

Monthly Executive Director's Report February 2026 Meeting

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.

February concluded on a very positive note with the El Cajon City Council unanimously approving SARA and Administrative Agreement No. 1 (AA1). Earlier in the month, both the Otay Water District Board of Directors and the National City City Council also provided unanimous approval of SARA and AA1.

With these actions, ten Participating Agencies have now approved the agreements unanimously. In total, this represents approval and endorsement from 48 City Council and Board Members, along with three appointed Metro Commissioners—more than 50 local leaders across the region. This represents support from roughly half of all elected officials in San Diego County.

The following photo was taken after the El Cajon City Council meeting and includes El Cajon staff, members of the Executive Team and Metro JPA/Commission, and staff from the City of San Diego who have been working collaboratively to advance this regional effort.



From left to right: Kathleen Noel and Dexter Wilson, JPA Chair Jerry Jones, Adriana Ochoa, Blake Behringer (City of El Cajon and current TAC Chair), Lisa Celeya (Executive Asst. Director, City of San Diego Public Utilities Department), Yazmin Arellano (City of El Cajon and past TAC Vice Chair), and Director Mark Robak (Otay Water District).

Looking ahead, the San Diego County Board of Supervisors is scheduled to consider SARA in March, followed by consideration by the San Diego City Council in April. Based on the current schedule and the approvals received to date, SARA remains on track for consideration of final approvals by June 30, 2026, which would allow for implementation beginning in FY 2027 and FY 2028.

The steady progress to date reflects the continued regional collaboration among participating agencies and keeps the agreements moving forward on the anticipated implementation timeline.

And as a reminder, City of San Diego staff will be offering a tour of the North City Pure Water Facility following the May Board Meeting. The Board Secretary will email an invitation in advance. Directors and TAC members who have previously participated in a tour are welcome to submit a request to attend, and every effort will be made to accommodate as many participants as possible. Please note that participation is limited to six Board Members due to Brown Act restrictions. Spaces will be filled on a first-come, first-served basis, with priority given to Directors who did not participate in the previous tour.

Van transportation will be provided from the Metro Operations Center to the North City facility, as construction activities have significantly limited on-site parking. Board and TAC members interested in attending are encouraged to contact the Board Secretary to reserve a space.

This is expected to be an especially exciting tour, as the new Operations Building should be open and several other facilities will be nearing completion

Key Tasks and Updates:

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

At the request of the Board at its February meeting, the Executive Team is working in conjunction with City of San Diego staff and Stantec consultants to develop a concise one- to two-page discussion explaining the Functional Allocation Billing (FAB) methodology. This document is expected to be completed in March.

As a reminder, background materials related to SARA, AA1, and FAB are already available on the JPA website at:

<https://www.metrojpa.org/home/showdocument?id=5158>

2. Executive Director Succession and Recruitment

As previously discussed at the February Board Meeting, beginning in the next fiscal year I will be transitioning from the Executive Director role and returning to my longstanding role as Financial Consultant to the Metro JPA/Commission. This transition is part of the Board's broader succession planning efforts and is intended to ensure continuity as the organization moves into the next phase of its work. Recruitment for the Executive Director position is currently underway, and Board Members and Participating Agencies are encouraged to share the opportunity with qualified candidates who may be interested. The Executive Director recruitment announcement and application materials are available on the Metro JPA website at:

<https://www.metrojpa.org/home/showdocument?id=5236>

3. FY 2027 Metro Budget

The Finance Executive Team has been working closely with staff from the City of San Diego Public Utilities Department to evaluate potential financing alternatives to the current pay-as-you-go approach in order to help mitigate the near-term budget impacts associated with increased capital costs identified in the January estimate. Updated flow projections, along with potential financing alternatives, are expected to be discussed at the March Metro TAC meeting.

4. Metro FY 2024 and FY 2025 “Exhibit E” Audits

An entrance conference for the FY 2024 and FY 2025 Metro “Exhibit E” audits was held with the City of San Diego and the City's new auditors, Crowe LLP. The Executive Director attended the conference along with City staff. Following the entrance conference, the auditors and the JPA financial and engineering Executive Team have already begun the sample selection process for the audits.

Crowe has indicated that they intend to pursue an aggressive audit schedule, with the goal of completing both audit years by the end of the current fiscal year. If achieved, this would represent a significant step toward bringing the Metro Exhibit E audits current for the first time in several years.

5. Inflow and Infiltration (I&I) Study:

The I&I Committee met on February 26 to review progress on prior action items, including the collection of data needed to characterize individual sewer meter

basins. Nearly all participating agencies have submitted the requested information, and sufficient data has been received for ADS to begin Phase 1 of the study.

Engineering Executive Team staff will continue to coordinate with agencies that have not yet provided data and will offer assistance as needed to facilitate completion. The City has finalized a scope of work with ADS Environmental Services for Phase 1 and is preparing to initiate the study as remaining data coordination items are resolved.

The next I&I Committee meeting is scheduled for March 26.

6. Finance and AdHoc Committee Meetings Update

- **Executive Director Ad Hoc**

The Executive Director Ad Hoc Committee met to conduct performance reviews and provide direction regarding several consultant contracts supporting the Metro JPA/Commission.

The Committee conducted the annual performance review for the Executive Director/Financial Consultant contract and provided a favorable review. Following discussion, the Committee expressed its support for the planned transition beginning next fiscal year and indicated its desire that the current Executive Director return to her longstanding role as Financial Consultant. The Committee recommended offering a four-year contract for Financial Consultant services.

The Executive Director also presented performance reviews of the other consultant contracts to the Committee. Following discussion, the Committee expressed its appreciation for the work of these consultants and recommended offering four-year contracts for the Treasurer (Rod Greek, CPA/Lee Ann Jones-Santos), Engineering Consultant (Dexter Wilson and Kathleen Noel), and Board Secretary (Lori Anne Peoples).

- **Finance Committee**

The Finance Committee met to review several financial matters and provide direction on the development of the FY 2027 Draft Budget.

The Committee reviewed the FY 2020 financial reconciliation and recommended that it be incorporated into the FY 2027 budget.

The Committee also reviewed the preliminary FY 2027 Draft Budget for existing programs and provided initial discussion and direction to staff. Based on current projections, the FY 2026 budget is expected to come in under

budget. At this time, and absent the addition of new programs, the FY 2027 budget is projected to remain generally consistent with the FY 2026 budget.

The Committee also discussed several potential new program items for consideration in the FY 2027 budget, including organizational memberships (such as California Special Districts Association and California Association of Sanitation Agencies), conference participation, and potential development of a Metro JPA social media presence. Staff was asked to continue evaluating these items, including associated liability insurance considerations, and to bring additional information forward as the FY 2027 budget is further developed.

The Finance Committee will reconvene in March at its regularly scheduled meeting to continue reviewing these matters as the FY 2027 budget development process moves forward.

UPCOMING MEETINGS:

Metro TAC:

Regular Meeting:

March 18, 2026

11-1 Via Zoom

Metro JPA/Commission:

Regular Meeting:

April 2, 2026

Noon-2 PM MOC Auditorium

Finance Committee:

Regular Meeting:

February 24, 2026

10-Noon; Hybrid Meeting

MOC Conference Room 2B