



**Regular Meeting of the
Metro Wastewater JPA/Metro Commission**

AGENDA

Thursday, June 5, 2025 - 12:00 p.m.

9192 Topaz Way (PUD MOC II) Auditorium, San Diego, CA

"The Metro JPA's mission is to create an equitable partnership with the San Diego City Council and Mayor on regional wastewater issues. Through stakeholder collaboration, open dialogue, and data analysis, the partnership seeks to ensure fair rates for participating agencies, concern for the environment, and regionally balanced decisions."

NOTE: ANY MEMBER OF THE PUBLIC MAY ADDRESS THE METRO WASTEWATER JPA/COMMISSION ON ANY AGENDA ITEM. PLEASE COMPLETE A SPEAKER SLIP AND SUBMIT IT TO THE BOARD SECRETARY PRIOR TO THE START OF THE MEETING, IF POSSIBLE, OR IN ADVANCE OF THE SPECIFIC ITEM BEING CALLED. COMMENTS ARE LIMITED TO THREE (3) MINUTES PER INDIVIDUAL

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1. **ROLL CALL**
 2. **PLEDGE OF ALLEGIANCE**
 3. **PUBLIC COMMENT:** *Persons speaking during Public Comment may address the Metro Wastewater JPA/Metro Commission on any subject matter within the jurisdiction of the Metro Wastewater JPA/Metro Commission that is not listed as an agenda item. Comments are limited to three (3) minutes.*
 4. **ACTION:** Approval of Agenda

CONSENT CALENDAR

Items **5-6** will be enacted in one motion in accordance with the recommendation unless removed from the Consent Calendar by the Board of Directors, Staff or Public. If a member of the public wishes to remove an item, they should submit a "Request to Speak" form to the Board Secretary prior to the meeting. Items removed from the Consent Calendar will be considered in the original agenda order immediately following adoption of the Consent Calendar.

RECOMMENDATION: Approve the Consent Calendar

5. **ACTION:** Consideration and Possible Action to Approve the Minutes of **May 1, 2025 (Attachment)**
6. **ACTION:** Receive and File Check Registry – Monthly Expense Report for the Month of April, 2025 **(Attachment)**

END OF CONSENT CALENDAR

7. **ACTION:** Consideration and Possible Action to Approve to the FY 2026 JPA Budget - (Approved by FC & TAC) - (Karyn Keze/Lee Ann Jones-Santos) **(Attachment)**
8. **ACTION:** Consideration and Possible Action to Approve the Following Items Relating to FY 2026 JPA Budget - (Approved by FC & TAC):
 - a. CLA (Auditor Contract) **(Attachment)** (Lee Ann Jones-Santos/Karyn Keze)
 - b. Executive Director Contract **(Attachment)** (Adriana Ochoa)
 - c. Treasurer's Contract **(Attachment)** (Karyn Keze)
 - d. Termination Letter - NV5 **(Attachment)** (Karyn Keze)
9. **ACTION:** Consideration and Possible Action to Approve the Following Chemical Contracts - (Approved by TAC):
 - a. Contract with Pencco, Inc. to purchase Ferric Chloride at the North City Water Reclamation Plant) **(Attachment)** (Craig Boyd/Tim Carroll)
 - b. First Amendment to the Contract with Polydyne Inc. to purchase Anionic Polymer; adding the North City Water Reclamation Plant **(Attachment)** (Craig Boyd, Tim Carroll)
 - c. Contract with JCI Jones Chemicals Inc. to purchase Sodium Hypochlorite for Water and Wastewater Facilities **(Attachment)** (Craig Boyd/Tim Carroll)
10. **DISCUSSION:** Continued SARA Review (Adriana Ochoa)
11. **UPDATE:** Metro Wastewater (General) (Standing Item) (Lisa Celaya)
12. **UPDATE:** Metro Wastewater Financial (Standing Item) (Adam Jones)
13. **REPORT:** General Counsel (Standing Item) (Adriana Ochoa)
14. **REPORT:** Metro JPA Executive Director's Report April 2025 (Standing Item) (Karyn Keze) **(Attachment)**
15. **REPORT:** Metro TAC Chair's Report May 2025 (Standing Item) (Blake Behringer) **(Attachment)**

16. **METRO JPA DIRECTORS/COMMISSIONERS COMMENTS AND PROPOSED AGENDA ITEMS** for Next Metro JPA/Commission Special Meeting **July 10, 2025.**
17. **ADJOURNMENT**

NOTE: The Metro Wastewater JPA and/or Commission may take action on any item listed in this Agenda whether or not it is listed "For Action."

Materials provided to the Metro JPA/Metro Commission related to any open-session item on this agenda are available for public review at our website: <https://www.metrojpa.org>

In compliance with the AMERICANS WITH DISABILITIES ACT

Persons with disabilities that require modifications or accommodations, please *contact General Counsel Adriana Ochoa at arochoa@swlaw.com* by no later than two hours prior.

to the meeting to request reasonable modifications or accommodations consistent with the Americans with Disabilities Act and Metro JPA/Commission shall promptly work with you to resolve the matter in favor of accessibility.

Metro JPA 2025 Regular Meeting Schedule

January 2, 2025	February 6, 2025	March 6, 2025
April 3, 2025	May 1, 2025	June 5, 2025
July 3, 2025	August 7, 2025	September 4, 2025
October 2, 2025	November 6, 2025	December 4, 2025



**Minutes of the Regular Meeting of
the Metro Wastewater JPA and
Metro Commission**

9192 Topaz Way (PUD MOC II) Auditorium, San Diego, CA

May 1, 2025

Minutes

Chair Jones called the meeting to order at 12:04 p.m. A quorum of the Metro JPA/Commission was declared, and the following representatives were present:

1. ROLL CALL

<u>Agencies</u>	<u>Representatives</u>	<u>Alternate</u>
City of Chula Vista	Jose Preciado (absent)	Inzunza
City of Coronado	Kelly Purvis	
City of Del Mar	Dwight Worden	
City of El Cajon	Gary Kendrick	
City of Imperial Beach	Mitch McKay	
City of La Mesa	Bill Baber (absent)	
Lemon Grove San District	Jerry Jones	
City of National City	Ditas Yamane	
City of Poway	Peter De Hoff	
County of San Diego	Joel Anderson (absent)	Andrew Hayes
Otay Water District	Mark Robak	
Padre Dam MWD	Kyle Swanson (absent)	Lewis Clapp

Others present: Metro JPA General Counsel Adriana Ochoa – Snell & Wilmer Law; Metro JPA/Commission Board Secretary Lori Anne Peoples; None – City of Chula Vista; None – City of Coronado; Blake Behringer - City of El Cajon; None – City of Imperial Beach; Joe Kuhn – City of La Mesa; None – Lemon Grove Sanitation District; Carmen Kasner – City of National City; Beth Gentry – Otay Water District; Peejay Tubongbauna – Padre Dam Municipal Water District; Troy DePriest – City of Poway; Lisa Celaya, Adam Jones, Doug Campbell, - City of San Diego Staff; Ben Stewart (remote), Doug Owen – Stantec – City of San Diego Consultant; None – County of San Diego; Metro JPA Staff: Karyn Keze, Executive Director, The Keze Group; Lee Ann Jones-Santos, Assistant Treasurer; and Kathleen Noel, Wilson Engineering

2. PLEDGE OF ALLEGIANCE TO THE FLAG

Alternate Director Hayes, County of San Diego, led the pledge.

3. **PUBLIC COMMENT**

None.

4. **ACTION: APPROVAL OF AGENDA**

CONSIDERATION AND POSSIBLE ACTION TO APPROVE CONSENT CALENDAR ITEMS 5, 6 AND 7

5. **ACTION: Consideration and Possible Action to Approve the Minutes of April 3, 2025**

6. **ACTION: Receive and File Check Registry Monthly Expense Report for the Month of March 2025**

7. **ACTION: Consideration and Possible Action to Approve the Metro Wastewater JPA Treasurer's Report Ending March 31, 2025**

ACTION: Motion by Alternate Director Hayes, seconded by Vice Chair De Hoff to approve the Consent Calendar Items 5, 6 and 7. Motion carried as follows:

AYES: Inzunza, Purvis, Worden, Kendrick, McKay, Jones, Yamane, Robak, Clapp, De Hoff, Hayes

NAYS: None

ABSTAIN: None

ABSENT: Baber

8. **ACTION: Consideration and Possible Approval of Resolution No. 2025-03 – Resolution of the Board of Directors of the Metro Wastewater Joint Powers Authority Approving the Metro Wastewater Joint Powers Authority Investment Policy**

Executive Director Keze provided a brief introduction noting that the Investment Policy is part of the larger Policy & Procedures Manual that was reviewed twice by the Finance Committee and approved in March to bring forward to the Board for approval. Consideration of the remaining portions of the manual has been deferred until the August meeting to accommodate the review and discussions on SARA. There has never been an investment policy in the past, and current authorities only allow deposits in a regular bank savings account, which earns minimal interest. Given the significant rate differential between other investment instruments such as LAIF, the JPA Financial Team recommend exploring alternatives to better utilize available reserves as outlined in the proposed investment policy.

Finance Committee Chair De Hoff stated that the Committee supports the proposal and recommends prompt approval.

Executive Director Keze responded to questions regarding the moving of monies to CAMP noting that it appeared LAIF was the easiest to work with and their interest rates were both comparable, so staff is proposing to go forward with LAIF at the moment to maximize earnings and then complete the paperwork recently received from CAMP and have that for a backup. Assistant Treasurer Lee Ann Jones-Santos, also responded to questions regarding moving money from one entity to the other, stated that staff would have to return to the Board for authorization to use CAMP. Although it is included in the investment policy, the specifics provided by CAMP require additional review and paperwork, and in that, she would request authorization to be included so they would be prepared should it be decided in the future to move monies between the two entities.

ACTION: Motion by Vice Chair De Hoff, seconded by Director Yamane, to approve Resolution No. 2025-03. Motion carried as follows:

AYES: Inzunza, Purvis, Worden, Kendrick, McKay, Jones, Yamane, Robak, Clapp, De Hoff, Hayes
NAYS: None
ABSTAIN: None
ABSENT: Baber

9. **ACTION: Consideration and Possible Approval of Resolution No. 2025-04 – Resolution of the Metro Wastewater Joint Powers Authority Authorizing Investment of Monies in the Local Agency Investment Fund**

Executive Director Keze stated that this was a resolution provided by LAIF that was needed to do business with them. There was one typo in the original resolution that had been corrected. Approval of this resolution will allow us to start moving money from reserves in our savings account to LAIF. Assistant Treasurer Lee Ann Jones-Santos stated that the cash balance currently in the savings account was approximately \$875,000 with approximately \$16,000 in the checking account after the last invoices were paid. Additionally, she added that with permission and approvals, collaborating with the Executive Director and Treasurer, staff will have the necessary internal controls related to the transfers and approvals.

ACTION: Motion by Alternate Director Hayes, seconded by Director Worden, to approve Resolution No. 2025-04. Motion carried as follows:

AYES: Inzunza, Purvis, Worden, Kendrick, McKay, Jones, Yamane, Robak, Clapp, De Hoff, Hayes
NAYS: None
ABSTAIN: None
ABSENT: Baber

10. **PRESENTATION/DISCUSSION: Second Amended Restated Regional Wastewater Disposal Agreement (SARA): Functional Allocated Billing (FAB) Methodology**

Ben Stewart of STANTEC appeared remotely and provided a brief overview of his PowerPoint presentation included in the agenda package.

Chair Jones requested that terminology be clarified for elected officials rather than engineers in the presentation. Kathleen Noel (Dexter Wilson Engineering) explained that RSDP refers to Reject Stream from Demineralization Projects, a distinct category of brine generated by the Metro North City Pure Water Facility and the ECAWP JPA Project. This stream differs in composition and volume from general brine and is conveyed via a dedicated line directly to Point Loma, bypassing North City and South Bay. Executive Director Keze added that STANTEC conducted detailed studies confirming RSDP's impact on Point Loma, warranting its inclusion in the billing system, with related sludge managed at the Metro Biosolids Center (MBC). In response to an inquiry by Director Worden, General Counsel noted that Section 2.5.5 and the pretreatment process were the most challenging SARA items. Further discussion will follow under the next item.

11. **DISCUSSION/ACTION: Discussion and Possible Action or Direction Relating to the Status and Review of the Second Amended and Restated Regional Wastewater Disposal Agreement with City of San Diego (SARA)**

a. TAC Recommendation

b. Pretreatment Administrative Agreement Discussion

Executive Director Keze gave a brief introduction and summarized her PowerPoint presentation included in the agenda packet. She noted that while a vote on SARA had been anticipated at this meeting per the Ad Hoc recommendation, TAC requested additional time at their April meeting. In response, the Executive Team developed a revised meeting schedule as shown in the PowerPoint, which was reviewed by the JPA Chair(s) and TAC leadership at their monthly agenda meeting. Chair Jones expressed support for honoring TAC's request and asked if there were any objections; none were raised.

General Counsel Ochoa reported that she had substantive discussions with Del Mar and National City regarding SARA, and their comments and proposed revisions have been incorporated into a redline and shared with San Diego. She also held an in-depth discussion with Chula Vista's legal team and anticipates a follow-up. She plans to schedule a legal counsel Zoom meeting by tomorrow if possible. She provided a brief overview of the next steps, noting efforts to align progress with the Pretreatment Administrative Agreement with the proposed SARA approval timeline. In response to a question from Director Worden, Ms. Ochoa expressed hope that all PAs will approve SARA by the end of the calendar year.

12. **DISCUSSION/ACTION: Consideration and Possible Action to Reschedule the July Regular Board Meeting Date to June 26, 2025, or Other Date**

Executive Director Keze noted the proposed date change was due to the regular July meeting falling on July 3rd, just before the July 4th holiday. June 26th was considered, as it follows the June 18th Metro TAC meeting where SARA action is expected. After discussion, the majority of Directors preferred to reschedule the meeting to July 10th at noon in the auditorium.

ACTION: Motion by Director Robak, seconded by Director Yamane, to cancel the July 3, 2025, Regular meeting and hold a Special meeting on July 10, 2025. Motion carried as follows:

AYES: Inzunza, Purvis, Worden, Kendrick, McKay, Jones, Yamane, Robak, Clapp, De Hoff, Hayes
NAYS: None
ABSTAIN: None
ABSENT: Baber

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

Lisa Celaya, City of San Diego stated that the Regional Board reviewed the 2023 sewer spill settlement, they had their comment period with no comments received and will now forward this to be considered by their Board at their June meeting. Additionally, Ms. Celaya noted that the regulators were back on schedule with audits and so far, nothing major has been found.

14. **UPDATE: Pure Water Program (Standing Item)**

a. Quarterly Construction Update

Doug Owen (STANTEC) gave a brief overview of the spreadsheet included in the agenda packet. Executive Director Keze stated she was very pleased to see the Morena group reaching 60% completion and asked if this would allow for earlier increased flow and thus higher repurified water production. Mr. Owen confirmed, noting that starting mid-next year, flows will ramp up to 7, then 15, and eventually 30 MGD. Vice Chair De Hoff requested that future quarterly updates include a specific column for quarterly change orders, which Director Yamane supported, suggesting inclusion of percentage values. In response to Director Robak's question, Mr. Owen stated the project is expected to come online in early 2027, and Ms. Celaya noted this is well ahead of the required deadline.

15. **UPDATE: Metro Wastewater Financial (Standing Item)**

Adam Jones, City of San Diego provided a brief update noting that the Public Utilities Department would be presenting their budget on the morning of

Wednesday May 7th to San Diego City Council and the Engineering Capital Projects team will present in the afternoon. On May 15th, the Mayor will present his proposed revisions to the budget with the City Council will consider for adoption on Tuesday, June 10th. Lastly, Mr. Jones reported that the spill settlement payment to the Regional Board will be made this fiscal year. PUD will include the charges in this year's budget, but no supplemental billings to the PAs are planned. Any necessary billing adjustments due to increased costs will be addressed through the year-end audit process.

16. **REPORT: General Counsel (Standing Item)**

General Counsel stated she would be attending the California Association for Sanitation Agencies Attorney's group meeting next Friday and will report back anything pertinent to the JPA.

17. **REPORT: Metro JPA Executive Director's Report February 2025 (Standing Item)**

Executive Director Keze thanked San Diego for putting up with the on again, off again North Cities Pure Water Plant tour schedule which she has now postponed until August/September to accommodate SARA discussions at Board Meetings.

18. **REPORT: Metro TAC Chair's Report February 2025 (Standing Item)**

Metro TAC Chair Behringer stated that TAC members met earlier prior to this meeting and planned to hold a couple more meetings to keep progressing on their SARA review.

19. **METRO JPA DIRECTORS/COMMISSIONERS COMMENTS AND PROPOSED AGENDA ITEMS for Next Metro JPA/Commission Meeting June 5, 2025.**

None.

20. **ADJOURNMENT**

Chair Jones declared the meeting adjourned at 1:44 p.m.

Monthly Expense Report

MetroJPA

Invoices for April 2025 paid in May 2025

Prepared by

Treasurer@metrojpa.org

Prepared on

May 12, 2025

MetroJPA
Expenses by Vendor Summary
May 12, 2025

	Total
Andrew Hayes	184.90
Dexter Wilson Engineering	9,420.00
Ditas Yamane	185.60
Donald Dwight Worden	166.00
Gary Kendrick	332.00
Jerrold L. Jones	849.60
Jose Preciado	498.00
Kelly Purvis	184.20
Keze Group LLC	13,494.00
Lee Ann Jones-Santos	702.00
Lori Anne Peoples	9,999.43
Mark Robak	194.00
Michael Inzunza	185.60
Mitchell D McKay	166.00
Peter De Hoff	692.00
Snell and Wilmer Law	20,269.15
William Baber	166.00
Credit Card Expenses	924.49
TOTAL	\$ 58,612.97

Monday, May 12, 2025 06:14:02 PM GMT-7 - Accrual Basis



METRO WASTEWATER JPA

FY 2026 DRAFT OPERATING BUDGET

JUNE 5, 2025

Metro Wastewater JPA Mission Statement (2025)

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

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

Thank You to the City of San Diego for Pictures of the Pure Water Program Phase 1 Projects.

Cover: North City Water Reclamation Plant EQ Basin: Falsework erection for rooftop. Columns and stringers are installed; nearing completion of joists and sheeting installation. January 2025



TO: Metro Wastewater JPA Directors
FROM: Karyn L. Keze, Executive Director
DATE: June 5, 2025
RE: Agenda Item No. 7: FY 2026 JPA OPERATING BUDGET

Over the past five years, the Metro Wastewater JPA has evolved from an observer to an active participant in regional wastewater—and, at times, water—issues affecting the San Diego Metro System. Prior to FY 2020, the JPA’s technical role focused primarily on reviewing Metro costs through the annual Exhibit E audit. That began to change with the first Amended and Restated Agreement (ARA) negotiations, when engineering consultants were engaged to support capital and operations cost reviews for Pure Water Phase 1.

As a result, JPA engineering and financial consultants helped secure more accurate and equitable cost allocations for Pure Water Phase 1 construction, resulting in over \$190 million (16%) in project costs being shifted from the Metro System to the City’s water utility. This adjustment directly reduced the financial burden on the Participating Agencies. To support this expanded technical oversight, the JPA Operating Budget increased accordingly.

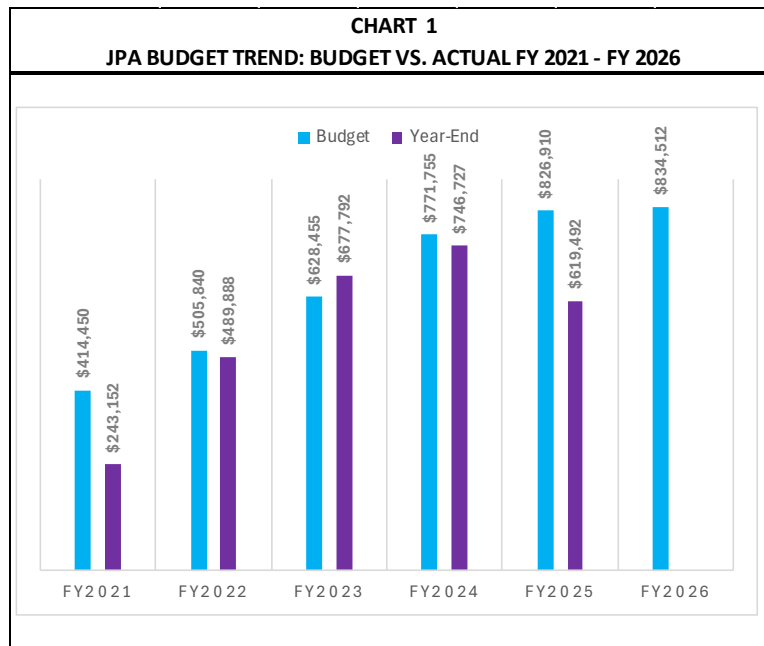
With the beginning of drafting of the Second ARA (SARA) in April 2021, JPA consultants began partnering with City of San Diego PUD staff in creating a new operating agreement. This collaboration led to increased input and eventual drafting of SARA language and the creation of the new Metro billing system, the Functional Allocated Billing (FAB) system which were released in draft format for review and the start of the implementation process in March 2025 to the Metro TAC and April 2025 JPA/Commission Directors.

Today, JPA consultants are also engaged in planning for key infrastructure rehabilitation projects (Pump Station 1 (PS1), Pump Station 2 (PS2), and Pt. Loma), as well as Pure Water Phase 2, supporting compliance with Regional Board Executive Orders tied to sewer spills, and co-managing a region-wide Inflow and Infiltration (I&I) Study with PUD staff.

With SARA and FAB now drafted, the consultants’ role is shifting to implementation. As part of this transition, and following the retirement of NV5’s Scott Tulloch, the FY 2026

Operating Budget reflects a \$30,000 reduction in engineering services. This helps offset the \$23,630 cost of the bi-annual audit (covering FY 2024 and FY 2025), which is due this fiscal year.

Chart 1 summarizes the trend in the JPA’s Operating Expenditures from FY 2021 to present, showing both budget and actuals for FY 2021 – FY 2024, FY 2025’s budget and projected actuals, and FY 2026’s draft Operating Budget amounts.



ORGANIZATIONAL AND STRATEGIC PLANNING PROGRESS

Over the past two years, the Metro Wastewater JPA has taken key steps to formalize its internal operations and strengthen its capacity to manage regional responsibilities.

In FY 2024, the JPA formed a Reorganization AdHoc Committee, which resulted in the development of the agency’s first formal organizational structure. This included clarifying the roles of consultants, designating a central point of administrative coordination, and establishing the position of Executive Director. These changes provided the JPA with a defined framework for internal management and decision-making. **(See Attachment 1: Organizational Chart.)**

In FY 2025, a Strategic Planning AdHoc Committee was created to develop a set of Strategic Goals and Objectives to guide the agency’s work over the next five years. These priorities reflect the JPA’s evolving responsibilities and expanded technical role in regional wastewater planning. The FY 2026 Operating Budget aligns with this

direction, and a formal Strategic Plan will be developed during FY 2026 incorporating these Goals and Objectives. **(See Attachment 2.)**

Also in FY 2025, the Board established a Succession Planning AdHoc Committee to continue the review of the JPA's current structure and staffing model. The committee's work will begin in July 2025, in anticipation of the June 30, 2026, expiration of all major consultant contracts. This review will help the JPA evaluate future staffing needs and determine the most effective structure to support its ongoing responsibilities.

Together, these efforts have provided the JPA with a more consistent structure for planning, coordination, and communication as it moves into the implementation phase of SARA, FAB, and other regional initiatives.

FY 2025 MILESTONES

FY 2025 was a year of key progress in governance, financial management, and planning. These accomplishments created a strong foundation for the JPA's future work and increased responsibilities. Highlights of the year include:

1. **Released the draft SARA** to the Metro TAC in March and to the JPA Board in April, formally launching the review and implementation process for the Second Amended and Restated Agreement.
2. **Finalized the draft Functional Allocated Billing (FAB) methodology**, presented to TAC in April and the JPA Board in May. Stantec is preparing the final report, which will guide future Metro cost allocations for the participating agencies.
3. **Engaged an independent Treasurer and CPA for the first time**, strengthening financial oversight and enabling the development of the JPA's first *Policies and Procedures Manual*. The manual was approved by the Finance Committee in March 2025; formal release is deferred to August 2025 to maintain focus on SARA. The draft is available for review in the "News" section of the JPA website at www.metrojpa.org.
4. **Adopted updated Strategic Goals and Objectives** to guide the JPA's direction over the next five years. These will form the basis of a formal Strategic Plan to be finalized in FY 2026.
5. **Approved the JPA's first Investment Policy**, authorizing participation in the State's Local Agency Investment Fund (LAIF) to improve interest earnings on reserves and strengthen long-term financial stewardship.
6. **Partnered with the City of San Diego to establish the Regional I&I Committee**, chaired by JPA Engineering Staff. This committee coordinates efforts to address inflow and infiltration issues across the Metro System.

LOOKING AHEAD TO FY 2026

In FY 2026, the JPA will begin putting that work into practice—supporting SARA and FAB implementation, contributing to major project planning, and helping coordinate regional efforts. Priorities for the coming year include:

- **Implementing SARA and the FAB methodology** in coordination with the City of San Diego as part of the transition to the new agreement and billing system.
- **Facilitating and advancing regional inflow and infiltration efforts** through continued leadership and participation in the Regional I&I Committee.
- **Participating in and providing input into the planning and design of major Metro facilities**, including rehabilitation projects at PS1 and PS2 and Pure Water Phase 2.
- **Launching the work of the Succession Planning AdHoc Committee** to assess future staffing and consultant needs in anticipation of the June 30, 2026, expiration of all major consultant contracts.

These steps will ensure the JPA continues to serve as a knowledgeable and engaged partner with the City of San Diego in managing and planning the region's wastewater system.

METRO WASTEWATER JPA FY 2025 OPERATING BUDGET FY 2026 OPERATING BUDGET OVERVIEW

INTRODUCTION

The JPA's FY2026 Operating Budget has been established to meet the adopted strategic planning framework. A summary of the proposed FY 2026 Operating Budget is presented in **Table 1**.

TABLE 1 FY 2026 PROPOSED OPERATING BUDGET		
Administration & Finance	\$322,800	39%
General & Administrative Expens	\$ 15,632	2%
Professional Services	\$496,080	59%
TOTAL	\$834,512	100%

The detailed FY 2026 Operating Budget, along with a comparison to prior-year actuals, is provided in **Attachments 3 and 4**. Most core expenses remain unchanged. Some costs have been updated based on contract reviews and adjustments to scopes of work. A few new or increased costs are included to meet current operational needs and planned activities in FY 2026.

SECTION ONE: CONTRACT REVIEW AND FY 2026 PROGRAM EXPENSE UPDATES

The FY 2026 Operating Budget reflects a slight increase of \$7,602 or 1% overall increase from FY 2025 as shown in **Table 2**. **Table 2** shows not only the approved FY 2025 Operating Budget but also the projected forecast for year-ending June 30, 2025. A full line-item detail of the projected FY 2025 budget versus actual expenses is included as **Attachment 3**.

TABLE 2 FY 2025 VS. FY 2026 PROPOSED OPERATING BUDGET						
	FY 2025 Budget			FY 2026 Budget		
	Approved	Forecast	Difference	Proposed	Difference	
Administration & Finance	\$ 295,700	\$ 293,978	\$ (1,722)	\$ 322,800	\$ 27,100	9%
General & Administrative Expenses	\$ 13,485	\$ 14,365	\$ 880	\$ 15,632	\$ 2,147	16%
Professional Services	\$ 517,725	\$ 311,149	\$(206,576)	\$ 496,080	\$(21,645)	-4%
TOTAL	\$ 826,910	\$ 619,492	\$(207,418)	\$ 834,512	\$ 7,602	1%

The majority of the FY 2026 Operating Budget remains consistent with prior years, reflecting stable contract structures and limited program changes. Some line items reflect slight increases or decreases based on existing contract terms, including standard COLA adjustments to consulting agreements. The full FY 2026 Operating Budget is included in **Attachment 4**, which also summarizes the JPA's projected cash position as of June 30, 2025. Based on current projections, the JPA is expected to end the fiscal year with a positive cash balance of \$499,968, the first such positive position in several years. This amount will fully fund both the FY 2026 Operating and Contingency Reserves, with a remaining unallocated balance of \$17,604.

The updated or new program elements included in the FY 2026 Operating Budget are summarized in **Table 3** and described in more detail following the Table.

TABLE 3 CHANGES: FY 2026 OPERATING BUDGET					
Expense:	FY 2026 Budget	Difference from FY 2025 Budget		Variances in Line Items Compared to the FY 2025 budget	
Audit Fees	\$ 23,630	\$ 23,630	100%	Two-year Audit FY 2024 and 2025	
JPA/TAC meeting expenses	\$ 6,600	\$ 600	9%	Increased number of meetings/attendees	
Per Diem - Board	\$ 55,600	\$ 27,100	49%	More frequent meetings & COLA	
Printing, Postage, Supplies	\$ 800	\$ 300	38%	Increase based on actual expense	
Engineering - NV5	\$ -	\$ (30,000)		Decrease following SARA draft completion	
Strategic Planning	\$ -	\$ (15,275)		Contract completed in FY 2025	
Telephone, Internet, Software	\$ 4,000	\$ 1,000	25%	Software contracts prices have increased.	
Website Maintenance & Hosting	\$ 3,782	\$ 247	7%	Year-Four of Contract	
TOTAL	\$ 94,412	\$ 7,602			

- **Audit Fees:**

FY 2026 includes the biannual financial audit covering FY 2024 and FY 2025, as required by law. The audit contract and scope of work with CLA was approved by the Board in February 2025, with a budget of \$23,630, the same amount as previous audits.

- **Board Per Diem:**

In accordance with Resolution 2025-2, the Board meeting per diem will increase by 5% to \$175 and the mileage allowance may increase in January 2026 based on federal guidelines. FY 2025 also introduced per diem eligibility for Board Alternates attending meetings and estimates for these are included in the FY 2026 budget. The per diem budget increases from \$28,500 to \$55,600 to accommodate these changes and provide support for the Succession Planning and Pure Water AdHoc Committees.

- **Miscellaneous Operating Expenses:**

Modest increases are reflected in several operating expense accounts, including JPA/TAC meeting expenses, printing, postage and supplies, and communications (telephone, internet, and software). The Granicus website maintenance and hosting contract, now in its fourth and final year, reflects a planned increase based on contract terms.

All major consulting contracts—including Dexter Wilson Engineering, The Keze Group, the Board Secretary, and Treasurer—are in the final year of four-year agreements. No changes to contract scopes or ceilings are proposed for FY 2026. General Counsel services provided by Snell and Wilmer, will continue under existing budget projections. With the retirement of Scott Tulloch and the completion of the draft SARA document, the NV5 contract has concluded and is no longer included in the FY 2026 budget.

SECTION TWO: FY 2026 BUDGET REVENUES

The Operating Budget has four sources of income/revenues as shown in **Table 4**: they are the annual Membership Dues charged to each JPA member for the operations of the JPA, use of prior year reserves, if any, to offset the current years' operating budget, reimbursements from the City of San Diego, and interest income:

TABLE 4 INCOME: FY 2026 OPERATING BUDGET				
Income:	FY 2026 Budget	Difference from FY 2025 Budget		Variances in Line Items Compared to the FY 2025 budget
Membership Dues	\$ 790,855	\$ -	0%	Interest offsets 1% budget increase
Use of Reserves	\$ -	\$ -	0%	No reserves are needed in FY 2026
City of San Diego	\$ 27,000	\$ (8,355)	-31%	Decrease due to Facilitation Contract ending
Interest Income	\$ 16,657	\$ 15,957	96%	Increase due to reserve funds in LAIF
	\$ 834,512	\$ 7,602	1%	

The JPA's FY 2026 revenues are shown in **Table 4** and include the following sources:

1. Membership Dues

The Participating Agencies fund the balance of the Operating Budget after accounting for all other revenue sources. Cost allocations are based on prior year flows and sewage strengths as determined in the City of San Diego's annual Metro budget and are reconciled through the Exhibit E audit process. For FY 2026, Membership Dues are budgeted at \$790,855, unchanged from FY 2025. This amount represents the total Operating Budget of \$834,512 less projected revenues from City of San Diego offsets and interest income as discussed in Items 2 – 4 following.

2. Use of Reserves

In past years, excess operating reserves were used to offset costs. No use of reserves is projected for FY 2026.

3. City of San Diego Contributions

The City continues to offset 50% of the Board Secretary cost. In prior years, the City also covered 70% of the Pure Water Facilitator contract. With the completion of the draft SARA, that contract and its associated revenue have been removed. This adjustment has no net impact on the FY 2026 budget.

4. Interest Income

FY 2026 will be the first year the JPA invests available funds in the Local Agency Investment Fund (LAIF). Interest revenue has been budgeted conservatively but is projected to be sufficient to fully offset the \$7,602 increase in the FY 2026 budget.

Table 5 shows the distribution of Membership Dues by agency. No additional contributions to reserves are required this year. A table showing Agency billings for the last three years is included as **Attachment 5**.

TABLE 5
FY 2026 BUDGET FUNDING

	PROPOSED FY 2026 BILLING**			
Agency	Per Cent	Amount		
	Agency Billing %	Total Budget Billing	Difference FY2025 Base	
Chula Vista	30.57%	\$ 241,795	\$ (19,461)	-7.4%
Coronado	2.31%	\$ 18,232	\$ (2,638)	-12.6%
County of SD*	17.40%	\$ 137,631	\$ 3,059	2.3%
Del Mar	0.02%	\$ 170	\$ (42)	-19.7%
El Cajon	16.25%	\$ 128,518	\$ 14,421	12.6%
Imperial Beach	3.92%	\$ 31,010	\$ 245	0.8%
La Mesa	6.75%	\$ 53,410	\$ (3,110)	-5.5%
Lemon Grove	2.31%	\$ 18,268	\$ (7,082)	-27.9%
National City	7.50%	\$ 59,289	\$ (1,126)	-1.9%
Otay Water District	0.55%	\$ 4,380	\$ (721)	-14.1%
Padre Dam MWD	8.40%	\$ 66,432	\$ 16,806	33.9%
Poway	4.01%	\$ 31,722	\$ (352)	-1.1%
Total	100%	\$ 790,855		

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

**Based on 4/25 San Diego Adjustments to FY 2026 Budget Estimate

Differences in agency allocations between FY 2025 and FY 2026 are mainly due to how Phase 1 Pure Water costs (Exhibit G) and individual flow and strength data affect the budget. Exhibit G allocates Phase 1 capital costs based on each agency's projected 2050 use of the Metro System and is a fixed percentage of project costs per agency.

In FY 2025, ECAWP JPA members were assigned a smaller share of the \$7.7 million in Phase 1 costs due to the Exhibit G percentages, resulting in a lower overall budget allocation for them for Metro and the JPA. However, in FY 2026, the Exhibit G allocation flips from an expense to a revenue offset. Because ECAWP JPA members are responsible for a smaller share of Phase 1 capital costs, they receive a smaller portion of this offset

(\$6.7 million) resulting in a higher net Metro budget share and, in turn, a higher JPA allocation.

SECTION THREE: FY 2026 OPERATING BUDGET PROCESS

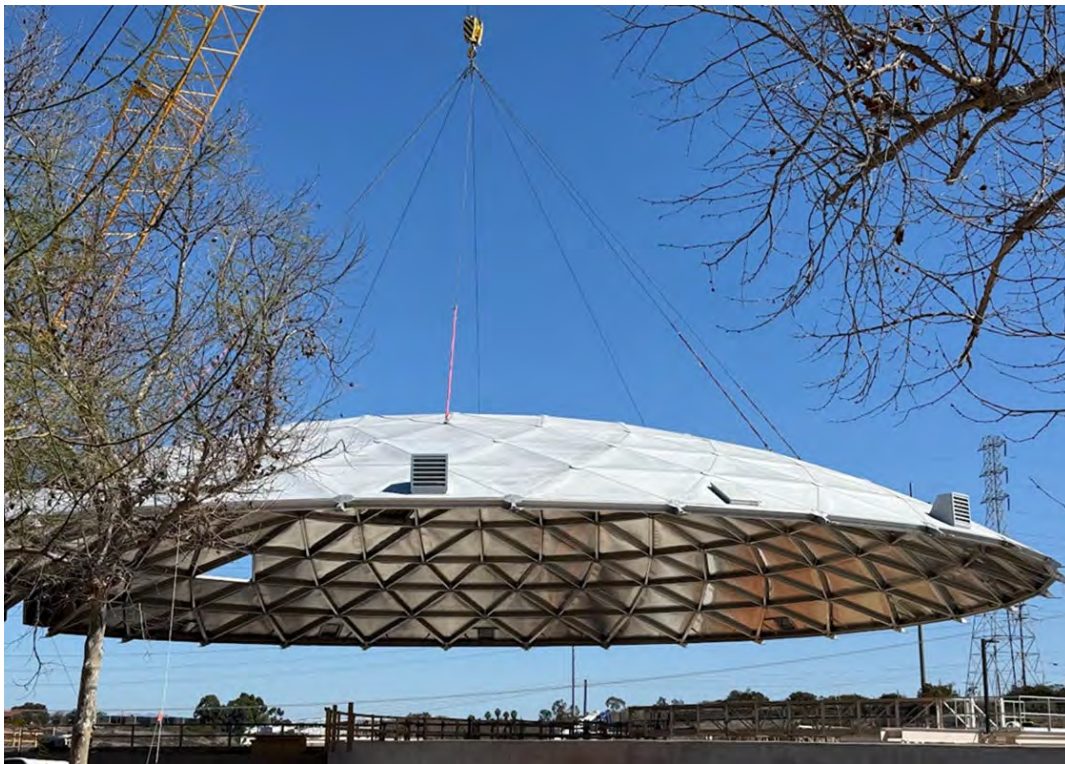
The FY 2026 Operating Budget and the contracts it contains have been reviewed twice by the Finance Committee, considering the line-item budget, current financial position, and reserve levels. They unanimously approved the budget to be moved forward to the TAC and the full Board of Directors for their review and potential approval at their March 2025 meeting.

STAFF RECOMMENDATION

1. Staff recommend that the Metro TAC and JPA Board of Directors approve the following:
 - a. The proposed **FY 2026 JPA Operating Budget**.
 - b. Issuance of **Membership Dues totaling \$790,855** to JPA member agencies, as detailed in Table 5.
2. Alternatively, the TAC and Board may **discuss and provide directions** to staff regarding modifications to the proposed budget or dues allocations or take other action as appropriate.

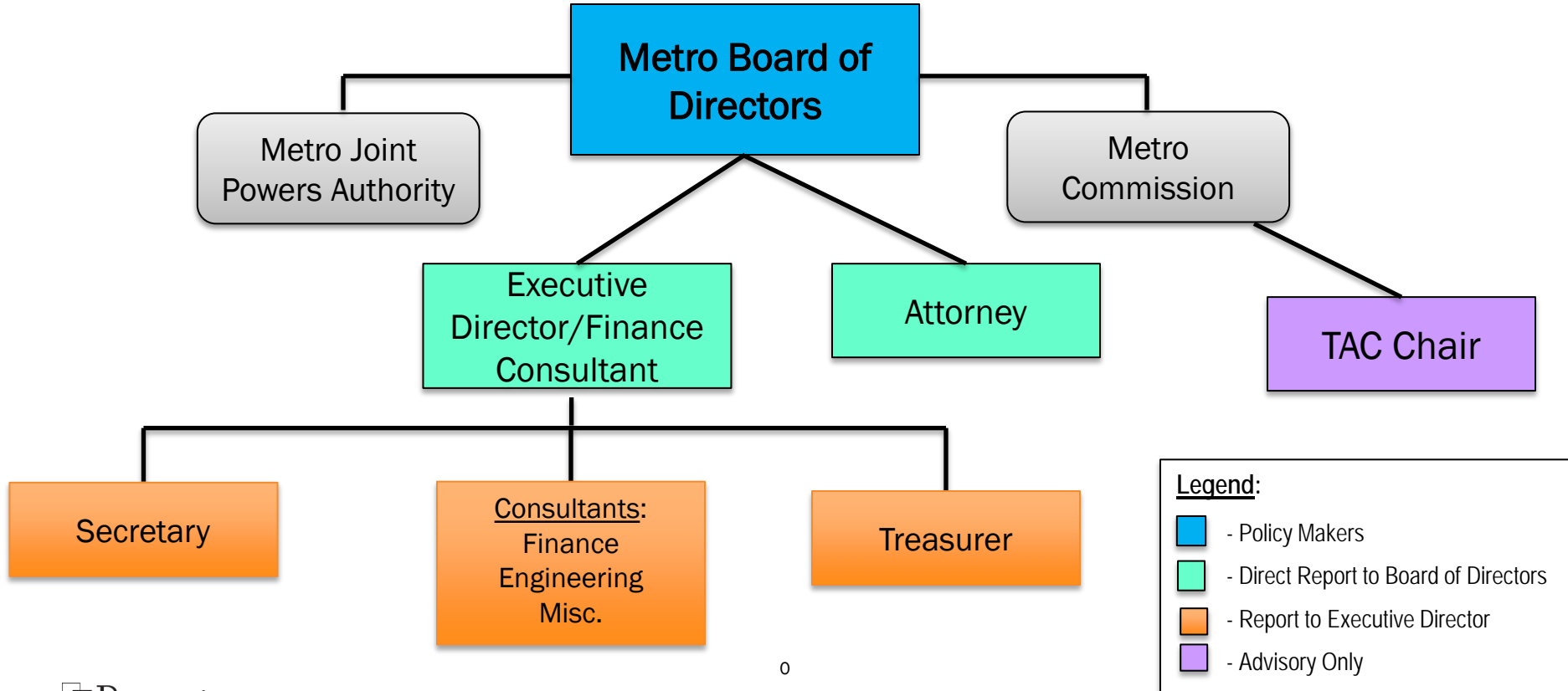
ATTACHMENT 1

Metro Wastewater JPA Adopted Organizational Chart



North City Water Reclamation Plant Expansion – January 2025 Update
Secondary Clarifier Cover Installation - February 2025

Attachment 1: Metro Adopted Organizational Chart (2024)



ATTACHMENT 2

Metro Wastewater JPA 2025 Mission Statement and Strategic Goals & Objectives



North City Water Reclamation Plant Expansion – February 2025 Update
Effluent Pump Station: Work ongoing for 8"/10" UWHP.

Metro JPA 2025 Mission Statement and Strategic Goals & Objectives

Mission Statement

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

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

Strategic Goal 1 - Oversee METRO System Management and Operations: The METRO JPA and METRO TAC must continue their oversight (i.e., monitor, review, audit, value-engineer, negotiate, etc.) of the City of San Diego’s management and operation of the METRO System on behalf of the Participating Agencies’ ratepayers.

Strategic Objective 1 - Oversee Service and Billing: City of San Diego Public Utilities Department to ensure that services provided to METRO member agencies are efficiently delivered.

Strategic Objective 2 - Oversee Costs and Rates: Oversee the City of San Diego’s METRO wastewater programs, including Pure Water, sewer fees, and recycled water rates to protect the interests of METRO member agencies.

Strategic Objective 3 - Oversee Capital Improvements and Maintenance Operations: Oversee the City of San Diego’s METRO wastewater system capital improvement program (CIP) and maintenance operations, to protect the environment and the investment of METRO member agencies.

<p>Strategic Objective 4 – Continue Audit Process: Maintain the integrity of the annual audit of the City of San Diego to ensure that only METRO wastewater costs are billed to METRO member agencies.</p>
<p>Strategic Objective 5 - Monitor Billing Equity Framework - Conduct continual review of the billing system, including the progress of new procedures that determine flow and strength allocations to the Participating Agencies. Conduct a review of the flow metering monitoring system, sampling locations, and cost allocation and audit perimeters a minimum of every five years to be consistent with section 3.5.3 of the Amended Restated Agreement.</p>
<p>Strategic Objective 6 – Support Second Amended Restated Agreement (SARA) and Revised Billing Structure (FAB): Advocate for and support the Participating Agencies (PA’s)’s review and approval of the Second Amended Restated Agreement (SARA). Support the successful implementation of the new SARA billing structure (e.g., Functional Allocated Billing (FAB), Industrial Waste Program payments, Administrative Agreement, etc.) contained in the SARA.</p>
<p>Strategic Objective 7 - Monitor and Mitigate Infiltration and Inflow (I&I): Work with the City of San Diego and Participating Agencies to reduce infiltration and inflow (I&I) and Sanitary Sewer Overflows (SSOs). These are becoming more frequent due to conditions of aging infrastructure, as well as increased frequency of storm severity. Participate in a Regional I&I study that will identify ways to reduce I&I and implement recommendations from I&I study as appropriate.</p>
<p>Strategic Objective 8 - Monitor Industrial Waste Provisions: There is extensive language in SARA about monitoring industrial waste and pretreatment requirements. The Metro JPA staff will monitor the fees for industrial users on behalf of the City and Participating Agencies. The financial burden will be retained for the most part by industrial users, but a general benefit to all other users will be recognized in the billing structure. An example of a specific general benefit is that monitoring industrial waste and pretreatment prevents chemicals from being discharged into the sewer system that would upset biological processes in the Metro system needed for proper treatment and disposal.</p>

<p>Strategic Goal 2: Oversight of the City of San Diego’s Water Reuse Planning (Pure Water San Diego) - As the City of San Diego expands the scope of its wastewater operations to include the Pure Water San Diego program, the scope of oversight provided by the METRO JPA and the METRO TAC expands.</p>
<p>Strategic Objective 1 - Oversee and Support OPRA II Legislation: Support the City of San Diego’s efforts to obtain legislation (OPRA II) to allow for secondary equivalency for the Pt. Loma Wastewater Treatment Plant. Obtaining this change in legislation will avoid unnecessary expenses and upgrades to the Pt Loma treatment plant. The Metro JPA staff will maintain ongoing technical, financial and regulatory analyses of the permit process and provide comments to the City of San Diego, METRO Commission and METRO JPA as needed.</p>
<p>Strategic Objective 2 - Oversee Permit Planning for Pt. Loma Treatment Plant: Maintain ongoing technical, financial and regulatory analyses and provide comments to the City of San Diego, METRO Commission and METRO JPA as needed.</p>
<p>Strategic Objective 3 - Oversee Recycled Water Pricing Study: Maintain ongoing technical, financial and regulatory analyses and provide comments to the City of San Diego, METRO Commission and METRO JPA as needed.</p>
<p>Strategic Objective 4 - Monitor Potable Reuse Regulatory Development: Regulations have been adopted for both indirect and direct potable reuse. Metro JPA will continue to monitor, participate and advocate where appropriate for regulatory adoption that is environmentally safe and the most cost-effective.</p>
<p>Strategic Objective 5 - Oversee Pure Water Program, Phase 2, and any Associated Projects: Maintain ongoing technical, financial and regulatory analyses as the location and composition of each facility is determined. As Phase 2 costs are developed, ensure that an appropriate allocation methodology of costs will be established. The Metro JPA supports the City of San Diego in reaching their regulatory purification requirements through value engineering and pursuit of the most cost-effective alternatives. This could include Direct Potable Reuse (DPR) and inclusion of independent purification projects within the service area.</p>

Strategic Objective 6 - Monitor Efforts to Regulate Newly-identified Chemicals and Pollutants - Metro JPA will monitor, participate and advocate for appropriate regulations regarding wastewater pollutants and chemicals, such as PFAS. Metro JPA will collaborate with the City of San Diego to develop the best strategies to minimize potential costs while maintaining appropriate environmental responsibility.

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

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

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

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

ATTACHMENT 3

Metro Wastewater JPA FY 2025 Budget Versus Actuals



North City Water Reclamation Plant Expansion – February 2025 Update
NCPWF Influent Pump Station: Installing Wall Rebar.

ATTACHMENT 3
FY 2025 PROJECTED BUDGET VERSUS ACTUALS

	Actual Through 2/28/2025	Estimate Remaining Months	Forecast Through 6/30/25	Approved Annual Budget	Forecast over /(under) Budget	
					\$	%
Income						
Membership Dues	\$ 790,855	\$ -	\$ 790,855	\$ 790,855	\$ -	0%
Use of Reserves	\$ -	-	-	-	-	
City of San Diego	\$ 13,155	\$ 13,520	26,675	35,355	(8,681)	-25%
Interest Income	2,606	1,100	3,706	700	3,006	429%
Total Income	\$ 806,615	\$ 14,620	\$ 821,235	\$ 826,910	\$ (5,675)	-1%
Expense						
Admin - Board Secretary	\$ 13,621	\$ 20,000	\$ 33,621	\$ 49,200	\$ (15,579)	-32%
Bank Charges	24	12	36	200	(164)	-82%
Financial Services				-		
Audit Fees	6,560	-	6,560	-	6,560	
Executive Director - The Keze Group	110,734	57,266	168,000	168,000	-	0%
Treasurer - El Cajon	24,808	25,192	50,000	50,000	-	0%
JPA/TAC meeting expenses	3,140	2,860	6,000	6,000	-	0%
Miscellaneous	1,047	-	1,047	250	797	319%
Per Diem - Board	27,157	15,200	42,357	28,500	13,857	49%
Printing, Postage, Supplies	458	42	500	500	-	0%
Professional Services						
Engineering - Dexter Wilson	92,745	58,443	151,188	200,000	(48,813)	-24%
Engineering - NV5	2,040	700	2,740	30,000	(27,260)	-91%
Legal - 2nd ARA/PW	14,533	53,467	68,000	150,000	(82,000)	-55%
Legal - General	29,339	25,600	54,939	60,000	(5,061)	-8%
Legal - Spill	6,473	6,000	12,473	30,000	(17,527)	-58%
Paul Redvers Brown	-	-	-	12,450	(12,450)	
Strategic Planning	15,250		15,250	15,275	(25)	0%
Communications	-	-	-	20,000	(20,000)	
Telephone, Internet, Software	987	2,013	3,000	3,000	-	0%
Website Maintenance & Hosting	-	3,782	3,782	3,535	247	7%
Total Expense	\$ 348,915	\$ 270,577	\$ 619,492	\$ 826,910	\$ (207,418)	-25%
Net Income (Loss)	\$ 457,700	\$ (255,957)	\$ 201,743	\$ -	\$ 201,743	

ATTACHMENT 4

Metro Wastewater JPA FY 2026 Proposed Operating Budget



Morena Pump Station and Screening Facilities – January 25, 2025

ATTACHMENT 4

FY 2026 PROPOSED OPERATING BUDGET

	FY 2026 Proposed Annual Budget	Difference from FY '25 Forecast	Difference from FY '25 Budget		Variances in Line Items Compared to the FY 2025 budget
			\$	%	
Income					
Membership Dues	\$ 790,855	\$ -	\$ -	0%	Interest offsets 1% budget increase
Use of Reserves		-	-		No reserves are needed in FY 2026
City of San Diego	27,000	326	(8,355)	-31%	Decrease due to Facilitation Contract ending
Interest Income	16,657	12,951	15,957	96%	Increase due to reserve funds in LAIF
Total Income	\$ 834,512	\$ 13,277	\$ 7,602	1%	
Expense					
Admin - Board Secretary	\$ 49,200	15,579	\$ -	0%	Year-Four of Contract
Bank Charges	200	164	-	0%	Rebudgeted
Financial Services					
Audit Fees	23,630	17,070	23,630	100%	Two- year Audit 2024 and 2025
Executive Director - The Keze Group	168,000	-	-	0%	Year-Four of Contract
Treasurer	50,000	-	-	0%	Transition to private consulting from PA support
JPA/TAC meeting expenses	6,600	600	600	9%	Increased number of meetings/attendees
Miscellaneous	250	(797)	-	0%	Rebudgeted
Per Diem - Board	55,600	13,243	27,100	49%	More frequent meetings and COLA adjustments
Printing, Postage, Supplies	800	300	300	38%	Increase based on actual expense forecast
Professional Services					
Engineering - Dexter Wilson	200,000	48,813	-	0%	Year-Four of Contract
Engineering - NV5	-	(2,740)	(30,000)		Decrease following SARA draft completion
Legal - S&W (2nd ARA/PW)	150,000	82,000	-	0%	Rebudgeted
Legal - S&W (General)	60,000	5,061	-	0%	Rebudgeted
Legal - S&W (Spill)	30,000	17,527	-	0%	Rebudgeted
Consensus Support	12,450	12,450	-	0%	Decrease following SARA draft completion
Strategic Planning	-	(15,250)	(15,275)		Contract completed in FY 2025
IT & Communications	20,000	20,000	-	0%	Placeholder for potential website update, etc.
Telephone, Internet, Software	4,000	1,000	1,000	25%	Software contracts prices have increased.
Website Maintenance & Hosting	3,782	(0)	247	7%	Year-Four of Contract
Total Expense	\$ 834,512	\$ 215,020	\$ 7,602	1%	

Fund Balance at 6/30/24	\$ 298,225
Projected Net Income FY 25	\$ 201,743
Projected 6/30/25 Fund Balance	\$ 499,968
Months Operating Expenses FY'25	\$ 275,637
3 Months Contingency Reserve FY'25	\$ 206,728
Amount over Required Reserves	17,604

ATTACHMENT 5

Metro Wastewater JPA FY 2026 Budget Funding



Morena Pump Station Electrical Building Conduit Placement – January 2025

ATTACHMENT 5
FY 2026 BUDGET FUNDING

	ACTUAL FY 2024 BILLING		ACTUAL FY 2025 BILLING				PROPOSED FY 2026 BILLING**			
Agency	Per Cent	Amount	Per Cent	Base Amount	Reserve	Amount	Per Cent	Amount		
	Agency Billing %	Total Agency Billing	Agency Billing %	Total Base Budget Billing	Contribution Per Agency	Total FY 2025 + Reserve	Agency Billing %	Total Budget Billing	Difference FY2025 Base	
Chula Vista	31.84%	\$ 231,650	33.03%	\$ 261,255	\$ 65,314	\$ 326,569	30.57%	\$ 241,795	\$ (19,461)	-7.4%
Coronado	2.70%	\$ 19,644	2.64%	\$ 20,870	\$ 5,218	\$ 26,088	2.31%	\$ 18,232	\$ (2,638)	-12.6%
County of SD*	15.99%	\$ 116,334	17.02%	\$ 134,572	\$ 33,643	\$ 168,215	17.40%	\$ 137,631	\$ 3,059	2.3%
Del Mar	0.02%	\$ 146	0.03%	\$ 212	\$ 53	\$ 264	0.02%	\$ 170	\$ (42)	-19.7%
El Cajon	14.46%	\$ 105,203	14.43%	\$ 114,097	\$ 28,524	\$ 142,621	16.25%	\$ 128,518	\$ 14,421	12.6%
Imperial Beach	3.67%	\$ 26,701	3.89%	\$ 30,765	\$ 7,691	\$ 38,456	3.92%	\$ 31,010	\$ 245	0.8%
La Mesa	7.89%	\$ 57,403	7.15%	\$ 56,520	\$ 14,130	\$ 70,649	6.75%	\$ 53,410	\$ (3,110)	-5.5%
Lemon Grove	3.32%	\$ 24,154	3.21%	\$ 25,350	\$ 6,338	\$ 31,688	2.31%	\$ 18,268	\$ (7,082)	-27.9%
National City	8.39%	\$ 61,041	7.64%	\$ 60,414	\$ 15,104	\$ 75,518	7.50%	\$ 59,289	\$ (1,126)	-1.9%
Otay Water District	0.55%	\$ 4,001	0.65%	\$ 5,101	\$ 1,275	\$ 6,376	0.55%	\$ 4,380	\$ (721)	-14.1%
Padre Dam MWD	7.01%	\$ 51,001	6.27%	\$ 49,625	\$ 12,406	\$ 62,032	8.40%	\$ 66,432	\$ 16,806	33.9%
Poway	4.16%	\$ 30,266	4.06%	\$ 32,073	\$ 8,018	\$ 40,092	4.01%	\$ 31,722	\$ (352)	-1.1%
Total	100%	\$ 727,545	100%	790,855	\$ 197,714	\$ 988,569	100%	\$ 790,855		

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

**Based on 4/25 San Diego Adjustments to FY 2026 Budget Estimate



MSA Date: March 6, 2025

Master Services Agreement

This master service agreement (“MSA”) documents the terms, objectives, and the nature and limitations of the services CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) will provide for Metro Wastewater JPA (“you,” or “your”). The terms of this MSA will apply to the initial and each subsequent statement of work (“SOW”), unless the MSA is changed in a communication that you and CLA both sign or is terminated as permitted herein.

1. Scope of Professional Services

CLA will provide services as described in one or more SOW that will reference this MSA. The SOW will describe the scope of professional services; the nature, limitations, and responsibilities related to the specific services CLA will provide; and the fees for such services.

If modifications or changes are required during CLA’s performance of requested services, or if you request that we perform any additional services, we will provide you with a separate SOW for your signature. Such SOW will advise you of the additional fee and time required for such services to facilitate a clear understanding of the services.

Our services cannot be relied upon to disclose all errors, fraud, or noncompliance with laws and regulations. Except as described in the scope of professional services section of this MSA or any applicable SOW, we have no responsibility to identify and communicate deficiencies in your internal controls as part of any services.

2. Management responsibilities

You acknowledge and understand that our role is to provide the services identified in an SOW and that management, and any other parties engaging CLA, have responsibilities that are fundamental to our undertaking to perform the identified services.

3. Fees and terms

Fees for the services, per our proposal to provide professional audit services submitted by us on February 14, 2025 are as follows:

Two-year period ending June 30, 2025 (inclusive of 5% technology fee) \$23,630

Two-year period ending June 30, 2027 (inclusive of 5% technology fee) \$24,810

Work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our

engagements will be deemed to have been completed even if we have not completed the services. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Payments may be made utilizing checks, Bill.com, your online banking platform, CLA's electronic payment platform, or any other client-initiated payment method approved by CLA. CLA's electronic online bill pay platform claconnect.com/billpay accepts credit card and Automated Clearing House (ACH) payments. Instructions for you to make direct bank to bank wire transfers or ACH payments will be provided upon request.

4. Other Fees

You agree to compensate us for reasonable time and expenses, including time and expenses of outside legal counsel, we may incur in responding to a subpoena, a formal third-party request for records or information, or participating in a deposition or any other legal, regulatory, or other proceeding relating to services we provide pursuant to a SOW.

5. Finance charges and collection expenses

You agree that if any statement is not paid within 30 days from its billing date, the unpaid balance shall accrue interest at the monthly rate of one and one-quarter percent (1.25%), which is an annual percentage rate of 15%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable.

6. Dispute Resolution

Any disagreement, controversy, or claim ("Dispute") that may arise out of any aspect of our services or relationship with you shall be submitted to non-binding mediation by written notice ("Mediation Notice") to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator.

The mediation will be conducted as specified by the mediator and agreed upon by the parties (i.e., you and CLA). The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

7. Limitation of remedies

These limitation of remedies provisions are not applicable for any audit or examination services provided to you.

Our role is strictly limited to the services described in an SOW, and we offer no assurance as to the results or ultimate outcomes of any services or of any decisions that you may make based on our communications with you. You agree that it is appropriate to limit the liability of CLA, its partners, principals, directors, officers, employees, and agents (each a "CLA party").

You further agree that you will not hold CLA or any other CLA party liable for any claim, cost, or

damage, whether based on warranty, tort, contract, or other law, arising from or related to this MSA, the services provided under an SOW, the work product, or for any plans, actions, or results of an SOW, except to the extent authorized by this MSA. In no event shall any CLA party be liable to you for any indirect, special, incidental, consequential, punitive, or exemplary damages, or for loss of profits or loss of goodwill, costs, or attorney fees.

The exclusive remedy available to you shall be the right to pursue claims for actual damages that are directly caused by acts or omissions that are breaches by a CLA party of our duties owed under this MSA and the specific SOW thereunder, but any recovery on any such claims shall not exceed the fees actually paid by you to CLA pursuant to the SOW that gives rise to the claim.

8. Governing Laws, Jurisdiction, and Venue

The MSA is made under and shall be interpreted and governed by the laws of the state of California. This includes dispute resolution and limitation of remedies. If any action is brought to interpret or enforce any term of this agreement, the action shall be brought in a state or federal court situated in the County of San Diego, State of California. In the event of any such litigation between the Parties, the prevailing party shall be entitled to recover all reasonable costs incurred, including reasonable attorney's fees, as determined by the court

9. Time limitations

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any dispute that may arise between you and any CLA party. The parties (you and CLA) agree that, notwithstanding any statute or law of limitations that might otherwise apply to a dispute, including one arising out of this MSA or the services performed under an SOW, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any action or legal proceeding by you against any CLA party must be commenced as provided below, or you shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery. An action to recover on a dispute shall be commenced within these periods ("Limitation Period"), which vary based on the services provided, and may be modified as described in the following paragraph:

Service	Time after the date we deliver the services or work product*
Audit, review, examination, agreed-upon procedures, compilation, and preparation services other than those related to prospective financial information	24 months

* pursuant to the SOW on which the dispute is based

If the MSA is terminated or your ongoing relationship with CLA is terminated, then the applicable Limitation Period is the lesser of the above periods or 12 months after termination of MSA or your ongoing relationship with CLA. The applicable Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a dispute.

10. Confidentiality

Except as permitted by the “Consent” section of this MSA, CLA will not disclose any of your confidential, proprietary, or privileged information to any person or party, unless you authorize us to do so, it is published or released by you, it becomes publicly known or available other than through disclosure by us, or disclosure is required by law, regulation, or professional standard. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us. You also consent to our disclosure of information regarding the nature of services we provide to you to another independent network member of CLA Global, for the limited purpose of complying with professional obligations regarding independence and conflicts of interest.

The Internal Revenue Code contains a limited privilege for confidentiality of tax advice between you and our firm. In addition, the laws of some states likewise recognize a confidentiality privilege for some accountant-client communications. You understand that CLA makes no representation, warranty or promise, and offers no opinion with respect to the applicability of any confidentiality privilege to any information supplied or communications you have with us, and, to the extent that we follow instructions from you to withhold such information or communications in the face of a request from a third party (including a subpoena, summons or discovery demand in litigation), you agree to hold CLA harmless should the privilege be determined not to apply to particular information or communications.

The workpapers and files supporting the services we perform are the sole and exclusive property of CLA and constitute confidential and proprietary information. We do not provide access to our workpapers and files to you or anyone else in the normal course of business. Unless required by law or regulation to the contrary, we retain our workpapers and files in accordance with our record retention policy that typically provides for a retention period of seven years. After this period expires, our workpapers and files will be destroyed. Furthermore, physical deterioration or catastrophic events may shorten the time our records are available. The workpapers and files of our firm are not a substitute for your records.

Pursuant to authority given by law, regulation, or professional standards we may be requested to make certain workpapers and files available to a regulator for its regulatory oversight purposes. We will notify you of any such request, if permitted by law. Access to the requested workpapers and files will be provided to the regulator under the supervision of CLA personnel and at a location designated by our firm. Furthermore, upon request, we may provide copies of selected workpapers and files to such regulator. The regulator may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

11. Other provisions

You agree that CLA will not be assuming any fiduciary responsibility on your behalf during the course of this MSA, except as may be assumed in an SOW.

CLA may, at times, utilize external web applications to receive and process information from our clients; however, any sensitive data, including protected health information and personally identifiable information, must be redacted by you to the maximum extent possible prior to uploading the document or file. In the event that you are unable to remove or obscure all sensitive data, please contact us to discuss other potential options for transmitting the document or file.

CLA and certain owners of CLA are licensed by the California State Board of Accountancy. However, CLA has owners not licensed by the California State Board of Accountancy who may provide services under this MSA. If you have any questions regarding licensure of the personnel performing services under this MSA, please do not hesitate to contact us.

During the course of the engagement, there may be communication via fax or email. You are responsible to ensure that communications received by you or your personnel are secured and not shared with unauthorized individuals.

12. Consent to use financial information

We regularly aggregate anonymized client data and perform a variety of analyses using that aggregated data. Some of these analyses are published to clients or released publicly. However, we are always careful to preserve the confidentiality of the separate information that we obtain from each client, as required by the AICPA Code of Professional Conduct and various laws. Your acceptance of this MSA will serve as your consent to our use of Metro Wastewater JPA anonymized data in performing and reporting on these cost comparison, performance indicator and/or benchmarking analyses.

Unless authorized by law or the client consents, we cannot use a client's tax return information for purposes other than the preparation and filing of the client's tax return. By signing and dating this MSA, you authorize CLA to use any and all information furnished to CLA for or in connection with the preparation of the tax returns under this MSA, for a period of up to six (6) years from the date of this MSA, in connection with CLA's preparation of the types of reports described in the foregoing paragraph.

13. Consent to send you publications and other materials

For your convenience, CLA produces a variety of publications, hard copy and electronic, to keep you informed about pertinent business and personal financial issues. This includes published articles, invitations to upcoming seminars, webinars and webcasts, newsletters, surveys, and press releases. To determine whether these materials may be of interest to you, CLA will need to use your tax return information. Such tax information includes your name and address as well as the business and financial information you provided to us.

By signing and dating this MSA, you authorize CLA to use the information that you provide to CLA during the preparation of your tax returns to determine whether to offer you relevant materials. Your consent is valid until further notice.

14. Subcontractors

CLA may, at times, use subcontractors to perform services under this MSA, and they may have access

to your information and records. Any such subcontractors will be subject to the same restrictions on the use of such information and records as apply to CLA under this MSA.

15. Technology

CLA may, at times, use third-party software applications to perform services under this MSA. You acknowledge the software vendor may have access to your data.

16. Termination of MSA

This MSA shall continue for five years from March 6, 2025, unless terminated earlier by giving appropriate notice. Either party may terminate this MSA at any time by giving 30 days written notice to the other party.

CLA may terminate this MSA if you fail to cure a material default in the performance of this MSA within a period of 30 days, or such longer period as CLA may allow, after your receipt from CLA of a written termination notice specifying the default in performance. In the event of termination by either

party, you will pay CLA for all services performed and all expenses incurred under this MSA up to and

including the termination date less any costs, expenses, or other damages due to the failure of CLA to properly perform pursuant to this MSA subject to the provisions of section 7. No compensation will be payable for anticipated profit on unperformed services.

Upon termination of the MSA, the provisions of this MSA shall continue to apply to all services rendered prior to termination.

17. Agreement

We appreciate the opportunity to be of service to you and believe this MSA accurately summarizes the significant terms of our relationship. This MSA, along with the applicable addendum(s) and SOW(s), constitute the entire agreement regarding services to be performed and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA. If you have any questions, please let us know. If you agree with the terms of our relationship as described in this MSA, please sign, date, and return.

CliftonLarsonAllen LLP

Response:

This MSA correctly sets forth the understanding of Metro Wastewater JPA.

CLA
Munoz, Daphnie

SIGN:

DATE:

Client
Metro Wastewater JPA

SIGN:

Jerry Jones

DATE:



Statement of Work - Audit Services

March 5, 2025

This document constitutes a statement of work ("SOW") under the master service agreement ("MSA") dated August 9, 2023, or superseding MSA, made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Metro Wastewater JPA ("you," "your," or "the entity"). We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services CLA will provide for the entity as of and for the period ended June 30, 2025.

Daphnie Munoz is responsible for the performance of the audit engagement.

Scope of audit services

We will audit the financial statements of the JPA, which collectively comprise the basic financial statements of Metro Wastewater JPA, and the related notes to the financial statements as of and for the two-year period ended June 30, 2025.

The Governmental Accounting Standards Board (GASB) provides for certain required supplementary information (RSI) to accompany the entity's basic financial statements.

The following RSI will be subjected to certain limited procedures, but will not be audited.

- Management's discussion and analysis.

Nonaudit services

We will also provide the following nonaudit services:

- Preparation of your financial statements and the related notes.

Audit objectives

The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered

material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Our audit will be conducted in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require us to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Our audit will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinions.

We will apply certain limited procedures to the RSI in accordance with U.S. GAAS. However, we will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. We will also perform procedures to enable us to express an opinion on whether the supplementary information (as identified above) other than RSI accompanying the financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

We will issue a written report upon completion of our audit of your financial statements.

Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from the engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming opinions on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue a report, or withdrawing from the engagement.

We will also provide a report (which does not include an opinion) on internal control over financial reporting and on compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements, as required by *Government Auditing Standards*. The report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the entity is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit conducted in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Auditor responsibilities, procedures, and limitations

We will conduct our audit in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*.

Those standards require that we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. As part of our audit, we will:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and evaluate whether audit evidence obtained is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the amounts and disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on our evaluation of audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Although our audit planning has not been concluded and modifications may be made, we have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Management Override of Controls--
- Revenue Recognition

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards*. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity, may not be detected. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not require auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting fraud or errors that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. An audit is not designed to provide assurance on internal control or to identify deficiencies, significant deficiencies, or material weaknesses in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the entity's compliance with the provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

We will include in our report on internal control over financial reporting and on compliance relevant information about any identified or suspected instances of fraud and any identified or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements that may have occurred that are required to be communicated under *Government Auditing Standards*.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Management responsibilities

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements and RSI in accordance with U.S. GAAP.

Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct

material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for 12 months beyond the financial statement date.

You are responsible for the design, implementation, and maintenance of effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including evaluating and monitoring ongoing activities and safeguarding assets to help ensure that appropriate goals and objectives are met. You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for implementing systems designed to achieve compliance with applicable laws and regulations and the provisions of contracts and grant agreements; identifying and ensuring that the entity complies with applicable laws, regulations, contracts, and grant agreements; and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered. You are responsible for taking timely and appropriate steps to remedy any fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we may report.

You are responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including amounts and disclosures, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters, and for the accuracy and completeness of that information (including information from within and outside of the general and subsidiary ledgers); (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the basic financial statements and RSI. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go

undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies to us of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the "Audit objectives" section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Responsibilities and limitations related to nonaudit services

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. Management is also responsible for ensuring that your data and records are complete and that you have received sufficient information to oversee the services.

Use of financial statements

Should you decide to include or incorporate by reference these financial statements and our auditors' report(s) thereon in a future private placement or other offering of equity or debt securities, you agree that we are under no obligation to re-issue our report or provide consent for the use of our report in such a registration or offering document. We will determine, at our sole discretion, whether we will re-issue our report or provide consent for the use of our report only after we have performed the procedures we consider necessary in the circumstances. If we decide to re-issue our report or consent to the use of our report, we will be required to perform certain procedures including, but not limited to, (a) reading other information incorporated by reference in the registration statement or other offering document and (b) subsequent event procedures. These procedures will be considered an engagement separate and distinct from our audit engagement, and we will bill you separately. If we decide to re-issue our report or consent to the use of our report, you agree that we will be included on each distribution of draft offering materials and we will receive a complete set of final documents. If we decide not to re-issue our report or decide to withhold our consent to the use of our report, you may be required to engage another firm to audit periods covered by our audit reports, and that firm will likely bill you for its services. While the successor auditor may request access to our workpapers for those periods, we are under no obligation to permit such access.

If the parties (i.e., you and CLA) agree that CLA will not be involved with your official statements related to municipal securities filings or other offering documents, we will require that any official statements or other offering documents issued by you with which we are not involved clearly indicate that CLA is not involved with the contents of such documents. Such disclosure should read as follows:

CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not

performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website or submitted on a regulator website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Engagement administration and other matters

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

We will provide copies of our reports to the entity; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing confidential or sensitive information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the sole and exclusive property of CLA and constitutes confidential and proprietary information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to California State Controller's Office, or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of CLA personnel. Furthermore, upon request, we may provide copies or electronic versions of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the California State Controller's Office. If we are aware that a federal or state awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Professional standards require us to be independent with respect to you in the performance of these services. Any discussion that you have with our personnel regarding potential employment with you could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our

prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Our audit engagement ends on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific SOW for that service.

Government Auditing Standards require that we make our most recent external peer review report publicly available. The report is posted on our website at www.CLAconnect.com/Aboutus/.

Fees

Our professional fees are outlined in the table below:

Service	Fee
Financial Statement Audit	\$22,500
Assistance in implementing SBITA's , if necessary	\$800 per agreement

We will also bill for expenses including travel, internal and administrative charges, and a technology and client support fee of five (5%) of all professional fees billed. Our fee is based on anticipated cooperation from your personnel and their assistance with locating requested documents and preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the fees and expenses will likely be higher.

Unexpected circumstances

We will advise you if unexpected circumstances require significant additional procedures resulting in a substantial increase in the fee estimate.

Changes in accounting and audit standards

Standard setters and regulators continue to evaluate and modify standards. Such changes may result in new or revised financial reporting and disclosure requirements or expand the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services described in the SOW increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

Agreement

We appreciate the opportunity to provide to you the services described in this SOW under the MSA and believe this SOW accurately summarizes the significant terms of our audit engagement. This SOW and the MSA constitute the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA related to audit services. If you have any questions, please let us know. Please sign, date, and return this SOW to us to indicate your acknowledgment and understanding of, and agreement with, the arrangements for our audit of your financial statements including the terms of our engagement and the parties' respective

responsibilities.

Sincerely,

CliftonLarsonAllen LLP

Response:

This letter correctly sets forth the understanding of Metro Wastewater JPA.

CLA
Munoz, Daphnie

SIGN:

DATE:

Client
Metro Wastewater JPA

SIGN:

Jerry Jones

DATE:

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

This Third Amendment (“**Third Amendment**”) to the Agreement for Professional Services Between Metro Wastewater Joint Powers Authority and The Keze Group LLC dated July 1, 2022 (“**Agreement**”) is made and entered into this 1st day of July, 2025, by and between the parties to that Agreement, the Metro Wastewater Joint Powers Authority, a joint powers authority, existing and organized under California Government Code section 6500 *et seq.* (“**Metro JPA**”), on the one hand, and The Keze Group LLC (“**Consultant**”), on the other hand. Metro JPA and Consultant are sometimes referred to individually as “**Party**” and collectively as “**Parties.**”

RECITALS

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

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

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

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

E. WHEREAS, on April 4, 2024, the Parties entered into the Second Amendment to the Agreement to memorialize Consultant’s role as that of Executive Director;

F. WHEREAS, Section 3 of the Second Amendment to the Agreement states that the Consultant’s tenure as Executive Director shall commence on March 7, 2024, and end on June 30, 2025; and

G. WHEREAS, the Parties now mutually desire to extend the Consultant’s tenure as Executive Director by one year, as described below.

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

AMENDMENT TO AGREEMENT

1. Amendment to Term. Consultant's tenure as Executive Director shall be extended an additional period of one year commencing on July 1, 2025, and ending on June 30, 2026, unless otherwise directed by Metro JPA.

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

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

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

**METRO WASTEWATER
JOINT POWERS AUTHORITY:**

By: _____
Jerry Jones
Board Chair

Date: _____

THE KEZE GROUP LLC:

By: _____
Karyn L. Keze

Date: _____

**FIRST AMENDMENT TO THE AGREEMENT FOR TREASURER SERVICES
BETWEEN METRO WASTEWATER JOINT POWERS AUTHORITY AND RODNEY
GREEK, CPA**

This First Amendment (“**First Amendment**”) to the Agreement for Treasurer Services Between Metro Wastewater Joint Powers Authority and Rodney Greek, CPA dated June 6, 2024 (“**Agreement**”) is made and entered into this 1st day of July, 2025, by and between the parties to that Agreement, the Metro Wastewater Joint Powers Authority, a joint powers authority, existing and organized under California Government Code section 6500 *et seq.* (“**Metro JPA**”), on the one hand, and Rodney Greek, CPA (“**Treasurer**”), an independent contractor, on the other hand. Metro JPA and Treasurer are sometimes referred to individually as “**Party**” and collectively as “**Parties.**”

RECITALS

A. WHEREAS, the Parties entered into the Agreement in order for Treasurer to provide professional Governmental Treasurer Accounting services as described in Attachment A to the Agreement;

B. WHEREAS, Sections 1.01 and 9.03 of the Agreement state that the Agreement may not be modified or amended other than by a writing signed by the Parties, including for any extensions to the Agreement or for any changes to the scope of services or timeframes identified in Attachment A to the Agreement; and

C. WHEREAS, the Parties now mutually desire to extend the term of the Agreement by one year, as described below.

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

AMENDMENT TO AGREEMENT

1. Amendment to Term. The term of the Agreement shall be extended an additional period of one year commencing on July 1, 2025, and ending on June 30, 2026, or until terminated as provided under Article 7 of the Agreement, whichever occurs first.

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

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

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

**METRO WASTEWATER
JOINT POWERS AUTHORITY:**

By: _____
Jerry Jones
Board Chair

Date: _____

RODNEY GREEK CPA:

By: _____
Rod Greek

Date: _____

**PROFESSIONAL SERVICES AGREEMENT FOR TREASURER SERVICES
BETWEEN METRO WASTEWATER JOINT POWERS AUTHORITY
AND RODNEY GREEK, CPA**

This Professional Services Agreement (“**Agreement**”) is made on this 6th date of June, 2024 between METRO WASTEWATER JOINT POWERS AUTHORITY (“**METRO JPA**”), and RODNEY GREEK, CPA (“**TREASURER**”), an independent contractor, collectively referred to herein as “**parties**” or individually as “**party**,” to furnish certain services as provided in this Agreement and upon the following terms and conditions.

**ARTICLE 1
TERM OF AGREEMENT**

1.01 The term of this Agreement shall commence on July 1, 2024 (the “**Effective Date**”), and will continue through June 30, 2025 or until terminated as provided under Article 7, whichever occurs first. At the Parties discretion, and pursuant to a written letter agreement, this Agreement may be extended by one optional year according to the terms set forth in Attachment A – Scope of Work (“**Attachment A**”) and herein. This Agreement may be further extended by a written amendment signed by both parties. Attachment A may contain further instructions regarding required timelines for performance of the Services to be provided under this Agreement. Time is of the essence for each and every provision of this Agreement.

**ARTICLE 2
SCOPE OF WORK**

Specific Services

2.01 TREASURER shall perform the services within the scope described in Attachment A and as authorized by METRO JPA (the “**Services**”). TREASURER will provide METRO JPA with periodic reports regarding the progress of Services performed, at METRO JPA’s request. Any changes to the scope of work or timeframes identified in Attachment A must be authorized by METRO JPA in writing and shall be set forth as an amendment to this Agreement.

2.02 TREASURER shall determine the method, details, and means of performing the above-described Services. TREASURER shall supply all labor, tools, materials, and equipment required to perform the Services under this Agreement.

Standard of Performance

2.03 TREASURER shall perform the Services required hereunder in accordance with the prevailing standard of care by exercising the skill and ability customarily exercised by reputable members of TREASURER’s profession providing the same or similar services in the State of California. While exercising its professional skill and expertise, TREASURER shall use reasonable diligence and best judgment, and shall perform the Services required hereunder in the best interests of METRO JPA. Acceptance by METRO JPA of reports, and incidental professional work or materials furnished hereunder, shall not in any way relieve TREASURER of responsibility for the adequacy of its work.

Personnel

2.04 METRO JPA has a primary interest in maintaining the individual services of the following key project team members:

1. Rodney Greek
2. Lee Ann Jones-Santos

2.05 No member of the project team shall be removed from the project team or reassigned by TREASURER without prior approval of METRO JPA. TREASURER shall immediately inform METRO JPA, in writing, should any of the key members become unavailable. TREASURER must submit the credentials for substitutes for key project members to METRO JPA for review and approval. At the discretion of METRO JPA, an interview may be required prior to approval of a substitute key project member.

ARTICLE 3 COMPENSATION

Compensation for Work Performed Under This Agreement

3.01 Compensation payable to TREASURER for Services performed under this Agreement shall not exceed fifty thousand dollars (\$50,000) during fiscal year 2025 (July 1, 2024 - June 30, 2025), in the aggregate, and fifty thousand dollars (\$50,000) during **optional** fiscal year 2026 (July 1, 2025 - June 30, 2026), in the aggregate. This amount shall not be exceeded unless agreed upon through an amendment to this Agreement executed by both parties. Such amendment shall identify any change in compensation as a result of the change in scope of work. The parties agree that this compensation was developed in accordance with the customary and prevailing compensation level in the community and surrounding area for comparable services. TREASURER and METRO JPA agreed to this amount through an arm's length negotiation between the parties.

Payment of Expenses and Monthly Invoices

3.02 METRO JPA will reimburse TREASURER for all reasonable expenses incurred in performing Services under this Agreement as the work progresses, provided that such reasonable expenses shall be included in and subject to the maximum compensation amount stated above in this Article. TREASURER shall submit invoices to METRO JPA's Accounts Payable department once per month. Such invoices shall include a brief narrative description of the work performed, as well as detailed time expenditures on a task-by-task basis pursuant to Attachment A. The term "expenses" means telephone bills, and federal express charges, mailing charges and any other pre-approved expenses by METRO JPA. TREASURER will provide METRO JPA with receipts and proof of payment for all expenses. METRO JPA shall make payment to TREASURER within forty-five (45) days of receipt of an approved invoice.

3.03 METRO JPA shall have the right to withhold payment from TREASURER for any unsatisfactory Services until such time service is performed satisfactorily or as otherwise provided for in this Agreement.

ARTICLE 4 RELATIONSHIP OF PARTIES

Independent Contractor

4.01 It is expressly understood and agreed that TREASURER is an independent contractor and its employees are not employees of METRO JPA while engaged in carrying out this Agreement. TREASURER is free from the control and direction of METRO JPA in connection with the performance of the work, TREASURER performs work that is outside the usual course of METRO JPA business, and TREASURER is customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the work performed. The parties agree that no work, act, commission, or omission of TREASURER or its employee(s) pursuant to this Agreement shall be construed to make TREASURER or its employee(s) the agent, employee, or servant of METRO JPA. TREASURER and its employee(s) are not entitled to receive from METRO JPA vacation pay, sick leave, retirement benefits, Social Security, workers' compensation, disability benefits, unemployment benefits, or any other employee benefit of any kind. TREASURER shall be solely responsible for paying all federal and state employment and income taxes, for carrying workers' compensation insurance, and for otherwise complying with all other employment law requirements with respect to TREASURER and its employee(s).

4.02 To the maximum extent allowable by law, TREASURER agrees to indemnify, defend and hold METRO JPA harmless from any and all liability, damages, or losses (including attorneys' fees, costs, penalties, and fines) that METRO JPA suffers as a result of (a) TREASURER's failure to meet its obligations under this Article, or (b) a third party's designation of TREASURER or its employee(s) as an employee of METRO JPA, regardless of any actual or alleged negligence by METRO JPA.

Non-Exclusive Relationship

4.03 TREASURER and METRO JPA acknowledge that the relationship between the parties is non-exclusive and TREASURER may perform or engage in any activity not inconsistent with this Agreement, including performing services for, or contracting with, other clients, persons, or companies as TREASURER sees fit. METRO JPA reserves the right to employ other contractors in connection with the Services described in Attachment A.

ARTICLE 5 OBLIGATIONS OF CONTRACTOR

Compliance with Laws/Rules

5.01 In performing the Services specified in this Agreement, TREASURER agrees to comply with all applicable laws, rules, regulations, and ordinances, whether federal, state, or local, including, specifically, the obligations of Treasurer delineated in Government Code 6505 and 6505.5, and any and all applicable METRO JPA policies, procedures, departmental rules, and other directives provided by METRO JPA to TREASURER. Any changes to METRO JPA policies and procedures that relate to TREASURER will be provided to TREASURER in writing. TREASURER agrees that, prior to entering into this Agreement, it has reviewed such policies, procedures, rules, and directives, the contents of which TREASURER will be deemed to have knowledge.

5.02 TREASURER shall ensure that any report generated under this Agreement complies with California Government Code section 7550.

Indemnity, Hold Harmless, and Defense

5.03 To the maximum extent allowable by law, TREASURER shall indemnify, defend, and hold harmless METRO JPA and its Member Agencies, and each of their respective officials, officers, directors, employees, agents and volunteers (collectively referred to as the "**Indemnified Parties**") against all claims,

demands, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties, attorneys' fees, and costs (collectively referred to as "**Liabilities**") that such entities or persons may incur that pertain to, arise out of, or relate to TREASURER'S performance or obligations under this Agreement, or to TREASURER's negligence, recklessness, or willful misconduct, or a breach by TREASURER of any representation or agreement contained in this Agreement. TREASURER's obligation to indemnify, defend, and hold harmless METRO JPA shall extend to the acts or omissions, either directly or indirectly, by TREASURER's officers, officials, directors, employees, subcontractors, agents, representatives, volunteers, successors, assigns, or anyone for whom TREASURER is legally responsible. TREASURER's obligations to indemnify, defend, and hold METRO JPA harmless against any Liabilities shall apply regardless of any negligence of Indemnified Parties, except to the extent caused by the sole negligence or willful misconduct of the Indemnified Parties.

5.03.1 TREASURER shall cooperate with and do whatever is necessary to protect Indemnified Parties from any such Liabilities.

5.03.2 TREASURER shall defend Indemnified Parties, at TREASURER's own cost, expense and risk, from any and all such aforesaid Liabilities asserted in claims, demands, actions, causes of action, arbitration, mediations or other proceedings of any kind that may be brought or instituted against Indemnified Parties. TREASURER and Indemnified Parties shall be jointly represented by legal counsel, unless there is a conflict of interest, and TREASURER shall pay Indemnified Parties' reasonable attorneys' fees and costs as they are incurred. Indemnified Parties shall be consulted regarding, and shall approve, the selection of legal counsel. Should separate legal counsel be necessary for Indemnified Parties, as determined by METRO JPA, TREASURER shall pay for the reasonable attorneys' fees and costs including expert witness fees, as such fees and costs are incurred and within thirty (30) days of receipt of an invoice, for Indemnified Parties' legal counsel in addition to TREASURER's own legal fees and costs. In all circumstances, Indemnified Parties reserve the right to retain their own attorneys. TREASURER shall not agree without Indemnified Parties' prior written consent to any settlement on Indemnified Parties' behalf.

5.03.3 If TREASURER is obligated to defend Indemnified Parties pursuant to this Article 5 and fails to do so after reasonable notice from METRO JPA, Indemnified Parties may defend themselves and/or settle such claims, suit or assertion, and TREASURER shall pay to Indemnified Parties any and all Liabilities incurred in relation to Indemnified Parties' defense and/or settlement of such proceeding.

5.03.4 TREASURER shall pay and satisfy any judgment, award, liability, or decree that may be awarded, imposed, or rendered against Indemnified Parties as a result of any claims, demands, suits, actions, causes of action, arbitrations, mediations, or other proceedings whether legal, administrative or otherwise, including any settlement related thereto.

5.03.5 TREASURER's obligation to indemnify, defend, and hold METRO JPA harmless against all Liabilities shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for TREASURER, subcontractor, supplier, or other person under workers' compensation acts, disability acts or other employee acts or the insurance required by this Agreement. TREASURER's obligation to indemnify, defend, and hold METRO JPA harmless against all Liabilities shall not be restricted to insurance proceeds, if any, received by TREASURER or Indemnified Parties. Provision of insurance coverage as required by this Agreement shall not affect TREASURER's indemnity obligations.

5.03.6 TREASURER's indemnification, hold harmless, and defense obligation shall survive the termination or expiration of this Agreement.

Notice of and Participation in Third Party Claims

5.04 TREASURER shall give METRO JPA written notice of any claim or liability asserted by a third party that arises from or relates to the Work performed under this Agreement (“Third-Party Claim”), as soon as possible upon the receipt of information of any possible Third-Party Claim or of the commencement of any Third-Party Claim. TREASURER shall not oppose any attempt by METRO JPA to intervene or otherwise participate in any such Third-Party Claim. TREASURER shall not settle any Third-Party Claim covered by this Section unless it has obtained the prior written consent of METRO JPA, which consent shall not be unreasonably withheld, conditioned or delayed. METRO JPA shall have no liability under this Section for any Third-Party Claim for which such notice is not provided or is not provided in a timely manner, including no liability for contribution, indemnification, reimbursement or penalties. TREASURER’s obligations hereunder shall survive the termination or expiration of this Agreement.

Official Bond and Insurance

5.05 TREASURER shall file an official bond in the amount of \$25,000 pursuant to Government Code section 6505.1. Metro JPA shall reimburse the TREASURER for the cost of the bond; provided, however, that such reimbursement shall not exceed \$1,500.

5.06 TREASURER shall procure and maintain in full force and effect for the duration of this Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by TREASURER, its agents, representatives, employees, or subcontractors. Insurance policies shall be on an occurrence basis, and coverage shall be at least as broad and in the minimum amounts as follows:

5.06.1 California Workers' Compensation Insurance, as required by the State of California, with statutory limits, and Employer’s Liability Insurance with limits of no less than One Million Dollars (\$1,000,000) per accident for bodily injury or disease.

5.06.2 General Liability Insurance [ISO Form CG 0001, or equivalent], covering products and completed operations, bodily injury, personal & advertising injury and property damage with limits no less than One Million Dollars (\$1,000,000) per occurrence. If a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

5.06.3 Automobile Liability Insurance [ISO Form CA 0001 covering code 1 (any auto), or if no owned autos, Code 8 (hired) and 9 (non-owned), or equivalent forms] with limits no less than One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.

5.06.4 Error and Omissions (Professional Liability) Insurance appropriate to TREASURER’s services, with limits no less than One Million Dollars (\$1,000,000) per occurrence or claim, and Two Million Dollars (\$2,000,000) aggregate.

5.07 The following are required provisions:

5.07.1 Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to Insured Parties.

5.08 TREASURER will furnish METRO JPA with certificates of insurance prior to the commencement of work under this Agreement, and as may be periodically requested by METRO JPA. TREASURER shall

include all endorsements necessary to comply with this Agreement, including additional insured endorsements, signed by the insurer's representative. Such evidence shall include confirmation that coverage includes or has been modified to include all provisions required by this Agreement. TREASURER shall, upon request of METRO JPA at any time, deliver to METRO JPA complete, certified copies of the policies of insurance, including endorsements, and receipts for payment or premiums thereon, required by this Agreement. Failure to obtain the required documents prior to the work beginning shall not waive TREASURER's obligation to provide them.

5.09 If any of the required coverages expire during the term of this Agreement, TREASURER shall deliver the renewal certificate(s) including the general liability and auto liability additional insured endorsements to METRO JPA at least ten (10) days prior to the expiration date.

5.10 TREASURER shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and TREASURER shall ensure that METRO JPA is an additional insured on insurance required from subcontractors.

5.11 Claims Made Policies. If any of the required policies provide coverage on a claims-made basis:

5.11.1 The Retroactive Date must be shown and must be before the date of the Agreement or the beginning of contract work.

5.11.2 Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

5.11.3 If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the TREASURER must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

Conflict of Interest

5.12 Upon the award of this Agreement and periodically thereafter, TREASURER shall be required to complete and file with METRO JPA a Statement of Economic Interest (Form 700), to be provided to TREASURER by METRO JPA.

Assignment/Subcontracting

5.13 TREASURER shall not subcontract or assign this Agreement nor any duties or obligations under this Agreement without the prior written consent of METRO JPA. TREASURER shall be responsible for the acts and omissions of and for payment to any subcontractor performing services under this Agreement, and shall bind any such subcontractor to TREASURER's duties and obligations hereunder. METRO JPA shall have the right to approve any subcontractor agreements. Nothing contained in this Agreement will create any contractual relationship between METRO JPA any subcontractor of TREASURER.

ARTICLE 6 OBLIGATIONS OF METRO JPA

6.01 METRO JPA agrees to comply with all reasonable requests of TREASURER, including requests to access documents, data and facilities reasonably necessary for the performance of TREASURER's duties under this Agreement, consistent with applicable law.

**ARTICLE 7
TERMINATION OF AGREEMENT**

Termination for Cause

7.01 If METRO JPA determines that TREASURER has failed to perform the Services under this Agreement in accordance its terms and conditions, METRO JPA may terminate all or part of the Agreement for cause. This termination shall become effective if TREASURER does not cure its failure to perform within 10 days (or more, if authorized in writing by METRO JPA) after receipt of a notice of intention to terminate from METRO JPA specifying the failure in performance. If a termination for cause does occur, METRO JPA shall have the right to withhold monies otherwise payable to TREASURER until the Services under this Agreement are completed. If METRO JPA incurs additional costs, expenses, or other damages due to the failure of TREASURER to properly perform under this Agreement, these costs, expenses, or other damages shall be deducted from the amounts withheld. Should the amounts withheld exceed the amounts deducted, the balance will be paid to TREASURER upon completion of the Services to be provided under this Agreement. If the costs, expenses, or other damages incurred by METRO JPA exceed the amounts withheld, TREASURER shall be liable to METRO JPA for the difference.

7.02 TREASURER may terminate this Agreement for cause if METRO JPA fails to cure a material default in performance within a period of 30 days, or such longer period as TREASURER may allow, after METRO JPA's receipt from TREASURER of a written termination notice specifying the default in performance. In the event of termination for cause by TREASURER, METRO JPA will pay TREASURER in accordance with Section 7.03.

Termination Without Cause

7.03 METRO JPA may terminate this Agreement for convenience at any time upon written notice to TREASURER, in which case, METRO JPA will pay TREASURER for all Services performed and all expenses incurred under this Agreement up to and including the effective date of termination less any costs, expenses, or other damages due to the failure of the TREASURER to properly perform pursuant to the Agreement. No compensation will be payable for anticipated profit on unperformed services.

**ARTICLE 8
PROPRIETARY AND CONFIDENTIAL INFORMATION**

8.01 Any written, printed, graphic, or electronically or magnetically recorded information furnished by METRO JPA for TREASURER's use is the sole property of METRO JPA. TREASURER and its employee(s) and subcontractor(s) will keep any confidential information provided by METRO JPA in the strictest confidence, and will not disclose it by any means to any person except with METRO JPA approval, and only to the extent necessary to perform the Services under this Agreement. On termination of this Agreement, TREASURER will promptly return to METRO JPA any confidential information in its possession.

**ARTICLE 9
GENERAL PROVISIONS**

Notices

9.01 Any notices required to be given under this Agreement by either party to the other may be affected by email and in writing via personal delivery or mail (first class, registered, or certified) with postage prepaid and return receipt requested. Mailed notices must be addressed to the parties at the addresses below, but each

party may change the address by giving written notice in accordance with this Section. Any notice personally delivered or sent by email shall be deemed communicated upon receipt if received before 5:00 p.m. Pacific Standard Time (“PST”) on a business day, or the following business day if received after 5:00 p.m. PST or on a Saturday, Sunday, or legal holiday. Any notice sent by overnight delivery service shall be deemed communicated on the next business day following delivery thereof to the overnight delivery service. Any notice given by mail shall be deemed communicated three (3) days after deposit in the United States mail.

To METRO JPA: Metro Wastewater JPA
P.O. Box 1072
National City, CA 91951
Email: ExecutiveDirector@metrojpa.org
Attention: Executive Director

To TREASURER: Rodney Greek, CPA
1325 N. Vulcan Ave.
Encinitas, CA 92024
Email: rjgreek@cox.net
Attention: Rodney Greek

Entire Agreement of the Parties

9.02 This Agreement, including any Attachments, contains the entire understanding between the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements, or conditions, express or implied, oral or written, except as herein contained. The express terms hereof control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms hereof.

Amendment

9.03 This Agreement may not be modified or amended other than by a writing signed by the parties, including any changes to the scope of services or any timeframes identified in Attachment A.

Partial Invalidity

9.04 If any non-material provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way.

Attorneys’ Fees

9.05 If any legal action, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys’ fees, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which that party may be entitled.

Ownership of Documents and Materials

9.06 All original drawings, data, reports, documents and materials developed for the project, including detailed calculations, shall be furnished to and become the property of METRO JPA. METRO JPA agrees to indemnify TREASURER for claims, damages, or liabilities caused by any use by METRO JPA of the plans,

drawings, specifications, and all information gathered by TREASURER on any project other than the one for which such plans, drawings, and specifications were prepared and information gathered by TREASURER.

Audits

9.07 This Agreement is subject to examination and audit of the State Auditor, at the request of METRO JPA or as part of any audit of METRO JPA, for a period of three (3) years after final payment under the Agreement. TREASURER shall cooperate with METRO JPA, including any authorized representative of METRO JPA, regarding such audit at no charge to METRO JPA.

Counterparts

9.08 This Agreement may be executed in counterparts and electronically, each of which shall constitute an original, but all of which together shall constitute one and the same agreement, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

Provisions Required by Law

9.09 Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed to be inserted herein, and the Agreement shall be read and enforced as though they were included herein. If through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the request of either party, the Agreement shall forthwith be physically amended to make such insertion.

Governing Law

9.10 This Agreement and all questions relating to its validity, interpretation, performance, and enforcement (including, without limitation, provisions concerning limitations of actions), shall be governed by and construed in accordance with the laws of the State of California.

Jurisdiction and Venue

9.11 The proper jurisdiction and venue for any claims, causes of action or other proceedings arising out of or relating to this Agreement shall be in the County of San Diego, State of California, and the parties hereby waive any right providing for a change of jurisdiction or forum to any other location.

No Waiver

9.12 A waiver by either party of a breach of any provision of this Agreement shall not constitute a general waiver or prejudice the other party's right otherwise to demand strict compliance with that provision or any other provisions in this Agreement. Likewise, METRO JPA's acceptance of any reports, work, services or materials furnished pursuant to this Agreement, or METRO JPA's payment therefor, shall not operate as a waiver of any of METRO JPA's rights under this Agreement or of any cause of action or defense relating to the performance of this Agreement.

False Claims

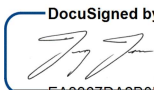
9.13 In signing this Agreement, TREASURER certifies that TREASURER shall not submit a false claim in violation of the False Claims Act, section 12650 *et seq.* of the Government Code.

Signature Authority

9.14 METRO JPA and TREASURER do covenant that the individual executing this Agreement on their behalf is a person duly authorized and empowered to execute this Agreement for such party.

BY SIGNING BELOW THE PARTIES VOLUNTARILY ENTER INTO THIS AGREEMENT AND ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE TERMS SET FORTH HEREIN AND AGREE TO BE BOUND THEREBY.

**METRO WASTEWATER
JOINT POWERS AUTHORITY:**

DocuSigned by:

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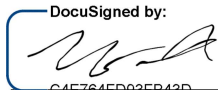
Signature
Jerry Jones

Name
Chair, Metro Wastewater JPA

Title
July 12, 2024

Date

RODNEY GREEK, CPA:

DocuSigned by:

C4E764FD03FB43D...

Signature
Rod Greek

Name
Sole Proprietor, CPA

Title
July 12, 2024

Date

EXHIBIT "A"

SCOPE OF SERVICES

Fiscal Year one (FY 2025)

During Fiscal Year one (FY) 2025, Rodney Greek, CPA et al will provide professional Government Treasurer Accounting services to Metro JPA as follows:

- Monitor and manage separate bank accounts to include savings and checking.
- Maintain and reconcile bank accounts,
- Prepare Member Agency annual billings.
- Collect and deposit Member Agency billings.
- Make authorized expenditures related to conducting Metro Commission and Metro JPA business.
- Provide biannual unaudited financial reporting which reflects cash balances, outstanding receivables, and payables.
- Provide biannual unaudited income statement financial reporting. Financial reporting will separately track Metro Commission and Metro JPA receipts and expenditures.
- Accrual basis of accounting will be used to reveal outstanding receivables and payables to the extent known as of the financial statement date.
- Attend staff and Board meetings as desired by the Metro Commission and Metro JPA.
- Consult and respond to questions from member agencies concerning finances and billings.
- Transition Services as requested.
- Other incidental services consistent with the Treasurer's position.

Optional - Fiscal Year two (FY 2026)

During Fiscal Year two (FY) 2026, Rodney Greek, CPA et al will provide professional Government Treasurer Accounting services, prepare auditable biennial financial statements, and manage audit services to be provided by a separate qualified CPA firm for Metro JPA as follows:

- Monitor and manage separate bank accounts to include savings and checking.
- Maintain and reconcile bank accounts,
- Prepare Member Agency annual billings.
- Collect and deposit Member Agency billings.
- Make authorized expenditures related to conducting Metro Commission and Metro JPA business.
- Provide biannual unaudited financial reporting which reflects cash balances, outstanding receivables, and payables.
- Provide biannual unaudited income statement financial reporting. Financial reporting will separately track Metro Commission and Metro JPA receipts and expenditures.
- Accrual basis of accounting will be used to reveal outstanding receivables and payables to the extent known as of the financial statement date.
- Attend staff and Board meetings as desired by the Metro Commission and Metro JPA.
- Consult and respond to questions from member agencies concerning finances and billings.

- Other incidental services consistent with the Treasurer's position.
- Coordination between Outside audit firm and Metro JPA via this Consultant to ensure deliverables are met in a timely manner with a target completion date for the FY2023-24/FY2024-25 audit of November 26, 2025.
- Preparation and review of the auditable Biennial Financial Report for the years ended June 30, 2024 and June 30, 2025 including:
 - Management Discussion and Analysis
 - Financial Statements
 - Statement of net Position
 - Statement of Revenues, Expenses, and Changes in Net Position
 - Statement of Cash Flows
 - Footnotes to the Basic Financial Statements
- Preparation and review of presentations of the Financial Statements to the Metro JPA (Metro Commission), Metro TAC and the JPA Finance Committee

Services will be billed monthly based on hours worked for each line item. Professional Government Accounting Services will be provided at billable rates as follows:
 CPA - \$300.00 per hour
 Senior Accountant - \$194.00 per hour

FY 2025 Services

Budgeted Hours are as follows:

TASK	Estimated Hours	Estimated Budget
Monthly Invoicing	15	\$3,228.00
Annual Agency Billing - issue bills, collect and deposit.	2.5	538.00
Maintain and Reconcile Bank Accounts	15	3,228.00
Mid-Year Financials	10	2,152.00
Year End Financials	12.5	2,690.00
Budget - review actuals and contracts, work with Executive Director on format.	20	4,304.00
Finance Meetings	18	4,446.00
Metro TAC Meetings	24	5,928.00
Metro Commission Meetings	24	5,928.00
Transition Contingency		10,000.00
Miscellaneous		6,000.00
TOTAL ESTIMATE:	141 Hours	\$48,442.00

Additional Meetings will be billed at a minimum 2 hours times billable rate.

OPTIONAL - FY 2026 Services

Budgeted Hours are as follows:

TASK	Estimated Hours	Estimated Budget
Monthly Invoicing	15	\$3,228.00
Annual Agency Billing - issue bills, collect and deposit.	2.5	538.00
Maintain and Reconcile Bank Accounts	15	3,228.00
Mid-Year Financials	10	2,152.00
Year End Financials - includes unaudited draft to Metro and submission of information to outside auditor	12.5	2,690.00
Biennial Audit	50	10,760.00
Budget - review actuals and contracts, work with Executive Director on format.	20	4,304.00
Finance Meetings	18	4,446.00
Metro TAC Meetings	24	5,928.00
Metro Commission Meetings	24	5,928.00
Miscellaneous		6,000.00
TOTAL ESTIMATE:	191 Hours	\$49,202.00

Additional Meetings will be billed at a minimum 2 hours times billable rate.

Consultant Contact Information:

Rodney Greek, CPA
California CPA License # 75279
Senior Accountant – Lee Ann Jones-Santos
1325 N. Vulcan Ave.
Encinitas, CA 92024

CPA's Office Phone: 760-809-0681
CPA's Office Email: rjgreek@cox.net
Senior Accountant's Phone: 619-823-8129
Senior Accountant's Email: lasantos8928@gmail.com

RODNEY GREEK, CPA

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

Dear Ms. Keze,

Lee Ann Jones-Santos and I are looking forward to providing Treasurer services for the Metro Wastewater JPA. As we have been going through the proposal review process, a question was posed regarding how we determined the rates we included in our proposal.

I recently provided accounting proposal review services for a local government agency in San Diego County. Six firms submitted proposals for that RFP. Four of those proposals included a breakdown of the hourly billable rates for the various positions providing services to the agency. Below is a summary of the rate disclosures for those four firms.

Hourly rates from recent Proposals					
	Firm #1	Firm #2	Firm #3	Firm #4	Average
Partner	\$ 375	\$ 394	\$ 650	\$ 445	\$ 466
Director	\$ 235	\$ 326		\$ 330	\$ 297
SR Mgr		\$ 293	\$ 450	\$ 320	\$ 354
MGR		\$ 266		\$ 230	\$ 248
Supv/Sr	\$ 170	\$ 214	\$ 225	\$ 165	\$ 194
Assoc	\$ 115	\$ 161	\$ 170	\$ 135	\$ 145
Admin	\$ 95	\$ 94	\$ 100	\$ 100	\$ 97

These rates were specific to services proposed for the fiscal year 2025 (July through June) period. The proposals were prepared, received, and reviewed during the months of March and April 2024. I am not at liberty to disclose the names of the firms as that information is confidential.

After carefully considering Lee Ann's qualifications and many years of industry experience, along with the level of effort required for this Treasurer's position, I am bringing her on at a comparable rate to the position of Supervising Senior. I have also set my own rate near the low end of what I'm seeing in the profession. Maintaining a CPA credential requires a minimum of 40 hours per year of continuing education and adherence to professional standards. services.

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

Kind regards,

Rodney Greek

Rodney Greek, CPA



VIA CERTIFIED MAIL & EMAIL

June 5, 2025

NV5, Inc.
15092 Avenue of Science, Suite 200
San Diego, CA 92126
Attn: Julian Palacios

Re: Notice of Termination

Dear Julian Palacios:

Metro Wastewater Joint Powers Authority hereby terminates the Agreement for Professional Services Between Metro Wastewater Joint Powers Authority and NV5, Inc., dated July 1, 2022, as amended.

This termination shall be effective ten (10) days following receipt hereof.

Please cease all work on behalf of Metro JPA and prepare a final invoice. Please also prepare and send all original field notes, drawings and specifications, written reports and other documents produced or developed for Metro JPA.

We appreciate NV5's assistance over the years. Please direct any questions concerning this notice to Metro JPA Executive Director Karyn Keze, karyn@kezegroup.com.

Sincerely,

Jerry Jones, Chair
Metro JPA

The Joint Powers Authority Proactively Addressing Regional Wastewater Issues

METRO JPA/TAC
Staff Report
Date: May 14, 2025

Project Title:

Contract with Pencco, Inc. to purchase Ferric Chloride at the North City Water Reclamation Plant

Presenter(s) Name:

Craig Boyd/Tim Carroll

Presenter(s) Title:

Deputy Director/Wastewater Chief Plant Operator

Requested Action:

Authorization to execute a contract with Pencco, Inc. to purchase ferric chloride at the North City Water Reclamation Plant, not to exceed \$2,178,000.

Recommendations:

Approve action

Metro TAC:	Approve the subject item and forward to Metro Commission for approval.
IROC:	N/A
Prior Actions: (Committee/Commission, Date, Result)	N/A

Fiscal Impact:

Is this projected budgeted?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Cost breakdown between Metro & Muni:	Metro: \$6,600,000 Muni: \$0
Fiscal impact to the Metro JPA:	\$2,178,000

Capital Improvement Program:

New Project?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A <input type="checkbox"/>
Existing Project?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Upgrade/addition <input type="checkbox"/> Change <input type="checkbox"/>

Previous TAC/JPA Action:

N/A

Additional/Future Action:

N/A

City Council Action:

Anticipated for June/July 2025

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

The North City Water Reclamation Plant is currently undergoing facility expansion to increase its capacity from 30 million gallons per day (MGD) to 52 MGD for the Pure Water Program. Approximately 960 dry tons of ferric chloride will be needed annually.

Ferric chloride is used to coagulate particles for sedimentation in wastewater treatment and is needed for new treatment processes at the plant.

The contract with Pencco, Inc. for ferric chloride is a one year contract with the option to renew for four additional one year terms, in an amount not to exceed \$6,600,000. The fiscal impact to

the Metro JPA is not to exceed \$2,178,000. The average estimated annual expense for the JPA is \$435,600.

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

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

An Invitation to Bid to provide ferric chloride was issued on March 14, 2025, by the Purchasing and Contracting Department. The bid closed on April 10, 2025, in which the City received two responsive bids. Pencco, Inc. was determined to be the lowest bidder at \$1,247.00 per dry ton. This was less than 1% lower than the next bidder, Kemira Water Solutions, Inc. at \$1,256.75 per dry ton. The Purchasing and Contracting Department issued the Notice of Intent to Award on May 2, 2025.


Public Utilities Department

Contract with Pencco Inc. to purchase Ferric Chloride at the North City Water Reclamation Plant

Metro JPA/Commission
June 5, 2025



1


Public Utilities Department

Background


- The North City Water Reclamation Plant is currently undergoing facility expansion to increase its capacity from 30 million gallons per day (MGD) to 52 MGD for the Pure Water Program
- Expansion includes implementation of Chemically Enhanced Primary Treatment (CEPT), which uses coagulants and flocculants to increase removals
- This chemical will be used to coagulate particles in CEPT at NCWRP
- Approximately 960 dry tons of ferric chloride will be needed annually

WATER COAGULATION

North City Water Reclamation Plant


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2

 Public Utilities Department

Background (cont'd)

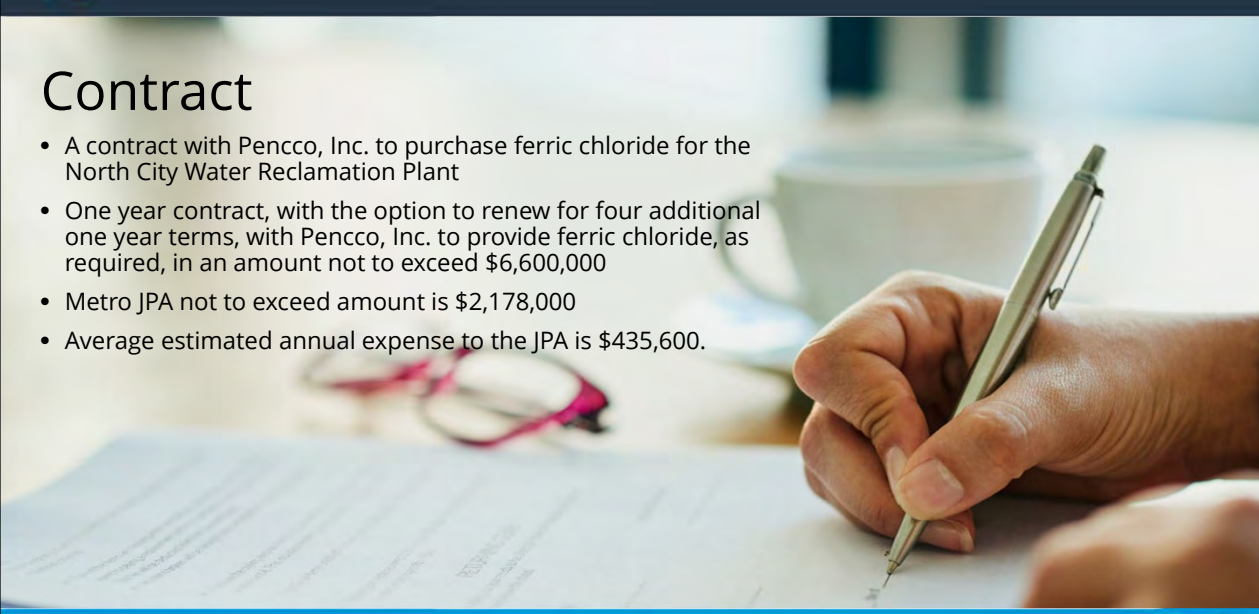
- An Invitation to Bid to provide ferric chloride was issued on March 14, 2025. The bid closed on April 10, 2025, in which two responsive bids were received
- Pencco, Inc. was determined to be the lowest bidder at \$1,247 per dry ton. Purchasing and Contracting issued the Notice of Intent to Award on May 2, 2025
- This was less than 1% lower than the next bidder, Kemira Water Solutions, Inc. at \$1,256.75 per dry ton



North City Water Reclamation Plant's Ferric Chloride Tank

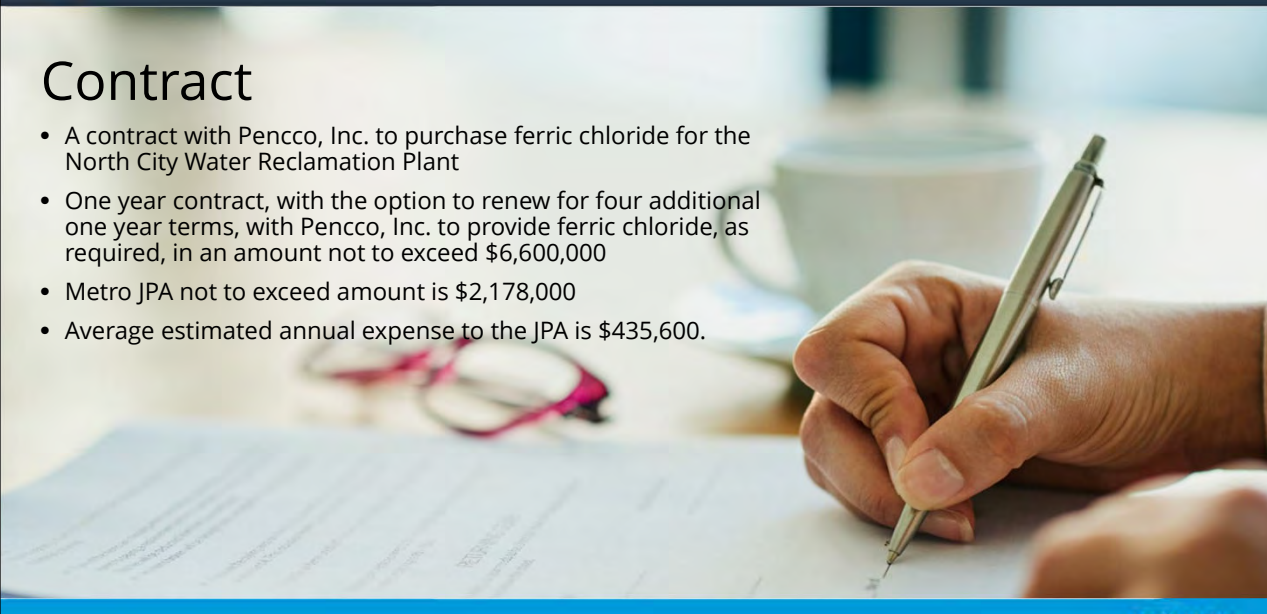
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3

 Public Utilities Department


Contract

- A contract with Pencco, Inc. to purchase ferric chloride for the North City Water Reclamation Plant
- One year contract, with the option to renew for four additional one year terms, with Pencco, Inc. to provide ferric chloride, as required, in an amount not to exceed \$6,600,000
- Metro JPA not to exceed amount is \$2,178,000
- Average estimated annual expense to the JPA is \$435,600.



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4



Public Utilities Department


Requested Action

- Authorization to Execute a Contract with Pencco, Inc. to purchase ferric chloride at the North City Water Reclamation Plant, not to exceed \$2,178,000




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5



Public Utilities Department

QUESTIONS



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6

METRO JPA/TAC
Staff Report
Date: May 14, 2025

Project Title:

First Amendment to the Contract with Polydyne Inc. to purchase Anionic Polymer; adding the North City Water Reclamation Plant

Presenter(s) Name:

Craig Boyd, Tim Carroll

Presenter(s) Title:

Deputy Director, Wastewater Chief Plant Operator

Requested Action:

Approve First Amendment to the contract with Polydyne Inc. to purchase anionic polymer at the North City Water Reclamation Plant, not to exceed \$841,500 through contract end date July 13, 2027.

Recommendations:

Approve action

Metro TAC:	Approve the subject item and forward to Metro Commission for approval.
IROC:	N/A
Prior Actions: (Committee/Commission, Date, Result)	N/A

Fiscal Impact:

Is this projected budgeted?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Cost breakdown between Metro & Muni:	Metro: \$2,550,000 Muni: \$0
Fiscal impact to the Metro JPA:	\$841,500 through contract end July 13, 2027.

Capital Improvement Program:

New Project?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A <input type="checkbox"/>
Existing Project?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Upgrade/addition <input type="checkbox"/> Change <input type="checkbox"/>

Previous TAC/JPA Action:

Existing contract approved on June 2, 2022.

Additional/Future Action:

N/A

City Council Action:

Anticipated for June/July 2025


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

This First Amendment adds the North City Water Reclamation Plant as a new delivery location and adds funds in the amount of \$2,550,000. The term of the contract remains unchanged (July 14, 2022, through July 13, 2027) The fiscal impact to the Metro JPA for the First Amendment is not to exceed \$841,500.

Metro JPA/Commission
June 5, 2025




1

 Public Utilities Department

Background

- The North City Water Reclamation Plant is currently undergoing facility expansion to increase its capacity from 30 million gallons per day (MGD) to 52 MGD for the Pure Water Program
- Expansion includes implementation of Chemically Enhanced Primary Treatment (CEPT), which uses coagulants and flocculants to increase removals
- Anionic Polymer will be used to flocculate and settle solids as part of CEPT at NCWRP
- Approximately 235,000 dry pounds of anionic polymer will be required for plant operations through the contract end date, July 13, 2027.



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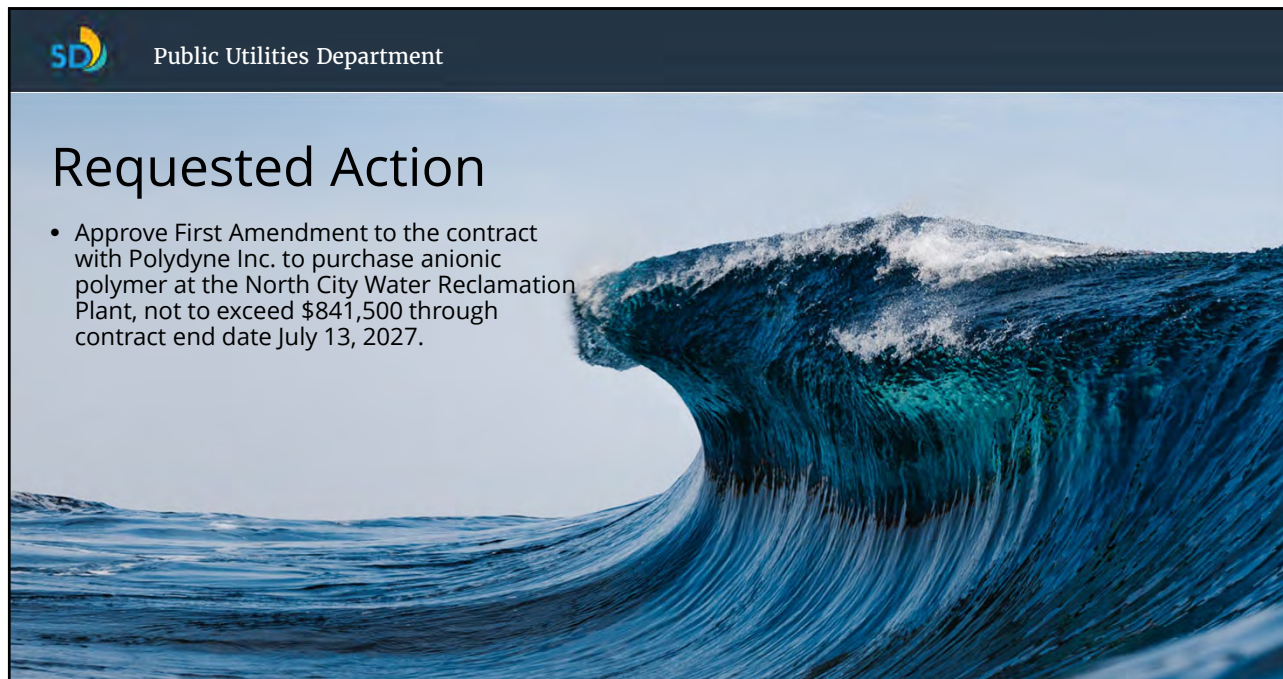
SD Public Utilities Department

First Amendment

- First Amendment to the contract with Polydyne Inc. to purchase anionic polymer at the North City Water Reclamation Plant through contract end date July 13, 2027.
- Current contract price is \$10.27 per pound which is consistent with the pricing for the Point Loma Wastewater Treatment Plant.
- This amendment will increase the amount of the contract by \$2,550,000.
- Metro JPA not to exceed amount is \$841,500.

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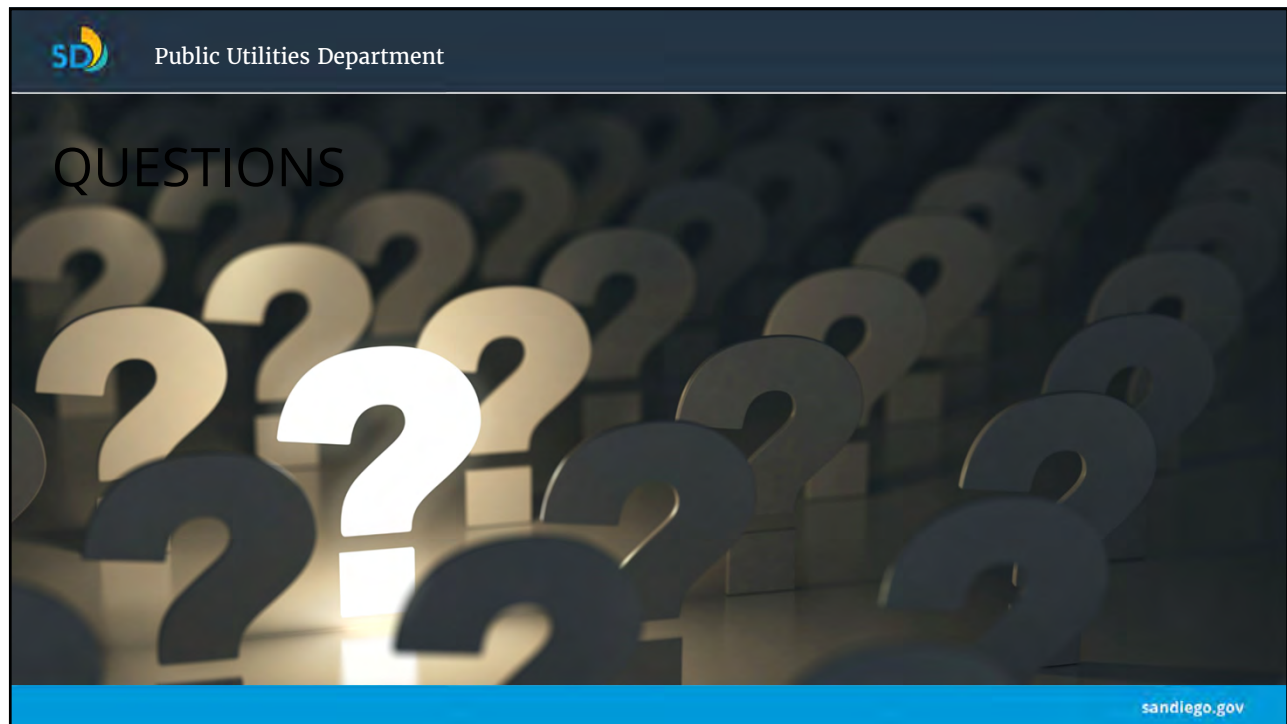
SD Public Utilities Department

Requested Action

- Approve First Amendment to the contract with Polydyne Inc. to purchase anionic polymer at the North City Water Reclamation Plant, not to exceed \$841,500 through contract end date July 13, 2027.

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Anionic polymer separates the incoming solids from liquids through a process called flocculation in sedimentation basins. The anionic polymers' ability to flocculate solids is central to their role in wastewater treatment.

The expanded NCWRP will experience increased flows for the Pure Water Program. Approximately 235,000 dry pounds of anionic polymer will be required for plant operations.

The original contract is for the Point Loma Wastewater Treatment Plant where anionic polymer is part of the chemically enhanced primary treatment.

The current price on the existing contract is \$10.27 per pound, which is consistent with pricing for the Point Loma Wastewater Treatment Plant.

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

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

METRO JPA/TAC
Staff Report
Date: May 14, 2025

Project Title:

Contract with JCI Jones Chemicals Inc. to purchase Sodium Hypochlorite for Water and Wastewater Facilities

Presenter(s) Name:

Craig Boyd/Tim Carroll

Presenter(s) Title:

Deputy Director/Wastewater Chief Plant Operator

Requested Action:

Authorization to Execute a contract with JCI Jones Chemicals Inc. to purchase sodium hypochlorite for Water and Wastewater facilities, (not to exceed \$8,582,970).

Recommendations:

Approve action

Metro TAC:	Approve the subject item and forward to Metro Commission for approval.
IROC:	N/A
Prior Actions: (Committee/Commission, Date, Result)	N/A

Fiscal Impact:

Is this projected budgeted?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Cost breakdown between Metro & Muni:	Metro: \$26,009,000 Muni: \$715,000 Water: \$7,171,000
Fiscal impact to the Metro JPA:	: \$8,582,970

Capital Improvement Program:

New Project?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A <input type="checkbox"/>
Existing Project?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Upgrade/addition <input type="checkbox"/> Change <input type="checkbox"/>

Previous TAC/JPA Action:

N/A

Additional/Future Action:

N/A

City Council Action:

Anticipated for June/July 2025

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

Sodium hypochlorite is used for odor control at several Water and Wastewater facilities.

The contract with JCI Jones Chemicals Inc. for sodium hypochlorite is a one year contract with the City's option to renew for four additional one year terms, in an amount not to exceed \$33,895,000. The Metro Fund portion of the contract is \$26,009,000. The fiscal impact to the Metro JPA is \$8,582,970.

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

N/A

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

An Invitation to Bid to provide sodium hypochlorite at water and wastewater facilities, was issued on February 19, 2025, by the Purchasing & Contracting Department. The bid closed on March 21, 2025. The City received three responsive bids. JCI Jones Chemicals, Inc. was determined to be the lowest bidder at \$1.62 to \$1.72 per gallon. Price varied per location. The lowest bid was 29.2% lower than the next lowest bidder, Brentag Pacific, Inc. at \$2.28 to \$3.14 per gallon. The Purchasing and Contracting Department issued the Notice of Intent to Award on April 29, 2025.

The current contract for sodium hypochlorite is also with JCI Jones Chemical, Inc. The contract began on December 29, 2020 and expires on December 28, 2025. The current contract price is \$1.97 per gallon.


Public Utilities Department

Contract with JCI Jones Chemicals Inc. to purchase Sodium Hypochlorite for Water and Wastewater Facilities

Metro JPA/Commission
June 5, 2025




1



Public Utilities Department

Background

- Sodium Hypochlorite is used for disinfection and odor control at several Water and Wastewater facilities:
- Wastewater facilities include Pump Station 2, Pump Station 64, Pump Station 65, Penasquitos Pump Station, Metropolitan Biosolids Center, North City Water Reclamation Plant, South Bay Water Reclamation Plant, Point Loma Water Reclamation Plant, Black Mountain Reservoir, North City Pure Water Facility
- An Invitation to Bid to provide sodium hypochlorite was issued on February 19, 2025. The bid closed on March 21, 2025, in which the City received three responsive bids.



North City Water Reclamation Plant



South Bay Water Reclamation Plant


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SD Public Utilities Department

Background

- JCI Jones Chemicals Inc. was deemed the lowest bidder at \$1.62 to \$1.72 per gallon. The intent to award was issued on April 29, 2025.
- 29.2% lower than the next bidder, Brentag Pacific, Inc. at \$2.28 to \$3.14 per gallon.
- The current contract with JCI Jones Chemicals Inc. is \$1.97 per gallon and expires December 28, 2025.



North City Water Reclamation Plant

South Bay Water Reclamation Plant

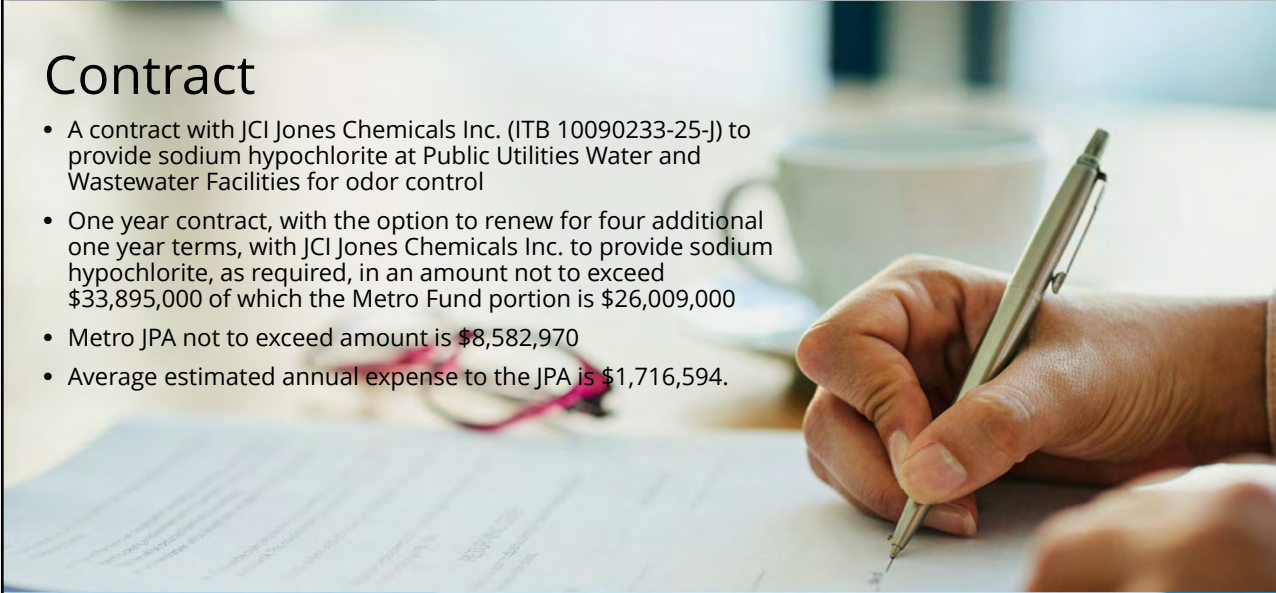
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SD Public Utilities Department


Contract

- A contract with JCI Jones Chemicals Inc. (ITB 10090233-25-J) to provide sodium hypochlorite at Public Utilities Water and Wastewater Facilities for odor control
- One year contract, with the option to renew for four additional one year terms, with JCI Jones Chemicals Inc. to provide sodium hypochlorite, as required, in an amount not to exceed \$33,895,000 of which the Metro Fund portion is \$26,009,000
- Metro JPA not to exceed amount is \$8,582,970
- Average estimated annual expense to the JPA is \$1,716,594.



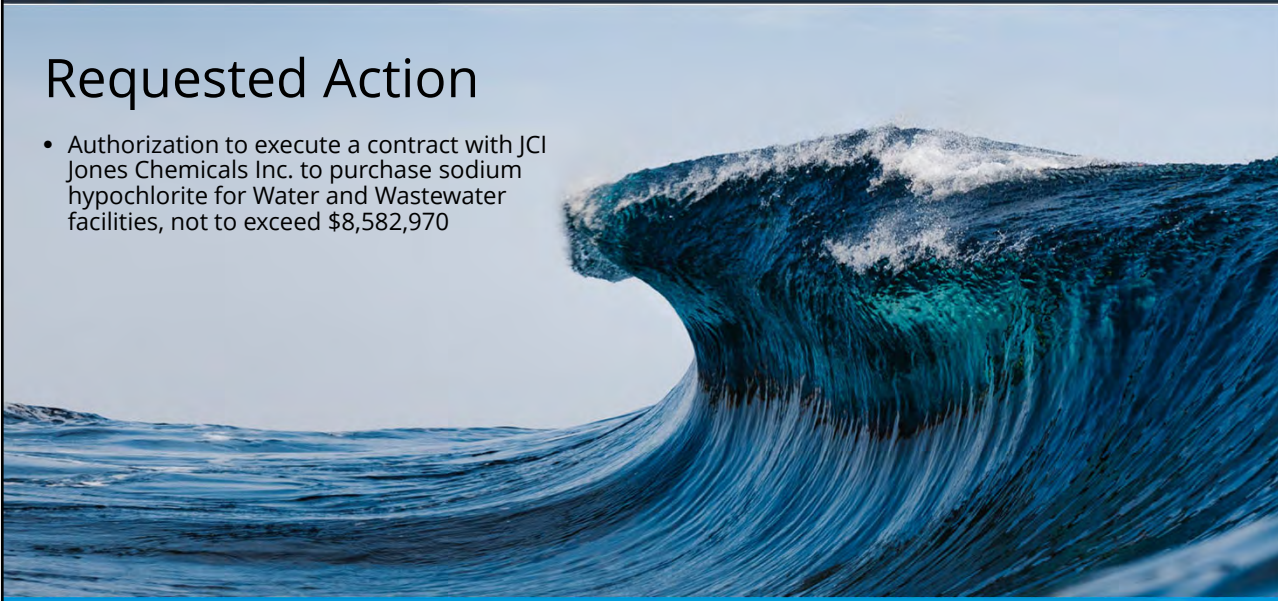
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 Public Utilities Department


Requested Action

- Authorization to execute a contract with JCI Jones Chemicals Inc. to purchase sodium hypochlorite for Water and Wastewater facilities, not to exceed \$8,582,970




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 Public Utilities Department

QUESTIONS



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Monthly Executive Director's Report April 2025

The purpose of this report is to provide an update on the activities, progress, and outcomes related to the JPA's initiatives. It aims to ensure transparency, document key discussions and decisions, and keep all stakeholders informed of ongoing efforts and upcoming milestones.

In April, the Executive Director and Executive Team focused primarily on the implementation process for the draft Second Amended and Restated Agreement (SARA), introduced at the March 19 TAC and April 3 JPA/Com Board meetings. To support this effort, the draft SARA, staff report, and presentation have been posted in the "News" section of the JPA website:

<https://www.metrojpa.org/Home/Components/News/News/142/18?backlist=%2fhome>

In addition, a copy of the current Amended and Restated Agreement (ARA) can be found in the Director's Manual at:

<https://www.metrojpa.org/Home/ShowDocument?id=4720>

During the implementation process the SARA documents will be updated as needed and noted in the Monthly Executive Director's Report as to any changes/additions.

Key Tasks and Updates:

1. SARA Implementation Progress

The following is an excerpt from the Staff Report that was presented to the Metro JPA/Com Commissioners at their April meeting regarding the recommendations from the Pure Water AdHoc's March 10, 2025, meeting in which they concurred that the SARA draft should be moved forward for presentation to Metro TAC and the Metro JPA/Com as the first step in the implementation process. Their recommendations included an implementation schedule as well as draft language for a motion for the May Metro JPA/Com meeting.

“The Metro Commission Pure Water Ad Hoc, together Metro’s Executive Staff, respectfully recommend the Metro JPA representatives discuss, evaluate and provide input or comments to the draft SARA. TAC representatives have been encouraged to confer with their Participating Agency staff, legal counsel and Metro JPA Board representatives, so that the Metro JPA Board representatives can be prepared to discuss and ask questions in advance of the next two Metro Board meetings (see below).

PURE WATER AD HOC RECOMMENDATION: *A motion for the Metro Commission to recommend to the Participating Agencies’ approval of the SARA subject to non-substantive revisions and corrections, which non-substantive determinations shall be made by the Participating Agency’s Attorney and City/General Manager.*

- *That way, if changes are made, the PA’s Attorney and City/General Manager believe they are non-substantive; the PA’s approval can stand without having to go back to governing body.*
- *If substantive changes are made, SARA will need to go back to PA governing body for approval of amended version, but then the City Council/Board can only focus on the substantive changes. We hope this will make for a faster review.”*

At their April Meeting Metro TAC requested more time to review SARA and the following revised schedule was created and approved by the Board at their May Meeting:

JPA/Com Regular Meeting – May 1, 2025

- FAB Presentation - Stantec
- Discussion: Progress of SARA Review
 - TAC Recommendation
 - Pretreatment Administrative Agreement Discussion
- Discussion and Action: Move July Regular Board Meeting Date to June 26, 2025, or Other Date

Metro TAC Regular Meeting - May 21, 2025

- Discussion: Substantive Review of SARA

JPA/Com Regular Meeting – June 5, 2025

- Report: TAC Substantive Discussion, Pretreatment Progress
- Discussion: Continued Discussion of SARA Review

Metro TAC Regular Meeting - June 18, 2025

- Discussion: Continued Discussion of SARA Review
- Vote/Recommendation: SARA

JPA/Com Special Meeting – July 10, 2025 (Replaces July 3rd Meeting)

- Discussion: Continued Discussion of SARA Review
- Vote/Recommendation: SARA

Steady and coordinated progress continues on the implementation of the Second Amended and Restated Agreement (SARA), with several key actions underway:

- **One-Page SARA Summary:** In response to the Board's April request, staff prepared "*Understanding the Second Amended and Restated Agreement (SARA)*", a one-page summary distributed to TAC and JPA members in mid-April. It is attached to this Report and also available in the SARA packet on the JPA website.
- **PA Outreach and Feedback:** The Executive Team continues to offer one-on-one meetings with Participating Agencies (PAs) to address questions and receive feedback. To date, four PAs have engaged with the team, and revisions have been compiled and submitted to the City of San Diego in redline format from the first two meetings. Additional revisions are being gathered and as they are received will be submitted to San Diego staff.
- **Agreement Comparison Document:** At the request of the TAC Chair, a comparative redline showing key differences between the proposed SARA and the existing ARA was prepared and distributed on May 5 to TAC and JPA Board members. As previously noted, creating a traditional red line has been difficult due to the extensive reorganization and rewriting of the document, which was done to improve clarity and usability of the operating agreement.
- **Legal Review Coordination:** In response to directions from the Metro JPA/Com Board, JPA General Counsel Adriana Ochoa will host a Zoom meeting in early May exclusively for legal counsels representing the PAs. The purpose is to facilitate collective review, address legal questions, and minimize redundant discussions. This session is not a public meeting and is intended solely for agency legal representatives.
- **The Pure Water (SARA) AdHoc:** The AdHoc met on April 29th to review revisions to Administrative Agreement No. 1 proposed by the City of San Diego. JPA and PUD Legal Councils are continuing to work on revised language. It is anticipated that revisions will be completed in time for the Administrative Agreement to move forward with SARA over the next several months.
- **Functional Allocated Billing (FAB) Presentations:** Ben Stewart of Stantec provided a detailed overview of the Functional Allocated Billing (FAB) methodology and its projected impacts at the April TAC and May JPA/Commission meetings. The presentation addressed anticipated rate changes under both current flow allocations and future conditions following the withdrawal of ECAWP JPA. For most Participating Agencies, impacts appear minimal; the most significant financial shift is expected for the City of San Diego.

2. JPA Board Adopts First Investment Policy

At its May meeting, the JPA Board adopted its first-ever Investment Policy, developed as part of the broader Policy & Procedures Manual reviewed by the Finance Committee and approved in March for Board consideration. Due to ongoing SARA discussions, review of the remaining portions of the manual has been deferred to the August JPA/Com meeting. Historically, the JPA was limited to low-interest savings accounts; the new policy enables investment in higher-yield options such as LAIF. A resolution authorizing participation in LAIF was also

approved, and financial staff will begin transferring reserves and uncommitted operating funds over the next month.

3. I&I Committee

The I&I committee met on April 24th and discussed progress on action items from the previous meeting. PAs are working on meter basin data requests with DWEI in the process of sending out individual requests to each agency to be specific. All requests will be sent out by May 9th, and the City is requesting to have all the information back by end of June. The City is continuing to work on a contract to bring ADS on board to analyze the March 2025 storms as a “Phase 1” of the I&I analysis. They are anticipating it will be ready for next fiscal year.



Understanding the Second Amended and Restated Agreement (SARA)

What is SARA?

- The Second Amended and Restated Agreement (SARA) is a revised version of the 2021 operating agreement between the City of San Diego and the twelve Participating Agencies (PAs) that use the regional Metro Wastewater System.
- SARA is the result of over four years of negotiations between the PAs and the City of San Diego. It's the work-product of hundreds of hours of research and negotiation from the staffs of the JPA and the City of San Diego, with additional layers of review from the PA's legal team, its Technical Advisory Committee, and the JPA Board members.

What does SARA do?

- Updates the legal document that governs our regional cooperation on wastewater treatment and recycled/repurified water planning.
- Reorganizes the document and modernizes the language.
- Streamlines the JPA's authority to handle ministerial and operational issues.
- Resolves six specific "Parking lot Items" issues that were left unresolved in 2021.
- Provides more flexibility for future adjustments to keep the document relevant.

Key Updates in SARA:

- Establishes cost-sharing approaches for Phases 1 and 2 of the City's Pure Water Program.
- Introduces a new billing method (Functional Allocated Billing) to allocate Metro System costs more accurately based on how each agency uses the Metro System.
- Establishes the Uniform Enforcement of the Pretreatment Program by the City of San Diego
- Outlines how future regional water reuse projects may be included in capital cost calculations.
- Provides a sample formula for calculating revenue from repurified water.
- Includes provisions for the treatment and billing of wastewater from military bases.

Key Structural and Operational Improvements:

- Clarifies how fines, penalties, and regulatory enforcement actions are allocated among the parties.
- Creates a process for developing Administrative Agreements to address technical or operational matters without renegotiating the main agreement.
- Establishes four approval paths to update SARA in the future, allowing for more tailored and efficient decision-making.

Approval Process:

- After SARA is approved, on an advisory vote, by the PA's representatives on the Metro JPA, it will be sent to each PA for formal review and approval.
- When all thirteen PAs approve, it will replace the current agreement for the next fifty years.

The Joint Powers Authority Proactively Addressing Regional Wastewater Issues



Monthly Metro TAC Chair Report May 2025

A summary of action items, presentations, discussions and updates heard at the regularly scheduled Metro Technical Advisory Committee held on May 21, 2025.

Information:

1. Treasurer's Report (Lee Ann Jones-Santos)

- Lee Ann Jones-Santos and Karyn Keeze went over the Metro Wastewater Joint Powers Authority Treasurer's Report. It was a brief presentation with no significant questions or comments from TAC.

Action Items:

1. Consideration and Possible Action to Recommend to the Metro Wastewater JPA Approval of the FY 2026 JPA Budget (Karyn Keeze/ Lee Ann Jones-Santos)

- Lee Ann Jones-Santos and Karyn Keeze presented on the FY 2026 JPA Budget. It was a brief presentation with no significant questions or comments from TAC. It was asked how the effort to produce and review SARA affected the treasurer's report and the budget for the upcoming year and it was reported that there were no significant changes, and all consultants were currently within their budgets for this fiscal year. TAC unanimously recommended the item be approved by the JPA.
- In combination with this item TAC unanimously approved the CLA Contract, the Executive Director Contract, the Treasurer's Contract, and a Termination Letter for NV5. It was noted that the termination letter for NV5 was due to Scott Tulloch's retirement and that there was nothing but appreciation towards NV5 for allowing him to help the Metro JPA for so long.

2. Consideration and Possible Action to Recommend to the Metro Wastewater JPA Approval of the Following Chemical Contracts (Craig Boyd/Tim Carroll)

- Penccco, Inc. to purchase Ferric Chloride at North City Reclamation Plant
- Polydyne Inc. to purchase Anionic Polymer at North City Reclamation Plant
- JCI Jones Chemicals Inc. to purchase Sodium Hypochlorite for Water and Wastewater Facilities

- City of San Diego staff presented on all three contracts. Ferric Chloride will be used at North City to coagulate particles in the Chemically Enhanced Primary Treatment (CEPT) process. Anionic Polymer will be used at North City to flocculate and settle solids as part of CEPT. Both are needed in order to complete the expansion of North City Water Reclamation Plant to 52 MGD. Sodium Hypochlorite is used throughout the Water, Metro, and Muni system for disinfection and odor control. Metro is only responsible for the cost of the chemicals used in the Metro system.
- All contracts were unanimously recommended by TAC for approval by the JPA. It was asked if the Water Department should be paying for a portion of the Ferric Chloride and Anionic Polymer costs because of Pure Water, but Metro and City staff reminded the TAC members that the cost for wastewater treatment is the responsibility of Metro up to the Secondary Treatment level. If these chemicals were not used at the expanded North City Plant, they would be instead used at Point Loma. That is why those chemical costs are the responsibility of Metro.

Discussion:

1. SARA (Metro Exec Team & TAC Reps only)

- City staff left the meeting for the Metro Executive team and TAC representatives to have a detailed discussion of the SARA. TAC went through the SARA section by section and asked questions of the Executive Team. The discussion was very collaborative and led to some good edits to the document. That discussion will continue in June, and a new, red-lined document will be distributed for City and PA review.

Standing Items to be Brought to JPA:

Agenda Item 6: Metro Wastewater (General) (Lisa Celeya)

Agenda Item 7: Metro Wastewater Financial (Adam Jones)

Agenda Item 9: JPA Executive Director (Karyn Keze)