

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.

New Year's Reflection

As we begin the New Year, I would like to welcome our returning Directors and especially those who are new to the Board. The recent New Year's storm (discussed below) is a reminder of how interconnected our systems and communities are.

Challenges often arise when we apply past assumptions to changing conditions and we are very lucky that this is no longer the case with the operations of the Metro System. As we enter the New Year, it is important to look closely at current conditions and emerging data rather than rely on legacy approaches. This underscores the importance of regional coordination and adaptive decision-making. And we are lucky - SARA is designed to bring governance and planning into alignment with today's regional realities.



Welcome Lauren Cazares

The Metro Wastewater JPA/Commission welcomes Lauren Cazares as the new primary representative from the City of La Mesa. A lifelong La Mesaan, Lauren was elected to the La Mesa City Council in 2024 and is the youngest female councilmember in the City's history. She brings nearly a decade of experience in local government and public policy and currently serves as a Policy Advisor with the San Diego Regional Chamber of Commerce. December marked her first Metro JPA/Commission meeting, where she began her introduction to the Metro system through the Quarterly Pure Water Program Update presented by City of San Diego staff.

Key Tasks and Updates:

1. SARA and Administrative Agreement No. 1 (AA1) Update

During December the Board of the Lemon Grove Sanitation District unanimously approved SARA and Administrative Agreement No. 1 and the majority of the Participating Agencies and the City of San Diego have Council/Board dates scheduled from January to April.

To support our member agencies through their approval processes, the following resources are readily available upon request and on the website:

- Sample **staff reports**, including versions used by La Mesa, Coronado, Poway, and Lemon Grove.
- The **standard SARA presentation**, as well as a streamlined format refined in collaboration with participating agencies and the presentations used by the four PAs who have already approved SARA/AA1.
- A concise **one-page handout** summarizing SARA's key elements for use in Council packets or as a public-facing resource.

Executive Team members remain available to attend meetings, support presentations, and address questions from elected officials, staff, and the public.

For additional reference, you can also find the final versions of SARA, AA1, all associated exhibits, the one-pager, the standard PowerPoint presentation, and Stantec's detailed FAB presentation in the "News" section of the JPA website, available for your review and download at any time.

<https://www.metrojpa.org/home/showdocument?id=5070>

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

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

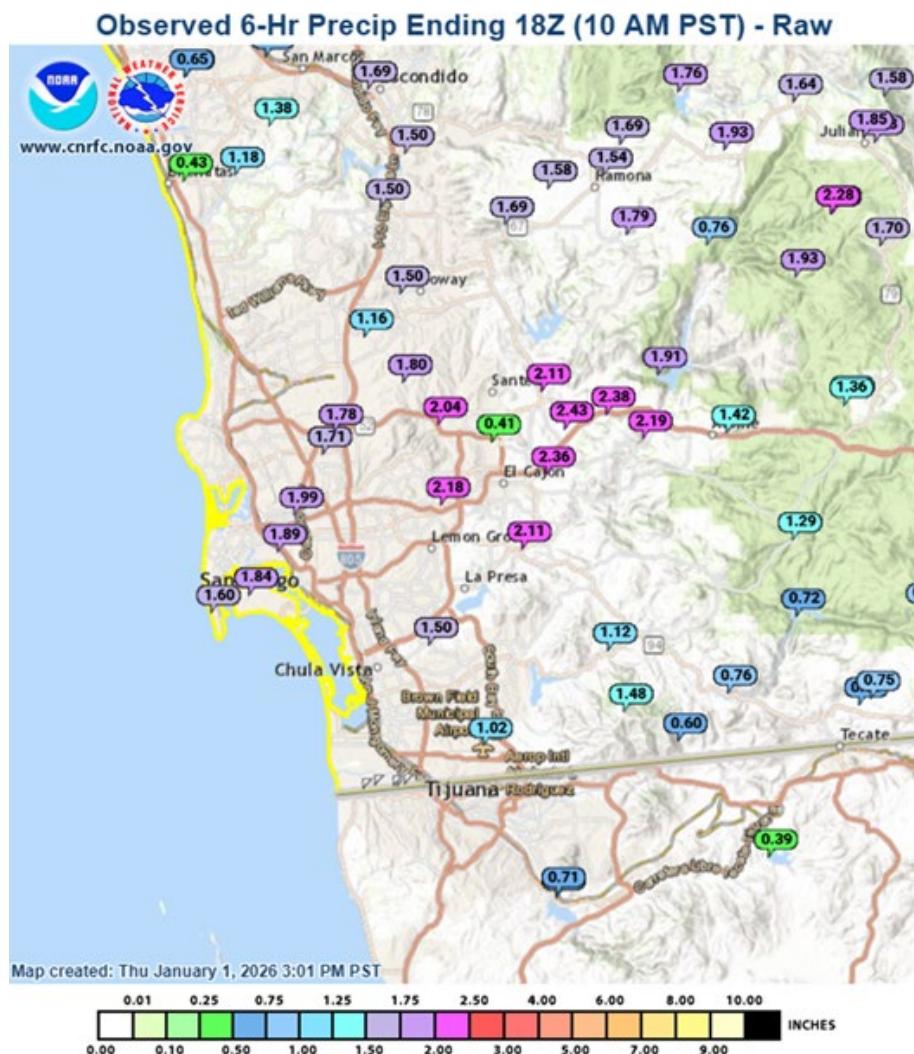
2. New Year's Storm Event

On New Year's Day, the Metro sewer system experienced significant wet-weather flows. Both Pump Station 1 and Pump Station 2 successfully withstood peak conditions, with all six pumps at PS1 and all seven pumps at PS2 operating. At PS2, flows exceeded 300 million gallons and wet well levels reached over 90 percent capacity; however, neither pump station experienced a spill. The successful performance of both stations under these conditions reflects the high level of

preparedness and responsiveness of the City of San Diego operations staff. We sincerely thank you for this especially on a holiday.

At the Point Loma Wastewater Treatment Plant, system flows reached maximum capacity and a spill occurred. Approximately 100,000 gallons of treated wastewater were discharged from the plant into a storm drain that ultimately flowed to the ocean, rather than being conveyed through the outfall as designed. The County was consulted, and no additional signage beyond the standard wet-weather advisory was required. Environmental teams inspected the area and observed no impacts beyond those typically associated with storm runoff. Regulatory agencies were notified in accordance with established protocols. Additional information, including root cause analysis, will be provided once available.

For reference, rainfall totals across the region for the six-hour period from 4:00 a.m. to 10:00 a.m. are provided below. Further updates will be shared at upcoming TAC and JPA Commission meetings.



3. 2026 IRS Standard Mileage Rates Increase

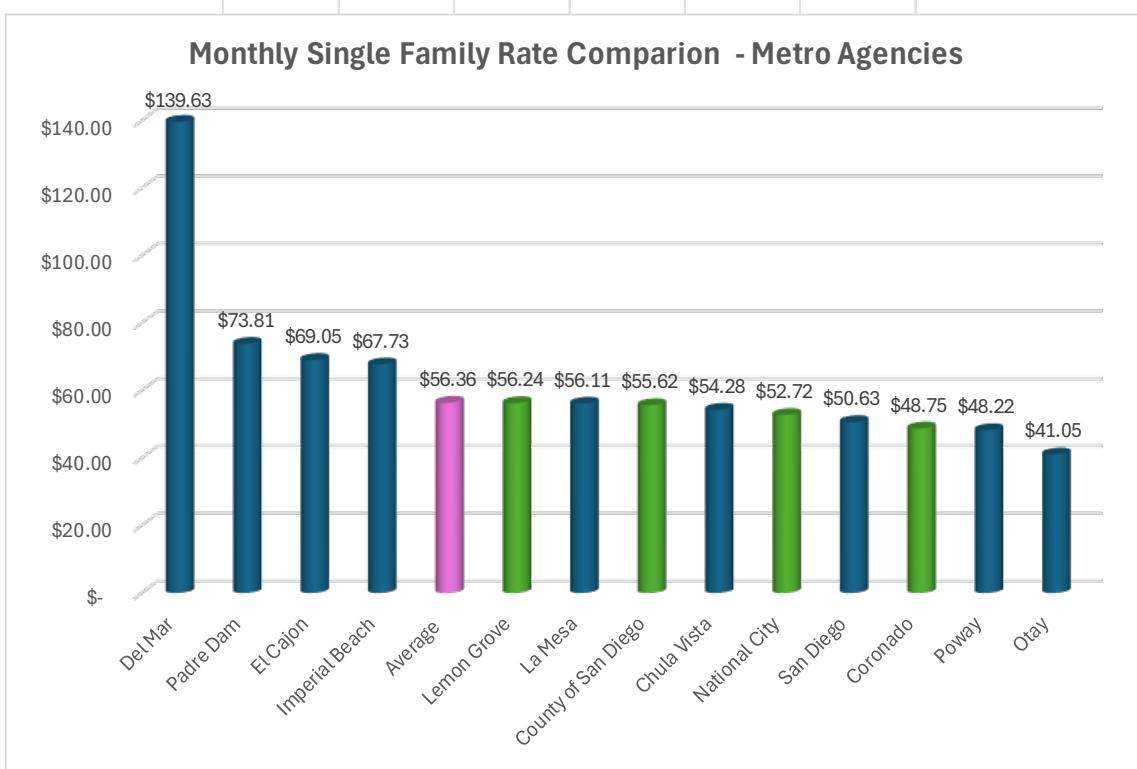
Great news! Effective January 1, 2026, the IRS standard mileage rate, which is used in calculating mileage reimbursements for Directors, increased to 72.5 cents per mile (up from 70 cents in 2025) an increase of 2.5 ¢/mile. These new rates will be effective with any Board related travel on or after January 1, 2026.

4. Summary of Metro Agency Single Family Monthly Sewer Rates

At the request of several Participating Agencies, staff conducted a review of individual PA and the City of San Diego's user rate studies to assess the proportion of fixed versus variable revenues reflected in each agency's cost allocation and rate structures, along with a comparison of current monthly single-family rates.

The purpose of this review was to compare the existing fixed-to-variable revenue recovery across the PAs and the City of San Diego to the proposed fixed-revenue allocation of 27.6 percent under the FAB methodology. The analysis showed that fixed-revenue recovery among the PAs ranges from approximately 10 percent (San Diego) to 68 percent, with a system-weighted average of about 42 percent—substantially higher than the level proposed under FAB.

In addition, a current summary of single-family residential rates was prepared for inclusion on the January TAC agenda. This item had previously been included on the agenda but was discontinued once the survey became outdated. The updated survey has been distributed to TAC members for their review to confirm the accuracy of the rate calculations. The draft summary is as follows:



Key:

- Rate based upon water usage - 7 HCF monthly average with rate of return applied if applicable.
- Single family uniform rate - EDU style rate structure
- Average excludes Del Mar as they are part of two separate systems: San Elijo & Metro.

5. Engineering Consultant Activities

- I&I - The I&I committee will be picking back up in the new year with a meeting scheduled for January 29th at 2:00 PM. The goal is to get ADS on board to start phase 1 of the study using historical data.
- Pump Station 2 - Engineering consultants and the TAC Chair participated in an update meeting on the PS2 Modernization project planning/schedule. It was a very productive meeting and all parties agreed on the best path forward.

6. Treasury Activities

During December, Treasury staff were actively engaged in the JPA's FY 2024 and FY 2025 audit process, responding to inquiries from CLA. Staff are targeting presentation of a draft audit report to the Finance Committee in February 2026.

UPCOMING MEETINGS:

Metro TAC:

Regular Meeting:

January 21, 2026
11-1 Via Zoom

Metro JPA/Commission:

Regular Meeting:

February 5, 2026
Noon-2 PM MOC Auditorium