENTION SCHEDULE

The “Records Retention Schedule” is attached to this policy as Attachment “A” and is incorporated herein by reference. This policy and the Records Retention Schedule shall comply with the records retention guidelines provided by the California Secretary of State and may be updated from time to time.

ATTACHMENT “A”
RECORDS RETENTION SCHEDULE

[Attached]

RECORDS RETENTION SCHEDULE FOR METRO WASTEWATER JOINT POWERS AUTHORITY

Destruction of any record must be authorized by the legislative body. (Gov Code §§ 60200 - 60204.)

Type of Record	Category	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
Accounts Payable	Finance	Journals, statements, asset inventories, account postings with supporting documents, vouchers	CCP 337 26 CFR 31.6001-1(e)(2); Sec. of State Guidelines recommendation	Until audited + 4 years
Accounts Payable	Finance	Invoices, reports, investments, purchase orders	CCP 337 26 CFR 31.6001-1(e)(2); Sec. of State Guidelines recommendation	Until audited + 4 years
Accounts Receivable	Finance	Checks received, reports, investments, receipt books	CCP 337 26 CFR 31.6001-1(e)(2); Sec. of State Guidelines recommendation	Until audited + 4 years
Affidavits of Publication / Posting	Administration	Legal notices for public hearings, publication of ordinances, etc.	GC 34090	2 years

Legal Authority Abbreviations

CCP	Code of Civil Procedure (California)	GC	Government Code (California)	LC	Labor Code (California)
CCR	California Code of Regulations	H&S	Health & Safety Code	PC	Penal Code (California)
CFR	Code of Federal Regulations	IRC	Internal Revenue Code	R&TC	Revenue & Taxation Code (California)
EC	Elections Code (California)	IRS	Internal Revenue Service	USC	United States Code

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Type of Record	Category	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
Agenda / Agenda Packets	Administration	Agendas and packets should be imaged immediately. A paper copy should be maintained for one year only.	GC 34090 GC 34090.5	2 years
Agenda reports (staff reports)	Administration	Paper copies of agenda packets should be maintained for 1 year as complete packets. Originals should be imaged immediately for permanent retention. The filmed record may serve as the permanent record.	GC 34090 GC 34090.5	2 years
Agreements	Administration	Original contracts and agreements and back-up materials, including leases	CCP 337 CCP 337.2	4 years after termination/ completion
Annual Financial Report	Finance	Independent auditor analysis	GC 34090	Until audited + 2 years

Legal Authority Abbreviations

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Type of Record	Category	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
Articles of Incorporation	Administration		GC 34090 GC 60201	Permanent
Audit Reports	Finance	Financial services; internal and/or external reports; independent auditor analysis	GC 34090 Sec. of State Local Gov't. Records Retention Guidelines	Permanent [May be revised at a later time by Sec. of State or County officials]
Audit Hearing or Review	Finance	Documentation created and or received in connection with an audit hearing or review	GC 34090	2 years
Bank Account Reconciliations	Finance	Bank statements, , receipts, certificates of deposit, etc.	26 CFR 31.6001-1(e)(2)	4 years (Sec. of State Guidelines – recommended retention: until audited + 5 years)

Legal Authority Abbreviations

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Type of Record	Category	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
Bids, Accepted	Development	Includes plan and specifications; notices/affidavits.	GC 34090 CCP 337, 337.1	4 years
Bids, Unaccepted	Development	Unaccepted bid packages only	GC 34090 GC 60201	2 years
Billing records	Finance	Utility bill stubs – submitted with payment	GC 34090	Current + 2 years
Brochures/ Publications	Administration	Retain selected documents only for historic value.	GC 34090	2 years
Budget, Annual	Finance	Adjustments, journal entries, account transfers	GC 34090	Until audited + 2 years
California State Tax Records	Finance	Forms filed annually; quarterly and year-end reports	R&TC 19530 R&TC 19704	6 years
Checks	Finance	Includes originals of canceled and voided checks	GC 34090; CCP 337 Sec. of State Local Gov't. Records Mgmt. Guidelines	Until audited +5 years

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Type of Record	Category	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
Citizen Feedback	Administration	General correspondence.	GC 34090	2 years
Claims Against the JPA	Administration	Paid/Denied	GC 34090; GC 25105.5	Until settled + 5 years (May be microfilmed after 3 years)
Complaints/Requests	Administration	Various files, not related to specific lawsuits involving the District and not otherwise specifically covered by the retention schedule.	GC 34090	2 years
Annual Comprehensive Financial Reports (ACFR)	Finance	Finance	GC 34090; CCP 337	Until audited + 4 years
Contracts	Administration	Original contracts and agreements and back-up materials.	CCP 337	4 years after termination/ completion
Correspondence	Administration	General correspondence, including letters and e-mail; Various files, not otherwise specifically covered by the retention schedule.	GC 34090	2 years
Deposits, Receipts	Finance	Receipts for deposited checks, coins, currency	GC 34090 CCP 337	Until audited + 4 years

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Type of Record	Category	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
Economic Interest Statements - Form 700 (copies) (elected officials)	Administration	Copies of original statements of elected officials forwarded to Fair Political Practices Commission.	GC 81009(f), (g)	4 years (can image after 2 years)
Economic Interest Statements - Form 700 (originals) - non-elected	Administration	Originals of statements of designated JPA members and professional consultants assigned to designated roles.	GC 81009(e), (g)	7 years (can image after 2 years)
Ethics Training Records (AB 1234; effective 1/1/06)	Administration	Records required to be kept under Gov. Code section 53235.2 (effective 1/1/06). Records must show dates that local officials satisfied the training requirements and the entity that provided the training	GC 53235.2	5 years after receipt of training
Federal Tax Records	Finance	May include Forms 1096, 1099, W-4 and W-2	29 USC 436 26 CFR 31.6001.1-4 26 CFR 31.6001-1(e) 29 CFR 516.5-516.6	5 years after file date
Fixed Assets Inventory	Finance	Reflects purchase date, cost, account number	GC 34090	Until audited + 2 years

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Type of Record	Category	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
Fixed Assets Surplus Property	Finance	Auction; disposal – Listing of property; sealed bid sales of equipment	GC 34090 CCP 337	Until audited + 4 years
Forms	Administration	Administrative - blank	GC 34090	Until Superseded
Fund Transfers	Finance	Internal; bank transfers & wires	GC 34090	Until audited + 2 years
General Ledgers	Finance	All annual financial summaries-- all agencies	GC 34090 CCP 337 Sec. of State Local Gov't. Records Retention Guidelines	Permanent [May be revised at a later time by Sec. of State or County officials]
Gifts/Bequests	Finance	Receipts or other documentation	GC 34090	Until completed + 2 years
Grants Community Development Block Grant (CDBG); Urban Development; other Federal and State grants	Development	Grants documents and all supporting documents: applications, reports, contracts, project files, proposals, statements, sub-recipient dockets, environmental review, grant documents, inventory, consolidated plan, etc.	GC 34090 24 CFR 570.502 24 CFR 85.42	Until completed + 4 years

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Type of Record	Category	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
Information Services, Internet/World Wide Web	Administration	Management policies and supporting documentation	GC 34090	Until superseded + 2 years
Information Systems, Inventory	Administration	Hardware/software inventory logs; systems manuals	GC 34090	Until superseded + 2 years
Information Systems, Network Information Systems (LAN/WAN)	Administration	Configuration maps and plans	GC 34090	2 years
Information Systems, Program Files and Directories	Administration		GC 34090	2 years
Information Systems, Tapes	Administration	System generation	GC 34090	2 years
Insurance	Finance	Personnel related	GC 34090	Current + 2 years
Insurance, Joint Powers Agreement	Finance	Accreditation, MOU, agreements and agendas	GC 34090	Current + 2 years

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Type of Record	Category	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
Insurance Certificates	Finance	Liability, performance bonds, property: Insurance certificates filed separately from contracts, includes insurance filed by licensees.	GC 34090	Current + 2 years
Insurance, Liability/Property	Finance	May include liability, property, Certificates of Participation, deferred, use of facilities	GC 34090	Current + 2 years
Insurance, Risk Management Reports	Finance	Federal OSHA Forms; Loss Analysis Report; Safety Reports; Actuarial Studies	29 CFR 1904.44 GC 34090	5 years (Federal) 2 years (State)
Investment Reports, Transactions	Finance	Summary of transactions, inventory and earnings report	GC 34090 CCP 337 Sec. of State Local Gov't. Records Retention Guidelines	Permanent
Invoices	Finance	Copies sent for fees owed, billing, related documents	GC 34090	Until audited + 2 years

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Type of Record	Category	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
Legal Notices/Affidavits of Publication	Administration		GC 34090	2 years
Legal Opinions	Administration	Confidential – not for public disclosure (attorney-client privilege)	GC 34090	Until superseded + 2 years
Litigation	Administration	Case files	GC 34090	Until settled or adjudicated + 2 years
Local Appointments List (“Maddy List”)	Administration	List of all regular and ongoing boards, commissions, and committees appointed by the legislative body – pursuant to the Maddy Local Appointive List Act	GC 54970 et seq. GC 60201 et seq.	Until superseded (new list prepared each year by Dec. 31 st)
Maintenance Manuals	Administration	Equipment service/maintenance	GC 34090	Current + 2 years
Maintenance/Repair Records	Administration	Equipment	GC 34090	2 years
Marketing, Promotional	Administration	Brochures, announcements, etc.	GC 34090	2 years

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Type of Record	Category	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
Minutes	Administration	Minutes of District Board meetings. Documents are to be imaged immediately. Paper records are to be maintained permanently by the Board.	GC 34090, 60201	Permanent
Newsletter, JPA	Administration	May wish to retain permanently for historic reference.	GC 34090	2 years
Notices – Public Meetings	Administration	Special Meetings	GC 34090	2 years
Oaths of Office	Administration	Elected and public officials – Board Members	GC 34090 29 USC 1113	Current plus 6 years
Petitions	Administration	Submitted to legislative bodies	GC 34090	Current + 2 years
Policies, Administrative	Administration	All policies and procedures, directives rendered by the District not assigned a resolution number	GC 34090	Current + 2 years
Policies, JPA Board	Administration	Original policies adopted by the District Board	GC 34090	Current + 2 years
Political Support/Opposition, Requests & Responses	Administration	Related to legislation.	GC 34090	2 years

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CCP	Code of Civil Procedure (California)	GC	Government Code (California)	LC	Labor Code (California)
CCR	California Code of Regulations	H&S	Health & Safety Code	PC	Penal Code (California)
CFR	Code of Federal Regulations	IRC	Internal Revenue Code	R&TC	Revenue & Taxation Code (California)
EC	Elections Code (California)	IRS	Internal Revenue Service	USC	United States Code

RECORDS RETENTION SCHEDULE FOR METRO WASTEWATER JOINT POWERS AUTHORITY

Destruction of any record must be authorized by the legislative body. (Gov Code §§ 60200 - 60204.)

Type of Record	Category	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
Press Releases	Administration	Related to District actions/activities.	GC 34090	2 years
Procedure Manuals	Administration	Administrative.	GC 34090	Current + 2 years
Property, Abandonment	Development	Buildings, condemnation, demolition	GC 34090	Permanent
Property Acquisition/ Disposition	Development	District owned. Supporting documents regarding sale, purchase, exchange, lease or rental of property by District	CCP 337.15	10 years
Public Records Request	Administration	Requests from the public to inspect or copy public documents	GC 34090	2 years
Purchasing RFQ's, RFP's	Finance	Requests for Qualifications; Requests for Proposals regarding goods and services	GC 34090	Current + 2 years
Purchasing, Requisitions, Purchase Orders	Finance	Original Documents	GC 34090 CCP 337	Until audited + 4 years

Legal Authority Abbreviations

CCP	Code of Civil Procedure (California)	GC	Government Code (California)	LC	Labor Code (California)
CCR	California Code of Regulations	H&S	Health & Safety Code	PC	Penal Code (California)
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RECORDS RETENTION SCHEDULE FOR METRO WASTEWATER JOINT POWERS AUTHORITY

Destruction of any record must be authorized by the legislative body. (Gov Code §§ 60200 - 60204.)

Type of Record	Category	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
Recordings - audiotaped	Administration	Taped recordings of Board meetings - for preparation of Board meeting minutes	GC 34090 64 Ops.Atty.Gen 317	Until no longer required for preparation of minutes (after minutes are approved)
Recordings, videotaped – meetings of legislative bodies	Administration	Tapes of public meetings made by or at the direction of the District (e.g., Board meetings)	GC 54953.5	30 days
Recordings, videotaped	Administration	Other than videotapes of public meetings; Considered duplicate records if another record of the same event is kept (i.e., written minutes)	GC 53161	90 days after event is recorded
Records Management Disposition Certification	Administration	Documentation of final disposition of records	GC 34090	Permanent
Records Retention Schedules	Administration		GC 34090	Current + 2 years
Resolutions	Administration	Vital records - originals may never be destroyed. Image immediately.	GC 34090	Permanent
Returned Checks	Finance	Finance-NSF (not District checks)	GC 34090	2 years after audit

Legal Authority Abbreviations

CCP	Code of Civil Procedure (California)	GC	Government Code (California)	LC	Labor Code (California)
CCR	California Code of Regulations	H&S	Health & Safety Code	PC	Penal Code (California)
CFR	Code of Federal Regulations	IRC	Internal Revenue Code	R&TC	Revenue & Taxation Code (California)
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RECORDS RETENTION SCHEDULE FOR METRO WASTEWATER JOINT POWERS AUTHORITY

Destruction of any record must be authorized by the legislative body. (Gov Code §§ 60200 - 60204.)

Type of Record	Category	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
State Controller	Finance	Annual reports.	GC 34090	2 years
State Tax Records	Finance	Filed annually; quarterly	Refer to Federal Tax Records	5 years after file date
Stop Payments	Finance	Finance - bank statements	GC 34090	2 years
Unemployment Insurance Records	Finance		IRC 3301-3311	4 years
Vouchers - Payments	Finance	Account postings with supporting documents	GC 34090 CCP 337	Until audited + 4 years
Warrant Register/Check Register	Finance	Record of checks issued; approved by legislative body (copy is normally retained as part of agenda packet information)	GC 34090	Until audited + 2 years

Legal Authority Abbreviations

CCP	Code of Civil Procedure (California)	GC	Government Code (California)	LC	Labor Code (California)
CCR	California Code of Regulations	H&S	Health & Safety Code	PC	Penal Code (California)
CFR	Code of Federal Regulations	IRC	Internal Revenue Code	R&TC	Revenue & Taxation Code (California)
EC	Elections Code (California)	IRS	Internal Revenue Service	USC	United States Code



Metro Wastewater JPA Policy No. 2

Social Media Policy

The Joint Powers Authority Proactively Addressing Regional Wastewater Issues

Chula Vista • Coronado • Del Mar • El Cajon • Imperial Beach • La Mesa • Lemon Grove Sanitation District
National City • Otay Water District • Poway • Padre Dam Municipal Water District
County of San Diego, representing East Otay, Lakeside/Alpine, Spring Valley & Winter Gardens Sanitation Districts

PURPOSE

This Social Media Policy ("Policy") establishes guidelines for the establishment and use by the Metro Wastewater Joint Powers Authority ("JPA") through its authorized employees and/or contractors of social media sites. The purpose of using Metro JPA social media sites is to disseminate information from the JPA, about the JPA, to members of the public.

The goal of the JPA's use of social media sites is to serve as an online information source focused on JPA issues, projects, news, and events. The JPA's social media activities will act as one-way communication, and will not serve as a public forum.

The JPA has an overriding interest and expectation in deciding what is "spoken" on behalf of the JPA on JPA social media sites. Therefore, all postings should be in accordance with the guidelines set below.

DEFINITIONS

1. "Social media sites" means content created by individuals, using accessible, expandable, and upgradable publishing technologies, through and on the Internet. Examples of social media include, but are not limited to, Facebook, Twitter, Biogs, RSS, YouTube, LinkedIn, and Flickr.
2. "Board" means the appointed members of the Board of the Metro JPA.
3. "Employees" means authorized employees of the JPA member agencies, as the JPA has no employees of its own, and activities and services of the JPA are performed by the Board, authorized employees of the JPA member agencies and/or JPA contractors.
4. "JPA social media sites" means social media sites which the JPA establishes and maintains, and over which it has control over all postings, except for advertisements or hyperlinks by the social media site's owners, vendors, or partners. JPA social media sites shall supplement, and not replace, the JPA's required notices and standard methods of communication.
5. "Posts" or "posting" means information, articles, pictures, videos, or any other form of communication posted on a JPA social media site.
6. "Comments" include information, articles, pictures, videos, or any other form of communicative content posted on a JPA social media site.

POLICY

1. The JPA's official website at <https://www.metrojpa.org> (or any other domain owned operated or maintained by the JPA) will remain the JPA's primary means of internet communication.

2. JPA social media sites should make clear that they are maintained by the JPA and that they follow the JPA's Social Media Policy.
3. Each JPA social media site shall include an introductory statement which clearly specifies the purpose and topical scope of the social network site. Where possible, social media sites should link back to the official JPA website for forms, documents and other information.
4. The JPA shall use social media sites as regularly as possible and in conjunction with other established JPA communication tools.
5. JPA social media sites shall comply with usage rules and regulations required by the site provider, including privacy policies.
6. JPA social media sites shall be managed consistent with the Brown Act, the Political Reform Act, and the California Elections Code. Board Members shall not respond to any published postings, or use any JPA sponsored social media site to respond to, blog or engage in serial meetings, or otherwise discuss, deliberate, or express opinions on any issue within the subject matter jurisdiction of the JPA, or for any political purpose. Board members must keep their social media presence separate from the JPA and other Board members' sites. Posts from JPA social media sites not pertaining to the subject matter jurisdiction of the body may be shared on their personal social media sites but no comments from Board officials are permitted on JPA owned, maintained, or operated social media sites.
7. All JPA social media sites shall adhere to applicable local, state, and federal laws regulations and policies. This includes adherence to established laws and policies regarding copyright, records retention, First Amendment, privacy laws, nondiscrimination and harassment laws, acceptable use of JPA owned or controlled digital equipment, internet access, and information security policies established by the JPA.
8. JPA social media sites are subject to the California Public Records Act. Any content maintained in a social media format that is related to JPA business, including a list of subscribers, posted communication, and communication submitted for posting, may be a public record subject to public disclosure.
9. Board Members and/or contractors representing the JPA via JPA social media sites must conduct themselves at all times as a representative of the JPA and in accordance with all JPA policies.
10. All JPA social media sites shall utilize authorized JPA contact information for account set-up, monitoring, and access. The use of personal email accounts or phone numbers by any employee and/or contractors are not allowed for the purpose of setting-up, monitoring, or accessing a JPA social media site. Board Members should use the official email and contact information of their employing member agency.

11. JPA social media sites may contain content, including but not limited to, advertisements or hyperlinks over which the JPA has no control. The JPA does not endorse any hyperlink or advertisement placed on JPA social media sites by the social media site's owners, vendors, or partners.
12. If a social media site allows the administrator to limit the type of advertising that will appear on the JPA's page, this feature should be enabled.
13. The Board reserves the right to change, modify, or amend all or part of this policy at any time.
14. The JPA reserves the right to terminate any JPA social media site at any time without notice.

PROCEDURE

1. The establishment and use of social media sites are subject to approval by the Board. Upon approval, JPA social media sites shall bear the name and/or official logo of the JPA. The Board has the authority to establish and/or terminate social media accounts and pages.
2. The Board Secretary shall maintain a list of all JPA social media sites, including login and password information, to allow for the immediate alteration or removal of content that is inappropriate or inconsistent with JPA policy.
3. The Executive Director or Board Secretary, as designated by the Board, will monitor content on JPA social media sites to ensure adherence to both the JPA's Social Media Policy and the interest and goals of the JPA.
4. JPA social media sites shall be established using only an authorized e-mail address of a JPA member agency.
5. Board Members and/or contractors representing the JPA on social media sites shall conduct themselves at all times as a professional representative of the JPA and shall comply with all JPA policies.
6. Board Members and/or contractors authorized to post to the JPA's social media sites shall not share personal information about himself or herself, or any other employee or contractor.
7. JPA social media sites shall clearly state that such sites are maintained by the JPA and that the sites comply with the JPA's Social Media Policy. Where possible, this Policy shall be displayed to users on each social media site or made available by hyperlink.
8. JPA social media passwords shall not be shared with anyone not authorized to moderate the site.

9. Any Board Member and/or contractor who violates this Policy shall be denied access to all JPA social media sites and may be subject to additional punitive action.

GENERAL CONDITIONS AND RESTRICTIONS

1. All messages posted on social media website accounts on behalf of the JPA must:
 - Present the JPA in a positive light
 - Contain information that is freely available to the public and not confidential as defined by any JPA policy or local, state or federal law
 - Refrain from including personal information, with the exception of employees and/or contractors whose job duties include being a public contact
 - Comply with local, state and federal laws
2. When posting on behalf of the JPA to social media sites, Board Members and/or contractors shall only "endorse, like, follow or pin" (depending on the method of endorsement utilized by the social media application) the following: civic affiliated or other government related organizations, events sponsored/approved by the JPA and non-profit organizations that are partners with the JPA.
3. When posting on behalf of the JPA to social media sites, Board Members and/or contractors shall NOT "endorse, like, follow or pin": any political groups or figures, political campaign pages, businesses or any pages unrelated to the business of the JPA.
4. JPA social networking content and comments containing any of the following forms of content shall be deleted or hidden:
 - Comments not topically related to JPA business
 - Profane language or content
 - Content that promotes, fosters or perpetuates discrimination on the basis of sex (including pregnancy, childbirth, breastfeeding or related medical conditions), race, religion (including religious dress and grooming practices), color, gender (including gender identity and gender expression), national origin (including language use restrictions and possession of a driver's license issued under Vehicle Code section 12801.9), ancestry, physical or mental disability, medical condition, genetic information, marital status, registered domestic partner status, age, sexual orientation, military and veteran status or any other basis protected by federal, state or local law or ordinance or regulation.
 - Sexual content or links to sexual content, including nudity
 - Solicitations of commerce
 - Conduct or encouragement of illegal activity

- Information that may tend to compromise the safety or security of the public or public systems
- Content that violates a legal ownership interest of any other party
- Potentially libelous comments
- Private or personal information published without consent
- Personal attacks, insults or threatening language (Users may use the site to express their dissatisfaction with a JPA program, event or customer service experience. This type of post is acceptable as long as it is not considered offensive material as previously provided)
- Commercial promotions or spam
- Hyperlinks to material that is not directly related to the discussion
- Repetitive posts copied and pasted by multiple users
- Information affiliated with or promoting political campaigns
- Images which may result in copyright infringement

End of Policy



Metro Wastewater JPA Policy No. 3

Manual and Electronic Payment/Transfers Policy

The Joint Powers Authority Proactively Addressing Regional Wastewater Issues

Chula Vista • Coronado • Del Mar • El Cajon • Imperial Beach • La Mesa • Lemon Grove Sanitation District
National City • Otay Water District • Poway • Padre Dam Municipal Water District
County of San Diego, representing East Otay, Lakeside/Alpine, Spring Valley & Winter Gardens Sanitation Districts

POLICY 3: METRO WASTEWATER JPA MANUAL AND ELECTRONIC PAYMENT/FUNDS TRANSFER POLICY & PROCEDURES

Adopted March XX, 2025

1. PURPOSE: The METRO WASTEWATER JPA makes payments to vendors and Board members either by manual processing or by electronic funds transfer and also receives funds from various parties as a routine business practice. All such payments must be properly authorized and executed to reduce the risk of erroneous or fraudulent transactions.

2. REFERENCES: Cal. Code Regs. Tit. 18, § 1707 and Regulation E of the Board of Governors of the Federal Reserve System pursuant to the Electronic Fund Transfer Act – authorizes local government use of EFT and prescribed accounting procedures for EFT transaction processing.

3. DEFINITIONS:

Agents of Metro Wastewater JPA:

Executive Director

Financial Consultant

Engineering Consultant

Board Secretary

Assistant Treasurer

Treasurer – Required Certification Designation - CPA

Electronic Funds Transfer (EFT): Refers to the disbursement from a bank account by means of wire, direct deposit, ACH, or other electronic means, either within a single financial institution or across multiple institutions, through computer-based systems. Wire transfers and ACH payments are examples of EFTs. This form of disbursement is authorized by RCW 39.58.750.

Automated Clearing House (ACH): A nationwide payment and collection system that provides for electronic distribution and settlement of funds. Although the term Electronic Fund Transfer (EFT) is technically more inclusive than the term ACH, the term EFT is often used synonymously with ACH and Wire Transfer. Wire transfers execute directly between two accounts, as opposed to a clearinghouse, so they process more quickly, but they are more expensive.

Wire Transfer: This is an electronic transfer of funds from one bank account to another initiated directly with the payee's bank. This type of transfer utilizes a system operated by the Federal Reserve Banks and is more costly compared to transactions involving checks or ACH.

National Automated Clearing House Association: NACHA is the steward of the electronic system that connects all U.S. bank accounts and facilitates the movement of money among them.

Banking Information: Information from the payee or their bank regarding their account. This information includes bank name, account name, account number, routing number, bank contact information and any other information necessary to transmit funds.

4. GENERAL GUIDELINES: The METRO WASTEWATER JPA currently utilizes an entirely manual process for receipts and payments. The JPA also may utilize EFTs for receipt of intergovernmental payments, grant payments, and other revenues where practical, and the transmittal of vendor payments, credit card processing fees, banking fees, and other disbursements where practical or required.

All EFTs are subject to applicable Purchasing Policies and all other policies and procedures in relation to the purchase of goods and/or services.

Except as noted above, wire transfers should only be used in payment of an obligation of the JPA when the situation requires immediate funds to settle a transaction or no other method is available. If a more inexpensive mechanism can be used to effect payment of the obligation (i.e., ACH or paper check), the Assistant Treasurer/Treasurer shall reserve the right to effect payment with the more inexpensive mechanism. Exceptions to this must be preapproved by the Executive Director.

This policy will be reviewed on a biennial basis for accuracy and process verification as part of the budget process. The JPA Executive Director is authorized to recommend administrative changes to this policy intermittently with Board approval, provided such changes are consistent with state and federal requirements.

5. MANUAL INVOICE AND PAYMENT PROCESSING PROCEDURES:

a. The Financial Consultant shall email JPA member's per diems, and vendors must email invoices, to the Assistant Treasurer/Treasurer by 10th of the month.

b. Assistant Treasurer/Treasurer's Review:

- i. Review (unique invoice, current amount due)
- ii. Prepare summary (Vendor, Amount), attach supporting documentation, send to Finance Consultant for review and approval.

c. Finance Consultant/Executive Director Review and Approval:

- i. Financial Consultant/Executive Director reviews summary invoices, compares against budget, and delivers approved signed summary via e-mail to Assistant Treasurer/Treasurer who will process checks for payment, including first wet signature by Assistant Treasurer/Treasurer.

- d. Assistant Treasurer/Treasurer prepares check summary and e-mails all secondary signatories regarding check summary and availability to sign.
- e. Assistant Treasurer/Treasurer takes or sends approved check summary, addressed and stamped envelopes, and checks to secondary signatory for wet signatures. Second signatory may be either the Metro JPA Chair, Finance Committee Chair, or Metro JPA Vice-Chair, based on availability. Secondary signer mails checks to vendors and delivers signed check summary back to Assistant Treasurer/Treasurer by month end, or Assistant Treasurer/Treasurer mails checks to vendors after secondary signatory signs and retains signed check summary.
- f. Assistant Treasurer/Treasurer maintains signed check summary for audit records.

NOTE: Concept is that check summary should have three layers of signed approvals on it: Assistant Treasurer/Treasurer's, Financial Consultant/Executive Director, and second signatories, and be maintained for auditor records if needed.

6. INTERNAL CONTROL REQUIREMENTS FOR ELECTRONIC PAYMENTS: To protect EFT transactions from internal and external threats, the following controls will be adhered to:

- a. Implementation of bank offered security measures to prevent unauthorized individuals from initiating or modifying a transfer, i.e., ACH Filters.
- b. Each user initiating or approving bank transactions must have a separate bank User IDs.
- c. Each user must either initiate or authorize electronic transactions, but not both for the same transaction.
- d. Use of pre-established templates for specific transaction types and specific accounts may be authorized in advance by the Assistant Treasurer/Treasurer, however, new templates must be initiated by one user and authorized by the Executive Director.
- e. The process of creating, securing, sending, and authenticating direct deposit transmittal files to prevent unauthorized modification or submission is documented below.
- f. Changes to board member or vendor banking information for direct deposit must be processed in writing using the Direct Deposit Authorization Form, under no circumstances will account changes be authorized by telephone or email.

g. Changes to vendor ACH accounts must be processed in writing, under no circumstances will account changes be authorized by telephone or email. Upon receipt, staff will independently verify changes with the vendor by phone.

7. TYPES OF PAYMENTS WHICH MAY BE MADE BY EFT:

Vendor Payments: In its normal course of business, the METRO WASTEWATER JPA may remit the following types of payments via ACH: vendor payments, Credit Card Merchant Service Fees, and bank card payments.

Wire Transfers: Transfer for investment purchases, bond proceeds, interest payments, and maturities may be processed by wire between the JPA and custodial account and between the JPA and the Local Government Investment Pool (LAIF – Local Agency Investment Fund). The Assistant Treasurer/Treasurer is the only position authorized to initiate wire transfers. Wire transfers may be used for vendor payments on an emergency basis or when no other payment method is available – these transactions must be approved by both the Executive Director and Board Chair/Auditor.

8. TRAINING: To ensure consistent compliance with procedures, Board members and agents of the JPA tasked with processing, reconciling and recordkeeping will train in proper procedures and internal controls prior to conducting these functions.

9. RECORD-KEEPING:

a. Transaction records will include:

- i. Unique Identifying number of the EFT payment (i.e., invoice number, date of payment, or bank transaction number).
- ii. Time and date of disbursement.
- iii. Payee name and address.
- iv. Amount of disbursement.
- v. Purpose of disbursement.
- vi. Accounting system expenditure/expense account number.
- vii. Disbursing bank's unique transaction identification number, if available.
- viii. Receiving bank or financial institution's identification number.

b. Documentation must be maintained of authorizations by payees who have thereby agreed to monies added to their accounts electronically.

10. PROCEDURES FOR ELECTRONIC PAYMENT PROCESSING:

a. Origination of ACH File:

i. ACH File Database: The METRO WASTEWATER JPA creates ACH files from Quickbooks, which are downloaded in proper ACH format.

ii. Transmission: Several options are available to transmit the file to the ACH originating bank, either through a gateway provider, or directly to the bank. The METRO WASTEWATER JPA generates and transmits board member payments, reimbursements, vendor and supplier payment files via California Bank & Trust.

iii. Retention: ACH and EFT date files are recommended to be maintained until audited plus four years. (The Local Government Records Program (LoCal) is tasked by Government Code section 12236; 26 CFR 31.6001-1(e)(2); Sec. of State Guidelines recommendation).

b. Authorizations:

i. All board members and vendors must complete and sign a Direct Deposit Authorization Form. This form is provided by and submitted to the JPA Assistant Treasurer/Treasurer along with the banking institution's contact information including phone number and address. The board member or vendor must provide either a deposit slip for a Savings Account or a voided check for a Checking Account. In lieu of a deposit slip or voided check, the board member or vendor may provide documentation from the board member or vendor's financial institution indicating the transit-routing number and the account number.

ii. The authorization form shall provide the individual or company with the ability to change bank account information. Board members and vendors should notify the Assistant Treasurer/Treasurer immediately but no later than seven working days prior to the effective date. Exceptions may be granted up to 4 working days prior to the payment date for closed or compromised accounts.

iii. All requests to revoke direct deposit authorization must be in writing.

iv. Retention of authorization forms and any requests for revocation of authorization will be maintained until superseded and released from all audits.

v. The METRO WASTEWATER JPA does not allow telephone or email-initiated entries or changes to authorizations.

vi. Direct deposit requestors are responsible for ensuring the accuracy of the bank details provided. The JPA is not liable for any errors resulting from incorrect information.

vii. The Assistant Treasurer/Treasurer will keep private banking information confidential and will take appropriate measures to ensure compliance with data privacy regulations.

viii. Direct deposit recipients will be directed to carefully review their remittance advices and any related documentation (e.g., direct deposit notifications) subsequent to each payment and promptly report any errors. The Assistant Treasurer/Treasurer will review any such notifications and work with the recipient to identify and resolve any errors in a timely manner.

ix. CHANGES TO DIRECT DEPOSIT INFORMATION

1. Notification Requirement: Direct deposit recipients must notify the Treasurer of any changes to their banking information, or their request to terminate direct deposit, at least two weeks prior to the desired change to ensure it is processed for the next payment cycle.
2. Temporary Suspension: If there is an issue with the direct deposit (e.g., incorrect bank details), Direct deposit recipients will receive their payment by alternative means (paper check) until the issue is resolved.
3. Cessation of Direct Deposit: Upon suspension or revocation of direct deposit, recipients will receive their payment via paper check until a subsequent request to reinstate direct deposit is processed.

c. Transaction Advice:

- i. AP vendors being paid by ACH or Wire will be advised of the payment via email.

d. Cancellation of Transactions:

- i. If it is learned that a board member, supplier or vendor does not have a right to a payment, or the payment amount is in excess of the amount due to the board member, supplier or vendor, then the payment is to be cancelled. Actions to take will depend upon where the payment is in the timeline of the transaction.

- If the ACH file has not been transmitted to California Bank & Trust but the payment process has been finalized, staff will void the batch to remove the incorrect payment.
- If the ACH file has not been transmitted to California Bank & Trust and the ACH process has begun, staff will remove the incorrect payment prior to finalizing the batch.

- If the ACH file has already been transmitted to California Bank & Trust, staff would complete a California Bank & Trust ACH Service Request for Item Delete/Reversal and fax to California Bank & Trust.

e. Cut-off Times:

- i. The following cut-off times are established for ACH file transmissions: The ACH file auto-generated at the conclusion of the AP process should be scheduled to transmit two (2) banking days prior to issue/check date.

f. Funding Outbound ACH Transactions

- i. Funding of ACH files is deemed to be a critical function that must be performed accurately and in a timely manner, in order to avoid the overdrawing of bank accounts.
- ii. The settlement bank account which accommodates the funding of outbound ACH transactions for AP transactions is the JPA's General Bank Account held at California Bank & Trust.
- iv. Funding of ACH/EFT transactions must occur the day before the ACH funding is sent.

g. Reporting of Inbound EFT Transactions:

- i. The settlement bank accounts which accommodate the receipt of inbound ACH transactions are the JPA's General Checking Account held at California Bank & Trust.

h. Returns

- i. In the case of outbound transactions for board member and vendor payments, an ACH Returns account is not utilized. Instead, the returns will be credited to the settlement bank account at California Bank & Trust from which the funds were originally disbursed.
- ii. Returned items are monitored as part of the daily process. Any returned items are forwarded to the Assistant Treasurer/Treasurer, to be researched and either voided or reissued as appropriate. A second qualified reviewer will review all such returns and their related disposition.

* * * End of Policy * * *



Metro Wastewater JPA Policy No. 4

Meetings Meal Policy

The Joint Powers Authority Proactively Addressing Regional Wastewater Issues

Chula Vista • Coronado • Del Mar • El Cajon • Imperial Beach • La Mesa • Lemon Grove Sanitation District
National City • Otay Water District • Poway • Padre Dam Municipal Water District
County of San Diego, representing East Otay, Lakeside/Alpine, Spring Valley & Winter Gardens Sanitation Districts

POLICY 4: MEETINGS MEAL POLICY

Adopted January 28, 2025

1. PURPOSE

This Policy is intended to provide guidelines for the prudent provision of meals for authorized meetings of the Metro Wastewater JPA.

2. OBJECTIVE

To authorize the provision of meals to required attendees of Metro Wastewater JPA meetings.

3. POLICY

Light Breakfasts and Lunches will be provided for all in-person meetings of the Metro Wastewater JPA/Commission (JPA), Finance Committee, and Metro TAC meetings. Meetings are as follows:

- Light lunches for JPA Board of Directors meetings inclusive of the Directors, MetroTAC representatives, JPA Executive Team staff, presenting San Diego staff and consultants.
- Light lunches for all in-person meetings of the MetroTAC representatives inclusive of TAC representatives, JPA Executive Team staff and presenting San Diego staff and consultants.
- Continental breakfasts for all in-person Finance Committee meetings for Committee Members and attending JPA Executive Team and San Diego Support staff.

For each fiscal year, the number of lunches (e.g., sandwiches, light dessert, and drinks) will be budgeted based on the number of projected meetings to be held during that fiscal year for each JPA or TAC meeting. The meals will be distributed on a first come first serve basis.

* * * End of Policy * * *



Metro Wastewater JPA Policy No. 5

Investment Policy

The Joint Powers Authority Proactively Addressing Regional Wastewater Issues

Chula Vista • Coronado • Del Mar • El Cajon • Imperial Beach • La Mesa • Lemon Grove Sanitation District
National City • Otay Water District • Poway • Padre Dam Municipal Water District
County of San Diego, representing East Otay, Lakeside/Alpine, Spring Valley & Winter Gardens Sanitation Districts

POLICY 5: METRO WASTEWATER JOINT POWERS AUTHORITY INVESTMENT POLICY AND GUIDELINES

Adopted March XX, 2025

1. PURPOSE

This Statement is intended to provide guidelines for the prudent investment of Metro Wastewater Joint Powers Authority's (JPA) temporary idle cash and outline the policies for maximizing the efficiency of the JPA cash management system. The investment goal is to enhance the economic condition of JPA while ensuring the safety of funds invested.

2. OBJECTIVE

The JPA cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling JPA to invest funds to the fullest extent possible. JPA attempts to obtain the highest yield on its investments consistent with the criteria established for safety and liquidity.

3. POLICY

JPA Treasurer is responsible for investing the surplus funds in JPA Treasury in accordance with the California Government Code, Sections 53600 et seq. and 53635 et seq. JPA makes investments in accordance with California Government Code Section 53600.3, which states "all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

The three principal factors of safety, liquidity and yield are to be taken into consideration when making investment decisions.

- A) Safety. Safety and the minimizing of risk associated with investing refer to attempts to reduce the potential for loss of principal, interest or a combination of the two. JPA invests only in those instruments that are considered very safe.
- B) Liquidity. Liquidity refers to the ability to convert an investment to cash promptly with a minimum risk of losing some portion of principal or interest. A portion of the portfolio should be maintained in liquid short-term securities which can be converted to cash, if necessary, to meet disbursement requirements.
- C) Yield. Yield is the average annual return on an investment based on the interest rate, price, and length of time to maturity. JPA attempts to obtain the highest yield possible, provided that the basic criteria of safety and liquidity have been met.

4. INVESTMENT INSTRUMENTS

JPA may invest in the following instruments under the guidelines as provided herein:

- A) Local Agency Investment Fund (LAIF). Investment of funds in the California LAIF which allows the State Treasurer to invest through the Pooled Money Investment Account. Maximum investment is subject to state regulation.
- B) County of San Diego County Treasury. Investment of funds in the Treasury of the County of San Diego that allows the County Treasurer to invest through the Pooled Money Investment Account.
- C) Money Market Fund. Investment of funds in the Money Market Fund which allows investment in short-term dollar-denominated securities that are issued by diversified management companies and registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) in accordance with Government Code Section 53601(l)(2) and subject to the criteria and restrictions set forth in Government Code Section 53601(l)(4) and (5).

5. SAFEKEEPING

All investments of JPA shall have the Metro Wastewater Joint Powers Authority as registered owner or shall be kept in the custody of JPA or by a qualified safekeeping institution.

6. INVESTMENT REPORTS

- A) JPA Treasurer shall submit investment reports quarterly within 30 days of the end of the quarter to the JPA's Board of Directors containing the following information:
- Financial institution
 - Type of investment
 - Amount of deposit
 - Rate of interest
- B) JPA Treasurer shall report monthly transaction reports to the JPA's Board of Directors if any investment transactions have been initiated on behalf of the JPA. This does not include any interest transactions occurring in the normal course of business.
- C) JPA Treasurer shall annually render a Statement of Investment Policy to the Board of Directors.

7. INVESTMENT OF BOND FUNDS

In accordance with Government Code Section 53601, monies held by a trustee or fiscal agent and pledged to the payment or security of bonds, may be invested in accordance with the statutory provisions governing the issuance of those bonds, ordinance, resolution, or indenture of trust.

* * * End of Policy * * *



Metro Wastewater JPA Policy 6

Purchasing Policy

The Joint Powers Authority Proactively Addressing Regional Wastewater Issues

Chula Vista • Coronado • Del Mar • El Cajon • Imperial Beach • La Mesa • Lemon Grove Sanitation District
National City • Otay Water District • Poway • Padre Dam Municipal Water District
County of San Diego, representing East Otay, Lakeside/Alpine, Spring Valley & Winter Gardens Sanitation Districts

POLICY 6: METRO WASTEWATER JPA PURCHASING POLICY

1. Purpose

The purpose of this policy is to establish guidelines for the procurement of goods and services to ensure fiscal responsibility, compliance with applicable laws, and the acquisition of quality products and services at the best possible prices.

2. Scope

This policy applies to all purchases made by the JPA, including supplies, equipment, services, and construction contracts.

3. General Principles

- **Transparency:** All purchasing activities should be conducted in a transparent manner.
- **Fair Competition:** Ensure fair and open competition among suppliers.
- **Cost-Effectiveness:** Aim to obtain the best value for money.
- **Accountability:** Maintain clear records and documentation for all purchases.
- **Agents of the JPA:**
 - **Executive Director,**
 - **Financial Consultant**
 - **Engineering Consultant**
 - **Board Secretary**
 - **Assistant Treasurer**
 - **Treasurer**

4. Procurement Authority and Responsibilities

- **Board of Directors:** Approves the annual budget and any single expenditure over \$10,000.
- **Executive Director:** Has the authority to approve purchases up to \$10,000, with the concurrence of the Board of Directors Chairman.

5. Purchasing Procedures

5.1 Purchases up to \$5,000 per annum

- **Procedure:** Obtain at least one verbal or written quote.
- **Approval:** Executive Director can approve these purchases with concurrence of Board of Directors Chair
- **Documentation:** Maintain a record of the quote and the rationale for the selection for a time period consistent with the records retention schedule.

5.2 Purchases between \$5,001 and \$10,000 per annum

- **Procedure:** Try to obtain at least three written quotes.
- **Approval:** Executive Director can approve these purchases with concurrence of Board of Directors Chair
- **Documentation:** Record all quotes and the decision-making process for a time period consistent with the records retention schedule.

5.3 Purchases between \$10,001 and \$50,000 per annum

- **Procedure:** Either issue a formal Request for Proposals (RFP) with a goal of obtaining at least three proposals, or, if sole source professional services is justified, document the rationale for selecting a single vendor.
- **Approval:** Requires approval from the Board of Directors.
- **Documentation:** Maintain comprehensive records of the RFP, proposals, evaluation process, or sole source justification for a time period consistent with the records retention schedule.

5.4 Purchases over \$50,000 per annum

- **Procedure:** If a majority of the Board is satisfied with the performance of an agent of the JPA, a negotiation may proceed as a sole source agreement. If not, issue a formal Request for Proposals (RFP) and with a goal of obtaining at least three proposals. If three proposals are not received by the deadline, the Executive Director may waive this requirement. The submittal deadline shall not be less than 30 days following the date of release of the RFP.
- **Approval:** Requires approval from the Board of Directors.
- **Documentation:** Maintain comprehensive records of the RFP, proposals, and evaluation process for a time period consistent with the records retention schedule.

6. Emergency Purchases

In cases of emergency where immediate purchase is necessary to protect the health, safety, or welfare of the public or to address urgent operational needs, the Executive Director or their designee may authorize such purchases not to exceed \$10,000 with concurrence of the Board of Directors Chair. Emergency purchases must be reported to the Board of Directors at the next regular meeting.

7. Ethical Considerations

All individuals involved in the purchasing process must adhere to the highest standards of ethical conduct, avoiding conflicts of interest and ensuring impartiality in decision-making.

8. Documentation and Record Keeping

Maintain detailed records of all purchasing activities, including quotes, bids, purchase orders, contracts, and approvals. These records should be retained for a time period consistent with the records retention schedule.

9. Review and Amendments

This policy should be reviewed biennially by the Board of Directors and amended as necessary to ensure it remains effective and compliant with applicable laws and regulations.

10. Compliance

Failure to comply with this policy may result in disciplinary action, up to and including termination of contract.

* * * End of Policy * * *



Metro Wastewater JPA Procedure No. 1

Guidelines for Staff in Closed Session

The Joint Powers Authority Proactively Addressing Regional Wastewater Issues

Chula Vista • Coronado • Del Mar • El Cajon • Imperial Beach • La Mesa • Lemon Grove Sanitation District
National City • Otay Water District • Poway • Padre Dam Municipal Water District
County of San Diego, representing East Otay, Lakeside/Alpine, Spring Valley & Winter Gardens Sanitation Districts

Metro Wastewater Joint Powers Authority

Guidelines for Staff in Closed Sessions

The chart below is meant to be helpful guidance regarding who is and is not permitted in a closed session under the guidance of California Attorney General (“AG”) Opinion No. 21-1102, published May 26, 2022, regarding staff attendance at closed sessions held under the Ralph M. Brown Act. These guidelines are subject to revision as the law changes. In the event of a change in law; the most current law will control.

Who May Attend Closed Session

- Members of the legislative body.
- Individuals authorized by statute to attend (i.e., legal counsel, real estate negotiator).
- Individuals who are “essential” to the agency’s ability to conduct the closed session business (such as the Executive Director, Executive Staff, or a percipient factual witness; must be “more than a mere potential benefit”).
- Designated clerk, officer, or employee to take notes and record closed session (must be the same single person designated by the Metro JPA Board for each closed session).

Who May Not Attend Closed Session

- Members of the public; non-essential staff or consultants
- Members of Metro TAC (unless deemed “essential” for the purposes of that closed session).
- Individual staff members of the legislative body members, or the participating agency (unless deemed “essential”), even for purposes of taking notes, administering the meeting, or providing the members with relevant information.
- An Alternate Board Member of the legislative body who is not serving in place of an absent member.
- Anyone else not expressly designated as essential to the closed session.



Metro Wastewater JPA Procedure No. 2

Fiscal Year End Closing Procedures

The Joint Powers Authority Proactively Addressing Regional Wastewater Issues

Chula Vista • Coronado • Del Mar • El Cajon • Imperial Beach • La Mesa • Lemon Grove Sanitation District
National City • Otay Water District • Poway • Padre Dam Municipal Water District
County of San Diego, representing East Otay, Lakeside/Alpine, Spring Valley & Winter Gardens Sanitation Districts

PROCEDURE 2: METRO WASTEWATER JOINT POWERS AUTHORITY FISCAL YEAR END CLOSING PROCEDURES

Adopted March XX, 2025

1. PURPOSE

This Procedure document is intended to provide guidelines for the comprehensive process of properly preparing to close the Fiscal Year-End accounting records for Metro Wastewater Joint Powers Authority's (JPA). This is to ensure the JPA is prepared to provide accurate accounting records to the independent auditor.

2. OBJECTIVE

The fiscal year-end close process is required to prepare the general ledger accounts for financial statement presentation and for the start of the next accounting process. The closing process consists of steps to transfer income statement accounts to balance sheet accounts. Since income statement accounts record current year activity, they must be zeroed out or closed in preparation of the next accounting period. This process begins after June 30, The JPA's fiscal year-end close date. The process continues until the financial statement audit field work begins. At the end of the fiscal close, the income statement accounts are closed into net position for the beginning of the next accounting period.

3. PROCEDURES

1. Each May, list all critical activities that are part of the year-end closing process (e.g. reconcile all accounts, evaluate your assets and liabilities etc.)
 - a. Send reminder to agencies to pay any amounts due prior to June 30,
 - b. Send reminder to independent contractors and vendors to provide any invoices for work completed in June or prior, no later than July 20th, so the amounts may be properly accrued onto the books of the JPA.
2. Gather Relevant Financial Documents:
 - a. Bank statements,
 - b. Statements from credit cards, etc,
 - c. Inventory counts (if any),
 - d. Copy of last year's financial statements and general ledger.

3. Reconcile Bank Statements:
 - a. Compare each transaction in your bank statements with the corresponding entry in your general ledger. Then check for discrepancies between them.
4. Review Accounts Payable and Receivable:
 - a. Review outstanding bills and invoices, as well as vendor and customer payments, and confirm they're accurately recorded in the correct fiscal year and represent the amounts owed. Receivables are recorded revenue earned, but not yet received and Payables are accrued for expenses incurred, but not yet paid.
5. Review Your Assets:
 - a. Definition of Capital Asset: Useful Life > 1 Year and Cost > \$5,000.00
 - b. Ensure your financial statements reflect the true value of your assets on the balance sheet and the appropriate expenses on the income statement.
 - c. Calculate the Depreciation Expense for Each Asset.
 - d. Estimate the useful life of the asset, estimate a salvage value and deduct the salvage value from the asset's cost to find the amount that needs to be depreciated over the lifetime of the asset.
 - e. Divide that number by the useful life to find the amount of depreciation to be recognized for that asset in each accounting year.
6. Prepare Your Income Statement:
 - a. An income statement (also known as a Profit and Loss Statement) provides a summary of the JPA's revenues, expenses, and change in net position (or net loss) during the fiscal year.
7. Prepare Your Balance Sheet:
 - a. A balance sheet offers a summary of the JPA's assets, liabilities, and Net Position, grouped into current and non-current items.
8. Gather All Necessary Tax Documents:
 - a. Gather all necessary tax documents, such as W-2s, 1099s, and other relevant tax forms.
 - b. Make sure they are complete and accurate.
9. Check All JPA member Expense Reports:
 - a. Gather all expense reports submitted for reimbursement during the year.
 - b. Ensure you have documentation for each report, including receipts and supporting documentation.
10. Reconcile Credit Card Statements
11. Review Contracts and Agreements:
 - a. Collect all contracts, agreements, and legal documents for any financial commitments the JPA executed during the year, such as relationships with vendors, clients, suppliers, partners, landlords, and other contracts.

- b. Identify any financial obligations from the contracts, then record relevant information (such as contract values, payment schedules, and billing cycles) in your records.
- 12. Assess the Need for Bad Debt Write-Offs
- 13. Create updated accounts receivable aging report and review it to identify overdue invoices and aging balances.
 - a. Analyze the payment history of the accounts to assess how likely customers are to pay.
 - b. Estimate the portion of accounts receivable that is unlikely to be collected based on your assessment.
- 14. Review and Adjust Accounts:
 - a. Review individual transactions in each general ledger account and verify that transactions are correctly recorded, classified, and summarized according to the chart of accounts. Reconcile them with supporting documentation (bank statements, invoices, receipts, and other financial records).
- 15. Prepare Cash Flow Statement
 - a. Summarize the cash inflows and outflows from operating, investing and financing activities during the fiscal year.
- 16. Document Year-End Review:
 - a. Maintain thorough documentation of your year-end accounting review process. This will be valuable for audits and future reference.
- 17. Set Goals for the Next Fiscal Year:
 - a. Assess how the year end close process went this year, identify opportunities for improvement and set goals for next year's financial close process, including which steps you'll want to complete early.

* * * End of Procedure * * *



Metro Wastewater JPA Procedure No. 3

Banking Authorization Procedures

The Joint Powers Authority Proactively Addressing Regional Wastewater Issues

Chula Vista • Coronado • Del Mar • El Cajon • Imperial Beach • La Mesa • Lemon Grove Sanitation District
National City • Otay Water District • Poway • Padre Dam Municipal Water District
County of San Diego, representing East Otay, Lakeside/Alpine, Spring Valley & Winter Gardens Sanitation Districts



Metro Wastewater Joint Powers Authority

STAFF REPORT

TO: Board of Directors
Metro Wastewater Joint Powers Authority

DATE: February 6, 2025

FROM: Adriana Ochoa, General Counsel

AGENDA ITEM NO. 10: Changes to Authorized Banking Signatories

BACKGROUND & DISCUSSION

In order for checks written from Metro Wastewater Authority JPA's ("Metro") bank account to be processed, two authorized signatures are required: one from the Metro Treasurer, and a second signature from an authorized signatory. On January 6, 2025, Metro Wastewater Joint Powers Authority's Treasurer visited California Bank & Trust to review Metro's account information. While reviewing the account information, the Treasurer learned that former directors John Peasley and John Mullin are still authorized to write checks from the account and that only one current director (the Board Chair) is authorized to write checks from the account.

To change the authorized signatories for Metro's account, the California Bank & Trust Client Information Form (Attachment 1) must be completed and returned in person to any California Bank & Trust bank. Metro must also submit a copy of its bylaws related to banking and the minute meetings approving the change in authorized signatories, both of which can be submitted via email.

THEREFORE, COUNSEL RECOMMENDS THE BOARD OF DIRECTORS TAKE THE FOLLOWING ACTIONS:

1. Remove former directors John Peasley and John Mullin as authorized signatories on Metro's account with California Bank & Trust.
2. Authorize the current Metro Board Chair, Vice Chair, Second Vice Chair, Finance Committee Chair, and Treasurer or Assistant Treasurer as signatories on Metro's account with California Bank & Trust for all banking purposes.
3. Authorize Jerry Jones, Peter De Hoff, and Jose Preciado as authorized signatories on Metro's account with California Bank & Trust for all banking purposes.

4. Discuss and take other action as appropriate.

Attachment 1: California Bank & Trust Client Information Form

PASSED AND APPROVED at a meeting of the Board of Directors of the Metro Wastewater Authority, held this 6th day of February, 2025.

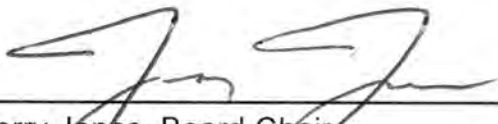
AYES: INZUNZA, PURVIS, WORDEN, KENDRICK, MCKAY, BABER, JONES,
YAMANE, DEHOFF, ANDERSON, ROBAK, SWANSON

NOES: NONE

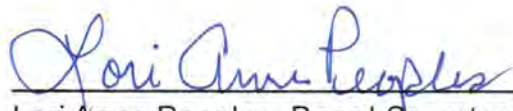
ABSTAIN: NONE

ABSENT: NONE

ATTEST:



Jerry Jones, Board Chair
Metro Wastewater Joint Powers Authority



Lori Anne Peoples, Board Secretary
Metro Wastewater Joint Powers Authority

ATTACHMENT 1



CALIFORNIA BANK
TRUST

1024 Graves Ave, El Cajon, Ca 92021
Ph. (619)440-0411 Fax. (855)830-0635

CLIENT INFORMATION FORM

Full Legal Name: _____

Residential Address (No PO Box): _____

City: _____ **State:** _____ **Zip Code:** _____

Mailing Address (if different from above) _____

City: _____ **State:** _____ **Zip Code:** _____

Primary Phone: _____ **Secondary Phone:** _____

Social Security #: _____ **Date of Birth:** _____

Name of Employer: _____

Occupation / Position (if retired, your previous occupation): _____

Email address: _____

Primary ID (CIRCLE ONE): Driver's License, State ID, Passport, and ID #: _____

Issuing State/Country: _____ **Issue date:** _____ **Exp date:** _____

Would you like more information on our Checking Account Overdraft Protection Lines? Yes / No

Would you like more information on our AmaZing® Credit Card offers? Yes / No

Would you like more information on our Home Equity Credit Lines? Yes / No

To identify you over the phone please create an account password: _____

If you will be creating a Brand NEW User ID for our Online Banking service, please create your Username: _____

(case-sensitive)



Metro Wastewater JPA Resolution 2025-01

Establishing a Reserve Fund Policy

The Joint Powers Authority Proactively Addressing Regional Wastewater Issues

Chula Vista • Coronado • Del Mar • El Cajon • Imperial Beach • La Mesa • Lemon Grove Sanitation District
National City • Otay Water District • Poway • Padre Dam Municipal Water District
County of San Diego, representing East Otay, Lakeside/Alpine, Spring Valley & Winter Gardens Sanitation Districts



Metro Wastewater Joint Powers Authority

STAFF REPORT

TO: Board of Directors
Metro Wastewater Joint Powers Authority

DATE: February 6, 2025

FROM: Adriana Ochoa, General Counsel

AGENDA ITEM NO. 10 ^h: Changes to Authorized Banking Signatories

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THEREFORE, COUNSEL RECOMMENDS THE BOARD OF DIRECTORS TAKE THE FOLLOWING ACTIONS:

1. Remove former directors John Peasley and John Mullin as authorized signatories on Metro's account with California Bank & Trust.
2. Authorize the current Metro Board Chair, Vice Chair, Second Vice Chair, Finance Committee Chair, and Treasurer or Assistant Treasurer as signatories on Metro's account with California Bank & Trust for all banking purposes.
3. Authorize Jerry Jones, Peter De Hoff, and Jose Preciado as authorized signatories on Metro's account with California Bank & Trust for all banking purposes.

4. Discuss and take other action as appropriate.

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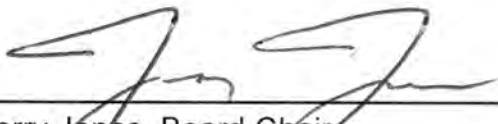
AYES: INZUNZA, PURVIS, WORDEN, KENDRICK, MCKAY, BABER, JONES,
YAMANE, DEHOFF, ANDERSON, ROBAK, SWANSON

NOES: NONE

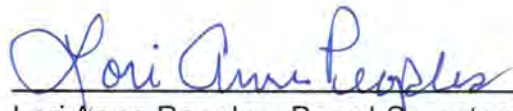
ABSTAIN: NONE

ABSENT: NONE

ATTEST:



Jerry Jones, Board Chair
Metro Wastewater Joint Powers Authority



Lori Anne Peoples, Board Secretary
Metro Wastewater Joint Powers Authority

ATTACHMENT 1



CALIFORNIA BANK
TRUST

1024 Graves Ave, El Cajon, Ca 92021
Ph. (619)440-0411 Fax. (855)830-0635

CLIENT INFORMATION FORM

Full Legal Name: _____

Residential Address (No PO Box): _____

City: _____ State: _____ Zip Code: _____

Mailing Address (if different from above) _____

City: _____ State: _____ Zip Code: _____

Primary Phone: _____ Secondary Phone: _____

Social Security #: _____ Date of Birth: _____

Name of Employer: _____

Occupation / Position (if retired, your previous occupation): _____

Email address: _____

Primary ID (CIRCLE ONE): Driver's License, State ID, Passport, and ID #: _____

Issuing State/Country: _____ Issue date: _____ Exp date: _____

Would you like more information on our Checking Account Overdraft Protection Lines? Yes / No

Would you like more information on our AmaZing® Credit Card offers? Yes / No

Would you like more information on our Home Equity Credit Lines? Yes / No

To identify you over the phone please create an account password: _____

If you will be creating a Brand NEW User ID for our Online Banking service, please create your
Username: _____

(case-sensitive)

RESOLUTION NO. 2025-01

RESOLUTION OF THE METRO WASTEWATER JOINT POWERS AUTHORITY BOARD OF DIRECTORS ESTABLISHING A RESERVE FUND POLICY

WHEREAS, a key element of prudent financial planning is to ensure that sufficient funding is available for current and future operating, capital, and/or debt service needs;

WHEREAS, the Metro Wastewater Joint Powers Authority ("**Metro**") Board of Directors endeavors at all times to have sufficient funds available to meet its financial obligations; and

WHEREAS, fiscal responsibility requires anticipating the likelihood of and preparing for unforeseen events; therefore, this Reserve Fund Policy outlines specific accounts to meet these planned and unforeseen obligations;

WHEREAS, the Metro organization has created an Executive Director position in order to have a primary report that will be responsible for the oversight, management and monitoring of Metro's budgets, among other matters;

NOW, THEREFORE, BE IT RESOLVED:

1. General Provisions

The Metro Board of Directors (Board) desires to designate specific fund accounts and maintain minimum fund balances consistent with amounts determined to be in the best interest of Metro and intended to ensure Metro has sufficient funds to meet current and future financial needs.

Metro hereby establishes and will maintain the following reserve components:

- a) Operating Reserves Fund
- b) Contingency Reserves Fund

Fund balances will be reviewed on an annual basis by both the Metro Finance Committee for recommendation to the Board, and the Metro Board of Directors, in order to evaluate reconciliation of the fund balances and assess the financial capacity to accomplish identified activities and objectives.

The target balance established for each reserve component represents the baseline financial condition that is acceptable to Metro from a risk management and financial planning perspective. Maintaining funds at appropriate levels is an ongoing business process that consists of a periodic assessment of revenues and expenditure levels.

2. **Reserve Components**

a) **Operating Reserve Fund**: The Operating Reserve Fund is designated by the Board to maintain working capital for current operations to ensure continuity of operations during short-term fluctuations in cash flow due to slow or delayed payment by Metro Participating Agencies, demand volatility, unanticipated costs, or other factors. Metro's Executive Director and Treasurer are hereby authorized to use funds from the Operating Reserve Fund for expenditures that are Designated Expenses/Uses as set forth below.

Any request by staff to use funds from the Operating Reserve that shall bring the reserve below the minimum fund balance set forth below must be approved by the Board of Directors and accompanied by a staff report explaining the need for the expenditure(s).

Source of Funds:

- Prior year ending balance carried forward
- Allocation of funds by Board action
- Net operating income

Designation of Expenses/Uses:

- Funding requirements due to short term revenue and expenditure imbalance (for example, increases in consultant costs)
- Intra-fiscal year cash flow timing without Board approval, so long as the fund balance is not impaired by fiscal year-end

Target Balance:

- The Operating Reserve target balance shall be in the amount of four (4) months average expenditures based on the current fiscal year's operating budget; with a minimum fund balance of one (1) month of average expenditures.

b) **Contingency Reserve Fund**: The Board of Directors endeavors to budget for all anticipated expenditures, but emergencies and unforeseen circumstances can occur during the course of the year. The Contingency Reserve Fund is intended to provide funding for expenditures that must be undertaken to address emergencies or unforeseen circumstances (such as responding to a spill event).

Any request by staff to use Contingency Reserve Funds is subject to prior approval by the Board of Directors at the next regular meeting, and accompanied by a staff report explaining the need for the expenditure(s). In instances where funds must be disbursed immediately, the Board hereby delegates to the Executive Director, or if the Executive Director is unavailable, to the Treasurer, authority to evaluate and approve expenditures from the Contingency Reserve Fund, subject to a second approval by the Metro Auditor or a separate authorized signer identified the Invoice Payment Policy. The Executive Director shall thereafter present a report regarding the

expenditure for ratification at the following regular Board meeting.

Source of Funds:

- Prior year ending balance carried forward
- Allocation of funds by Board action
- Net operating income

Designation of Expenses/Uses:

- Emergencies/Unforeseen events

Target Balance:

- The Contingency Reserve target balance shall be in the amount of three (3) months average expenditures based on the current fiscal year's operating budget.

3. Delegation of Authority

The Metro Board of Directors has sole authority to amend or revise this Reserve Policy. Management responsibility for the Reserve Policy is hereby delegated to the Board Chair, who through approval of this Policy has established written procedures for the management of Metro's reserves.

4. Replacement and Supersession

The previous Reserve Fund Policy is hereby rescinded, and this Resolution 2025-01 Establishing a Reserve Fund Policy replaces and supersedes it in its entirety.

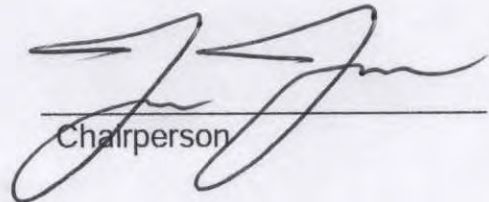
PASSED, APPROVED AND ADOPTED by the Board of Directors of the Metro Wastewater Joint Powers Authority at a meeting thereof held on the 6th day of, February, 2025.

AYES: Inzunza, Purvis, Worden, Kendrick, McKay, Baber, Jones, Yamane, Robak, Swanson, De Hoff, Anderson

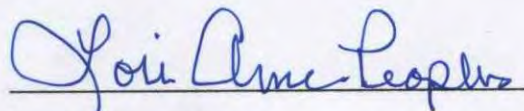
NOES: None

ABSTAIN: None

ABSENT: None


Chairperson

ATTEST:


Board Secretary



Metro Wastewater JPA Resolution 2025-02

Establishing Compensation to Directors

The Joint Powers Authority Proactively Addressing Regional Wastewater Issues

Chula Vista • Coronado • Del Mar • El Cajon • Imperial Beach • La Mesa • Lemon Grove Sanitation District
National City • Otay Water District • Poway • Padre Dam Municipal Water District
County of San Diego, representing East Otay, Lakeside/Alpine, Spring Valley & Winter Gardens Sanitation Districts

RESOLUTION 2025-02

A RESOLUTION OF THE METRO WASTEWATER JOINT POWERS AUTHORITY BOARD OF DIRECTORS ESTABLISHING COMPENSATION OF DIRECTORS

WHEREAS, the Metro Wastewater Joint Powers Authority ("**Metro**") is a public agency formed pursuant to joint powers agreements pursuant to Government Code sections 6500 *et seq.*, and governed by the Metro Board of Directors; and

WHEREAS, the Metro Board of Directors desires to establish reasonable compensation for all Metro Board Directors, excluding Advisory Directors, from time to time by resolution of the Board of Directors; and

WHEREAS, compensation for Directors' attendance at Metro Board meetings was last revised in June 2023 via Resolution 2023-02;

WHEREAS, the Metro Board of Directors desires to modify Resolution 2023-02 in order to establish reasonable compensation for duly appointed Metro Alternate Directors;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. General Provisions. The Metro Board of Directors shall establish compensation every five years for all Metro Directors, excluding Advisory Directors, beginning with Fiscal Year 2023-2024 through the end of Fiscal Year 2027-2028 (the "**Period**"). If the Metro Board of Directors does not adopt a new resolution establishing future compensation before the end of the Period, compensation shall remain at the same amount established in the 2027-2028 Fiscal Year until a new resolution establishing compensation is subsequently adopted.

2. Per Diem Established. Beginning Fiscal Year 2023-2024, Metro Directors (or duly-appointed Alternates that attend meetings in a primary Director's absence) shall be paid compensation in the amount of \$158.00 ("**Per Diem**") for attendance at Metro meetings, including attendance at meetings of an advisory body of Metro, such as standing or ad hoc subcommittees, orientations, trainings, tours, or for each day's service rendered as a Metro Director by request of the Chair or Board. For each subsequent Fiscal Year thereafter during the remainder of the Period, the Per Diem amount shall increase at an annual rate of 5.00%, as established below.

Fiscal Year	2023	2024	2025	2026	2027	2028
Stipend (\$)	\$150.00	\$158.00	\$166.00	\$175.00	\$184.00	\$194.00
Increase (%)	0.00%	5.00%	5.00%	5.00%	5.00%	5.00%

3. Attendance at Multiple Meetings. Where a Director attends multiple but distinct Metro meetings (including advisory body meetings) in the same day, the Director shall be compensated Per Diem for each meeting attended, so long as each meeting's

duration lasts at least fifteen (15) minutes or longer.

4. Compensation for Duly Appointed Alternates. Duly appointed Alternate Directors shall receive Per Diem and mileage reimbursement for attendance at orientations, trainings, preparation meetings or briefings, tours, and meetings of the Metro Board of Directors (even if the primary Director is present). It is a benefit to the Metro Board of Directors that Alternate Directors observe and monitor the discussions of the Metro Board so that s/he can step in as an informed member of the Board if or when s/he is required to attend in a voting capacity, and in order to ensure responsible succession planning for the organization.

5. Finance Committee Alternate. If the Metro Board's duly appointed alternate member of the Finance Committee attends a Finance Committee meeting in a non-voting capacity (meaning all primary Finance Committee members are present), the alternate may nonetheless receive a Per Diem for his or her attendance at that meeting, in order to encourage the alternate's attendance at Finance Committee meetings. It is a benefit to both the Finance Committee and the Metro Board of Directors that the Finance Committee alternate observe and track the discussions held at Finance Committee meetings so that s/he can step in as an informed member of the Finance Committee if or when s/he is required to attend in a voting capacity.

6. Limit on Number of Meetings. No Board Director or Alternate Director shall be paid more than six (6) Per Diems per month, except for the Board Chair, who may be paid for no more than ten (10) Per Diems per month. All Per Diem requests must be submitted to the Metro Treasurer within sixty (60) days of the day for which a Per Diem is requested.

7. No Overlapping Compensation. Directors to whom Metro would pay a Per Diem pursuant to this resolution shall not receive a Per Diem if they are otherwise eligible to receive compensation, including Per Diem, from their respective agencies for attendance at Metro meetings or for service rendered as a Metro Director by request of the Chair or Board.

8. Supersession. This Resolution 2025-02 hereby supersedes Resolution 2023-02 in its entirety and Resolution 2023-02 is now set aside and declared void.

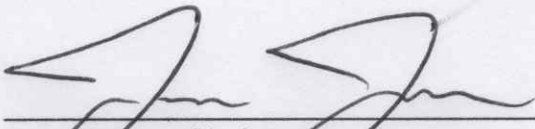
PASSED AND ADOPTED at a meeting of the Board of Directors of the Metro Wastewater Authority, held this 6th day of February, 2025.

AYES: Inzunza, Purvis, Worden, Kendrick, McKay, Baber, Jones, Yamane, Robak, Swanson, De Hoff, Anderson

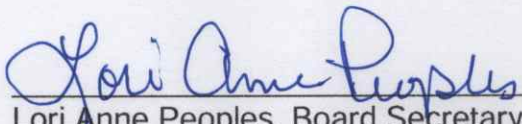
NOES: None

ABSTAIN: None

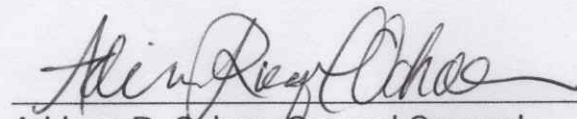
ABSENT: None


Jerry Jones, Chairman
Metro Wastewater Joint Powers Authority

ATTEST:


Lori Anne Peoples, Board Secretary
Metro Wastewater Joint Powers Authority

APPROVED AS TO FORM:


Adriana R. Ochoa, General Counsel
Metro Wastewater Joint Powers Authority

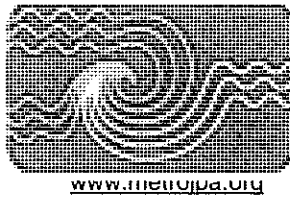


Metro Wastewater JPA Protocol No. 1

Debt Service Coverage and Operations Reserve Calculations

The Joint Powers Authority Proactively Addressing Regional Wastewater Issues

Chula Vista • Coronado • Del Mar • El Cajon • Imperial Beach • La Mesa • Lemon Grove Sanitation District
National City • Otay Water District • Poway • Padre Dam Municipal Water District
County of San Diego, representing East Otay, Lakeside/Alpine, Spring Valley & Winter Gardens Sanitation Districts



April 19, 2010

Rod Greek
Public Utilities Deputy Director
City of San Diego, Metropolitan Wastewater
9192 Topaz Way
San Diego, CA 92123

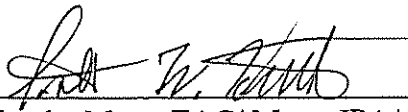
Re: Administrative Protocol on Allocation of Operating Reserves and Debt Service
Coverage to Participating Agencies

Dear Mr. Greek:

This letter is intended to memorialize the attached Administrative Protocol on Allocation of Operating Reserves and Debt Service Coverage to Participating Agencies ("Protocol") negotiated between the City of San Diego and Metro TAC/ Metro JPA/ Metro Commission, on behalf of the Participating Agencies under the Regional Wastewater Disposal Agreement. Your signature will indicate acceptance of the Protocol on behalf of the City.

By countersigning this letter, the City of San Diego and Metro TAC/ Metro JPA/ Metro Commission acknowledge and agree to the terms and conditions contained in the attached Protocol.

Sincerely,

 4/21/10
for the Metro TAC/ Metro JPA/ Metro Commission

Enclosure

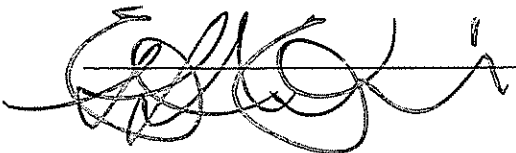
The Protocol is accepted by the City of San Diego pursuant to the terms and conditions set forth in the attachment hereto:

Date: 4/19/10


Rod Greek, Public Utilities Deputy Director

The Protocol is accepted by Metro TAC/ Metro JPA/ Metro Commission on behalf of the Participating Agencies pursuant to the terms and conditions set forth in the attachment hereto:

Date: 5/6/10



The Joint Powers Authority Proactively Addressing Regional Wastewater Issues

Chula Vista • Coronado • Del Mar • Imperial Beach • La Mesa • Lemon Grove Sanitation District
National City • Otay Water District • Poway • Padre Dam Municipal Water District
County of San Diego, representing East Otay, Lakeside/Alpine, Spring Valley & Winter Gardens Sanitation Districts

Administrative Protocol on Allocation of Operating Reserves and Debt Service Coverage to Participating Agencies

BACKGROUND:

In early 2008 the MetroTAC formed a working group in response to the City of San Diego's request for \$20 million in funding in FYE 2009 from the Participating Agencies ("PAs") for operating reserves and debt service coverage. The working group continued to meet with City of San Diego staff regarding the establishment of a mutually agreed upon protocol through early February 2010. A summary of the City of San Diego's 2008 proposal and the negotiated 2010 protocol is included as Attachment A.

At its regular meeting of February 17, 2010, the MetroTAC approved the following recommendations to move to the Finance Committee of the Metro Wastewater JPA and thereafter to the Metro Commission/ Metro Wastewater JPA for discussion and action:

- Proceed with PAs funding a 1.2 debt service ratio coverage
- Proceed with PAs funding a 45 day operating reserves
- The PAs will fund no other reserves
- FY07 and FY08 refund monies will be used to fund the operating reserves
- Interest accrual on operating reserves and undesignated accounts will start with FY10 (beginning on July 1, 2009)

The Finance Committee of the Metro Wastewater JPA, at its February 24, 2010 meeting, took action to recommend approval of the above, by the Metro Commission/ Metro Wastewater JPA. At its March 4, 2010 meeting, the Metro Commission/ Metro Wastewater JPA, comprised of representatives of the PAs, approved the components of the negotiated policy, with the understanding that any such policy would serve as an administrative protocol regarding the allocation of debt service coverage to the PAs and funding of operating reserves by the PAs.

PROTOCOL REGARDING PA FUNDING OF OPERATING RESERVES:

Background:

Operating reserves are established to provide funding for unforeseen events that might occur during the course of the fiscal year such as unforeseen major maintenance or capital projects. The PAs performed a survey of other regional wholesale agencies and determined that agencies such as the San Diego County Water Authority maintain a 45 day operating reserves. Although the City of San Diego's current policy is to increase operating reserves for its retail customers from 45 to 70 days, the City realizes that if a major maintenance incident should occur it can immediately request payment from the PAs per the Regional Wastewater Disposal Agreement. The City of San Diego's retail customer's rates cannot be immediately increased due to Proposition 218 requirements for noticing and public hearings.

Protocol:

Attachment B is a summary of the funding strategy showing each PAs 2007 and 2008 refunds based on recent City Metro Wastewater Exhibit E audits. The refunds will be used to fund the PAs 45 day operating reserves contribution. In the majority of cases most PAs will see a refund even after they have

fully funded their portion of the operating reserves. PAs that do not have adequate refunds will be billed for their portion of the reserve in the next quarterly 2010 billing. The operating reserves for each fiscal year will be established based on 45 days of operating revenues as determined by the following formula:

Fiscal Year Estimated Operating Expenses (not including CIP and debt service)

365 days X 45 days

The number of days included in the calculation cannot be changed without prior consent of the PAs.

The operating reserves will be maintained by the City of San Diego and interest will accrue on a monthly basis based on actual interest rates on the City's investments. This interest revenue will be added to the PAs undesignated fund balance for that fiscal year. As part of each year's Exhibit E audit the actual required operating reserves and interest earned on it will be determined and audited by the City of San Diego's external auditors and PA representatives. A summary of the operating reserves balance and interest earned for each PA will be included as a footnote or attachment to the City Metro Wastewater Exhibit E Audit.

PROTOCOL REGARDING ALLOCATION OF DEBT SERVICE COVERAGE TO PAs

Background:

A 1.2 debt service coverage ratio is a requirement for all of the outstanding Metro parity debt. A cash flow prepared by the City of San Diego shows (Attachment C) that if the PAs are billed at the current level (\$65 million annually to cover the PAs portion of operations, pay-go capital, and debt service expense) for the next three to five years that this requirement can be achieved without additional contributions by the PAs. This provides the PAs a stable projected annual Metro contribution for the next three to five years.

Protocol:

The PAs will maintain through annual contributions and use of PA undesignated fund balance a positive cash flow not to exceed 1.2 times the PA share of the required annual debt service on Metro Debt. The debt service coverage ratio of 1.2 cannot be changed without prior consent of the PAs.

The undesignated fund balance will be maintained by the City of San Diego and interest will accrue on a monthly basis based on actual interest rates on the City's investments. This interest revenue will be added to the PAs undesignated fund balance for that fiscal year.

As part of each year's Exhibit E audit the actual required reserve coverage and interest earned on the undesignated fund balance will be determined and audited by the City of San Diego's external auditors and PA representatives. A summary of the debt service coverage requirement and portion of interest earned on the undesignated fund balance for each PA will be included as a footnote or attachment to the City Metro Wastewater Exhibit E Audit.

If the cash flow in any year does not provide the required 1.2 debt service coverage the PAs will be billed the additional required revenue including interest.

Draft

Schedule of Participating Agency Contributions to Operations Reserve and Debt Service Coverage Cash flow FY 2007-2011
Prepared on: February 23, 2010

HOW TO READ CASH FLOW SPREADSHEET:

Blue font = data inputted directly into spreadsheet

Green font = data imported from another spreadsheet in workbook

Black font = Calculation; see legend to determine calculation

Green font = data imported from another spreadsheet in workbook
Black font = Calculation; see legend to determine calculation

Line #	Cash flow Component	Legend	Foot-note #	AUDITED		FY09	FY10	FY11	PROJECTED	FY13	FY14	FY15
				FY07	FY08				FY12			
1	Current Projected Revenue Stream	Input		\$54,007,596	\$63,231,038	\$57,249,960	\$64,487,408	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000	\$65,000,000
2	Annual Refund After Exhibit E Audit	Input					(8,209,431)	(1,500,000)	(3,000,000)	(2,500,000)	(2,100,000)	(1,800,000)
3	Transfer (to)/from Operating Reserve	Line 21-Prior Year					(4,281,432)	(42,814)	(43,242)	(43,675)	(44,112)	(44,553)
4	Undesignated Fund Balance Interest	Line 17 X Interest Rate	(1)				79,990	258,156	225,608	113,282	62,579	58,899
5	Operating Reserve Interest	Calculated Off-Line	(2)				164,514	166,159	167,821	169,499	171,194	172,906
6	Gross PA System Revenue	Sum(Line1:Line5)		\$54,007,596	\$63,231,038	\$57,249,960	\$52,241,049	\$63,881,500	\$62,350,187	\$62,739,106	\$63,089,661	\$63,387,252
7	Less:											
8	PA Estimated Total Operating Expenses	Prior year X 1.01	(3)	\$32,304,298	\$37,150,042	\$34,727,170	\$34,727,170	\$35,074,442	\$35,425,186	\$35,779,438	\$36,137,232	\$36,498,605
9												
10	Net PA System Revenue	Line 6 - Line 8		\$21,703,298	\$26,080,996	\$22,522,790	\$17,513,879	\$28,807,059	\$26,925,001	\$26,959,668	\$26,952,429	\$26,888,647
11												
12	PA Annual Debt Service Payment	Calculated Off-Line		\$20,373,393	\$19,850,051	\$20,441,069	\$24,049,989	\$24,043,880	\$22,479,039	\$22,478,266	\$22,478,075	\$22,478,730
13	CIP Pay Go – 20% of Projected CIP	Input	(4)	(4,417,502)	(512,512)	-	1,318,048	5,610,210	7,369,218	5,800,940	4,570,129	4,655,009
14	Total CIP and Debt Service	Line 12 + 13		15,955,891	19,337,539	20,441,069	25,368,037	29,654,090	29,848,257	28,279,206	27,048,204	27,133,739
15												
16	Net Income after CIP and Debt Service	Line 10 - 14		\$5,747,407	\$6,743,457	\$2,081,721	(\$7,854,157)	(\$847,032)	(\$2,923,257)	(\$1,319,537)	(\$95,775)	(\$245,092)
17	PA Undesignated Fund Balance	Line 16 + Prior Year		\$5,747,407	\$12,490,864	\$14,572,585	\$6,718,428	\$5,871,396	\$2,948,139	\$1,628,602	\$1,532,827	\$1,287,735
18												
19	Calculated Debt Service Ratio	Line 10/Line 12	(5)				0.73	1.20	1.20	1.20	1.20	1.20
20												
21	Operating Reserve (45 days)	(Line 8/365 days) X 45 days					\$4,281,432	\$4,324,246	\$4,367,489	\$4,411,164	\$4,455,275	\$4,499,828

Footnotes:

Footnotes:

- (1) average of current year ending balance + prior year ending balance times 3.2%
- (2) average monthly balance times LAIF rate (first year calculated at half year interest)
- (3) FY09 based on average of FY07 & FY08 then 1% inflation
- (4) 20% of projected Metro CIP
- (5) Minimum coverage requirement 1.2 time annual Metro debt service

FY10 Operating Reserve Calc:

PA Operating Expenses:	\$34,727,170
divided by:	365
Equals:	\$95,143
Times:	45
45 day Operating Reserve:	\$4,281,432

FY10 Operating Reserve Interest Calc:

PA Operating Expenses:	\$4,281,432
Times ave monthly LAIF interest Rate:	0.038425 (range from 3.18% to 4.53% per month)
FY10 Estimated interest Earned:	\$164,514

FY07-FY08 Operating Reserve Rate Stabilization
Based on 2008 Flows
FINAL

Agency	EXHIBIT E AUDIT ADJUSTMENTS			2008 FLOWS & LOADS		
	FY 2007	FY 2008	TOTAL	2008 FLOWS & LOADS	OPERATING RESERVE	NET
CHULA VISTA	(\$1,837,010)	(\$2,100,751)	(\$3,937,761)	28.083%	\$1,202,374	(\$2,735,387)
CORONADO	(\$189,910)	(\$366,858)	(\$556,768)	3.356%	\$143,693	(\$413,075)
DEL MAR	(\$87,785)	(\$103,913)	(\$191,698)	1.029%	\$44,061	(\$147,637)
EL CAJON	(\$290,369)	\$66,888	(\$223,481)	15.270%	\$653,789	\$430,308
IMPERIAL BEACH	(\$132,300)	(\$130,153)	(\$262,453)	3.652%	\$156,373	(\$106,080)
LA MESA	(\$99,793)	(\$40,190)	(\$139,983)	8.842%	\$378,561	\$238,578
LAKESIDE/ALPINE	(\$293,313)	(\$243,206)	(\$536,519)	5.357%	\$229,368	(\$307,151)
LEMON GROVE	(\$147,034)	(\$195,043)	(\$342,077)	3.611%	\$154,615	(\$187,462)
NATIONAL CITY	(\$637,379)	(\$947,043)	(\$1,584,422)	7.572%	\$324,211	(\$1,260,211)
OTAY	\$123,792	(\$138,545)	(\$14,753)	0.459%	\$19,668	\$4,915
PADRE DAM	(\$789,976)	(\$1,752,218)	(\$2,542,194)	5.198%	\$222,537	(\$2,319,657)
POWAY	(\$683,251)	\$130,168	(\$553,083)	5.770%	\$247,021	(\$306,062)
SPRING VALLEY	(\$611,093)	(\$667,539)	(\$1,278,632)	10.316%	\$441,691	(\$836,941)
WINTERGARDENS	(\$71,984)	(\$56,162)	(\$128,146)	1.482%	\$63,470	(\$64,676)
TOTAL	(\$5,747,405)	(\$6,544,565)	(\$12,291,970)	100%	\$4,281,432	\$ (8,010,538.00)