



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

TO: MetroTAC Representatives

CC: Metro JPA Directors (for information only)

DATE: April 15, 2026

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

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

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1. **ACTION:** Review and Approve MetroTAC Action Minutes for the Meeting of March 18, 2026 (**Attachment**)
 2. **ACTION:** Consideration and Possible Action to Recommend Approval to the Metro Wastewater JPA of Pump Station 2 Design Contract Amendment (Eric Rubalcava/Shadi Sami) (**Attachment**)
 3. **ACTION:** Consideration and Possible Action to Recommend Approval to the Metro Wastewater JPA of As-Needed Jetting & Pipe Cleaning at Wastewater Treatment Facilities (Tim Carroll) (**Attachment**)
 4. **ACTION:** Consideration and Possible Action to Recommend to the Metro Wastewater JPA/Metro Commission Approval of the Following Scopes of Work Relating to FY 2027: (**Reviewed and Approved by Succession Planning AdHoc and Finance Committee**)

- a. Professional Services Agreement with The Keze Group, LLC for Financial Management Services for FY 2027 through FY 2030 (Blake Behringer)(**Attachment**)
 - b. Professional Services Agreement with Dexter Wilson Engineering for Engineering Services for FY 2027 through FY 2030 (Karyn Keze)(**Attachment**)
 - c. Professional Services Agreement between Metro Wastewater Joint Powers Authority and Rodney Greek, CPA for Treasury Services for FY 2027 through FY 2030 (Karyn Keze) (**Attachment**)
 - d. Agreement for Administrative Support Services with Lori Anne Peoples for FY 2027 through FY 2030 (Karyn Keze) (**Attachment**)
5. **ACTION**: Consideration and Possible Action to Recommend to the Metro Wastewater JPA/Metro Commission Approval of FY 2027 Draft Metro Wastewater JPA Budget (Karyn Keze/Lee Ann Jones-Santos): (**Reviewed and Approved by Finance Committee**) (**Attachment**)
 6. **UPDATE**: Metro Wastewater (General) (Standing Item) (Lisa Celeya)
 7. **UPDATE**: Pure Water Program Update (Standing Item) (Doug Owen/Ben Kuhnel/Doug Campbell)
 8. **UPDATE**: Metro Wastewater Financial (Standing Item) (Adam Jones)
 9. **UPDATE**: SARA Update Report (Standing Item) (Blake Behringer/Karyn Keze)
 10. **UPDATE**: JPA Executive Director (Standing Item) (Karyn Keze) (**Attachment**)
 11. **UPDATE**: Metro Commission/JPA Board Meeting Recap (Standing Item) (Blake Behringer)
 12. Review of Items to be Brought Forward to the Regular Metro Commission/Metro JPA Meeting (**May 7, 2026**)
 13. Other Business of Metro TAC
 14. Adjournment (**To the next Regular Meeting May 20, 2026**)

Metro TAC 2026 Meeting Schedule

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



Metro TAC
(Technical Advisory Committee to Metro JPA/Commission)

ACTION MINUTES

DATE OF MEETING: March 18, 2026

TIME: 11:00 AM

LOCATION: ZOOM Meeting

Metro TAC Chair Behringer called the meeting to order at 11:05 a.m.

MEETING ATTENDANCE:

Members Present

Michael Benozza, Chula Vista
Leon Firsht, Coronado (absent)
Joe Bride, Del Mar (absent)
Blake Behringer, El Cajon, Metro TAC Chair
Juan Larios, Imperial Beach
Joe Kuhn, La Mesa, Metro TAC Vice Chair
Izzy Murguia, Lemon Grove (absent)
Carmen Kasner, National City
Beth Gentry, Otay WD
Peejay Tubongbanua, Padre Dam MWD
Paul Clarke, Padre Dam MWD
Carlos Cortes, Poway
Troy DePriest, Poway
Sumedh Bahl, County of San Diego

San Diego City Staff/Consultants

Doug Campbell, City of San Diego
Adam Jones, City of San Diego
Christine Gauger, City of San Diego
Edgar Patino, City of San Diego
Peter Vroom, City of San Diego
Staci Domasco, City of San Diego
Joy Newman, City of San Diego
Steven Jarvis, City of San Diego
Tiffany Smith, City of San Diego
Violet Renick, City of San Diego
Edgar Lozano, City of San Diego
T Huang, City of San Diego
J Alyashal, City of San Diego

Doug Owen, Stantec/City of San Diego
Ben Kuhnel, Stantec/City of San Diego

JPA Staff/Consultants Present

Karyn Keze, JPA Executive Director, Keze Group
Kathleen Noel, Dexter Wilson Engineering
Dexter Wilson, Dexter Wilson Engineering
Lee Ann Jones-Santos, Metro JPA Assistant Treasurer
Lori Anne Peoples, Board Secretary

1. **ACTION: Review and Approve MetroTAC Action Minutes for the Meeting of January 21, 2026**

ACTION: Motion by Joe Kuhn, seconded by Sumedh Bahl, the minutes be approved. Motion carried unanimously.

2. **ACTION: Consideration and Possible Action to Recommend Approval to the Metro JPA/Commission of a Construction Contract with Hensel Phelps for the Alvarado Laboratory Improvements CIP Project**

Edgar Lozano provided a brief verbal overview of his presentation included in the agenda packet.

TAC members requested that additions to the staff report be provided for the Metro JPA/Commission presentation to include the bidding list with clarification that Hensel Phelps was the lowest bidder with the highest ranking, as well as the breakout costs for equipment, furniture and lab equipment.

ACTION: Motion by Sumedh Bahl, seconded by Carmen Kasner, to recommend approval to the Metro JPA. Motion carried unanimously.

3. **ACTION: Consideration and Possible Action to Recommend Approval to the Metro Wastewater JPA of As-Needed Consultant Services Agreements with Harris & Associates (H2526611), Dudek (H2526612) and Helix Environmental Planning (H2526613)**

Tiffany Smith provided a brief verbal overview of her presentation which was included in the agenda package.

ACTION: Motion by Beth Gentry, seconded by Michael Benozza, to recommend approval to the Metro JPA. Motion carried unanimously.

4. **ACTION: Consideration and Possible Action to Recommend Approval to the Metro Wastewater JPA of Industrial Wastewater Control Program Amendments of the Municipal Code Related to the Industrial Wastewater Control Program**

Joy Newman, City of San Diego introduced Steven Jarvis, City of San Diego who provided a brief overview of their presentation included in the agenda package. The changes are needed to maintain compliance with federal and state pretreatment regulations.

Ms. Newman stated that she would be providing the PAs with the approved language as soon as it is completed for their local ordinance updates.

ACTION: Motion by Beth Gentry, seconded by Michael Benozza, to recommend approval to the Metro JPA. Motion carried unanimously.

5. **PRESENTATION: Public Utilities Department Fiscal Year 2027-2031 Five-Year Financial Outlook**

Adam presented a 5-year capital improvement plan overview, highlighting major projects including \$58 million in remodels, \$12 million in DCS upgrades at MBC, \$9-10 million in South Bay and North City upgrades, and an \$11 million ERP system update. Beth inquired about Pure Water Phase 1 spending, which Adam agreed to provide after the meeting.

ACTION: Motion by Sumedh Bahl, seconded by Beth Gentry, to recommend approval to the Metro JPA. Motion carried unanimously.

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

Doug Campbell announced the successful adoption of the Point Loma NPDES permit by the San Diego Regional Water Quality Board, with the permit taking effect May 1st and lasting 5 years.

Regarding Pure Water, he reported that 3 of 4 the new secondary clarifiers at the North City facility are nearing completion, with aeration basins expected to come online shortly thereafter.

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

Doug Owen provided an overview of his quarterly construction update, to be distributed after the meeting, and attached to these minutes as Attachment B, showing approximately \$1.14 billion spent through December 31st, 2025, with significant progress on various facilities including the Morena Pump Station and North City Water Reclamation Plant.

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

a. Upcoming City Bond Issuance

Adam Jones, City of San Diego provided an overview of the status of the upcoming City Bond Issuance.

b. FY 2027 Estimate

Adam and Karyn presented updated financial projections showing significant changes to the original Metro FY 2027 January budget estimates. They reduced the PAYGO capital improvement costs from \$100 million to \$60 million by

increasing bond issuance and decreased the Pure Water capital cost rate by roughly half. The overall cost increase to participating agencies was reduced from 36% to 14% compared to the original January estimates. The team is working on additional allocation scenarios based on new information from the FAB COS study, which will be shared in the coming weeks.

9. **UPDATE: SARA Update Report**

reported significant progress on the Sarah project, with 10 of 12 participating agencies having unanimously approved it, including unanimous approval from San Diego's Environment Committee. The San Diego City Council is expected to consider approval in the first week of April.

10. **JPA Executive Director (Standing Item)**

Executive Director Keze noted that her report was attached to the agenda. Additionally, she announced the availability of an updated rate survey, which will be distributed and posted on the JPA website, and she will update it every 6 months. She requested any updates on any rate changes since January so that she can prepare the updated rate summary.

Ms. Keze then stated that the JPA budget will be reviewed by the Finance Committee at the end of this month, and that she was working to maintain current billing levels rather than implementing a 4% projected increase.

11. **UPDATE: Metro Commission/JPA Board Meeting Recap (Standing Item)**

MetroTAC Chair Behringer provided a brief overview of the items covered at the December JPA meeting noting that they saw the October and November items previously approved by TAC. New Virtual Meeting information was provided and items that were specifically board related.

12. **Review of Items to be Brought Forward to the Regular Metro Commission/Metro JPA Meeting (April 2, 2026)**

Executive Director Keze noted that Items 2 and 3 would be moving forward along with Items 4 and 5.

Additionally, she mentioned that everyone should have received an inquiry as to whether they were interested in attending the second NCPW Plant Tour which will be held immediately following the May JPA meeting. She requested they contact Lori if they are interested to be placed on the list.

13. **Other Business of Metro TAC**

None.

14. **Adjournment to the next Regular Meeting (April 15, 2026)**

There being no further business, Chair Behringer adjourned the meeting at 1:27 p.m.

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

Project Title:

First Amendment to the Consultant Agreement with Brown and Caldwell for Professional Services for the Design and Construction Support of the Pump Station 2 Improvements and Modernization (H2426362-M) Project

Presenter(s) Name: Shadi Sami and Eric Rubalcava

Presenter(s) Title: Deputy Director and Senior Engineer (City of San Diego Engineering and Capital Department)

Requested Action: Authorize execution of the First Amendment to the Agreement with Brown and Caldwell (B&C), to increase the contract amount by \$2,294,011.00 for a new contract total of \$5,235,135.00 and extend the contract time by Three (3) years from June 10, 2029, through June 9, 2032, for additional professional design and construction support services for the Pump Station 2 Improvements and Modernization Project.

Recommendations:

Metro TAC:	Approving contract amendment
IROC:	N/A
Prior Actions: (Committee/Commission, Date, Result)	N/A

Fiscal Impact:

Is this project budgeted?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Cost breakdown between Metro & Muni:	Metro (100%): \$2,294,011 Muni (0%) <input type="checkbox"/>

Fiscal impact to the Metro JPA:	33% of Metro costs is \$757,023.63
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Capital Improvement Program:

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

Previous TAC/JPA Action: Fiscal Year 2026 Budget Approval

Additional/Future Action: Construction contract is expected to be awarded Q1 of FY 2027 via a separate City council action. Prior to the City council action, the construction contract will also be presented to Metro TAC and JPA.

City Council Action: The original contract was approved by City Council in May 2024. This contract amendment will need to be approved by City Council.

Background:

Pump Station 2 built in 1963 is a critical regional facility that must maintain continuous and reliable operation. Because any interruption to PS2 function presents a risk of wastewater system overflows, a thorough understanding of existing conditions and necessary upgrades is essential to ensure long term system performance. This amendment is required to complete the design of the Pump Station 2 Improvements and Modernization Project.

The original contract awarded to Brown and Caldwell in June 2024 for \$2,941,114, included several assessments of Pump Station 2 (PS2) components to evaluate existing conditions and inform future upgrade or replacement needs. At the time of award, construction support services were also not fully developed, and the goal was to develop them after design completion. This amendment adds the additional design and construction support services identified through subsequent detailed condition assessments and site evaluations. These tasks were not included in the initial design effort, and it was planned to be done during design when shutdowns can take place. These improvements (see below for a list of key improvements) are necessary to maintain safe and reliable facility operations, preserve structural integrity, and reduce risks associated with construction activities

Key elements of this amendment include:

- Design of a secondary stop log system to safely isolate structures to facilitate temporary structural repairs and shoring at Wet Well 1, along with engineering repairs to address deterioration of the Screening Chamber roof frame.
- Design of structural shoring system for Wet Well 1.
- Structural design of permanent repairs to the Wet Well 1, wall to soffit concrete, and divot.
- Development of technical specifications to improve Pump No. 2
- Physical hydraulic modeling to evaluate pump intake performance and confirm compliance with Hydraulic Institute criteria
- Design for demolition and retrofit of the VFD room ceiling and roof to ensure adequate ventilation and thermal capacity for both existing and future variable frequency drive equipment.
- Modification or replacement of the screening chamber sluice gate actuators to maintain operational reliability
- Updated construction and post construction support services needed to implement and document the expanded work.

Discussion: The design of PS2 is currently under 100% Citywide review except for the pending items that require this design contract amendment. Finalizing this design will allow us to move forward and advertise the project. See list on background section.

Bid Results: The Brown and Caldwell contract was originally awarded June of 2024. Construction contract to be awarded Q1 of calendar year 2027.

Engineering & Capital Projects Department

First Amendment to the Consultant Agreement with Brown and Caldwell for Professional Services for the Design and Construction Support of the **Pump Station 2 Improvements and Modernization** Project.

Metro TAC/JPA
April 2026



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Engineering & Capital Projects

Requested Actions:

- Approve first amendment to the original consultant agreement with Brown and Caldwell for the purpose of the Design and Construction Support for the Pump Station 2 Improvements and Modernization, in an amount not to exceed \$2,294,011.
 - This amendment will also extend the duration of the contract from 5 years to 8 years to provide continued engineering services throughout construction (2032).

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Location Map

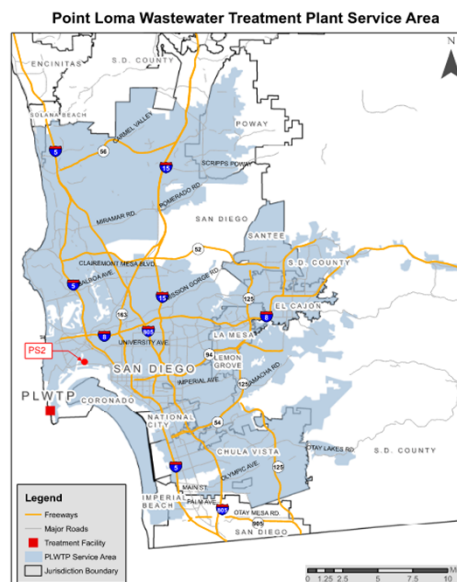
- PS2 is located at 4077 N Harbor Dr, San Diego, CA 92101
- Council District 2



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Service Area

- PS2 is the terminal pump station at the confluence of the North Metro Interceptor (NMI) and SMI systems.
- San Diego County
- Average daily flow = 130 MGD



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Background

- PS2 is the largest and most critical pump stations within the City of San Diego's (City) wastewater collection system. Placed in operation in 1963 (61 years).
- PS2 has eight vertical shaft-driven centrifugal pumps
- Six of these pumps have 2,250 hp electrical motors, and two pumps are driven by natural gas engines
- Change that extended construction to 2032
 - Pump replacement only in dry weather (May-October), no wet weather replacement



Motor and Equipment at Motor Level



Pump Gallery



Aboveground Screens and Conveyor



Temporary Power Generator at PS2

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Major Scope Components

Original Items:

- Suction Valves Replacement
- Discharge Valve Replacement
- Cone Valve Replacement
- Pumps, Motors, Starter Replacement
- Piping (suction/discharge) mods
- Instrumentation
- HVAC
- Building Structure repairs
- **Assessment: wet wells, influent channels, surge analysis**
- **Site investigations (O&M Staff)**
- **Construction Support Services (placeholder)**

Amendment Items:

- Construction Support 2027-2031
- Physical Model
- Wet Well/Influent Channel Design
 - Shoring System
 - Permanent Repairs
- Sluice Gate Modifications
- Stop log system (shutdowns)
- Additional Services (City Allowance)
- Site Investigations: mimic board, electrical upgrades, ventilation, instrumentation, drainage system

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Project Budget

- Estimated Total Project Cost at \$ 113,618,757
 - Original Consultant Contract: \$2,941,124
 - First Amendment to Consultant Contract to add funds: \$2,294,011
 - Estimated Construction : \$ 100,981,100
 - Amendment is fully budgeted via FY2026 allotment
- Metro JPA Funded (33%)
 - Total Project Cost - \$37,494,189
 - Construction - \$33,323,763
 - Amendment - \$757,060

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Schedule

- Metro TAC April 2026
- JPA May 7, 2026
- Contract Amendment Council May 2026
- CM Contract Award Q4 CY 2026 (Metro TAC, JPA, City Council)
- Award: February 2027 (Metro TAC, JPA, City Council)
- Substantial Completion: October 2032

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Thank You

METRO JPA/TAC
Staff Report
Date: April 15, 2026

Project Title:

Authorization to Execute a Contract with NRC Environmental Services, Inc (ITB 10090459-26-S) to Provide as needed Jetting and Pipe Cleaning at Public Utilities Department Wastewater Treatment Facilities.

Presenter(s) Name:

Timothy Carroll

Presenter(s) Title:

Deputy Director

Requested Action:

Metro JPA/Metro Commission authorization to expend \$4,441,148.39 to execute a new one-year contract with four (4) additional one-year options with NRC Environmental Services, Inc.

Recommendations:

Approve the Metro expenditure and forward to the Metro JPA Commission.

Metro TAC:	To be submitted for consideration.
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: \$4,441,148.39
Fiscal impact to the Metro JPA:	33% of Metro costs is approximately \$1,465,578.97

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:

Anticipated for Environment Committee in May 2026.

City Council Action:

Anticipated for City Council in June 2026.

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

The Public Utilities Department (PUD) wastewater facilities and supporting infrastructure rely on a series of pipelines, pumps, and treatment process tanks to convey and treat wastewater in compliance with National Pollutant Discharge Elimination System (NPDES) permit. Wastewater treatment involves the conveyance and processing of influent wastewater through multiple stages of treatment designed to remove solids and pollutants before discharge. During the treatment process wastewater settles in primary sedimentation tanks. Heavy organic materials (sludge) sink to the bottom and light materials such as fats, oils, grease (scum) float to the top. If sludge is not removed from the primary sedimentation tanks, the plant would not achieve the required total suspended solids and biological

oxygen demand required by the National Pollutant Discharge Elimination System (NPDES) permit. If scum is not removed from wastewater facilities, it can block wastewater from flowing and impact proper treatment performance.

Routine and as-needed cleaning of pipelines and process tanks is necessary to ensure reliable operations, maintain system capacity, and prevent operational issues that could lead to equipment damage, process disruptions, or permit compliance concerns. Cleaning these facilities requires specialized equipment and trained personnel due to the nature of wastewater infrastructure. Many tanks and structures qualify as confined spaces, requiring specialized safety procedures, atmospheric monitoring, ventilation, and trained teams to properly clean, handle and dispose in compliance with environmental regulations.

To maintain operational reliability and respond to maintenance needs as they arise, the Public Utilities Department utilizes an as-needed jetting and pipe cleaning service to perform removal of the accumulation due to heavy solids, calcium, vivianite, and any other type of build-up. NRC, Environmental Services, Inc., will be responsible for jetting, flushing, and the removal and disposal of the cleaning byproducts from the accumulation of sludge in the blend tank, digester raw feed piping, recirculation piping, heat exchangers, and other digester components. The service locations include several wastewater treatment facilities including the North City Water Reclamation Plant, Point Loma Wastewater Treatment Plant, and the South Bay Water Reclamation Plant.

Discussion:

The as-needed jetting and pipe cleaning processes are operational and regulated items within the wastewater treatment process. The ability to perform these services on an as-needed basis allows staff to respond quickly to operational maintenance needs, prevent excessive buildup that could impact treatment performance, and support continued compliance with the City’s NPDES permit requirements. These services support keeping our raw sludge lines clean to pump solids into the digesters, which otherwise could back up in sedimentation process with potential to overflow into the local water ways.

Bid Results:

An Invitation to Bid (ITB) No. 10090459-26-S, to provide the City of San Diego (City) with as-needed jetting and pipe cleaning, was issued on December 2, 2025, by the Purchasing & Contracting Department. The bid closed on January 20, 2026, the City received three (3) responsive bids. NRC Environmental Services, Inc. was determined to be the lowest responsible and responsive bidder. Purchasing & Contracting issued the Notice of Intent to Award on February 18, 2026. The term of the contract is one (1) year with the option to renew for four (4) additional one-year terms.



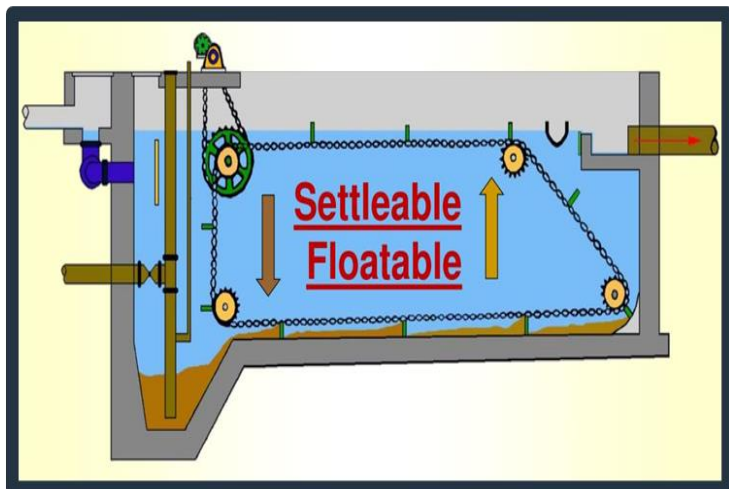
Public Utilities Department

Execute Contract with NRC Environmental Services, Inc. to Provide as-needed Jetting and Pipe Cleaning



MetroTAC
April 15, 2025

Background



- During normal wastewater treatment operations solids, grit, grease, and vivianite accumulate within the pipelines and process tanks.
- Heavy organic materials sink to the bottom (sludge) and light materials (fats, oils, grease) float to the top (scum).
- Failure to remove sludge from primary sedimentation tanks puts wastewater facilities at risk of violating regulatory standards.
- If scum is not removed from wastewater facilities, it can block wastewater from flowing properly and end up in receiving waters.

Background



- The as-needed jetting and pipe cleaning services support keeping sludge lines clear and ensure wastewater facilities are functioning as designed.
- These services are required to meet operational and regulatory compliance within the wastewater treatment process.
- Periodic cleaning is necessary to remove vivianite, inorganic material and scum. Cleaning helps maintain treatment efficiency, protect equipment, and ensure reliable facility operations.

Wastewater Treatment Facilities



North City Water Reclamation Plant



Point Loma Wastewater Treatment Plant



South Bay Water Reclamation Plant

Invitation To Bid (ITB) Results

- An Invitation to Bid No. 10090459-26-S to provide as needed jetting and pipe cleaning services, was issued on December 2, 2025.
- The bid process closed on January 20, 2026; three responsive bids were received.
- NRC Environmental Services, Inc. was determined to be the lowest responsible and responsive bidder.
- The contract term will be one-year (1) with the option to renew for four (4) additional one-year terms.
- The total contract value for this agreement shall not exceed \$4,441,148.39.
- The Notice of Intent to Award was issued on February 18, 2026.



Requested Action



- Metro TAC Committee to authorize the the execution of a five-year contract with NRC Environmental Services, Inc. to provide as-needed jetting and pipe cleaning services at Public Utilities Wastewater Treatment facilities.
- Contract amount not to exceed \$4,441,148.39.
- 33% of Metro costs is approximately \$1,465,578.97.
- Authorize one-year (1) contract with the option to renew for four (4) additional one-year option terms.



Questions?





March 16, 2026

Dear Chairman and Members of the Board:

Thank you for the Board's continued confidence in my work and for offering me the opportunity to continue serving the Metro Wastewater JPA/Commission (Metro JPA) as Financial Consultant under a new four-year agreement.

It has been a privilege to support the Metro JPA and its Participating Agencies (PAs) for many years, and I remain committed to helping ensure that the organization's financial oversight and technical support remain strong as Metro moves into the next phase of its work. The coming years will include several important efforts, including continued implementation of the Second Amended and Restated Agreement (SARA), refinement of the Functional Allocation Billing (FAB) methodology, and the anticipated reconciliation of Phase 1 construction and consultant costs. I look forward to assisting the Board, Executive Director, and PAs staff in navigating these efforts.

The scope of work included with this agreement reflects my return to focusing on the Financial Consultant role, with particular emphasis on financial review, cost allocation analysis, audit support, and continued technical assistance to individual PA staff as they work through Metro-related financial issues. I will also continue to support the organization during the transition to the new Executive Director to ensure continuity and a smooth transfer of institutional knowledge where helpful.

I appreciate the opportunity to continue contributing to the work of this organization and to support the Board's ongoing commitment to fair and responsible regional wastewater governance.

Thank you again for your trust and support.

Respectfully,

A handwritten signature in black ink that reads 'Karyn Keze' in a cursive script.

Karyn Keze
Financial Consultant
Metro Wastewater Joint Powers Authority / Commission



Scope of Services: Financial Consultant Metro Wastewater Joint Powers Authority (Metro JPA)

I. Purpose

The Financial Consultant serves as Metro JPA's chief financial advisor and provides independent financial oversight, analysis, and strategic guidance in support of the Board of Directors, Treasurer, and Executive Director. The Consultant ensures fiscal integrity, cost allocation accuracy, and protection of Participating Agency (PA) financial interests under the Metro Agreement, including implementation of the Second Amended and Restated Agreement (SARA).

This role is advisory and financial in nature and does not duplicate the administrative or operational responsibilities of the Executive Director.

II. Core Responsibilities

1. Financial Oversight and Due Diligence

- Prepare the annual Metro JPA Operating Budget.
- Provide monthly financial review and monitoring in support of the Treasurer, including:
 - Review and approval of vendor invoices
 - Review of bank reconciliations
 - Review of monthly financial statements and budget-to-actual tracking
- Provide financial analysis and forecasting as requested.
- Support development and refinement of fiscal policies and financial controls.

2. City of San Diego Budget & Cost Allocation Review

- Review and monitor the City of San Diego Public Utilities Department (PUD) annual O&M and CIP budgets and Five-Year Projections.
- Analyze and evaluate cost allocations to ensure consistency with the Metro Agreement.
- Review PUD CIP cost allocations in coordination with engineering consultants.
- Provide financial review and input on Functional Allocated Billing (FAB) implementation and related rate structures.

3. Metro Agreement & Rate Matters

- Act as financial negotiator and advisor regarding interpretation and implementation of the Metro Agreement, as amended.
- Provide financial analysis related to San Diego rate cases affecting Metro and Participating Agencies.
- Support implementation and financial monitoring of Metro billing system charges.

4. SARA Implementation (Reduced Scope)

- Provide financial oversight and guidance related to implementation of the Second Amended and Restated Agreement (SARA) especially the final development of repurified water revenues.
- Review cost allocation methodologies and billing impacts associated with SARA implementation and new Phase 1 facilities.
- Assist in transition and financial interpretation issues arising during early implementation.
- Coordinate with the Executive Director and legal counsel as needed on financial provisions.

5. Audit Support

- Support the annual City of San Diego audit process (Exhibit E) as it relates to Metro.
- Review Exhibit E Audit materials and related documentation for financial accuracy, proper cost allocations, and contract compliance.
- Assist with Metro JPA's independent audit process as requested by Treasurer.

6. Participating Agency Financial Technical Support

- Provide detailed financial analysis and consultation to Participating Agency (PA) technical and financial staff (TAC members) regarding Metro-related financial matters.
- Assist PAs in understanding and evaluating City of San Diego forecasts, annual billings, Five-Year Projections, and rate impacts.
- Provide modeling and scenario analysis to support PA planning and budgeting.
- Assist PAs in incorporating Metro-related cost projections into their own rate cases and long-term financial plans.
- Serve as a financial resource to TAC members to ensure consistent understanding and interpretation of Metro Agreement cost allocation methodologies.
- Facilitate technical financial discussions between the City, Metro consultants, and Participating Agencies when necessary.

7. Advisory & Executive Team Support

- Participate in Executive Team coordination meetings as needed.
- Provide financial support to the Executive Director during transition and learning curve related to Metro financial structure and history.
- Attend Board, TAC, Finance Committee, and Ad Hoc meetings as necessary to present financial analysis and respond to questions.

The Financial Consultant does not prepare Board agendas, coordinate meeting logistics, or perform administrative website management functions.

III. Special Projects

From time to time, the Financial Consultant may be requested to perform work associated with major Metro program financial reconciliations or other significant financial initiatives requiring detailed historical review and analysis. There is one known project that falls into this category during the course of this contract.

Phase 1 Construction and Consultant Cost Reconciliation

During the term of this agreement, the Financial Consultant will lead the reconciliation of all Phase 1 construction and consultant costs associated with the Metro Wastewater Program. This work will include financial review and reconciliation of historical project expenditures back to FY 2014, verification of all cost allocations, coordination with City of San Diego audit staff and external auditors, and evaluation of any final financial adjustments associated with project close-out.

Based on the City of San Diego's current schedule, substantial completion of Phase 1 is anticipated in FY 2027. The subsequent audit process is expected to include the preliminary financial "true-up" of Phase 1 costs in late FY 2028. The major financial reconciliation activities associated with the audit and related follow-up analysis are anticipated to continue through FY 2029, with final cost allocations and interest reconciliation potentially extending into FY 2030.

To accommodate the anticipated workload associated with this effort, the following additional hours have been incorporated into the Financial Consultant's annual contract hours for Task 2:

- **FY 2028:** Additional 50 hours
- **FY 2029:** Increased hours by 100 to support primary reconciliation activities
- **FY 2030:** Additional 50 hours for final reconciliation and interest review

Actual workload may vary depending on the actual substantial completion of the Phase 1 project and the timing and scope of audit activities and City reconciliation processes.

IV. Budget Summary

The following tables summarize the proposed scope of work, hours, and contract budgets for the four-year agreement. Table 1 compares the current scope of work, hours, and contract budget with the proposed FY 2027 scope of services, which represents the first year of the agreement. Table 2 presents the anticipated hours and budgets for the remaining three years (FY 2028 through FY 2030). Each year also reflects the proposed hourly rate applicable for that fiscal year.

For most task categories, the anticipated level of effort is expected to remain generally consistent throughout the contract term. Two task categories reflect anticipated variations in workload due to program milestones:

- **Exhibit E Audit Review** includes additional hours in FY 2028 through FY 2030 to support the anticipated Phase 1 construction and consultant cost reconciliation and related audit activities.
- **Pure Water Cost Allocations/SARA** reflects higher effort in the early years of the contract as implementation activities continue, with a gradual reduction in hours as implementation stabilizes.

The Financial Consultant’s base hourly rate is proposed to increase annually by **three percent (3%)** to account for cost-of-living adjustments and inflation over the term of the agreement.

Table 1 – Current Contract Versus Proposed FY 2027 (Year One) Scope of Work

Description	Current Contract		Proposed FY 2027	
	Budget Hours	Budget Amount	Budget Hours	Budget Amount
1. Routine Meetings	123	\$ 20,910	120	\$22,200
2. Exhibit E Audit Review	100	\$ 17,000	100	\$18,500
3. Review of PUD Budget & Forecasts	54	\$ 9,180	50	\$9,250
4. SD Rate Cases/FAB Implementation	88	\$ 14,960	80	\$14,800
5. Pure Water Cost Allocations/SARA	300	\$ 51,000	100	\$18,500
6. Metro TAC & JPA Financial Support	144	\$ 24,480	145	\$26,825
7. General JPA Financial Management	74	\$ 12,470	75	\$13,875
8. Executive Director	107	\$ 18,000		
TOTAL	990	\$168,000	670	\$123,950
Hourly Rate:		\$180.00		\$185.00

Table 2 – Proposed Scope of Work FY 2028 – FY 2030

Description	Proposed FY 2028		Proposed FY 2029		Proposed FY 2030	
	Budget Hours	Budget Amount	Budget Hours	Budget Amount	Budget Hours	Budget Amount
1. Routine Meetings	120	\$ 22,920	120	\$ 23,640	120	\$ 24,360
2. Exhibit E Audit Review	150	\$ 28,650	200	\$ 39,400	150	\$ 30,450
3. Review of PUD Budget & Forecasts	50	\$ 9,550	50	\$ 9,850	50	\$ 10,150
4. SD Rate Cases/FAB Implementation	80	\$ 15,280	80	\$ 15,760	80	\$ 16,240
5. Pure Water Cost Allocations/SARA	100	\$ 19,100	100	\$ 19,700	50	\$ 10,150
6. Metro TAC & JPA Financial Support	145	\$ 27,695	145	\$ 28,565	145	\$ 29,435
7. General JPA Financial Management	75	\$ 14,325	75	\$ 14,775	75	\$ 15,225
8. Executive Director						
TOTAL	720	\$ 137,520	770	\$ 151,690	670	\$ 136,010
Hourly Rate:		\$191.00		\$197.00		\$203.00

Actual hours may vary depending on the timing of City of San Diego budget and audit cycles, audit activities, and Metro program implementation needs.

DEXTER WILSON ENGINEERING, INC.



DEXTER S. WILSON, P.E.
NATALIE J. FRASCHETTI, P.E.
STEVEN J. HENDERSON, P.E.
FERNANDO FREGOSO, P.E.
KATHLEEN H. NOEL, P.E.
WILLIAM W. TODD, P.E.

MEMORANDUM

154-001

TO: Karyn Keze, Metro Wastewater Joint Powers Authority

FROM: Dexter S. Wilson, P.E., Dexter Wilson Engineering, Inc.
Kathleen H. Noel, P.E., Dexter Wilson Engineering, Inc. *KM*

DATE: March 11, 2026

SUBJECT: Metro Wastewater Joint Powers Authority Engineering
Consultant Scope FY 2027-2030

Dexter Wilson Engineering, Inc. (DWEI) serves as the Engineering Consultant to the Metro Wastewater Joint Powers Authority (Metro JPA). As part of an ongoing Consultant Contract Renewal Assessment, DWEI has been asked to submit a proposed scope of work and associated fees for a four-year extension of our existing contract. This memo describes our assumptions and the proposed scope and fees included in Attachment A. We appreciate the opportunity to provide this scope and fee to the Metro JPA and should you have any follow-up questions feel free to contact us at your convenience.

Key Assumptions

- Pure Water Phase 1
 - Substantial Completion in 2027
 - Work for audit begins in FY 2028 with 50 additional hours needed
 - Bulk of work occurs in FY 2029 with 50 more hours needed in comparison to FY 2028
 - FY 2030 will return to FY 2028 level of effort

- SARA and FAB implementation
 - Assume majority of work is in FY 2027 and FY 2028 with 50 hours of work estimated for initial implementation.
 - Decrease number of hours by 10 hours per year, so FY 2029 is 40 hours total, and FY 2030 is 30 hours total. Assumes after implementation in FY27/28 a process is established decreasing the level of effort needed to assist the City in subsequent years.

- All other tasks remain unchanged.

DSW:KHN:ah

ATTACHMENT A

PROPOSED SCOPE AND FEES

EXHIBIT A

Scope of Services

The purpose of this As-Needed Engineering Consulting Contract for the Metro Wastewater JPA is to provide technical and financial support to the Participating Agencies (“PAs”) in meeting their objectives of fair rates, equitable cost sharing, and program validation. To meet this intent Dexter Wilson Engineering, Inc. will review engineering information, reports, drawings, and costs prepared by the City of San Diego or their consultants.

1. Attendance at and assistance in preparation of agendas for Metro TAC meetings.
2. Attendance at and assistance in preparation of agendas for the Metro JPA meetings.
3. Attend and prepare for Committee/AdHoc meetings as directed by JPA Executive Director.
4. Attend and prepare for other meetings as directed by JPA Executive Director..
5. Prepare cost estimates, cost sharing material, scope of works, or other material as directed by JPA Executive Director.
6. Review Pure Water reports, plans, and specifications and provide comments as directed by the JPA Executive Director. Attendance at Pure Water Phase 2 Workshops.
7. Assist Financial Consultant with Metro Audits and Pure Water cost splits.
8. Attendance at and assistance in preparation of agendas for FIG Meetings.
9. Lead Metro TAC I&I Committee for a regional I&I Study.
10. Assist the City of San Diego with the implementation of SARA and FAB.

EXHIBIT B

Schedule of Charges – FY 2027-2030

Work completed under this contract will be billed on a monthly basis. Fees will be calculated on an hourly rate basis by multiplying the actual hours worked on the job in each classification by the rates in the schedule below. These rates are subject to change in January of each year. All direct costs will be billed outside the proposed cost ceiling at cost plus 10 percent. Consultant invoices will be billed inside the cost ceiling at cost plus 5 percent.

FY 26-27 Summary of Hours by Task:

Task 1— Estimated 5 hours per month.

Task 7 — Estimated 100 hours total.

Task 2— Estimated 5 hours per month.

Task 8— Estimated 3 hours per month.

Task 3 — Estimated 3 hours per month.

Task 9 — Estimated 5 hours per month

Task 4 — Estimated 3 hours per month.

Task 10— Estimated 50 hours total.

Task 5 — Estimated 5 hours per month.

Task 6 — Estimated 200 hours total.

FY 26-27 Proposed Budget					
Task	Professional	Technical	Clerical	Total	Task Cost
1	60	0	0	60	\$13,425
2	60	0	0	60	\$13,425
3	36	0	0	36	\$7,860
4	36	0	0	36	\$7,860
5	60	0	20	80	\$14,275
6	200	0	20	220	\$43,000
7	100	0	0	100	\$22,375
8	36	0	0	36	\$7,860
9	60	0	0	60	\$13,425
10	50	0	0	50	\$10,375
TOTAL	698	0	40	738	\$153,880

FY 27-28 Summary of Hours by Task:

Task 1— Estimated 5 hours per month.

Task 7 — Estimated 150 hours total.

Task 2— Estimated 5 hours per month.

Task 8— Estimated 3 hours per month.

Task 3 — Estimated 3 hours per month.

Task 9 — Estimated 5 hours per month

Task 4 — Estimated 3 hours per month.

Task 10— Estimated 50 hours total.

Task 5 — Estimated 5 hours per month.

Task 6 — Estimated 200 hours total.

FY 27-28 Proposed Budget					
Task	Professional	Technical	Clerical	Total	Task Cost
1	60	0	0	60	\$13,425
2	60	0	0	60	\$13,425
3	36	0	0	36	\$7,860
4	36	0	0	36	\$7,860
5	60	0	20	80	\$14,275
6	200	0	20	220	\$43,000
7	150	0	0	150	\$33,400
8	36	0	0	36	\$7,860
9	60	0	0	60	\$13,425
10	50	0	0	50	\$10,375
TOTAL	748	0	40	788	\$164,905

FY 28-29 Summary of Hours by Task:

Task 1— Estimated 5 hours per month.
 Task 2— Estimated 5 hours per month.
 Task 3 — Estimated 3 hours per month.
 Task 4 — Estimated 3 hours per month.
 Task 5 — Estimated 5 hours per month.
 Task 6 — Estimated 200 hours total.

Task 7 — Estimated 200 hours total.
 Task 8— Estimated 3 hours per month.
 Task 9 — Estimated 5 hours per month
 Task 10— Estimated 40 hours total.

FY 28-29 Proposed Budget					
Task	Professional	Technical	Clerical	Total	Task Cost
1	60	0	0	60	\$13,425
2	60	0	0	60	\$13,425
3	36	0	0	36	\$7,860
4	36	0	0	36	\$7,860
5	60	0	20	80	\$14,275
6	200	0	20	220	\$43,000
7	200	0	0	200	\$44,750
8	36	0	0	36	\$7,860
9	60	0	0	60	\$13,425
10	40	0	0	40	\$8,300
TOTAL	788	0	40	828	\$174,180

FY 29-30 Summary of Hours by Task:

Task 1— Estimated 5 hours per month.
 Task 2— Estimated 5 hours per month.
 Task 3 — Estimated 3 hours per month.
 Task 4 — Estimated 3 hours per month.
 Task 5 — Estimated 5 hours per month.
 Task 6 — Estimated 200 hours total.

Task 7 — Estimated 150 hours total.
 Task 8— Estimated 3 hours per month.
 Task 9 — Estimated 5 hours per month
 Task 10— Estimated 30 hours total.

FY 29-30 Proposed Budget					
Task	Professional	Technical	Clerical	Total	Task Cost
1	60	0	0	60	\$13,425
2	60	0	0	60	\$13,425
3	36	0	0	36	\$7,860
4	36	0	0	36	\$7,860
5	60	0	20	80	\$14,275
6	200	0	20	220	\$43,000
7	150	0	0	150	\$33,400
8	36	0	0	36	\$7,860
9	60	0	0	60	\$13,425
10	30	0	0	30	\$6,225
TOTAL	728	0	40	768	\$160,755

EXHIBIT "B" (cont.)

Schedule of Charges

**Rate Schedule
Effective January 1, 2026**

CLASSIFICATION

HOURLY RATE

Office Personnel:

Planning/Design

Principal Engineer	\$240.00
Managing Engineer	\$230.00
Project Engineer	\$210.00
Senior Engineer	\$195.00
Design Engineer III	\$185.00
Design Engineer II	\$175.00
Design Engineer I	\$165.00
Associate Engineer III	\$155.00
Associate Engineer II	\$135.00
Associate Engineer I	\$120.00
Engineering Aide II	\$110.00
Engineering Aide I	\$105.00

Drafting/Design

Senior Designer	\$160.00
Senior Drafter	\$125.00
Drafter II	\$115.00
Drafter I	\$110.00

Clerical

\$ 75.00

**TRANSMITTAL FOR THE PROPOSED SCOPE OF WORK
FOR TREASURER/ASSISTANT TREASURER
FOR THE FOUR-YEAR PERIOD OF FY2027 THROUGH FY2030**

The Metro JPA Treasurer oversees all financial transactions and ensures strict accountability of funds in compliance with Government Code Sections 6505 and 6505.5. Until Fiscal Year (FY) 2025, the Treasurer was an employee of one of the PAs' finance departments, with the Metro JPA reimbursing the PA for the Treasurer's services. However, starting in FY 2025, the Board of Directors determined it was more efficient to engage a consultant Certified Public Accountant (CPA) to fulfill the Treasurer's duties.

The Treasurer serves as the depository and custodian of all Metro JPA accounts, funds, and money, supporting budget preparation, financial reporting, record-keeping, and cash management. Key duties include reviewing and processing consultant and vendor invoices, preparing checks for Board signatures, supporting the Executive Director/Financial Consultant in budget preparation, managing member agency invoicing, and participating in the bi-annual audit. The Treasurer works on an as-needed, hourly basis to fulfill these responsibilities.

During the term of this proposed 4-year contract the Treasurer is proposing to add these additional responsibilities:

Phase 1 reconciliation and Exhibit E work:

- Phase 1 substantial completion is expected in FY2027. (No scope added in FY2027)
- FY2028: Exhibit E reconciliation task.
- FY2029: Exhibit E reconciliation task. This is expected to be the primary year for completion of the Phase 1 reconciliation.
- FY2030: Exhibit E reconciliation task.

The total Proposed Budgeted Hours and Cost for the Four-Year period FY2027 through FY2030 is as follows:

<u>FISCAL YEAR</u>	<u>BUDGETED HOURS</u>	<u>BUDGETED COST</u>
FY2027	334.0	\$ 78,150.00
FY2028	337.0	\$ 82,081.00
FY2029	363.0	\$ 90,429.00
FY2030	337.0	\$ 85,193.00
4-YEAR TOTAL	1,371.0	\$ 335,853.00

Fiscal Year (FY) 2027

During FY2027, Rodney Greek, CPA and Assistant Treasurer Lee Ann Jones Santos 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 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 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.
- Consult and respond to questions from member agencies concerning finances and billings.
- Review and Update Financial/Fiscal Policies as needed.
 - Draft Equipment replacement Policy.
 - Add Review of Stale dated checks to year end procedures policy.
 - Review records to ensure adherence to the Records Retention Policy.
- Assist with Board Administrative duties As-Needed.
- Implement process improvements for financial accounting, processing and reporting as new technologies are developed and identified.
- Administrator and manage the Metro Wastewater JPA/Commission website and lead the website redesign project.
- Other incidental services consistent with the Treasurer's position.

Services will be billed quarterly based on hours worked for each line item.
 Professional Government Accounting Services will be provided at billable rates
 as follows:

Treasurer/CPA - \$315.00 per hour

Assistant Treasurer - \$205.00 per hour

FY 2027 Services

Budgeted Hours are as follows:

TASK	Estimated Hours	Estimated Budget
Monthly Invoicing	36	\$7,380.00
Annual Agency Billing - issue bills, collect and deposit.	3	615.00
Maintain and Reconcile Bank Accounts	32	6,670.00
Mid-Year Financials	30	6,700.00
Year End Financials	30	7,140.00
Budget - review actuals and contracts, work with Executive Director on format.	9	2,395.00
Finance/Finance Committee Meetings	30	7,470.00
Metro TAC Meetings	14	3,310.00
Metro Commission Meetings	40	11,500.00
Review and Update Fiscal Policies	15	4,725.00
Assist with Board Administration As-Needed	25	5,125.00
Administer & Manage Website Redesign Project	60	12,740.00
Miscellaneous	10	2,380.00
TOTAL ESTIMATE:	334 Hours	\$78,150.00

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

Consultant Contact Information:

Rodney Greek, CPA

California CPA License # 75279

1325 N. Vulcan Ave.

Encinitas, CA 92024

CPA's Office Phone: 760-809-0681

CPA's Office Email: rjgreek@cox.net

Assistant Treasurer – Lee Ann Jones-Santos

Assistant Treasurer's Phone: 619-823-8129

Assistant Treasurer's Email: lasantos8928@gmail.com

Fiscal Year (FY) 2028

During FY2028, Rodney Greek, CPA and Assistant Treasurer Lee Ann Jones Santos 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 Metro JPA business.
- Provide biannual unaudited financial reporting which reflects cash balances, outstanding receivables, and payables.
- Provide biannual unaudited income statement for financial reporting. Financial reporting will separately track Metro JPA receipts and expenditures.
- Prepare biennial unaudited balance sheet, income statement and cash flow statement. Work with outside audit firm to complete the biennial audit.
- 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.
- Consult and respond to questions from member agencies concerning finances and billings.
- Review and Update Financial/Fiscal Policies as needed.
 - Review records to ensure adherence to the Records Retention Policy.
- Assist with Board Administrative duties As-Needed.
- Implement process improvements for financial accounting, processing and reporting as new technologies are developed and identified.
- Administrator and manage the Metro Wastewater JPA/Commission website.
- Exhibit E Reconciliation.
- Other incidental services consistent with the Treasurer's position.

Services will be billed quarterly based on hours worked for each line item. Professional Government Accounting Services will be provided at billable rates as follows:

(Billable Rates below were increased 2% over prior fiscal year rounded down to the nearest whole dollar)

Treasurer/CPA - \$321.00 per hour

Assistant Treasurer - \$209.00 per hour

FY 2028 Services

Budgeted Hours are as follows:

TASK	Estimated Hours	Estimated Budget
Monthly Invoicing	36	\$7,524.00
Annual Agency Billing - issue bills, collect and deposit.	3	627.00
Maintain and Reconcile Bank Accounts	32	6,800.00
Mid-Year Financials	30	6,830.00
Year End Financials (includes Biennial Audit)	42	10,234.00
Budget - review actuals and contracts, work with Executive Director on format.	9	2,441.00
Finance/Finance Committee Meetings	30	7,614.00
Metro TAC Meetings	14	3,374.00
Metro Commission Meetings	40	11,720.00
Review and Update Fiscal Policies	15	4,815.00
Assist with Board Administration As-Needed	25	5,225.00
Administer & Manage JPA's Website	11	2,411.00
Exhibit E Reconciliation	40	10,040.00
Miscellaneous	10	2,426.00
TOTAL ESTIMATE:	337 Hours	\$82,081.00

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

Consultant Contact Information:

Rodney Greek, CPA

California CPA License # 75279

1325 N. Vulcan Ave.

Encinitas, CA 92024

CPA's Office Phone: 760-809-0681

CPA's Office Email: rjgreek@cox.net

Assistant Treasurer – Lee Ann Jones-Santos

Assistant Treasurer's Phone: 619-823-8129

Assistant Treasurer's Email: lasantos8928@gmail.com

Fiscal Year (FY) 2029

During FY2029, Rodney Greek, CPA and Assistant Treasurer Lee Ann Jones Santos 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 Metro JPA business.
- Provide biannual unaudited financial reporting which reflects cash balances, outstanding receivables, and payables.
- Provide biannual unaudited income statement for financial reporting. Financial reporting will separately track 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.
- Consult and respond to questions from member agencies concerning finances and billings.
- Review and Update Financial/Fiscal Policies as needed.
 - Review records to ensure adherence to the Records Retention Policy.
- Assist with Board Administrative duties As-Needed.
- Implement process improvements for financial accounting, processing and reporting as new technologies are developed and identified.
- Administrator and manage the Metro Wastewater JPA/Commission website.
- Exhibit E Reconciliation. This is the primary year to complete Phase 1.
- Other incidental services consistent with the Treasurer's position.

Services will be billed quarterly based on hours worked for each line item. Professional Government Accounting Services will be provided at billable rates as follows:

(Billable Rates below were increased 2% over prior fiscal year rounded down to the nearest whole dollar)

Treasurer/CPA - \$327.00 per hour

Assistant Treasurer - \$213.00 per hour

FY 2029 Services

Budgeted Hours are as follows:

TASK	Estimated Hours	Estimated Budget
Monthly Invoicing	36	\$7,668.00
Annual Agency Billing - issue bills, collect and deposit.	3	639.00
Maintain and Reconcile Bank Accounts	32	6,930.00
Mid-Year Financials	30	6,960.00
Year End Financials	28	6,990.00
Budget - review actuals and contracts, work with Executive Director on format.	9	2,487.00
Finance/Finance Committee Meetings	30	7,758.00
Metro TAC Meetings	14	3,438.00
Metro Commission Meetings	40	11,940.00
Review and Update Fiscal Policies	15	4,905.00
Assist with Board Administration As-Needed	25	5,325.00
Administer & Manage JPA's Website	11	2,457.00
Exhibit E Reconciliation (Complete Phase 1)	80	20,460.00
Miscellaneous	10	2,472.00
TOTAL ESTIMATE:	363 Hours	\$90,429.00

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

Consultant Contact Information:

Rodney Greek, CPA

California CPA License # 75279

1325 N. Vulcan Ave.

Encinitas, CA 92024

CPA's Office Phone: 760-809-0681

CPA's Office Email: rjgreek@cox.net

Assistant Treasurer – Lee Ann Jones-Santos

Assistant Treasurer's Phone: 619-823-8129

Assistant Treasurer's Email: lasantos8928@gmail.com

Fiscal Year (FY) 2030

During FY2030, Rodney Greek, CPA and Assistant Treasurer Lee Ann Jones Santos 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 Metro JPA business.
- Provide biannual unaudited financial reporting which reflects cash balances, outstanding receivables, and payables.
- Provide biannual unaudited income statement for financial reporting. Financial reporting will separately track Metro JPA receipts and expenditures.
- Prepare biennial unaudited balance sheet, income statement and cash flow statement. Work with outside audit firm to complete the biennial audit.
- 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.
- Consult and respond to questions from member agencies concerning finances and billings.
- Review and Update Financial/Fiscal Policies as needed.
 - Review records to ensure adherence to the Records Retention Policy.
- Assist with Board Administrative duties As-Needed.
- Implement process improvements for financial accounting, processing and reporting as new technologies are developed and identified.
- Administrator and manage the Metro Wastewater JPA/Commission website.
- Exhibit E Reconciliation.
- Other incidental services consistent with the Treasurer's position.

Services will be billed quarterly based on hours worked for each line item. Professional Government Accounting Services will be provided at billable rates as follows:

(Billable Rates below were increased 2% over prior fiscal year rounded down to the nearest whole dollar)

Treasurer/CPA - \$333.00 per hour

Assistant Treasurer - \$217.00 per hour

FY 2030 Services

Budgeted Hours are as follows:

TASK	Estimated Hours	Estimated Budget
Monthly Invoicing	36	\$7,812.00
Annual Agency Billing - issue bills, collect and deposit.	3	651.00
Maintain and Reconcile Bank Accounts	32	7,060.00
Mid-Year Financials	30	7,090.00
Year End Financials (includes Biennial Audit)	42	10,622.00
Budget - review actuals and contracts, work with Executive Director on format.	9	2,533.00
Finance/Finance Committee Meetings	30	7,902.00
Metro TAC Meetings	14	3,502.00
Metro Commission Meetings	40	12,160.00
Review and Update Fiscal Policies	15	4,995.00
Assist with Board Administration As-Needed	25	5,425.00
Administer & Manage JPA's Website	11	2,503.00
Exhibit E Reconciliation	40	10,420.00
Miscellaneous	10	2,518.00
TOTAL ESTIMATE:	337 Hours	\$85,193.00

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

Consultant Contact Information:

Rodney Greek, CPA

California CPA License # 75279

1325 N. Vulcan Ave.

Encinitas, CA 92024

CPA's Office Phone: 760-809-0681

CPA's Office Email:

rjgreek@cox.net

Assistant Treasurer – Lee Ann Jones-Santos

Assistant Treasurer's Phone: 619-823-8129

Assistant Treasurer's Email: lasantos8928@gmail.com

Scope of Work: Board Secretary

The Board Secretary performs the administrative, statutory, and confidential duties normal to this office, including but not limited to countersigning all contracts and resolutions signed by the Chair or Vice Chair on behalf of the JPA, and performs such other duties as may be imposed by the Board contractually and as set forth more fully in the Metro JPA Joint Powers Agreement or Bylaws, as they may be revised from time to time. The Board Secretary provides clerical support and related services to facilitate monthly Metro JPA/Metro Commission, Metro JPA Committees, Metro TAC meetings, and any special meetings that may be called, including: preparation of agendas and attachments; posting of agendas and notices in compliance with State laws on the JPA's website and other appropriate locations; distribution via email and mailing of agenda packages; ordering meals, polling of board availability, securing meeting rooms, set-up, tear down, managing and attending on average 30 annual board and committee meetings, taking action and summary minutes and occasional meeting verbatim transcripts; preparation of and emailing and mailing of all necessary correspondence; interfacing with the Chair and Directors by phone, email and fax. The Board Secretary shall be responsible for the administration of Record Retention policy and shall oversee compliance with the provisions of this policy and acts as Records Manager by processing and tracking all agendas and attachments, resolutions, contracts, reports and correspondence of the board and ensuring they are available for public viewing with updates to the JPA's website; and as the central point of contact for the Metro JPA , Metro Commission, Metro JPA Committees, and Metro TAC. Ensures statutory compliance as required by Government Code and Joint Powers Authority by the Joint Exercise of Powers Act including preparation of Oaths of Office for new board members and as the Agency Official for the submittal of Conflict of Interest 700 forms for the Board and Executive Team of the JPA. Board Secretary services are provided pursuant to a written consulting agreement on an hourly basis not to exceed 50 hours per month. All services described herein are provided pursuant to a written consulting agreement and are performed in the capacity of an independent contractor to the Metro Wastewater Joint Powers Authority.

Existing and Proposed Contract Cap: \$49,200

Current Hourly Rate: \$72

Annual COLA adjustments based on Consumer Price Index, San Diego Area

FY 2027 JPA Budget Overview

Metro Wastewater JPA
Technical Advisory Committee



April 15, 2026

Purpose of Today's Discussion

- Review FY 2026 projected year-end
- Present FY 2027 proposed budget
- Highlight key budget changes
- Review reserve strategy
- Presents FY 2027 PA billing (including FY 2020 reconciliation)

	Actual Through 12/31/2025	Estimate Remaining Months	Forecast Through 6/30/2026	Approved Annual FY 2026 Budget	Forecast over / (under) Budget	
					\$	%
Income						
Membership Dues	\$ 790,857	\$ -	\$ 790,857	\$ 790,855	\$ 2	0%
Use of Reserves	\$ -	-	-	-	-	
City of San Diego	\$ 12,567	\$ 72,299	84,866	27,000	57,866	214%
Interest Income	10,485	7,524	18,009	16,657	1,352	8%
Total Income	\$ 813,910	\$ 79,823	\$ 893,733	\$ 834,512	\$ 59,221	7%
Expense						
Admin - Board Secretary	\$ 17,611	\$ 24,600	\$ 42,211	\$ 49,200	\$ (6,989)	-14%
Executive Director						
Bank Charges	138	138	276	200	76	38%
Financial Services						
Audit Fees	6,405	17,225	23,630	23,630	-	0%
Executive Director - The Keze Gro	98,019	96,000	194,019	168,000	26,019	15%
Treasurer	35,218	39,782	75,000	50,000	25,000	50%
JPA/TAC meeting expenses	2,552	3,300	5,852	6,600	(748)	-11%
Memberships						
Insurance						
Miscellaneous	-	-	1,250	250	1,000	400%
Per Diem - Board	21,658	27,800	49,458	55,600	(6,142)	-11%
Printing, Postage, Supplies	95	100	195	800	(605)	-76%
Professional Services						
Engineering - Dexter Wilson	68,040	100,000	168,040	200,000	(31,960)	-16%
Engineering - NV5	-	-	-	-	-	
Legal - 2nd ARA/PW	44,992	24,000	68,992	150,000	(81,008)	-54%
Legal - General	27,373	72,000	99,373	60,000	39,373	66%
Legal - Spill	3,281	3,000	6,281	30,000	(23,720)	-79%
Consensus Support	-	-	-	12,450	(12,450)	
Strategic Planning	-	-	-	-	-	
IT & Communications	-	9,414	9,414	20,000	(10,586)	-53%
Telephone, Internet, Software	538	3,000	3,538	4,000	(462)	-12%
Website Maintenance & Hosting	3,782	-	3,782	3,782	(0)	0%
Total Expense	\$ 329,701	\$ 420,359	\$ 751,311	\$ 834,512	\$ (83,201)	-10%

FY 2026 Year-End Projection



FY 2027 Proposed Budget

Total Budget: \$867,894

- +\$33,382 (4%) vs FY 2026 Adopted
- +\$116,583 vs FY 2026 projected actuals

Key Drivers:

- Standalone Executive Director role
- Updated consultant contract amounts
- Addition of Insurance
- Addition of Memberships (Potential CSDA or CASA)



	FY 2027 Proposed Annual Budget	Difference from FY '26 Forecast	Difference from FY '26 Budget	
			\$	%
Income				
Membership Dues	\$ 790,855	\$ (2)	\$ (0)	0%
Use of Reserves	26,530	26,530	26,530	
City of San Diego	27,000	(57,866)	-	0%
Interest Income	23,509	5,500	6,852	29%
Total Income	\$ 867,894	\$ (25,839)	\$ 33,382	4%

**Variiances in Line Items Compared to the FY 2026
Adopted Budget**

Recommend billing same amount as FY 2026
Reserves used to maintain budget at FY2026 level
Base contract rebudgeted
Increase due to reserve funds in LAIF

FY 2027 Proposed Budget - Income

	FY 2027 Proposed Annual Budget	Difference from FY '26 Forecast	Difference from FY '26 Budget		Variations in Line Items Compared to the FY 2026 Adopted Budget
Expense					
Admin - Board Secretary	\$ 49,200	6,989	\$ -	0%	Rebudgeted
Executive Director	\$ 126,000	126,000	\$ 126,000	100%	Budget increased from \$180 to \$350/hour
Bank Charges	600	324	400	67%	Updated for LAIF Wire Transfers & ACH
Financial Services					
Audit Fees	-	(23,630)	(23,630)	0%	Biannual Audit - Next in FY2028
Financial Consultant- The Keze Group	124,000	(70,019)	(44,000)	-35%	Decrease - SARA & ED tasks
Treasurer	78,150	3,150	28,150	36%	Inclusion of webmaster scope + financial requirements
JPA/TAC meeting expenses	6,600	748	-	0%	Rebudgeted
Memberships	2,000	2,000	2,000	100%	CSDA membership required for SDRMA Insurance
Insurance	7,000	7,000	7,000	100%	Preliminary estimate from SDRMA w/o Cyber
Miscellaneous	1,500	250	1,250	83%	Increased by Treasurer's Bond
Per Diem - Board	55,600	6,142	-	0%	Rebudgeted; covers COLA increase
Printing, Postage, Supplies	1,000	805	200	20%	Increase based on actual expense forecast
Professional Services					
Engineering - Dexter Wilson	153,880	(14,160)	(46,120)	-30%	Decrease following SARA draft completion
Legal - S&W (2nd ARA/PW)	110,000	41,008	(40,000)	-36%	Decrease following SARA draft completion
Legal - S&W (General)	100,000	627	40,000	40%	Increase for New ED support
Legal - S&W (Spill)	30,000	23,720	-	0%	Rebudgeted
Consensus Support	12,450	12,450	-	0%	Rebudgeted
Strategic Planning	-	-	-		Contract completed in FY 2025
IT & Communications	1,500	(7,914)	(18,500)	-1233%	Decrease due to Website Update
Telephone, Internet, Software	4,000	462	-	0%	Rebudgeted
Website Maintenance & Hosting	4,414	632	632	14%	Year 2 of IonBlade Contract - Managed Support
Total Expense	\$ 867,894	\$ 116,583	\$ 33,382	4%	

FY 2027 Proposed Budget - Expenses

Key Budget Changes (Old vs New)

New / Expanded:

- Executive Director (standalone role)
- Insurance (new category)
- Memberships (new category - CSDA tied to insurance)

Adjusted:

- Consultant contracts aligned to 4-year agreements

No Change:

- Core technical support structure remains the same

Reserve Strategy

Fully funded:

- Operating Reserve
- Contingency Reserve

Remaining available balance supports:

- Budget stabilization

FY 2027 Use of reserves is:

- Limited
- Policy-consistent
- One-time (not structural)

SUMMARY OF PROJECTED FUND BALANCES AND RESERVES

Fund Balance at 6/30/25	\$	740,157
Projected Net Income FY 26	\$	142,422
Projected 6/30/26 Fund Balance	\$	882,579
4 Months Operating Expenses FY'27	\$	289,298
3 Months Contingency Reserve FY'27	\$	216,974
Amount over Required Reserves		376,307

Bottom Line: PA Billing

No increase in total base billing to PAs

FY 2027 Membership Dues:

👉 \$790,855 (same as FY 2026)

Why:

- Use of available reserves
- Non-operating revenue offsets



JPA Budget Allocation Methodology

Same methodology as annual City of San Diego Metro budget billing

Based on combined percentage of:

- Projected flows
- Wastewater strengths

Important:

- Changes in flows = redistribution of costs
- Not a change in total budget



Flow Impacts (ECAWP Transition)

FY 2027 includes initial ECAWP startup impacts

Reduced flows from El Cajon, Lakeside/Alpine & Wintergardens

Result:

- Cost redistribution to other agencies

👉 This is consistent with Metro cost allocation methodology



FY 2027 MEMBERSHIP DUES BILLINGS AND PRIOR YEAR COMPARISONS

	ACTUAL FY 2025 BILLING				ACTUAL FY 2026 BILLING		PROPOSED FY 2027 BILLING			
Agency	Per Cent	Base Amount	Reserve	Amount	Per Cent	Amount	Per Cent	Amount		
	Agency Billing %	Total Base Budget Billing	Reserve Contribution Per Agency	Total FY 2025 + Reserve	Agency Billing %	Total Agency Billing	Agency Billing %	Total Agency Billing	Difference FY2026	
Chula Vista	33.03%	\$ 261,255	\$ 65,314	\$ 326,569	30.57%	\$ 241,795	32.93%	\$ 260,417	\$ 18,623	7.7%
Coronado	2.64%	\$ 20,870	\$ 5,218	\$ 26,088	2.31%	\$ 18,232	2.46%	\$ 19,449	\$ 1,217	6.7%
County of SD*	17.02%	\$ 134,572	\$ 33,643	\$ 168,215	17.40%	\$ 137,631	17.86%	\$ 141,236	\$ 3,605	2.6%
Del Mar	0.03%	\$ 212	\$ 53	\$ 264	0.02%	\$ 170	0.03%	\$ 212	\$ 42	24.8%
El Cajon	14.43%	\$ 114,097	\$ 28,524	\$ 142,621	16.25%	\$ 128,518	11.19%	\$ 88,481	\$ (40,037)	-31.2%
Imperial Beach	3.89%	\$ 30,765	\$ 7,691	\$ 38,456	3.92%	\$ 31,010	4.16%	\$ 32,863	\$ 1,852	6.0%
La Mesa	7.15%	\$ 56,520	\$ 14,130	\$ 70,649	6.75%	\$ 53,410	7.29%	\$ 57,668	\$ 4,258	8.0%
Lemon Grove	3.21%	\$ 25,350	\$ 6,338	\$ 31,688	2.31%	\$ 18,268	2.73%	\$ 21,618	\$ 3,350	18.3%
National City	7.64%	\$ 60,414	\$ 15,104	\$ 75,518	7.50%	\$ 59,289	7.99%	\$ 63,151	\$ 3,862	6.5%
Otay Water District	0.65%	\$ 5,101	\$ 1,275	\$ 6,376	0.55%	\$ 4,380	0.81%	\$ 6,420	\$ 2,040	46.6%
Padre Dam MWD	6.27%	\$ 49,625	\$ 12,406	\$ 62,032	8.40%	\$ 66,432	8.61%	\$ 68,057	\$ 1,625	2.4%
Poway	4.06%	\$ 32,073	\$ 8,018	\$ 40,092	4.01%	\$ 31,722	3.96%	\$ 31,285	\$ (437)	-1.4%
Total	100%	790,855	\$ 197,714	\$ 988,569	100.0%	\$ 790,855	100.00%	\$ 790,855	\$ (0)	0.0%

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

**Based on 3/19/26 flow adjustments to FY 2027 January Budget Estimate



FY 2020 Audit Reconciliation

What this is:

- True-up based on audited flows and loads – San Diego
- Aligns JPA allocations with City audit
- Already reviewed with TAC

Why now:

- FY 2020 San Diego “Exhibit E” audit completed in FY 2026

Impact:

- One-time adjustment to each PA
- Reconciles FY 2020 JPA costs

FY 2020 JPA BUDGET ALLOCATIONS TRUE-UP					
	FY2020 JPA Budget		FY 2020 Audit		Reconciliation
	San Diego Flow / Strength %	Agency Allocation	San Diego Flow / Strength %	Agency Allocation	Due to/ Due from
Chula Vista	30.18%	\$ 135,162	31.33%	\$ 140,332.96	\$ 5,170.96
Coronado	3.51%	\$ 15,729	2.62%	\$ 11,753.61	\$ (3,975.39)
County of SD	16.98%	\$ 76,056	16.30%	\$ 73,004.32	\$ (3,051.68)
Del Mar	0.06%	\$ 257	-0.01%	\$ (24.56)	\$ (281.56)
El Cajon	14.69%	\$ 65,784	13.83%	\$ 61,958.16	\$ (3,825.84)
Imperial Beach	3.70%	\$ 16,550	3.88%	\$ 17,375.70	\$ 825.70
La Mesa	7.66%	\$ 34,291	9.23%	\$ 41,324.32	\$ 7,033.32
Lemon Grove	3.49%	\$ 15,614	3.63%	\$ 16,271.61	\$ 657.61
National City	7.04%	\$ 31,551	8.16%	\$ 36,561.37	\$ 5,010.37
Otay Water District	0.92%	\$ 4,106	0.58%	\$ 2,616.37	\$ (1,489.63)
Padre Dam MWD	6.71%	\$ 30,035	5.06%	\$ 22,654.28	\$ (7,380.72)
Poway	5.07%	\$ 22,715	5.36%	\$ 24,021.86	\$ 1,306.86
Total	100.00%	\$ 447,850	100.00%	\$ 447,850.00	\$ 0.00

*Based on City of San Diego Final FY 2020 Audit and Reconciliation

Final Billing by Agency

FY 2027 BUDGET FUNDING INCLUDING FY2020 BUDGET TRUE-UP

Agency	FY 2027 BILLING		FY2027 w/FY 2020 True-Up	
	Per Cent	Amount		
	Agency Billing %	Total Agency Billing	FY 2020 True-Up	Total FY 2027 Billing
<i>Chula Vista</i>	32.93%	\$ 260,417	\$ 5,171	\$ 265,588
<i>Coronado</i>	2.46%	\$ 19,449	\$ (3,975)	\$ 15,473
<i>County of SD*</i>	17.86%	\$ 141,236	\$ (3,052)	\$ 138,184
<i>Del Mar</i>	0.03%	\$ 212	\$ (282)	\$ (70)
<i>El Cajon</i>	11.19%	\$ 88,481	\$ (3,826)	\$ 84,655
<i>Imperial Beach</i>	4.16%	\$ 32,863	\$ 826	\$ 33,688
<i>La Mesa</i>	7.29%	\$ 57,668	\$ 7,033	\$ 64,701
<i>Lemon Grove</i>	2.73%	\$ 21,618	\$ 658	\$ 22,275
<i>Padre Dam MWD</i>	8.61%	\$ 68,057	\$ (7,381)	\$ 60,676
<i>Poway</i>	3.96%	\$ 31,285	\$ 1,307	\$ 32,592
Total	100.00%	\$ 790,855	\$ 0.00	\$ 790,855

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

This Table Shows:

- FY 2027 JPA budget base allocation
- FY 2020 true-up based on audit
- Final amount to be billed to each PA

👉 This is the **bottom line per agency**

Summary

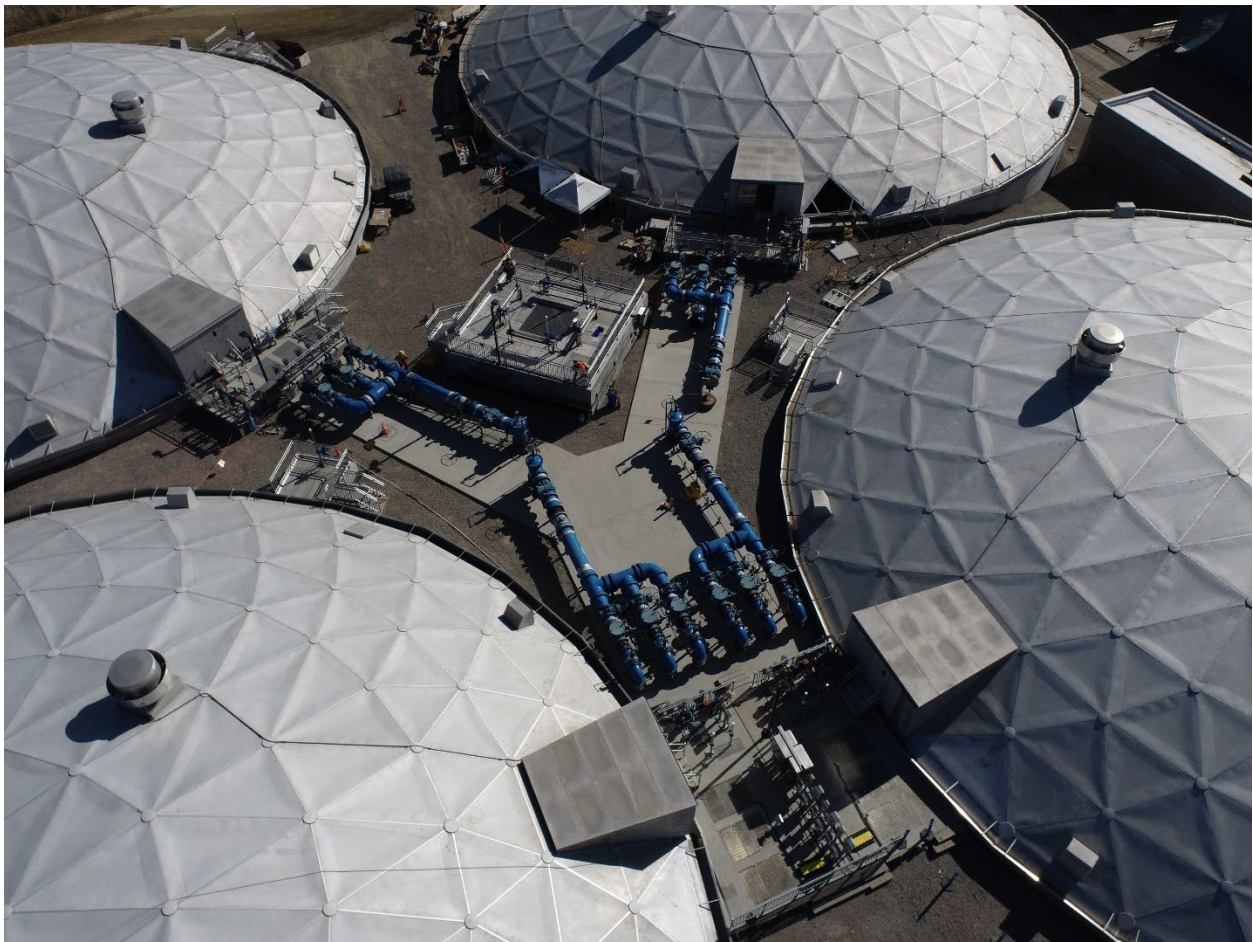
- Budget increase is modest and targeted
- No increase to total PA base billing
- Reserves used strategically to stabilize costs
- Flow changes will shift allocations between agencies
- FY 2020 reconciliation incorporated

A long, narrow metal walkway with railings leads into a dark, industrial space, likely a wastewater treatment plant. The walkway is made of metal grating and is flanked by yellow-painted metal railings. The ceiling is dark with some recessed lighting. The overall atmosphere is dim and industrial.

Questions?

North City Secondary Clarifiers In Operation

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.



This month's picture is a recent picture of the North City Secondary Clarifiers and RAS Piping. See discussion of upcoming North City Pure Water Facility tour after the May Board Meeting. Sign up now!

March concluded on a very positive note, with both the City of San Diego Environment Committee and the County of San Diego unanimously approving the Second Amended and Restated Agreement (SARA) and Administrative Agreement No. 1 (AA1). Notably, the County's approval occurred on the consent calendar without discussion, reflecting a high level of confidence in the agreements. The City of San Diego is expected to bring SARA and AA1 forward to the full City Council in early April.

With these actions, 11 of the 12 Participating Agencies have now approved the agreements unanimously. In total, this represents approval and endorsement from 56 City Council and Board Members, along with three appointed Metro Commissioners—representing approximately 60% of local leadership across the region. Collectively, this demonstrates strong and consistent regional alignment in support of SARA and AA1, with broad participation across agencies of all sizes and governance structures.

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. Directors and TAC members who are interested in taking this tour should contact the Board Secretary. 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. Functional Allocation Billing (FAB): Summary Overview for Policymakers

At the February Board meeting, direction was provided to the Executive Team by Board Members to develop a concise summary of FAB titled "Functional Allocation Billing (FAB): A Modern, Fair Billing System." The Executive Team worked in collaboration with City of San Diego staff and Stantec consultants to prepare this document, which provides a clear and accessible overview of the FAB methodology. The summary is attached to this Report.

While the document is three pages in length, each page is intentionally designed to address a distinct aspect of FAB, recognizing that the methodology is complex and cannot be fully captured on a single page.

Page 1 provides a stand-alone, high-level overview of FAB, the “one-pager”, addressing the following key questions: What is the Metro Wastewater Billing Framework? Why was the framework updated? What does the updated framework do?

Page 2 and Page 3 provide additional detail for readers seeking a deeper understanding. Page 2 outlines the key elements of the FAB framework.

Page 3, titled “What Changes for Agencies?”, addresses the practical implications of FAB and what Participating Agencies can expect under the updated billing framework.

As a reminder, background materials related to SARA, AA1, and FAB are available on the JPA website, and this document will be included alongside those resources. They can be accessed from the home page under “News”.

<https://www.metrojpa.org/home>

2. Executive Director Succession and Recruitment

The Executive Director Ad Hoc Committee convened in March to review applications and resumes submitted for the Executive Director position. Following this review, a group of highly qualified candidates was identified for further consideration. Interviews are scheduled for early April, and the Committee will continue its evaluation process thereafter. A full report on current consultant reviews and an update on the Executive Director recruitment process was discussed in closed session at the April Board meeting.

3. FY 2027 Metro Budget

Following last month’s update, the Finance Executive Team continued working closely with City of San Diego Public Utilities Department staff to evaluate financing alternatives to the current pay-as-you-go approach contained in the January estimate and to refine underlying flow assumptions. These efforts were presented at the March Metro TAC meeting.

Based on updated flow projections from the East County agencies and the incorporation of debt financing for certain CIP and Pure Water Phase 1 costs, the preliminary FY 2027 budget outlook has improved, with notable reductions from the initial January estimate. Flow assumptions for the East County agencies continue to be refined, and a revised FY 2027 budget is anticipated to be provided to the Participating Agencies in early April.

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

Sample selection for Metro O&M, CIP, and Pure Water transactions was completed in March for the FY 2024 and FY 2025 City of San Diego “Exhibit E” audits. In accordance with the Agreed-Upon Procedures, the auditors, Crowe, selected 90 O&M samples; City of San Diego staff selected 100 municipal (Muni) samples; and the JPA Finance Team selected 100 Metro O&M samples, along with 25 Metro CIP and revenue samples.

All Pure Water capital contracts, as well as associated consulting agreement costs for these fiscal years, will be included as part of the sample review process. The purpose of the sample review is to verify that costs have been appropriately classified, supported, and allocated in accordance with the applicable agreements and audit requirements.

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

The I&I Committee did not meet in March due to spring break. The next meeting is scheduled for April 23 at 2:00 p.m.

6. Finance and AdHoc Committee Meetings Update

- **Finance Committee**

The Finance Committee met in March to continue its review of key financial matters and to provide further directions on development of the FY 2027 JPA Draft Budget.

The Committee reviewed the updated status of the draft budget for ongoing programs and provided additional guidance to staff in preparation of a refined draft to be presented at their April meeting. The FY 2026 budget is still projected to come in under budget. Finalization of the FY 2027 budget remains dependent on completion of such items as the Executive Director recruitment process and contract negotiations, which are anticipated to occur prior to the April Finance Committee meeting.

The Committee also continued its discussion of potential new program elements for FY 2027, including organizational memberships (such as the California Special Districts Association and the California Association of Sanitation Agencies), conference participation, and the potential development of a Metro JPA social media presence. Staff was directed to further evaluate these items, including any associated liability insurance considerations, and to return with additional information as part of the final budget development process.

The Finance Committee will reconvene in April to review the updated draft budget. It is anticipated that, following the April meeting, the FY 2027 Draft Budget will be advanced to the Board for consideration and potential approval at the May or June Board meeting.

- **Succession Planning AdHoc**

The Succession Planning Ad Hoc Committee met to consider several organizational and governance items. The Committee reviewed and discussed potential revisions to the Treasurer and Board Secretary job descriptions, as well as updates to the Metro JPA organizational chart, providing directions for further refinement.

The Committee also discussed the role of City of San Diego technical support in relation to the Metro JPA Executive Team and considered the potential development of a Metro JPA social media presence, including oversight considerations. The Committee will continue to advance these topics at future meetings as directed by the Board.

- **Executive Director Ad Hoc**

Covered under Item 2.

- **Pure Water AdHoc**

The Pure Water Ad Hoc Committee met in March to review the status of SARA implementation and discuss next steps as the approval process continues to advance. The Committee will continue to monitor progress and provide input as implementation moves forward.

UPCOMING MEETINGS:

Metro TAC:

Regular Meeting:

April 15, 2026
11-1 Via Zoom

Finance Committee:

Regular Meeting:

April 28, 2026
10-Noon; Hybrid Meeting
MOC Conference Room 2B

Metro JPA/Commission:

Regular Meeting:

May 7, 2026
Noon-2 PM MOC Auditorium



Functional Allocation Billing (FAB), A Modern Fair Billing System

What Is the Metro Wastewater Billing Framework?

The City of San Diego operates a regional Metro Wastewater System that provides wastewater treatment and disposal services for the City and twelve Participating Agencies across the region. Costs to operate, maintain, and invest in this shared system are allocated among users through a billing framework established under the Amended and Restated Agreement. The updated framework, known as **Functional Allocation Billing (FAB)**, modernizes how these shared costs are distributed so that they better reflect how the system is used today and how it must be maintained for the future.

Why Was the Framework Updated?

The prior billing approach, known as **Strength-Based Billing (SBB)**, was adopted in 1998 and relied almost entirely on annual wastewater flow and strength to allocate costs. Since then, several major changes have occurred:

- The wastewater system itself has evolved, including major investments in water reuse and advanced treatment.
- Wastewater flows and characteristics have shifted due to conservation, population changes, and new local treatment facilities.
- Significant portions of system costs, such as debt service, are fixed and driven by long-term capacity needs, not just year-to-year usage.

These changes made it necessary to update the billing framework so that costs remain equitable, transparent, and financially sustainable.

What Does the Updated Framework Do?

The FAB framework introduces a modern, engineering-based approach to allocating both operating and capital costs. It aligns costs with:

- **Actual system use** - how much wastewater is sent to the system and its pollutant strength characteristics, and
- **Capacity needs** - the infrastructure required to handle peak flows and long-term demand.

This dual perspective enables agencies to pay their fair share for both daily operations and the shared infrastructure that must be maintained for reliability and resilience.

Key Elements of the FAB Framework

Functional and Design-Based Cost Allocations

The **functional–design based cost allocation framework** is a widely used cost-of-service approach in the wastewater industry that recognizes two complementary drivers of system costs: (1) how facilities operate on a day-to-day basis, and (2) how infrastructure is designed and sized to reliably meet peak and long-term demands. By applying both perspectives, the framework assigns costs in a manner that reflects actual use of the system while also accounting for the capacity that must be built and maintained for all users.

- **Functional allocations** are used primarily for operating and maintenance costs and reflect day-to-day system operations and the associated cost drivers.
- **Design allocations** are used primarily for capital costs and reflect how facilities are sized to meet peak conditions and long-term capacity requirements.

Together, these approaches enable costs to be tied to both appropriate use and design factors for each agency

Fixed and Variable Charges

The FAB framework clearly separates costs into two components:

- **Fixed charges**, which recover capital investments and other costs that do not vary year to year. These are based on long-term capacity rights, including average flows and peak capacity needs.
- **Variable charges**, which recover operating costs (in addition to pre-2022 debt service) and are based on actual measured flows and wastewater strength each year.

This structure better aligns bills to the fixed costs of owning and operating the Metro system, improves cost predictability, and reduces volatility for participating agencies.

Recognition of Peak Capacity Needs

The updated framework explicitly accounts for incremental peak capacity and the system's ability to handle wet-weather and extreme flow events. Agencies are billed for their share of this capacity so that the costs of maintaining a system ready for peak events are equitably distributed.

Treatment of Advanced Water Purification Reject Streams

The framework introduces a specific billing component for reject streams from advanced water purification processes. These high-strength flows are allocated only to the facilities that handle them (Point Loma WTP and Pump Station 2) and billed to the agencies that produce them, improving transparency and fairness.

What Changes for Agencies?

Under the FAB framework:

- Bills are divided into fixed and variable components, providing greater stability and predictability.
- Agencies that reduce average flows through local reuse projects still contribute to the cost of maintaining regional capacity needed during peak events.
- Costs associated with unique waste streams are assigned directly to the agencies responsible for them.

Overall, the framework is designed to moderate impacts, avoid extreme year-to-year changes, and adapt over time as system conditions evolve.

Why This Matters

The updated billing framework serves as a long-term solution to Metro system billing by:

- Promoting equitable cost-sharing among all users.
- Providing a stable financial foundation for critical wastewater infrastructure.
- Adapting to changing dynamics in the Metro system and evolving usage and capacity needs of PAs.
- Encouraging responsible system use and investments that reduce peak demands.
- Aligning billing practices with widely accepted cost-of-service principles.

In short, the FAB framework modernizes how the region pays for wastewater services, balancing equity, transparency, and long-term system reliability.