



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

AGENDA

Thursday, May 7, 2026 - 12:00 p.m.

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

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

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

1. **ROLL CALL**
2. **PLEDGE OF ALLEGIANCE**
3. **PUBLIC COMMENT:** *Persons speaking during Public Comment may address the Metro Wastewater JPA/Metro Commission on any subject matter within the jurisdiction of the Metro Wastewater JPA/Metro Commission that is not listed as an agenda item. Comments are limited to three (3) minutes.*
4. **ACTION:** Approval of Agenda
5. **CLOSED SESSION:**
Public Employment (Government Code 54957)
Position: Executive Director

CONSENT CALENDAR

Items **6-10** will be enacted in one motion in accordance with the recommendation unless removed from the Consent Calendar by the Board of Directors, Staff or Public. If a member of the public wishes to remove an item, they should submit a “Request to Speak” form to the Board Secretary prior to the meeting. Items removed from the Consent Calendar will be considered in the original agenda order immediately following adoption of the Consent Calendar.

RECOMMENDATION: Approve the Consent Calendar

6. **ACTION: Consideration and Possible Action to Approve the Regular Meeting Minutes of April 2, 2026 Regular Meeting (Attachment)**
7. **ACTION: Receive and File Check Registry – Monthly Expense Report for the Month of [March 2026](#) (Attachment)**
8. **ACTION: Consideration and Possible Action to Approve Quarterly Treasurer’s Report FY 2026 - Quarter 3 - Ending March 31, 2026 (Attachment)**
9. **ACTION: Consideration and Possible Action to Approve the FY 2027 Draft Metro Wastewater JPA Budget** (Reviewed and Approved by Metro TAC and the Finance Committee) **(Attachment)**
10. **ACTION: Consideration and Possible Action to Approve the Following Agreements Relating to FY 2027:** (Reviewed and Approved by the Succession Planning Ad Hoc, Metro TAC and the Finance Committee):
 - a. Agreement For Financial Consultant Services Between Metro Wastewater Joint Powers Authority and Karyn Keze for FY 2027 through FY 2030 **(Attachment)**
 - b. Agreement For Professional Services Between Metro Wastewater Joint Powers Authority and Dexter Wilson Engineering, Inc. for FY 2027 through FY 2030 **(Attachment)**
 - c. Agreement For Professional Services Between Metro Wastewater Joint Powers Authority and Rodney Greek, CPA for FY 2027 through FY 2030 **(Attachment)**
 - d. Agreement for Administrative Services Between Metro Wastewater Joint Powers Authority and Lori Peoples for FY 2027 through FY 2030 **(Attachment)**

END OF CONSENT CALENDAR

11. **ACTION: Consideration and Possible Action to Approve the Pump Station 2 Design Contract Amendment with Brown & Caldwell** (Eric Rubalcava/Shadi Sami) (Reviewed and Approved by Metro TAC) **(Attachment)**
12. **ACTION: Consideration and Possible Action to Approve the As-Needed Jetting & Pipe Cleaning at Wastewater Treatment Facilities with NRC Environmental Services** (Tim Carroll) (Reviewed and Approved by Metro TAC) **(Attachment)**

13. **ACTION: Consideration and Possible Action to Appoint Two (2) Additional Directors to the Pure Water Ad Hoc** (Chair Jones)
14. **UPDATE: Metro Wastewater (General)** (Standing Item) (Lisa Celaya)
 - a. Letter to US Department of the Interior, Bureau of Reclamation – Pure Water Grants (**Attachment**)
15. **UPDATE: Pure Water Program Update** (Standing Item) (Doug Owen/Ben Kuhnel/Doug Campbell)
16. **UPDATE: Metro Wastewater Financial** (Standing Item) (Adam Jones)
17. **REPORT: General Counsel** (Standing Item) (Adriana Ochoa)
18. **REPORT: Metro JPA Executive Director’s Report March 2026** (Standing Item) (Karyn Keze) (**Attachments**)
19. **REPORT: Metro TAC Chair’s Report for April 2026** (Standing Item) (Blake Behringer)
20. **METRO JPA DIRECTORS/COMMISSIONERS COMMENTS AND PROPOSED AGENDA ITEMS** for the Next Metro JPA/Commission Meeting **June 4, 2026**

TOUR PARTICIPANTS: You may leave the meeting and go out front to board your van at this time.

21. **CLOSED SESSION:**
 Conference with Legal Counsel – Anticipated Litigation (Government Code 54956.9(d)(4))
 Initiation of litigation: One potential Case
22. **ADJOURNMENT**

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

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

In compliance with the AMERICANS WITH DISABILITIES ACT

Persons with disabilities that require modifications or accommodations, please *contact General Counsel Adriana Ochoa at arochoa@swlaw.com* by no later than two hours prior to the meeting to request reasonable modifications or accommodations consistent with the Americans with Disabilities Act and Metro JPA/Commission shall promptly work with you to resolve the matter in favor of accessibility.

Metro JPA 2026 Regular Meeting Schedule

January 1, 2026
April 2, 2026
July 2, 2026
October 1, 2026

February 5, 2026
May 7, 2026
August 6, 2026
November 5, 2026

March 5, 2026
June 4, 2026
September 3, 2026
December 3, 2026



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

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

April 2, 2026

Chair Jones called the meeting to order at 12:02 p.m. A quorum of the Metro JPA/Commission was declared, and the following representatives were present:

1. ROLL CALL

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

Others present: Metro JPA General Counsel Adriana Ochoa – Snell & Wilmer Law; Metro JPA/Commission Board Secretary Lori Anne Peoples; Michael Benozza – City of Chula Vista; None – City of Coronado; None – City of Del Mar; Blake Behringer - City of El Cajon; Juan Larios – City of Imperial Beach; Joe Kuhn – City of La Mesa; Jessyka Heredia and Izzy Murguia – Lemon Grove Sanitation District; Carmen Kasner – City of National City; Frank Rivera – Otay Water District; Peejay Tubongbauna – Padre Dam Municipal Water District; Troy De Priest – City of Poway; Lisa Celaya, Doug Campbell, Edgar Patino, Parita Ammerlahn, Tiffany Smith, Joy Newman, Steven Jarvis, Peter Vroom, Christina Gauger, Doug Owen - City of San Diego Staff; Sumedh Bahl – County of San Diego; Metro JPA Staff: Karyn Keze, Executive Director, The Keze Group; Lee Ann Jones-Santos, Assistant Treasurer from Rodney Greek, CPA; and Kathleen Noel, Wilson Engineering.

2. PLEDGE OF ALLEGIANCE TO THE FLAG

Second Vice Chair Preciado, City of Chula Vista, led the pledge.

3. **PUBLIC COMMENT**

None.

4. **ACTION: APPROVAL OF AGENDA**

ACTION: Motion by Director Yamane, seconded by Director McKay to approve the agenda. Motion carried as follows:

AYES: Preciado, Purvis, Worden, Kendrick, McKay, Jones, Yamane, Robak, Clapp, De Hoff, Anderson

NAYS: None

ABSTAIN: None

ABSENT: Cazares

5. **CLOSED SESSION**

Public Employment (Government Code § 54957(b)(1))

Title: Succession Planning for Executive Director, Engineering Consultant, Board Secretary, Treasurer, Finance Director

The Board left for Closed Session at 12:05 pm

The Board returned to the Dais from Closed Session at 12:26 pm with all members present.

General Counsel Ochoa stated that the Board took action on Motion by Director Yamane, seconded by Director McKay, to appoint Second Vice Chair Preciado to the Executive Director Ad Hoc in place of Vice Chair De Hoff as he has a schedule conflict for the date of the Executive Director interviews. Motion carried unanimously.

CONSIDERATION AND POSSIBLE ACTION TO APPROVE CONSENT CALENDAR ITEMS 6 and 7

6. **ACTION: Consideration and Possible Action to Approve the Regular and Special Meeting Minutes of February 5, 2026**

7. **ACTION: Receive and File Check Registry/Monthly Expense Report for the Months of January and February 2026**

ACTION: Motion by Director Anderson, seconded by Director Kelly, to approve the Consent Calendar, Items 6 and 7. Motion carried as follows:

AYES: Preciado, Purvis, Worden, Kendrick, McKay, Jones, Yamane, Robak, Clapp, De Hoff, Anderson

NAYS: None

ABSTAIN: None

ABSENT: Cazares

END OF CONSENT CALENDAR

8. **ACTION: Consideration and Possible Action to Approve the Contract with Hensel Phelps for the Alvarado Laboratory Improvements CIP Project**

Christina Gauger, City of San Diego provided a brief introduction to the item. Parita Ammerlahn, City of San Diego then provided an overview of her PowerPoint presentation included in the agenda package.

ACTION: Motion by Second Vice Chair Preciado, seconded by Director Anderson, to approve the contract. Motion carried as follows:

AYES: Preciado, Purvis, Worden, Kendrick, McKay, Jones, Yamane, Robak, Clapp, De Hoff, Anderson

NAYS: None

ABSTAIN: None

ABSENT: Cazares

9. **ACTION: Consideration and Possible Action to Approve the As-Needed Consultant Services Agreements with Harris & Associates (H2526611), Dudek (H2526612) and Helix Environmental Planning (H2526613)**

Tiffany Smith, City of San Diego, provided a brief verbal overview of her presentation included in the agenda package.

ACTION: Motion by Director Yamane, seconded by Director Anderson, to approve the consultant services agreements. Motion carried as follows:

AYES: Preciado, Purvis, Worden, Kendrick, McKay, Jones, Yamane, Robak, Clapp, De Hoff, Anderson

NAYS: None

ABSTAIN: None

ABSENT: Cazares

10. **ACTION: Consideration and Possible Action to Approve the Industrial Wastewater Control Program Proposed Amendments of the Municipal Code Related to the Industrial Wastewater Control Program**

Joy Newman, City of San Diego introduced Steven Jarvis who provided a brief verbal overview of his presentation included in the agenda package.

ACTION: Motion by Director Anderson, seconded by Director Yamane, to approve the consultant services agreements. Motion carried as follows:

AYES: Preciado, Purvis, Worden, Kendrick, McKay, Jones, Yamane, Robak, Clapp, De Hoff, Anderson

NAYS: None

ABSTAIN: None

ABSENT: Cazares

11. **ACTION: Consideration and Possible Action to Approve the Following Budget Adjustments for FY 2026 and Corresponding Contract Amendments Brought Forward by the Finance Committee**

a. **Budget Increase of \$25,000 for Treasurer Services; and corresponding Second Amendment to the Professional Services Agreement between Metro Wastewater Joint Powers Authority and Rodney Greek, CPA**

b. **Budget Increase of \$26,000 for Technical, Financial, and Administrative Coordination Services; and Fourth Amendment to the Professional Services Agreement between Metro Wastewater Joint Powers authority and the Keze Group, LLC.**

Metro JPA Finance Chair De Hoff provided a brief introduction of the items.

Executive Director Keze followed with an overview of her presentation included in the agenda packet on Item 10a, the budget increase of \$25,000 for Treasurer Services and amendment to the agreement.

General Counsel Ochoa followed with part 2 of the presentation on Item 10b, the budget increase of \$26,000 for technical, financial, and administrative coordination services and amendment to agreement with the Keze Group, LLC

ACTION: Motion by Director Yamane, seconded by Director Anderson, Items 10 a, and b, be approved. Motion carried as follows:

AYES: Preciado, Purvis, Worden, Kendrick, McKay, Jones, Yamane, Robak, Clapp, De Hoff, Anderson
NAYS: None
ABSTAIN: None
ABSENT: Cazares

12. **ACTION: Discussion and Possible Action Regarding LinkedIn Account and Social Media Guidelines**

Vice Chair De Hoff requested General Counsel Ochoa remove the Executive Director Job Solicitation once it is completed. Ms. Ochoa stated that all prior posts had been deleted as previously directed. Further there was discussion at the Ad Hoc which needs further information and definition, such as, any posts made to the account should be retrospective with none for future items due to potential violations of the Brown Act. Additionally, a primary person operating the account needs to be further discussed. In LinkedIn they are referred to as a “super administrator.” These decisions need to be added to the current policy.

Chair Jones stated that 3 questions needed to be answered. 1) Is this something we really want? 2) If we want it, do we need to spend money and how much? 3) Who will handle the posts and create the policy for administration.

Vice Chair De Hoff noted that we currently have a Social Media Policy which says the Executive Director is in charge.

Director McKay inquired as to whether LinkedIn had a counter, and if so, how many followers does the current page have? General Counsel Ochoa responded 42.

Director Kendrick stated that his concern was that the demand would not outweigh the cost.

Director Yamane stated she felt a study should be done to determine the time needed to implement and maintain this prior to moving forward.

Director Robak spoke in support of his feelings for the need for a social media presence.

Second Vice Chair Preciado stated that he felt the JPA had wasted enough time on this topic. Chula Vista is the largest entity and has no interest in having their ratepayers receive information via a JPA social media account.

Second Vice Chair Preciado left the meeting at 1:58 pm

Chair Jones stated that personnel costs and liability insurance costs would be incurred if it was decided to implement.

General Counsel Ochoa noted that social media accounts can create liability in that they become public forums which allow people to comment and to remove the comments would be a violation of the 1st amendment rights.

Director Kelly suggested the JPA wait until the new Executive Director was on board and the new website was implemented.

ACTION: Motion by Director Kelly ,Seconded by Director Kendrick, to make no changes to the Social Media Policy and maintain status quo without any new entries into the LinkedIn site until the new Executive Director comes on board and the new website is up and running. Motion carried as follows:

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

NAYS: None

ABSTAIN: None

ABSENT: Preciado, Cazares

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

Lisa Celaya, City of San Diego, stated that the NPDES Permit had been approved by the Regional Board and Officially by the EPA effective May. It has been a long time since the application was submitted in 2022 and not approved until now, 2026.

She then stated that the City received the Industry Standard Award and Large Collection System of the Year Award.

Lastly, she reported there had been a spill last Wednesday associated with the sludge line along Old Seaworld Drive. The line runs from Pt. Loma to NTC and is a 4" line. The city has completed the Environmental report and is going through the process of reporting.

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

Doug Campbell, City of San Diego, reported that they were 87% complete on Pure Water Phase 1; 3 of 4 of the clarifiers were in service; the pump station across the street is in service. They are moving into O & M in May meshing everything together. Lastly, the Wall Street Journal is working on a story regarding water supply and has toured the North City Pure Water facilities which hopefully will be included in the article.

a. **Quarterly Contractors Report**

Doug Owen, Stantec/City of San Diego, provided a brief verbal overview of the Quarterly Construction Update included in the agenda package.

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

No report.

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

General Counsel Ochoa reminded everyone that Form 700's were due yesterday, April 1, 2026.

17. **REPORT: Metro JPA Executive Director's Report January 2026 and February 2026 (Standing Item)**

Executive Director Keze stated that her report was included in the agenda package. Additionally, she reminded everyone that a tour of the North City Pure Water Project would be occurring after the May 7, 2026, Metro Wastewater JPA meeting. The deadline to be included as the vans need to be reserved is Friday May 10th and she requested anyone interested in attending contact Lori.

Additionally, she noted that she had prepared, distributed, and posted on the website a three-page plain-language summary of FAB entitled “FAB – A Modern, Fair Billing System.”

18. **REPORT: Metro TAC Chair’s Report March 2026 (Standing Item)**

Metro TAC Chair, Behringer, stated that his report was included in the agenda package.

19. **METRO JPA DIRECTORS/COMMISSIONERS COMMENTS AND PROPOSED AGENDA ITEMS for the Next Metro JPA/Commission Meeting May 7, 2026**

Director Robak recognized and introduced his Alternate, Frank Rivera, present in the audience.

20. **ADJOURNMENT**

There being no further business, Chair Jones declared the meeting adjourned at 2:20 p.m.

Monthly Expense Report

MetroJPA

Invoices for March paid in April 2026

Prepared by

Treasurer@metrojpa.org

Prepared on

April 15, 2026

Expenses by Vendor Summary
MetroJPA
April 15, 2026

	Total
CliftonLarsonAllen, LLP	2,100.00
Dexter Wilson Engineering	11,747.50
Ditas Yamane	370.30
Donald Dwight Worden	525.00
Frank Rivera	211.25
Gary Kendrick	700.00
Gavares Group	4,500.00
Jerrold L. Jones	1,683.10
Jessica Heredia	195.30
Joel Anderson	194.18
Jose Preciado	875.00
Kelly Purvis	543.85
Keze Group LLC	15,525.00
Lee Ann Jones-Santos	99.99
Mark Robak	729.00
Mitchell D McKay	175.00
Mr Rodney Greek	16,897.30
Peter De Hoff	921.40
Snell and Wilmer	13,615.50
Credit Card Expenses	940.38
TOTAL	\$72,549.05



Metro Wastewater Joint Powers Authority
Treasurer's Report
For the Period ending March 31, 2026

****UNAUDITED****

Metro Wastewater JPA
Treasurer's Report
For the Period ending March 31, 2026
Unaudited

Beginning Cash Balance at July 1, 2025	\$ 789,358
Operating Results	
Membership Dues & Interest Income	837,664
Expenses	<u>(498,174)</u>
Change in Net Position	339,490
Net change in Receivables & Payables	<u>12,190</u>
Cash provided by Operations	<u>351,680</u>
Ending Cash Balance at March 31, 2026	<u><u>\$ 1,141,038</u></u>
Funds with LAIF including Interest	\$ 1,069,487
Funds in Checking and Savings Accounts	<u>71,551</u>
<i>Ending Cash Balance</i>	<u><u>\$ 1,141,038</u></u>

Metro Wastewater JPA
Statement of Net Position

As of July 1, 2025 and March 31, 2026

Unaudited

	July 1, 2025	March 31, 2026	\$ Change
<u>ASSETS</u>			
Checking/Savings	\$ 789,358	\$ 1,141,038	\$ 351,680
Accounts Receivable	7,119	10,615	3,496
Total Assets	\$ 796,477	\$ 1,151,653	\$ 355,176
<u>LIABILITIES</u>			
Accounts Payable	\$ 56,320	\$ 72,006	\$ 15,686
Unearned Membership Billings	-	-	-
Total Liabilities	\$ 56,320	\$ 72,006	\$ 15,686
<u>NET POSITION</u>			
Net Position at Beginning of Period	\$ 247,595	\$ 740,157	\$ 492,562
Change in Net Position	492,562	339,490	(153,071)
Net Position at End of Period	\$ 740,157	\$ 1,079,647	\$ 339,490
<u>TOTAL LIABILITIES & NET POSITION</u>	\$ 796,477	\$ 1,151,653	\$ 355,176
		-	
<i>Net Position at 3/31/2026</i>		\$ 1,079,647	
<i>FY '26 Operating Reserve (4 months)</i>		278,171	
<i>Over (under) required reserve</i>		\$ 801,476	
<i>FY '26 Board Contingency Reserve (3 months)</i>		208,628	
		\$ 1,010,104	
Assets		\$ 1,151,653	
Liabilities/Equity		\$ 1,151,653	
Difference		\$ -	
Total Reserves		\$ 486,799	

Metro Wastewater JPA
Statement of Operations
Budget vs. Actual

For the Period ending March 31, 2026
Unaudited

	<u>Actual</u>	<u>Adjusted Budget</u>	<u>Over (Under) Budget</u>	<u>Annual Budget</u>
Income				Month 9
Membership Dues	\$ 790,857	790,855	\$ 2	\$ 790,855
City of San Diego	12,567	20,250	(7,683)	\$ 27,000
Interest Income	34,240	12,493	21,747	16,657
Total Income	<u>\$ 837,664</u>	<u>\$ 823,598</u>	<u>\$ 14,066</u>	<u>\$ 834,512</u>
Expense				
Administrative Assistant-LP	\$ 17,611	36,900	\$ (19,289)	\$ 49,200
Bank Charges	257	150	107	200
Contingency	-	-	-	-
Dues & Subscriptions	-	-	-	-
Financial Services				
Audit Fees	8,505	17,723	(9,218)	23,630
Financial Consulting Support (Auditor)	-	-	-	-
Financial - The Keze Group	148,959	126,000	22,959	168,000
Treasurer - CPA	52,115	37,500	14,615	50,000
JPA/TAC meeting expenses	3,364	4,950	(1,586)	6,600
Miscellaneous	1,486	1,017	469	250
Per Diem - Board	37,862	41,700	(3,838)	55,600
Printing, Postage, Supplies	302	600	(298)	800
Professional Services				
Engineering - Dexter Wilson	98,418	150,000	(51,583)	200,000
Engineering - NV5	-	-	-	-
Legal - (Pure Water/2nd ARA)	52,971	112,500	(59,530)	150,000
Legal - (General)	61,408	45,000	16,408	60,000
Legal - (SD Spill 2020 & 2023)	-	22,500	(22,500)	30,000
Paul Redvers Brown, Inc.	-	-	-	-
Strategic Planning	4,500	7,750	(3,250)	-
Consensus Support	-	17,088	-	12,450
IT & Communications	-	15,000	(15,000)	20,000
Telephone, Software & Internet	1,004	3,000	(1,996)	4,000
Website Architecture Update	-	-	-	-
Website Maintenance & Hosting	9,414	2,837	6,577	3,782
Total Expense	<u>\$ 498,174</u>	<u>\$ 642,213</u>	<u>\$ (126,952)</u>	<u>\$ 834,512</u>
Net Income (Loss)	<u>\$ 339,490</u>	<u>\$ 181,384</u>	<u>\$ 141,018</u>	<u>\$ -</u>

Metro Wastewater JPA
Statement of Cash Flows

For the Period ending March 31, 2026
Unaudited

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Receipts from Member Agencies	\$ 799,928
Cash Paid to Vendors and Suppliers	<u>(482,488)</u>
Net Cash Provided by Operating Activities	317,440

CASH FLOWS FROM INVESTING ACTIVITIES

Interest Earnings	<u>34,240</u>
Net Cash Provided by Investing Activities	<u>34,240</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS 351,680

Cash and Cash Equivalents - Beginning of Period 789,358

CASH AND CASH EQUIVALENTS - END OF PERIOD \$ 1,141,038

**RECONCILIATION OF OPERATING LOSS TO NET CASH
FLOWS USED BY OPERATING ACTIVITIES**

Operating Income	\$ 339,490
Change in Net Position	
Adjustments to Reconcile Operating Income to	
Decrease in Accounts Receivable	(3,496)
Increase in Accounts Payable	15,686
Interest Earnings	(34,240)
Total Adjustments	<u>(22,050)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 317,440</u></u>



METRO WASTEWATER JPA



FY 2027 OPERATING BUDGET
May 7, 2026

Metro Wastewater JPA Mission Statement (2025)

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

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

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

Cover: Pure Water Program: North City Water Reclamation Plant Expansion - April 16, 2026



TO: Metro Wastewater JPA Directors
FROM: Karyn L. Keze, Executive Director
DATE: May 7, 2026
RE: Agenda Item No. 9, FY 2027 JPA DRAFT OPERATING BUDGET

INTRODUCTION

The FY 2027 Operating Budget for the Metro Wastewater Joint Powers Authority (JPA) has been developed to support the JPA's continued transition from planning to implementation of major regional initiatives, while maintaining a disciplined and stable financial approach.

The proposed budget reflects modest increases associated with organizational and operational adjustments, including updated consultant agreements and the establishment of a standalone Executive Director role. Consistent with directions provided by the Finance Committee, the budget incorporates the use of available reserves and non-operating revenues to maintain stable Participating Agency billing levels.

FY 2027 BUDGET OVERVIEW AND ORGANIZATIONAL TRANSITION

Over the past six years, the JPA has evolved from an observer to an active participant in regional wastewater—and, at times, water—issues affecting the San Diego Metro Wastewater System (Metro). Prior to FY 2020, the JPA's technical role focused primarily on reviewing Metro costs through the annual Exhibit E audit for contract compliance, and the organization was largely supported by a financial consultant, with limited engineering support on an as-needed basis.

That role began to expand during the first Amended and Restated Agreement (ARA) negotiations, when engineering consultants were engaged to support design and operations cost reviews for Pure Water Phase 1. As a result, JPA engineering and financial consultants helped secure more accurate and equitable Phase 1 cost allocations, shifting over \$200 million (16%) in project costs from the Metro System to the City of San Diego's water utility.

Additional refinements to cost allocation methodologies have continued to generate measurable savings to the Metro System and directly reduce the financial burden on the Participating Agencies (PAs). These adjustments continue to be reviewed annually as

part of the Exhibit E audit process. To support this expanded level of technical oversight, the JPA Operating Budget evolved accordingly.

With the initiation of the Second Amended and Restated Agreement (SARA) negotiations in April 2021, the JPA's role further expanded through a collaborative partnership with the City of San Diego Public Utilities Department (PUD). This effort culminated in the release of a final draft in October 2025 and approval by eleven Participating Agencies and the City of San Diego by early April 2026.

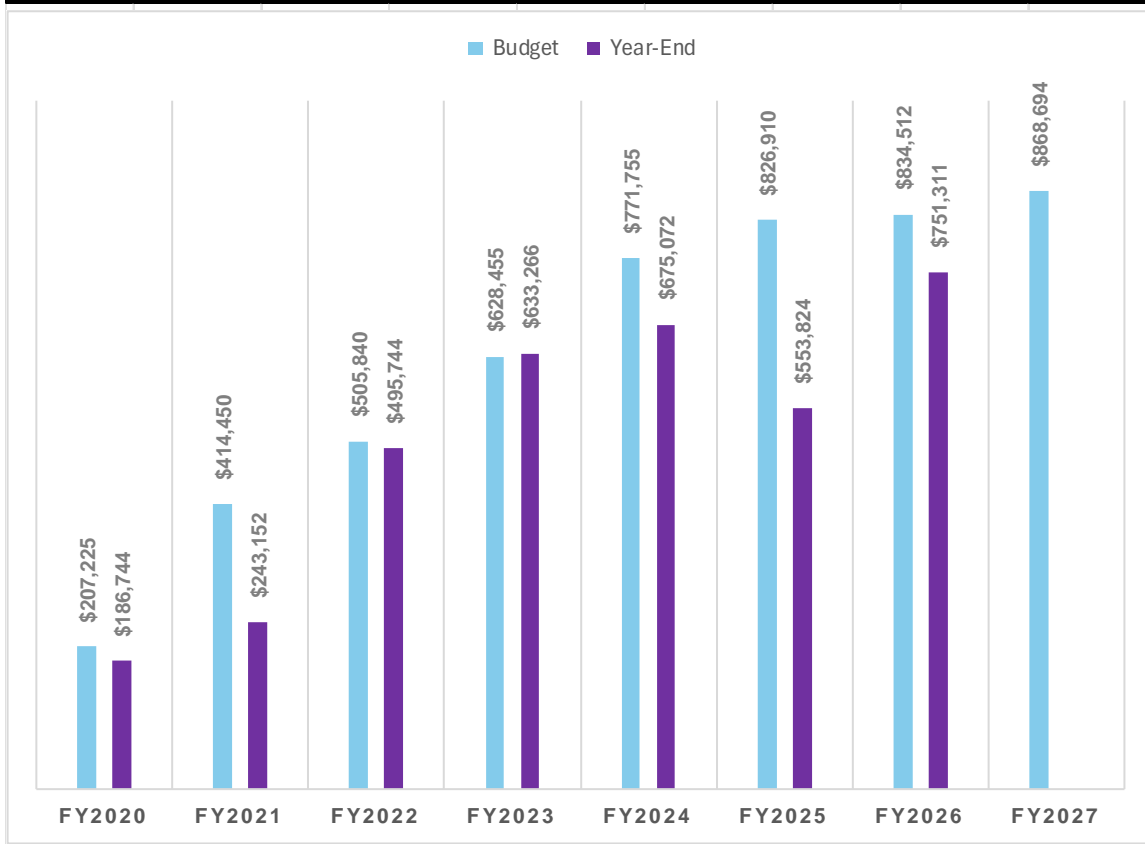
This collaboration also led to the development and adoption of the Functional Allocation Billing (FAB) system, a modernized approach to Metro cost allocation approved by the JPA in January 2026 and now moving into implementation in FY 2027.

Today, JPA consultants support major regional initiatives, including capital planning for key infrastructure, Pure Water Phase 2, regulatory compliance efforts, and the Regional Inflow and Infiltration (I&I) Study.

With SARA and FAB transitioning from development to implementation, the role of the JPA—and its consultants—is evolving. The FY 2027 budget reflects this transition. All major consultant agreements expire June 30, 2026. Following review by the Succession Planning and Executive Director Ad Hoc Committees, and recommendation by the Finance Committee, the Board is being presented with updated four-year agreements for the JPA's core consulting functions. In addition, the Executive Director role—established in FY 2025—is being formalized as a standalone position beginning in FY 2027, reflecting the increasing scope of the JPA's responsibilities.

Chart 1 illustrates the trend in operating expenditures from FY 2021 to present. While the budget increased through FY 2024 to support expanded responsibilities, it has since stabilized. During this same period, the JPA's financial position has strengthened significantly through the full funding of operating and contingency reserves.

**CHART 1
BUDGET VS. ACTUAL FY 2020 - FY 2027**



Prior to FY 2025, the JPA did not operate under a formal long-term financial framework. The development and implementation of structured financial policies, including reserve funding, has strengthened the JPA’s financial management and supports the stability reflected in the FY 2027 Budget.

ORGANIZATIONAL AND STRATEGIC PLANNING PROGRESS

Over the past several years, the Metro Wastewater JPA has taken deliberate steps to formalize its internal operations and strengthen its capacity to manage an expanding role in regional wastewater planning and oversight.

In FY 2024, the JPA formed a Reorganization Ad Hoc Committee, which resulted in the development of the agency’s first formal organizational structure. This effort clarified the roles and responsibilities of the JPA’s consultants, established a central point of administrative coordination, and created the position of Executive Director. These changes provided the JPA with a defined framework for internal management and decision-making and marked an important step in the agency’s organizational maturation.

Building on that foundation, in FY 2025 the JPA established a Strategic Planning Ad Hoc Committee to develop a set of Strategic Goals and Objectives to guide the agency's work over the next five years. These priorities reflect the JPA's expanded technical role and increasing involvement in regional initiatives. During FY 2026, these goals and objectives have been refined to guide the JPA through the implementation phase of SARA, FAB, and other major programs. (See Attachment 1: Metro Wastewater JPA Mission Statement and Strategic Goals & Objectives)

Also in FY 2025, the Board established a Succession Planning Ad Hoc Committee to evaluate the JPA's long-term organizational structure and staffing approach in advance of the June 30, 2026, expiration of all major consultant contracts. Through FY 2026, the Committee, together with the Executive Director Ad Hoc Committee, conducted a comprehensive review of consultant roles, responsibilities, and performance, and developed recommendations to continue a consultant-based structure supported by updated four-year agreements.

A key outcome of this process is the formal transition of the Executive Director role into a standalone position beginning in FY 2027. This change reflects both the increasing complexity of the JPA's responsibilities and the need for dedicated executive-level coordination to support Board priorities, regional collaboration, and implementation of major initiatives. (See Attachment 2: FY 2027 Organizational Chart.)

Together, these efforts have established a more structured, intentional, and sustainable organizational framework for the JPA in FY 2027. As the agency moves into the implementation phase of SARA and FAB, it is well positioned to support regional decision-making, manage its technical responsibilities, and maintain clear and consistent coordination with Participating Agencies and the City of San Diego.

FY 2026 MILESTONES

FY 2026 marked a year of significant progress in governance, financial management, and regional coordination. These accomplishments reflect the JPA's continued evolution and readiness to transition from planning to implementation. Key milestones include:

Governance and Organizational Structure

- **Adoption of the JPA's First Policies and Procedures Manual**

The Board adopted the JPA's first comprehensive Policies and Procedures Manual, establishing formal Board and financial policies, including the agency's first Investment Policy. This milestone represents a significant step in strengthening governance, internal controls, and financial and management oversight.

- **Completion of Consultant Performance Review and Contract Strategy**
The Succession Planning and Executive Director Ad Hoc Committees completed a comprehensive review of consultant roles and performance, resulting in recommendations for updated four-year agreements to support continuity and organizational effectiveness.
- **Transition to a Standalone Executive Director Role**
The Board advanced the transition of the Executive Director position into a dedicated role beginning in FY 2027, reflecting the increasing scope and complexity of the JPA's responsibilities.

Financial Management and Stability

- **Development and Implementation of a Formal Financial Framework**
The JPA established a more structured financial approach, including the full funding of operating and contingency reserves, improving financial stability and enabling more predictable long-term planning.
- **Stabilization of Participating Agency Billing**
Through disciplined financial planning and reserve management, the JPA maintained consistent billing levels to Participating Agencies despite increasing responsibilities and system-wide cost pressures.
- **Enhanced Investment Strategy and Increased Interest Earnings**
With the adoption of the Investment Policy, the JPA is now able to actively manage and invest its operating funds and reserves. This has significantly improved interest earnings, increasing from nominal levels in prior years to a projected \$24,000 in FY 2027.
- **Expansion of Cost Recovery and Revenue Sources**
The JPA successfully negotiated, for the first time, reimbursement from the City of San Diego for a portion of engineering support costs associated with regional efforts, including FAB, the Inflow and Infiltration (I&I) Study, and other technical services. This agreement is expected to generate approximately \$65,000 in revenue by the end of FY 2026. The JPA will continue to pursue similar cost recovery opportunities under future engineering agreements.

Operational Improvements

- **Website Redesign and Modernization Project**
The JPA initiated a comprehensive website update, including completion of a competitive procurement process and selection of a new platform. The updated website will improve accessibility, transparency, and public access to JPA information, with project completion anticipated by June 30, 2026.
- **Implementation of ACH Payment Processing**
The JPA also initiated the transition from paper checks to electronic ACH payments for vendors and Board member per diems. This modernization improves administrative efficiency, reduces processing time and costs, and provides more timely and convenient payment to recipients.

Regional Programs and Implementation

- **Advancement and Approval of SARA and Administrative Agreement No. 1 (AA1)**

Eleven of the twelve Participating Agencies, along with the City of San Diego, have approved SARA and AA1. These actions represent significant regional progress toward implementing an updated governance and administrative framework for the Metro System.

- **Adoption of the Functional Allocation Billing (FAB) Framework**

The JPA unanimously approved the FAB methodology in January 2026, modernizing the regional cost allocation framework to better reflect system use, support long-term financial stability, and align with evolving system operations.

- **Expanded Regional Coordination and Technical Engagement**

JPA consultants continued active participation in major regional initiatives, including Pure Water implementation, capital planning for key facilities, regulatory compliance efforts, and the regional Inflow and Infiltration (I&I) Study.

METRO WASTEWATER JPA FY 2027 OPERATING BUDGET

FY 2027 BUDGET OVERVIEW

The proposed FY 2027 Operating Budget totals **\$868,694** representing an increase of \$34,182 (4%) over the FY 2026 Adopted Budget and \$117,383 above projected FY 2026 year-end expenditures. A full summary of FY 2026 Projected Budget Versus Actuals can be found in Attachment 3.

The FY 2027 increase reflects targeted adjustments associated with the JPA's organizational transition, including the standalone Executive Director role, updated consultant agreements, and the addition of Insurance and Memberships.

A summary of the proposed FY 2027 budget and comparison to FY 2026 is provided in Table 1. Detailed schedules of the budget tables are included in the Appendices. The full FY 2027 budget and comparison to FY 2026 can be found in Attachment 4.

TABLE 1						
FY 2026 VS. FY 2027 PROPOSED OPERATING BUDGET						
	FY 2026			FY 2027 Proposed		
	Approved	Forecast	Over/(Under)	Budget	Difference FY 2026	
Administration & Finance	\$322,800	\$360,688	\$ 37,888	\$433,750	\$110,950	34%
General & Administrative Expenses	\$ 15,632	\$ 14,893	\$ (739)	\$ 27,114	\$ 11,482	73%
Professional Services	\$496,080	\$375,730	\$ (120,350)	\$407,830	\$ (88,250)	-18%
TOTAL	\$834,512	\$751,311	\$ (83,201)	\$868,694	\$ 34,182	4%

Consistent with Finance Committee direction, the proposed budget incorporates the use of available reserves, after meeting policy-required levels, together with non-operating revenues to offset the increase in expenditures. As a result, the base amount billed to the PAs as Membership Dues will remain unchanged from FY 2026.

PA billing will remain at **\$790,855**, with the remaining budget funded through a combination of reserve use and non-operating revenues as shown in Table 2. This approach maintains stable and predictable costs during a period of organizational transition.

Income:	FY 2027 Budget	Difference from FY 2026 Budget		Variances in Line Items Compared to the FY 2026 budget
Membership Dues	\$ 790,855	\$0	0%	Recommend billing same amount as FY 2026
Use of Reserves	\$ 27,329	\$27,329	100%	Reserves used to maintain budget at FY2026 level
City of San Diego	\$ 27,000	\$0	0%	Base contract rebudgeted
Interest Income	\$ 23,509	\$6,852	29%	Increase due to reserve funds in LAIF
	\$ 868,694	\$34,182	4%	

SECTION 1: KEY BUDGET CHANGES

The FY 2027 Operating Budget reflects a limited number of targeted adjustments aligned with the JPA's continued organizational transition, refinement of its financial framework, and support of its expanded regional responsibilities. Key changes from the FY 2026 Adopted Budget include and are summarized in Table 3:

- **Establishment of a Standalone Executive Director Position:**
Beginning in FY 2027, the Executive Director role is implemented as a dedicated position, separate from the Financial Consultant scope. This change reflects the increasing scope and complexity of the JPA's responsibilities and provides focused executive-level coordination to support Board priorities and regional initiatives.
- **Alignment of Consultant Contracts with Four-Year Agreements:**
Budgeted amounts for the Treasurer, Financial Consultant, Board Secretary, and Engineering Consultant have been updated to reflect proposed four-year contract terms. These adjustments support continuity, clarify roles and responsibilities, and align compensation with the JPA's current operational needs.
- **Addition of Insurance as a Budget Category:**
The FY 2027 budget includes, for the first time, potential funding for liability insurance coverage to support the JPA's governance and risk management framework. This addition reflects standard organizational practices and aligns with the JPA's maturing structure.
- **Addition of Memberships and Professional Dues:**
The budget incorporates costs associated with potential participation in professional organizations, specifically membership in CSDA, which is potentially required in connection with the JPA's liability insurance coverage. These memberships provide access to governance resources, training, and industry best practices relevant to JPA operations.

TABLE 3				
CHANGES: FY 2027 PROPOSED OPERATING BUDGET				
Expense:	FY 2027 Budget	Difference from FY 2026 Budget		Variations in Line Items Compared to the FY 2026 budget
EXISTING PROGRAMS:				
Audit Fees	\$ -	\$ (23,630)		Biannual Audit - Next in FY2028
Executive Director	\$ 126,000	\$ 126,000	100%	New Position
Admin - Board Secretary	\$ 50,000	\$ 800	2%	Contract rounded
Bank Charges	\$ 600	\$ 400	67%	Updated for LAIF Wire Transfers & ACH
Financial Consultant	\$ 124,000	\$ (44,000)	-35%	Decrease - SARA & ED tasks
Treasurer	\$ 78,150	\$ 28,150	36%	Inclusion of webmaster scope + financial requirements
Miscellaneous	\$ 1,500	\$ 250	17%	Increased by Treasurer's Bond
Printing, Postage, Supplies	\$ 1,000	\$ 200	20%	Increase based on actual expense forecast
Engineering	\$ 153,880	\$ (46,120)	-30%	Decrease following SARA draft completion
IT & Communications	\$ 1,500	\$ (18,500)	-1233%	Decrease due to Website Update
Website Maintenance & Hosting	\$ 4,414	\$ 632	14%	Year 2 of IonBlade Contract - Managed Support
NEW PROGRAMS:				
Memberships	\$ 2,000	\$ 2,000	100%	CSDA membership required for SDRMA Insurance
Insurance	\$ 7,000	\$ 7,000	100%	Preliminary estimate from SDRMA w/o Cyber
TOTAL	\$ 550,044	\$ 33,182	6%	

The Succession Planning Ad Hoc Committee and the Finance Committee will continue to evaluate the JPA's participation in professional organizations and the scope of liability insurance coverage, with current budgeted amounts subject to refinement as recommendations and associated policies are developed and brought forward for Board consideration and approval during FY 2027.

SECTION 2: RESERVE STRATEGY AND PARTICIPATING AGENCY BILLING

The FY 2027 Operating Budget reflects modest expenditure increases while maintaining stable Participating Agency billings. The proposed budget includes a net increase of \$34,182 over the FY 2026 Adopted Budget. Consistent with Finance Committee direction, this increase is offset through the use of available reserves, after meeting policy-required levels, together with non-operating revenues.

As shown in Table 4, the projected FY 2026 year-end fund balance, after meeting required Operating and Contingency Reserve levels, provides sufficient available funds to support this approach. As a result, Participating Agency total Membership Dues for FY 2027 remain unchanged at \$790,855. This approach reflects the effectiveness of the JPA's financial framework and the role of reserves in smoothing year-to-year fluctuations.

**TABLE 4
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	\$ 289,565
3 Months Contingency Reserve FY'27	\$ 217,174
Amount over Required Reserves	375,841

Table 5 (and Attachment 5A) summarizes actual billing for FY 2025 and FY 2026 and compares it to projected FY 2027 base allocations. Membership Dues are allocated using the same methodology as the annual City of San Diego's Metro billings, based on projected flows and wastewater strength.

**TABLE 5
FY 2027 MEMBERSHIP DUES BILLINGS AND PRIOR YEAR COMPARISONS**

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

Variations between FY 2026 and FY 2027 allocations reflect changes in projected flows, including the initial transition associated with the East County Advanced Water Purification (ECAWP) facilities. Consistent with this methodology, changes in any agency's flows result in corresponding adjustments to cost allocations among all Participating Agencies.

SECTION 3: BILLING METHODOLOGY AND FY 2020 RECONCILIATION

The calculation of FY 2027 Membership Dues includes two components:

1. **FY 2027 Base Allocation** based on projected flows and strength.
2. **True-Up Adjustment** from prior years based on audited data.

Consistent with the City of San Diego’s methodology, prior year allocations are adjusted based on audited flows and loads. During FY 2026, the City of San Diego completed its FY 2020 audit, and the JPA has incorporated the corresponding reconciliation into their Membership billing.

Table 6 (and Attachment 5B) summarizes the FY 2020 true-up adjustments of the JPA’s 2020 budget when the audited agency allocations are applied.

	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

When combined with the FY 2027 base allocations, the resulting total Membership Dues for each Participating Agency are shown in Table 7 (and Attachment 5C).

**TABLE 7
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>National City</i>	7.99%	\$ 63,151	\$ 5,010	\$ 68,161
<i>Otay Water District</i>	0.81%	\$ 6,420	\$ (1,490)	\$ 4,930
<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, Wintergardens

SECTION 4: CONCLUSION AND RECOMMENDATION

The FY 2027 Operating Budget reflects the continued maturation of the Metro Wastewater JPA as it transitions from planning to implementation of major regional initiatives, including SARA and the Functional Allocation Billing (FAB) framework. The proposed budget incorporates targeted adjustments to support this transition while maintaining a disciplined and structured financial approach.

Through the implementation of a formal financial framework, including the establishment and full funding of operating and contingency reserves, the JPA is well positioned to manage its responsibilities with greater stability and predictability. The FY 2027 budget demonstrates the effectiveness of this approach by accommodating necessary organizational and operational changes while maintaining stable Participating Agency billing.

Based on the review and recommendation of the Finance Committee, it is recommended that the Board adopt the FY 2027 Operating Budget, subject to any final adjustments related to Executive Director compensation, insurance, and memberships, or changes in San Diego's FY 2027 Metro Budget cost allocations needed during the upcoming fiscal year.

ATTACHMENT 1

Metro Wastewater JPA Mission Statement and Strategic Goals & Objectives



Morena Pump Station Roof – Pipe Supports – January 2026

Metro JPA 2025 Mission Statement and Strategic Goals & Objectives

Mission Statement

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

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

Strategic Goal 1 - Oversee METRO System Management and

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

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

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

Strategic Objective 3 - Oversee Capital Improvements and Maintenance

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

Strategic Objective 4 – Continue Audit Process: Maintain the integrity of the annual audit of the City of San Diego to ensure that only METRO wastewater costs are billed to METRO member agencies.

Strategic Objective 5 - Monitor Billing Equity Framework - Conduct continual review of the billing system, including the progress of new procedures that determine flow and strength allocations to the Participating Agencies. Conduct a review of the flow metering monitoring system, sampling locations, and cost allocation and audit perimeters a minimum of every five years to be consistent with section 3.5.3 of the Amended Restated Agreement.

Strategic Objective 6 – Support Second Amended Restated Agreement (SARA) and Revised Billing Structure (FAB): Advocate for and support the Participating Agencies (PA’s)’s review and approval of the Second Amended Restated Agreement (SARA). Support the successful implementation of the new SARA billing structure (e.g., Functional Allocated Billing (FAB), Industrial Waste Program payments, Administrative Agreement, etc.) contained in the SARA.

Strategic Objective 7 - Monitor and Mitigate Infiltration and Inflow (I&I): Work with the City of San Diego and Participating Agencies to reduce infiltration and inflow (I&I) and Sanitary Sewer Overflows (SSOs). These are becoming more frequent due to conditions of aging infrastructure, as well as increased frequency of storm severity. Participate in a Regional I&I study that will identify ways to reduce I&I and implement recommendations from I&I study as appropriate.

Strategic Objective 8 - Monitor Industrial Waste Provisions: There is extensive language in SARA about monitoring industrial waste and pretreatment requirements. The Metro JPA staff will monitor the fees for industrial users on behalf of the City and Participating Agencies. The financial burden will be retained for the most part by industrial users, but a general benefit to all other users will be recognized in the billing structure. An example of a specific general benefit is that monitoring industrial waste and pretreatment prevents chemicals from being discharged into the sewer system that would upset biological processes in the Metro system needed for proper treatment and disposal.

<p align="center">Strategic Goal 2: Oversight of the City of San Diego’s Water Reuse Planning (Pure Water San Diego) - As the City of San Diego expands the scope of its wastewater operations to include the Pure Water San Diego program, the scope of oversight provided by the METRO JPA and the METRO TAC expands.</p>
<p>Strategic Objective 1 - Oversee and Support OPRA II Legislation: Support the City of San Diego’s efforts to obtain legislation (OPRA II) to allow for secondary equivalency for the Pt. Loma Wastewater Treatment Plant. Obtaining this change in legislation will avoid unnecessary expenses and upgrades to the Pt Loma treatment plant. The Metro JPA staff will maintain ongoing technical, financial and regulatory analyses of the permit process and provide comments to the City of San Diego, METRO Commission and METRO JPA as needed.</p>
<p>Strategic Objective 2 - Oversee Permit Planning for Pt. Loma Treatment Plant: Maintain ongoing technical, financial and regulatory analyses and provide comments to the City of San Diego, METRO Commission and METRO JPA as needed.</p>
<p>Strategic Objective 3 - Oversee Recycled Water Pricing Study: Maintain ongoing technical, financial and regulatory analyses and provide comments to the City of San Diego, METRO Commission and METRO JPA as needed.</p>
<p>Strategic Objective 4 - Monitor Potable Reuse Regulatory Development: Regulations have been adopted for both indirect and direct potable reuse. Metro JPA will continue to monitor, participate and advocate where appropriate for regulatory adoption that is environmentally safe and the most cost-effective.</p>

Strategic Objective 5 - Oversee Pure Water Program, Phase 2, and any Associated Projects: Maintain ongoing technical, financial and regulatory analyses as the location and composition of each facility is determined. As Phase 2 costs are developed, ensure that an appropriate allocation methodology of costs will be established. The Metro JPA supports the City of San Diego in reaching their regulatory purification requirements through value engineering and pursuit of the most cost-effective alternatives. This could include Direct Potable Reuse (DPR) and inclusion of independent purification projects within the service area.

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

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

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

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

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

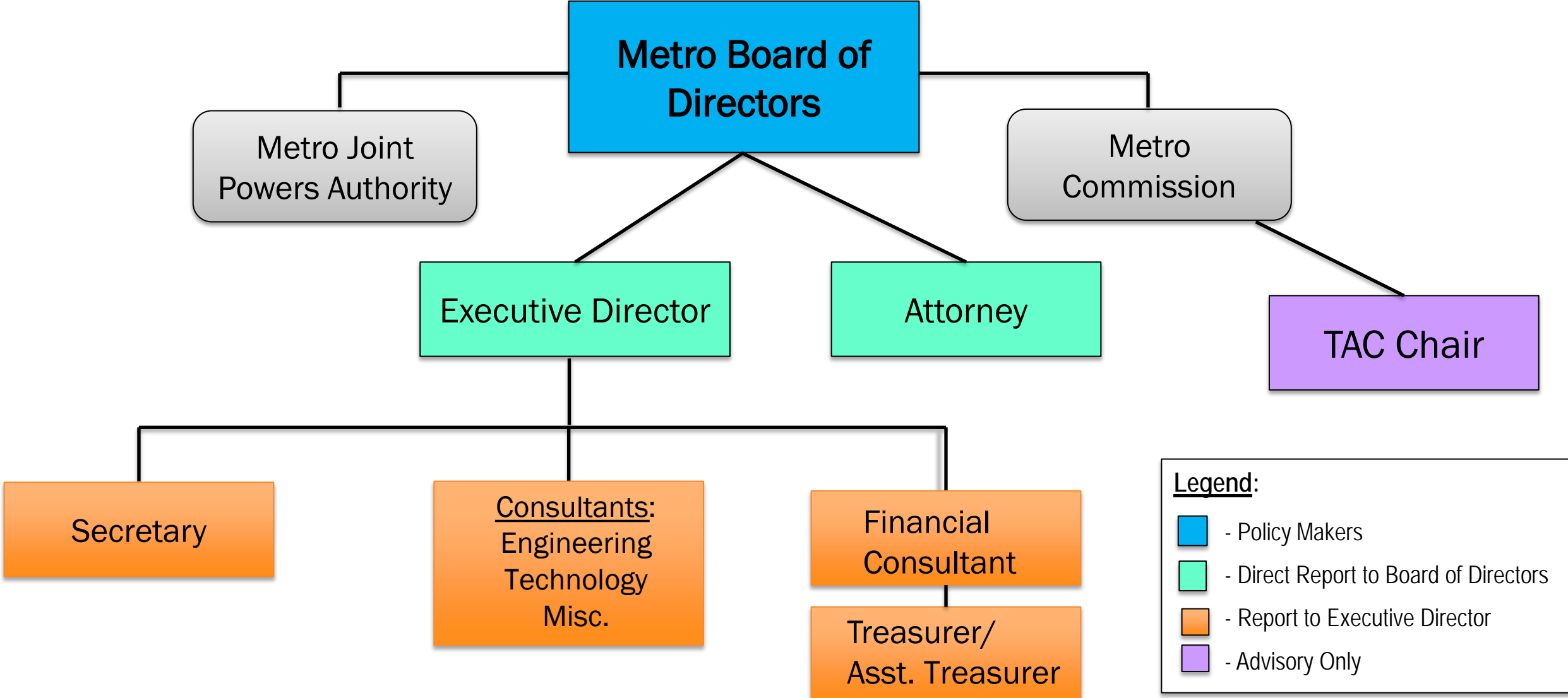
ATTACHMENT 2

Metro Wastewater JPA 2027 Organizational Chart



North City Water Reclamation Plant Expansion
Secondary Clarifier Interior in Operation – March 2026

Metro JPA Organizational Chart FY 2027



Legend:

- - Policy Makers
- - Direct Report to Board of Directors
- - Report to Executive Director
- - Advisory Only

ATTACHMENT 3

Metro Wastewater JPA FY 2026 Budget Versus Actuals



North City Water Reclamation Plant Expansion – January 2026
NCPWF Influent Pump Station

**ATTACHMENT 3
FY 2026 PROJECTED BUDGET VERSUS ACTUALS**

	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 Group	98,019	96,000	194,019	168,000	26,019	15%
Treasurer	35,218	39,782	75,000	50,000	25,000	50%
JPATAC 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%
Net Income (Loss)	\$ 484,208	\$ (340,536)	\$ 142,422	\$ -	\$ 142,422	17%

ATTACHMENT 4

Metro Wastewater JPA FY 2027 Proposed Operating Budget



North City Water Reclamation Plant Expansion – January 2026
Second Stage Bioreactor Basins

**ATTACHMENT 4
FY 2027 PROPOSED OPERATING BUDGET**

	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
			\$	%	
Income					
Membership Dues	\$ 790,855	\$ (2)	\$ 0	0%	Recommend billing same amount as FY 2026
Use of Reserves	27,329	27,329	27,329	100%	Reserves used to maintain budget at FY2026 level
City of San Diego	27,000	(57,866)	-	0%	Base contract rebudgeted
Interest Income	23,509	5,500	6,852	29%	Increase due to reserve funds in LAIF
Total Income	\$ 868,694	\$ (25,039)	\$ 34,182	4%	
Expense					
Admin - Board Secretary	\$ 50,000	7,789	\$ 800	2%	Contract rounded
Executive Director	\$ 126,000	126,000	\$ 126,000	100%	Budget based on projected contract
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
Engineering - NV5	-	-	-		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	\$ 868,694	\$ 117,383	\$ 34,182	4%	

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	\$ 289,565
3 Months Contingency Reserve FY'27	\$ 217,174
Amount over Required Reserves	375,841

ATTACHMENT 5

Metro Wastewater JPA FY 2027 Budget Funding

5A: FY 2027 Membership Dues Billings and Prior Year Comparisons

5B: FY 2020 JPA Budget Allocations True-Up

5C: FY 2027 Budget Funding Including FY 2020 Budget True-Up



Morena Pump Station – Aerial – February 2025

ATTACHMENT 5A

FY 2027 MEMBERSHIP DUES BILLINGS AND PRIOR YEAR COMPARISONS

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

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

**ATTACHMENT 5B
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

ATTACHMENT 5C
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>National City</i>	7.99%	\$ 63,151	\$ 5,010	\$ 68,161
<i>Otay Water District</i>	0.81%	\$ 6,420	\$ (1,490)	\$ 4,930
<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, Wintergardens

FY 2027 JPA Budget Overview

Metro Wastewater JPA



May 7, 2026

North City Secondary Clarifiers & RAS Piping

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%
JPATAC 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: \$868,694

- \$34,182 (4%) vs FY 2026 Adopted
- \$117,383 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)



INCOME: FY 2027 OPERATING BUDGET

Income:	FY 2027 Budget	Difference from FY 2026 Budget		Variances in Line Items Compared to the FY 2026 budget
Membership Dues	\$ 790,855	\$0	0%	Recommend billing same amount as FY 2026
Use of Reserves	\$ 27,329	\$27,329	100%	Reserves used to maintain budget at FY2026 level
City of San Diego	\$ 27,000	\$0	0%	Base contract rebudgeted
Interest Income	\$ 23,509	\$6,852	29%	Increase due to reserve funds in LAIF
	\$ 868,694	\$34,182	4%	

FY 2027 Proposed Budget - Income

	FY 2027 Proposed Annual Budget	Difference from FY '26 Forecast	Difference from FY '26 Budget		Variiances in Line Items Compared to the FY 2026 Adopted Budget
Admin - Board Secretary	\$ 50,000	7,789	\$ 800	2%	Contract rounded
Executive Director	\$ 126,000	126,000	\$ 126,000	100%	Budget based on projected contract
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
Engineering - NV5	-	-	-		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	\$ 868,694	\$ 117,383	\$ 34,182	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 in FY 2025:

- 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	\$	<u>142,422</u>
Projected 6/30/26 Fund Balance	\$	882,579
4 Months Operating Expenses FY'27	\$	289,565
3 Months Contingency Reserve FY'27	\$	<u>217,174</u>
Amount over Required Reserves		375,841

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 current Metro cost allocation methodology



FY 2027 MEMBERSHIP DUES BILLINGS AND PRIOR YEAR COMPARISONS

	<i>ACTUAL FY 2025 BILLING</i>				<i>ACTUAL FY 2026 BILLING</i>		<i>PROPOSED FY 2027 BILLING</i>			
<i>Agency</i>	<i>Per Cent</i>	<i>Base Amount</i>	<i>Reserve</i>	<i>Amount</i>	<i>Per Cent</i>	<i>Amount</i>	<i>Per Cent</i>	<i>Amount</i>		
	<i>Agency Billing %</i>	<i>Total Base Budget Billing</i>	<i>Reserve Contribution Per Agency</i>	<i>Total FY 2025 + Reserve</i>	<i>Agency Billing %</i>	<i>Total Agency Billing</i>	<i>Agency Billing %</i>	<i>Total Agency Billing</i>	<i>Difference FY2026</i>	
<i>Chula Vista</i>	33.03%	\$ 261,255	\$ 65,314	\$ 326,569	30.57%	\$ 241,795	32.93%	\$ 260,417	\$ 18,623	7.7%
<i>Coronado</i>	2.64%	\$ 20,870	\$ 5,218	\$ 26,088	2.31%	\$ 18,232	2.46%	\$ 19,449	\$ 1,217	6.7%
<i>County of SD*</i>	17.02%	\$ 134,572	\$ 33,643	\$ 168,215	17.40%	\$ 137,631	17.86%	\$ 141,236	\$ 3,605	2.6%
<i>Del Mar</i>	0.03%	\$ 212	\$ 53	\$ 264	0.02%	\$ 170	0.03%	\$ 212	\$ 42	24.8%
<i>El Cajon</i>	14.43%	\$ 114,097	\$ 28,524	\$ 142,621	16.25%	\$ 128,518	11.19%	\$ 88,481	\$ (40,037)	-31.2%
<i>Imperial Beach</i>	3.89%	\$ 30,765	\$ 7,691	\$ 38,456	3.92%	\$ 31,010	4.16%	\$ 32,863	\$ 1,852	6.0%
<i>La Mesa</i>	7.15%	\$ 56,520	\$ 14,130	\$ 70,649	6.75%	\$ 53,410	7.29%	\$ 57,668	\$ 4,258	8.0%
<i>Lemon Grove</i>	3.21%	\$ 25,350	\$ 6,338	\$ 31,688	2.31%	\$ 18,268	2.73%	\$ 21,618	\$ 3,350	18.3%
<i>National City</i>	7.64%	\$ 60,414	\$ 15,104	\$ 75,518	7.50%	\$ 59,289	7.99%	\$ 63,151	\$ 3,862	6.5%
<i>Otay Water District</i>	0.65%	\$ 5,101	\$ 1,275	\$ 6,376	0.55%	\$ 4,380	0.81%	\$ 6,420	\$ 2,040	46.6%
<i>Padre Dam MWD</i>	6.27%	\$ 49,625	\$ 12,406	\$ 62,032	8.40%	\$ 66,432	8.61%	\$ 68,057	\$ 1,625	2.4%
<i>Poway</i>	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>National City</i>	7.99%	\$ 63,151	\$ 5,010	\$ 68,161
<i>Otay Water District</i>	0.81%	\$ 6,420	\$ (1,490)	\$ 4,930
<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, Wintergardens

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**

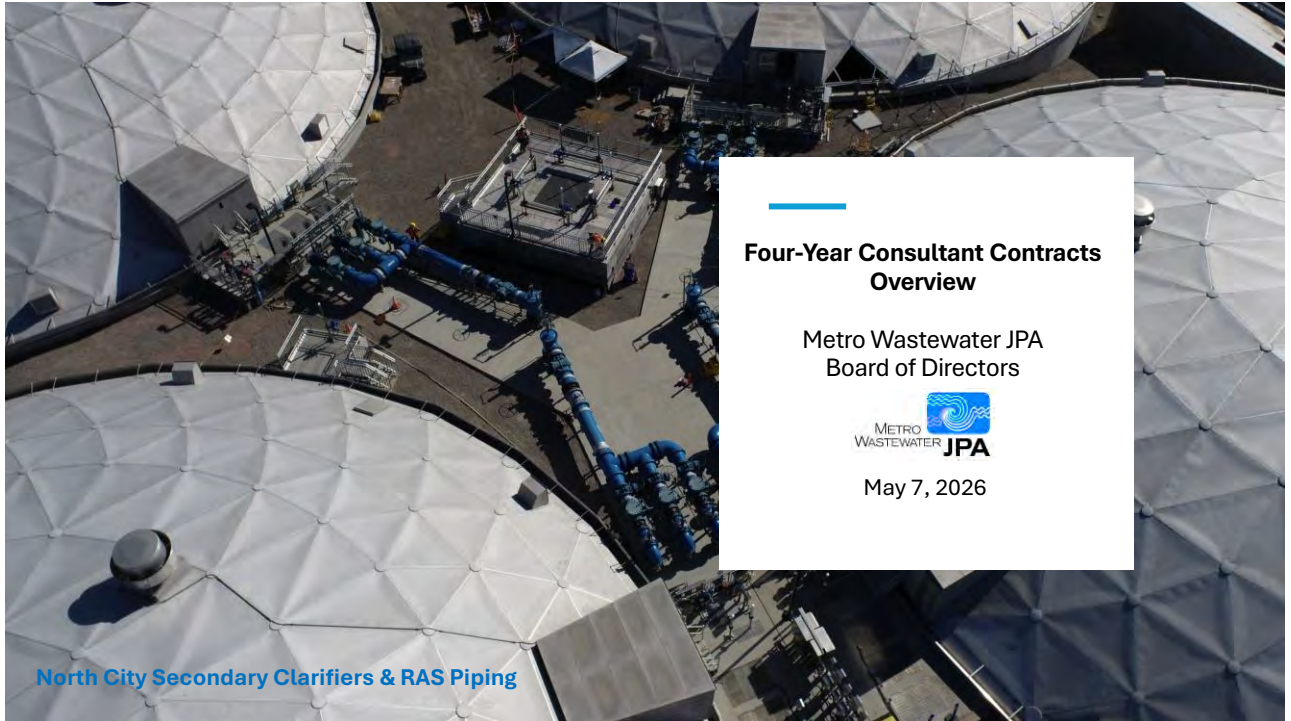
Summary

- 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
- Has been reviewed by TAC and Finance Committee and unanimously approved.

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 has yellow-painted metal railings on both sides. The ceiling is dark with some recessed lighting. The overall atmosphere is dimly lit and industrial.

Questions?

North City Secondary Clarifiers In Operation



1

Purpose of Today's Discussion

Present recommended **four-year contracts** for:

- Financial Consultant
- Engineering Consultants
- Treasury Consultants
- Board Secretary

Reflects work of:

- Succession Planning Ad Hoc
- Executive Director Ad Hoc
- Finance Committee



2

1

Succession Planning Ad Hoc

Succession Planning Effort

- Formed October 2025
- Charged with evaluating:
 - Future organizational structure
 - Consultant roles and responsibilities
 - Long-term staffing approach
- Goal:
 - Ensure continuity, expertise, and efficiency
 - Support Metro's strategic priorities



3

Key Decision Points

Consultant Retention Approach:

- Evaluated:
 - Competitive procurement vs. retaining existing consultants
- Considerations:
 - Performance of current consultants
 - Institutional knowledge
 - Timing of major Metro initiatives

Decision:

- **Retain existing consultants**
- Based on strong performance and need for continuity

Key Takeaway:

Continuity was determined to be critical at this stage



4

Why Continuity Matters

Current & Upcoming Major Efforts

- Implementation of **SARA**
- Start-up of **Phase 1 facilities**
- **Phase 2 configuration negotiations**
- **Phase 1 cost reconciliation and audit**

Key Takeaway:

These efforts require **experienced, consistent technical and financial support**



5

360 Review Process

Consultant Evaluation Process

- Succession Planning AdHoc requested development of formal **360° review process**
- Conducted for all consultants by Executive Director

Process included feedback from:

- Executive Director reviewed consultants
- AdHoc's
 - Executive Director AdHoc reviewed Executive Director and evaluated consultant's reviews
- Finance Committee – Reviewed and approved
- Board – reviewed outcome of all evaluations in closed session – April 2026

Outcome:

- All consultants received **favorable evaluations** and offered new four-year contracts

Key Takeaway:

Performance supported continuation of existing consultants



6

Contract Structure

Four-Year Contract Approach

- Consistent with existing JPA policy
- Scopes of work:
 - Reviewed and refined by Ad Hoc's and Finance Committee
 - Reviewed and approved by TAC
- Provides:
 - Stability
 - Clear expectations
 - Defined roles and responsibilities



7

Consultant Scope Adjustments – FY 2027- FY 2030

Key FY 2027-FY 2030 Changes

Engineering Consultant

- Scope reduced in FY 2027 with partial implementation of SARA.
- Work redirected to key regional priorities, including leadership of the I&I Study, Pure Water Phase 2 configuration, and evolving capital projects for Pump Stations 1 & 2 and Point Loma.

Financial Consultant

- Scope reduced in FY 2027 due to partial implementation of SARA and removal of Executive Director responsibilities.
- Will continue oversight of the JPA's financial management, budgeting, billing, long-term financial planning, and lead Phase 1 reconciliation project.

Treasurer

- Scope updated to reflect current operational needs.
- Will continue treasury management functions and assume ongoing website administration responsibilities.



8

Projected Workload Considerations – Phase 1 Cost Reconciliation

Phase 1 Cost Reconciliation Project

- Future workload for the Engineering Consultant, Financial Consultant, and Treasurer is expected to be influenced by the timing and complexity of the Phase 1 Cost Reconciliation Project associated with Pure Water Phase 1 start-up, currently estimated to begin in **FY 2027**.

Current Planning Assumptions Include:

- **FY 2028 & FY 2029:**
Initial workload is expected to be greatest during the start-up and transition period as reconciliation activities begin and processes are established.
- **FY 2030:**
The level of consultant support is expected to gradually decline with reconciliations project’s scheduled completion in FY 2030.
- Actual workload may vary depending on project timing, City coordination, final accounting requirements, and resolution of reconciliation issues.



9

Financial Consultant Role

- Provides independent financial oversight and analysis
- Oversees JPA Treasury functions
- Reviews City audits, budgets, forecasts, and cost allocations
- Supports Metro billing and financial planning

Scope Highlights

- Review of PUD budgets and 5-year forecasts
- FAB and billing methodology implementation
- Support for Exhibit E audits and lead Phase 1 reconciliation
- Direct financial support to TAC and Participating Agencies

Financial Consultant Contract Summary

Description	Current Contract		Proposed FY 2027		Proposed FY 2028		Proposed FY 2029		Proposed FY 2030	
	Budget Hours	Budget Amount	Budget Hours	Budget Amount	Budget Hours	Budget Amount	Budget Hours	Budget Amount	Budget Hours	Budget Amount
1. Routine Meetings	123	\$20,910	120	\$22,200	120	\$ 22,920	120	\$ 23,640	120	\$ 24,360
2. Exhibit E Audit Review	100	\$17,000	100	\$18,500	150	\$ 28,650	200	\$ 39,400	150	\$ 30,450
3. Review of PUD Budget & Forecasts	54	\$ 9,180	50	\$9,250	50	\$ 9,550	50	\$ 9,850	50	\$ 10,150
4. SD Rate Cases/FAB Implementation	88	\$14,960	80	\$14,800	80	\$ 15,280	80	\$ 15,760	80	\$ 16,240
5. Pure Water Cost Allocations/SARA	300	\$51,000	100	\$18,500	100	\$ 19,100	100	\$ 19,700	50	\$ 10,150
6. Metro TAC & JPA Financial Support	144	\$24,480	145	\$26,825	145	\$ 27,695	145	\$ 28,565	145	\$ 29,435
7. General JPA Financial Management	74	\$12,470	75	\$13,875	75	\$ 14,325	75	\$ 14,775	75	\$ 15,225
8. Executive Director	107	\$18,000								
TOTAL	990	\$168,000	670	\$123,950	720	\$ 137,520	770	\$ 151,690	670	\$ 136,010
Hourly Rate:		\$180.00		\$185.00		\$191.00		\$197.00		\$203.00



10

Engineering Consultant Role

- Provides technical oversight of Metro facilities and operations
- Reviews City capital and operating programs
- Supports system planning and capacity evaluation

Scope Highlights

- Review of CIP projects and cost allocations
- Technical support for SARA implementation
- Phase 1 startup and Phase 2 planning support
- Coordination with City engineering staff

Engineering Consultant Contract Summary

Description	Proposed FY 2027				Proposed FY 2028				Proposed FY 2029				Proposed FY 2030			
	Principal Engineer Hours	Design Engineer Hours	Clerical Hours	Budget Amount	Principal Engineer Hours	Design Engineer Hours	Clerical Hours	Budget Amount	Principal Engineer Hours	Design Engineer Hours	Clerical Hours	Budget Amount	Principal Engineer Hours	Design Engineer Hours	Clerical Hours	Budget Amount
1. Metro TAC meetings.	45	15	0	\$ 13,425.00	45	15	0	\$ 13,425.00	45	15	0	\$ 13,425.00	45	15	0	\$ 13,425.00
2. Metro JPA meetings.	45	15	0	\$ 13,425.00	45	15	0	\$ 13,425.00	45	15	0	\$ 13,425.00	45	15	0	\$ 13,425.00
3. Committee/AdHoc meetings.	24	12	0	\$ 7,860.00	24	12	0	\$ 7,860.00	24	12	0	\$ 7,860.00	24	12	0	\$ 7,860.00
4. Other meetings.	24	12	0	\$ 7,860.00	24	12	0	\$ 7,860.00	24	12	0	\$ 7,860.00	24	12	0	\$ 7,860.00
5. Cost estimates, cost sharing material, scope of works, or other material.	35	25	20	\$ 14,275.00	35	25	20	\$ 14,275.00	35	25	20	\$ 14,275.00	35	25	20	\$ 14,275.00
6. Pure Water.	100	100	20	\$ 43,000.00	100	100	20	\$ 43,000.00	100	100	20	\$ 43,000.00	100	100	20	\$ 43,000.00
7. Metro Audits and Pure Water cost splits.	75	25	0	\$ 22,375.00	110	40	0	\$ 33,400.00	150	50	0	\$ 44,750.00	110	40	0	\$ 33,400.00
8. FIG meetings.	24	12	0	\$ 7,860.00	24	12	0	\$ 7,860.00	24	12	0	\$ 7,860.00	24	12	0	\$ 7,860.00
9. Metro TAC I&I Committee	45	15	0	\$ 13,425.00	45	15	0	\$ 13,425.00	45	15	0	\$ 13,425.00	45	15	0	\$ 13,425.00
10. SARA and FAB.	25	25	0	\$ 10,375.00	25	25	0	\$ 10,375.00	20	20	0	\$ 8,300.00	15	15	0	\$ 6,225.00
TOTAL	442	256	40	\$ 153,880.00	477	271	40	\$164,905.00	512	276	40	\$174,180.00	467	261	40	\$160,755.00
Hourly Rates:	240	175	75		240	175	75		240	175	75		240	175	75	



11

Treasury Role

- Custodian of Metro JPA funds (Gov. Code compliance)
- Manages financial transactions, invoicing, and cash flow
- Supports budget preparation and audit processes

Scope Highlights

- Invoice processing, payment coordination, agency billing
- Financial recordkeeping and reporting
- Website Management

Treasury Contract Summary

Description	Current Contract		Proposed FY 2027		Proposed FY 2028		Proposed FY 2029		Proposed FY 2030	
	Budget Hours	Budget Amount	Budget Hours	Budget Amount	Budget Hours	Budget Amount	Budget Hours	Budget Amount	Budget Hours	Budget Amount
Task 1: Monthly Invoicing	29.50	\$5,723	36.00	\$7,380	36.00	\$7,524	36.00	\$7,668	36.00	\$7,812
Task 2: Annual Agency Billing	6.50	\$1,261	3.00	\$615	3.00	\$627	3.00	\$639	3.00	\$651
Task 3: Banking	24.50	\$5,071	32.00	\$6,670	32.00	\$6,800	32.00	\$6,930	32.00	\$7,060
Task 4: Mid-Year Financials	10.00	\$1,940	30.00	\$6,700	30.00	\$6,830	30.00	\$6,960	30.00	\$7,090
Task 5: Year-End Financials/Biennial Audit	60.00	\$12,859	30.00	\$7,140	42.00	\$10,234	28.00	\$6,990	42.00	\$10,622
Task 6: Budget	23.75	\$4,687	9.00	\$2,395	9.00	\$2,441	9.00	\$2,487	9.00	\$2,533
Task 7: Fin Comm Meetings	19.00	\$4,587	30.00	\$7,470	30.00	\$7,614	30.00	\$7,758	30.00	\$7,902
Task 8: Metro TAC Mtgs	2.50	\$644	14.00	\$3,310	14.00	\$3,374	14.00	\$3,438	14.00	\$3,502
Task 9: Metro Comm Mtgs	14.50	\$3,290	40.00	\$11,500	40.00	\$11,720	40.00	\$11,940	40.00	\$12,160
Task 10: ACH	1.50	\$291								
Task 11: Policy Updates	3.00	\$900	15.00	\$4,725	15.00	\$4,815	15.00	\$4,905	15.00	\$4,995
Task 12: Board Admin	32.50	\$6,305	25.00	\$5,125	25.00	\$5,225	25.00	\$5,325	25.00	\$5,425
Task 13: Website Project	97.50	\$19,021	60.00	\$12,740	11.00	\$2,411	11.00	\$2,457	11.00	\$2,503
Task 14: Membership /	30.75	\$5,965								
Task 15: Review and Analysis of Exhibit E Audits					40.00	\$10,040	80.00	\$20,460	40.00	\$10,420
Task 16: Miscellaneous	10.75	\$2,456	10.00	\$2,380	10.00	\$2,426	10.00	\$2,472	10.00	\$2,518
TOTAL	366.25	\$75,000	334.00	\$78,150	337.00	\$82,081	363.00	\$90,429	337.00	\$85,193
Hourly Rate Treasurer		\$300.00		\$315.00		\$321.00		\$327.00		\$333.00
Hourly Rate Assistant Treasurer		\$194.00		\$205.00		\$209.00		\$213.00		\$217.00



12

Board Secretary Role

- Supports Board and committee governance functions
- Ensures compliance with Brown Act and meeting requirements
- Maintains official records and documentation

Scope Highlights

- Agenda preparation and meeting coordination
- Minutes and records management
- Public noticing and compliance support
- Administrative support to Board and committees

Board Secretary Contract Summary

Proposed Annual Contract Cap: \$50,000

Current Hourly Rate: \$72; Proposed \$75

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

50% Reimbursed by City of San Diego



13

Recommended Action

Committee Recommendations

- AdHoc's approved four-year contracts
- TAC reviewed and approved scopes of work
- Finance Committee reviewed scopes of work and contracts and recommends approval

Approve four-year contracts for:

- Financial Consultant
- Engineering Consultant
- Treasurer
- Board Secretary



14



**AGREEMENT FOR FINANCIAL CONSULTANT SERVICES BETWEEN METRO
WASTEWATER JOINT POWERS AUTHORITY AND KARYN KEZE**

This agreement (“**Agreement**”) is made and entered into as of July 1, 2026 by and between the METRO WASTEWATER JOINT POWERS AUTHORITY (hereinafter referred to as the “**Metro JPA**”), a joint powers authority organized and operating pursuant to California Government Code section 6500 *et seq.*, and Karyn Keze, as a sole proprietorship doing business as “The Keze Group” (hereinafter referred to as “**Consultant**”). Metro JPA and Consultant are sometimes referred to individually as “**Party**” and collectively as “**Parties.**”

**ARTICLE 1
TERM OF AGREEMENT**

1.01 The term of this Agreement shall commence on July 1, 2026 (the “**Effective Date**”), and will continue for **four years** through June 30, 2030, or until terminated as provided under Article 7, whichever occurs first. At the Parties discretion, and pursuant to a written letter agreement, this Agreement may be extended by one optional year according to the terms set forth in Attachment A – Scope of Work (“**Attachment A**”) and herein. This Agreement may be further extended by a written amendment signed by both parties. Attachment A may contain further instructions regarding required timelines for performance of the Services to be provided under this Agreement. Time is of the essence for each and every provision of this Agreement.

**ARTICLE 2
SCOPE OF WORK**

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

2.02 Consultant shall determine the method, details, and means of performing the above-described Services. Unless otherwise stated in Attachment A, Consultant shall supply all labor, tools, materials, and equipment required to perform the Services under this Agreement.

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

**ARTICLE 3
COMPENSATION**

3.01 Compensation payable to Consultant for Services performed under this Agreement shall not exceed those annual amounts indicated on Attachment A (the “**Approved Fees**”). The Approved Fees shall not be exceeded unless agreed upon through an amendment to this Agreement executed by both parties. Such amendment shall identify any change in compensation as a result of the change in scope of work. The parties agree that this compensation was developed in accordance with the customary and prevailing

compensation level in the community and surrounding area for comparable services. Consultant and Metro JPA agreed to this amount through an arm's length negotiation between the parties.

3.02 Consultant shall not incur any expenses unless pre-approved by Metro JPA in writing. Consultant shall submit invoices to Metro JPA at the address listed on Attachment A. Such invoices shall include a brief narrative description of the work performed, as well as detailed time expenditures on a task-by-task basis pursuant to Attachment A. Consultant will provide Metro JPA with receipts and proof of payment for all expenses. Unless otherwise provided on Attachment A, Metro JPA shall make payment of any undisputed invoiced amount to Consultant within forty-five (45) days of receipt of an approved invoice.

3.03 Metro JPA shall have the right to withhold payment from Consultant for any unsatisfactory Services until such time service is performed satisfactorily or as otherwise provided for in this Agreement. The Parties will work in good faith to promptly resolve any invoiced amount disputed by Metro JPA.

ARTICLE 4 RELATIONSHIP OF PARTIES

4.01 **Independent Contractor.** Consultant's retention by Metro JPA is as an independent contractor. Nothing in this Agreement is intended to create an employer-employee relationship between Metro JPA and Consultant or Consultant's personnel, subcontractors, and hires. Neither Consultant nor its personnel shall be entitled to any benefits, including without limitation, paid sick leave, vacation, insurance or wages. Consultant is solely responsible for appropriately classifying, training and compensating its employees, paying and withholding taxes as an employer, carrying employer-required insurance (including workers' compensation), ensuring a safe workplace, and complying with all other duties and obligations as an employer. Consultant shall not hold itself out as an agent of the Metro JPA and shall not have authority to bind Metro JPA except as expressly authorized in Schedule A. As a material inducement to entering into this Agreement, the Parties represent and warrant as follows:

4.01.1 Consultant is free from the control and direction of Metro JPA in connection with the performance of the Services.

4.01.2 Consultant provides services directly to Metro JPA rather than to customers of Metro JPA, except to the extent that Consultant's personnel are solely performing the Services under Consultant's name and Consultant regularly contracts with other businesses.

4.01.3 If the Services are performed in a jurisdiction that requires Consultant to have a business license or business tax registration, Consultant has the required business license or business tax registration.

4.01.4 Consultant maintains a business location that is separate from the business or work location of Metro JPA.

4.01.5 Consultant is customarily engaged in an independently established business of the same nature as that involved in the Services.

4.01.6 Consultant advertises and holds itself out to the public as available to provide the same or similar services as provided under this Agreement.

4.01.7 Consistent with the nature of the Services, Consultant provides its own tools, vehicles, and equipment to perform the Services, not including any proprietary materials that may be necessary to perform the Services. Consultant is not required to purchase or rent any products, equipment, or services from Metro JPA as a condition of this Agreement.

4.01.8 Consultant can negotiate his or her own rates.

4.01.9 Consistent with the nature of the Services, Consultant can set its own hours and location of work.

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

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

ARTICLE 5 OBLIGATIONS OF CONSULTANT

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

5.02 To the maximum extent allowable by law, Consultant shall indemnify, defend, and hold harmless Metro JPA and each of its officials, officers, directors, employees, agents and volunteers (collectively referred to as the "**Indemnified Parties**") against all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties, attorneys' fees, and costs (collectively referred to as "**Liabilities**") that such entities or persons may incur that pertain to, arise out of, or relate to Consultant's performance or obligations under this Agreement, or to Consultant's negligence, recklessness, or willful misconduct, or a breach by Consultant of any representation or agreement contained in this Agreement. Consultant's obligation to indemnify, defend, and hold harmless Metro JPA shall extend to the acts or omissions, either directly or indirectly, by Consultant's personnel, subcontractors, agents, representatives, successors, assigns, or anyone for whom Consultant is legally responsible. Consultant's obligations to indemnify, defend, and hold Metro JPA harmless against any Liabilities shall apply regardless of any negligence of Indemnified Parties, except to the extent solely caused by the negligence or willful misconduct of the Indemnified Parties. Consultant shall not agree without Indemnified Parties' prior written consent to any settlement on Indemnified Parties' behalf. Consultant's indemnification, hold harmless, and defense obligation shall survive the termination or expiration of this Agreement.

5.03 Consultant shall carry all Insurance required by federal, state, county and local laws. Unless otherwise indicated on Attachment A, Consultant shall procure and maintain during the life of the Agreement, adequate insurance coverage, admitted in the State of California, to protect Consultant and Metro JPA from any liabilities and claims for injuries and damages to persons or property which may arise from, or in connection with, the performance of work hereunder by Consultant, its agents, representatives, personnel or subcontractors. The nature and amount of insurance shall be discussed by the parties prior to executing this Agreement and the adequacy of which shall be determined by Metro JPA in its sole discretion. Insurance policies shall be on an occurrence basis. Consultant will provide proof of insurance

coverage upon request of Metro JPA. Metro JPA reserves the right to terminate this Agreement if Consultant fails to provide proof of adequate insurance coverage as required herein. Provision of insurance coverage as required by this Agreement shall not affect Consultant's indemnity obligations.

5.04 Upon the award of this Agreement and periodically thereafter, Consultant may be required to complete and file with Metro JPA a Conflict of Interest form, to be provided to Consultant by Metro JPA.

5.05 Consultant shall not subcontract or assign this Agreement nor any duties or obligations under this Agreement without the prior written consent of Metro JPA. Metro JPA has entered into this Agreement in reliance on the personal skills and expertise of Karyn Keze, and Consultant acknowledges that personal performance by Karyn Keze is a material inducement for Metro JPA entering into this Agreement. Consultant shall be responsible for the acts and omissions of and for payment to any subcontractor performing services under this Agreement, and shall bind any such subcontractor to Consultant's duties and obligations hereunder.

5.06 Consultant shall be solely and completely responsible for the safety of all Consultant personnel, including personnel of any subcontractors, during performance of Services. Consultant shall fully comply with all laws, rules, regulations and ordinances relating to safety of the public and workers, whether federal, state or local. Consultant shall also comply with all contract provisions and Metro JPA's policies, procedures, departmental rules, and other directives, as provided by Metro JPA to Consultant, relating to the safety of the public and workers.

Insurance

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

5.07.1 California Workers' Compensation Insurance, if and to the extent required by applicable law based on Consultant's employment of any personnel, as required by the State of California, with statutory limits, and Employer's Liability Insurance with limits of no less than One Million Dollars (\$1,000,000) per accident for bodily injury or disease.

5.07.2 General Liability Insurance [ISO Form CG 0001, or equivalent], covering products and completed operations, bodily injury, personal & advertising injury and property damage with limits no less than One Million Dollars (\$1,000,000) per occurrence. If a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. The policy shall give Metro JPA, the Board and each member of the Board, its officers, employees, agents and Metro JPA designated volunteers additional insured status using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

5.07.3 The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the Metro JPA, and provided that such deductibles shall not apply to Metro JPA as an additional insured.

5.07.4 Automobile Liability Insurance shall not be required because Consultant warrants and represents that neither Consultant nor any of Consultant's personnel shall operate an automobile in the performance of any obligations under this Agreement.

5.08 The following are required provisions for all insurance policies under this Agreement:

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

5.09 Consultant will furnish Metro JPA with certificates of insurance prior to the commencement of work under this Agreement, and annually or as may otherwise be periodically requested by Metro JPA. Consultant shall include all endorsements necessary to comply with this Agreement, including additional insured endorsements, signed by the insurer's representative. Such evidence shall include confirmation that coverage includes or has been modified to include all provisions required by this Agreement. Consultant shall, upon request of Metro JPA at any time, deliver to Metro JPA complete, certified copies of the policies of insurance, including endorsements, and receipts for payment or premiums thereon, required by this Agreement. Failure to obtain the required documents prior to the work beginning shall not waive Consultant's obligation to provide them.

5.10 If any of the required coverages expire during the term of this Agreement, Consultant shall deliver the renewal certificate(s) including the general liability endorsements to Metro JPA at least ten (10) days prior to the expiration date.

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

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

5.11.2 Consultant must maintain or keep evidence of insurance for at least four (4) years after completion of the work performed under this Agreement.

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

5.11.4 Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to Metro JPA that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name Metro JPA as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, Metro JPA may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

ARTICLE 6 OBLIGATIONS OF METRO JPA

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

ARTICLE 7 TERMINATION OF AGREEMENT

7.01 If Metro JPA determines that Consultant has failed to perform the Services under this Agreement in accordance its terms and conditions, Metro JPA may terminate all or part of the Agreement for cause.

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

7.02 Consultant may terminate this Agreement at any time with thirty (30) days' written notice. In the event of termination by Consultant, Metro JPA will pay Consultant in accordance with Section 7.03.

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

ARTICLE 8 PROPRIETARY AND CONFIDENTIAL INFORMATION

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

8.02 Metro JPA will solely and exclusively own all right, title and interest in and to all original, data, reports, documents and materials developed pursuant to the Services and all intellectual property rights related thereto ("**Work Product**"). All Work Product shall be considered "works for hire," provided that, to the extent that any of the foregoing may not be deemed a "work for hire," or in the event that Metro JPA may not, by operation of law or otherwise, be deemed to own any such Work Product, Consultant agrees to assign to Metro JPA, and to the extent permitted by applicable law does hereby irrevocably and unconditionally assign to Metro JPA and its successors, and assigns, all right, title and interest in and to such Work Product and all intellectual property rights embodied therein or practiced thereby.

ARTICLE 9 GENERAL PROVISIONS

9.01 Any notices required to be given under this Agreement by either party to the other may be affected by email, personal delivery, mail (first class, registered, or certified) with postage prepaid and return receipt requested. Mailed notices must be addressed to the parties at the addresses below, but each party may change the address by giving written notice in accordance with this Section. Any notice personally delivered or sent by email shall be deemed communicated upon receipt if received before 5:00 p.m. Pacific Standard Time ("PST") on a business day, or the following business day if received after 5:00 p.m. PST or on a Saturday, Sunday, or legal holiday. Any notice sent by overnight delivery service shall be deemed communicated on the next business day following delivery thereof to the overnight delivery service. Any notice given by mail shall be deemed communicated three (3) days after deposit in the United States mail.

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

To CONSULTANT: Karyn Keze
1711 West Stewart
Puyallup, WA 98371-5145
Attention: Karyn Keze

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

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

9.04 If this Agreement involves an expenditure of public funds in excess of Ten Thousand Dollars (\$10,000), the Agreement is subject to examination and audit of the State Auditor, at the request of Metro JPA or as part of any audit of Metro JPA, for a period of three (3) years after final payment under the Agreement. Consultant shall cooperate with Metro JPA, including any authorized representative of Metro JPA, regarding such audit at no charge to Metro JPA.

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

9.06 This Agreement and all questions relating to its validity, interpretation, performance, and enforcement (including, without limitation, provisions concerning limitations of actions), shall be governed by and construed in accordance with the laws of the State of California. Laws and rules relating to the interpretation of contracts against the drafter shall not apply to this Agreement and are hereby waived.

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

9.08 This Agreement may not be modified or amended other than by a writing signed by the parties, including any changes to the scope of services or any timeframes identified in Attachment A. A waiver by either party of a breach of any provision of this Agreement shall not constitute a general waiver or prejudice the other party's right otherwise to demand strict compliance with that provision or any other provisions in this Agreement. Likewise, Metro JPA's acceptance of any reports, work, services or materials furnished pursuant to this Agreement, or Metro JPA's payment therefor, shall not operate as a waiver of any of Metro JPA's rights under this Agreement or of any cause of action or defense relating to the performance of this Agreement.

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

9.10 Metro JPA and Consultant do covenant that the individual executing this Agreement on their behalf is a person duly authorized and empowered to execute this Agreement for such party. Consultant, as a sole proprietorship, represents and warrants that Karyn Keze has full authority to enter into this Agreement and to bind Consultant to all terms and conditions hereof. This Agreement may be executed in counterparts and electronically, each of which shall constitute an original, but all of which together shall constitute one and the same agreement, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart. This Agreement may be signed and delivered electronically.

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

IN WITNESS WHEREOF, the Parties have executed this Professional Services Agreement as of the date first written above.

METRO WASTEWATER JPA:

Karyn Keze

By:

By:

Jerry Jones
Chair

Karyn Keze

Attachment A – Scope of Work and Approved Fees



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'.

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.

AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN METRO WASTEWATER JOINT POWERS AUTHORITY AND DEXTER WILSON ENGINEERING, INC.

This agreement (“**Agreement**”) is made and entered into as of July 1, 2026 by and between the METRO WASTEWATER JOINT POWERS AUTHORITY (hereinafter referred to as the “**Metro JPA**”), a joint powers authority organized and operating pursuant to California Government Code section 6500 *et seq.*, and Dexter Wilson Engineering, Inc. (hereinafter referred to as “**Consultant**”). Metro JPA and Consultant are sometimes referred to individually as “**Party**” and collectively as “**Parties**.”

ARTICLE 1 TERM OF AGREEMENT

1.01 The term of this Agreement shall commence on July 1, 2026 (the “**Effective Date**”), and will continue for **four years** through June 30, 2030, or until terminated as provided under Article 7, whichever occurs first. At the Parties discretion, and pursuant to a written letter agreement, this Agreement may be extended by one optional year according to the terms set forth in Attachment A – Scope of Work (“**Attachment A**”) and herein. This Agreement may be further extended by a written amendment signed by both parties. Attachment A may contain further instructions regarding required timelines for performance of the Services to be provided under this Agreement. Time is of the essence for each and every provision of this Agreement.

ARTICLE 2 SCOPE OF WORK

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

2.02 Consultant shall determine the method, details, and means of performing the above-described Services. Unless otherwise stated in Attachment A, Consultant shall supply all labor, tools, materials, and equipment required to perform the Services under this Agreement.

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

ARTICLE 3 COMPENSATION

3.01 Compensation payable to Consultant for Services performed under this Agreement shall not exceed those annual amounts indicated on Attachment A (the “**Approved Fees**”). The Approved Fees shall not be exceeded unless agreed upon through an amendment to this Agreement executed by both parties. Such amendment shall identify any change in compensation as a result of the change in scope of work. The parties agree that this compensation was developed in accordance with the customary and prevailing compensation level in the community and surrounding area for comparable services. Consultant and Metro JPA agreed to this amount through an arm’s length negotiation between the parties.

3.02 Consultant shall not incur any expenses unless pre-approved by Metro JPA in writing. Consultant shall submit invoices to Metro JPA at the address listed on Attachment A. Such invoices shall include a brief narrative description of the work performed, as well as detailed time expenditures on a task-by-task basis pursuant to Attachment A. Consultant will provide Metro JPA with receipts and proof of payment for all expenses. Unless otherwise provided on Attachment A, Metro JPA shall make payment of any undisputed invoiced amount to Consultant within forty-five (45) days of receipt of an approved invoice.

3.03 Metro JPA shall have the right to withhold payment from Consultant for any unsatisfactory Services until such time service is performed satisfactorily or as otherwise provided for in this Agreement. The Parties will work in good faith to promptly resolve any invoiced amount disputed by Metro JPA.

ARTICLE 4 RELATIONSHIP OF PARTIES

4.01 **Independent Contractor.** Consultant's retention by Metro JPA is as an independent contractor. Nothing in this Agreement is intended to create an employer-employee relationship between Metro JPA and Consultant or Consultant's personnel, subcontractors, and hires. Neither Consultant nor its personnel shall be entitled to any benefits, including without limitation, paid sick leave, vacation, insurance or wages. Consultant is solely responsible for appropriately classifying, training and compensating its employees, paying and withholding taxes as an employer, carrying employer-required insurance (including workers' compensation), ensuring a safe workplace, and complying with all other duties and obligations as an employer. Consultant shall not hold itself out as an agent of the Metro JPA and shall not have authority to bind Metro JPA except as expressly authorized in Schedule A. As a material inducement to entering into this Agreement, the Parties represent and warrant as follows:

4.01.1 Consultant is free from the control and direction of Metro JPA in connection with the performance of the Services.

4.01.2 Consultant provides services directly to Metro JPA rather than to customers of Metro JPA, except to the extent that Consultant's personnel are solely performing the Services under Consultant's name and Consultant regularly contracts with other businesses.

4.01.3 If the Services are performed in a jurisdiction that requires Consultant to have a business license or business tax registration, Consultant has the required business license or business tax registration.

4.01.4 Consultant maintains a business location that is separate from the business or work location of Metro JPA.

4.01.5 Consultant is customarily engaged in an independently established business of the same nature as that involved in the Services.

4.01.6 Consultant advertises and holds itself out to the public as available to provide the same or similar services as provided under this Agreement.

4.01.7 Consistent with the nature of the Services, Consultant provides its own tools, vehicles, and equipment to perform the Services, not including any proprietary materials that may be necessary to perform the Services. Consultant is not required to purchase or rent any products, equipment, or services from Metro JPA as a condition of this Agreement.

4.01.8 Consultant can negotiate his or her own rates.

4.01.9 Consistent with the nature of the Services, Consultant can set its own hours and location of work.

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

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

ARTICLE 5 OBLIGATIONS OF CONSULTANT

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

5.02 To the maximum extent allowable by law, Consultant shall indemnify, defend, and hold harmless Metro JPA and each its officials, officers, directors, employees, agents and volunteers (collectively referred to as the "**Indemnified Parties**") against all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties, attorneys' fees, and costs (collectively referred to as "**Liabilities**") that such entities or persons may incur that pertain to, arise out of, or relate to Consultant's performance or obligations under this Agreement, or to Consultant's negligence, recklessness, or willful misconduct, or a breach by Consultant of any representation or agreement contained in this Agreement. Consultant's obligation to indemnify, defend, and hold harmless Metro JPA shall extend to the acts or omissions, either directly or indirectly, by Consultant's officers, officials, directors, employees, subcontractors, agents, representatives, volunteers, successors, assigns, or anyone for whom Consultant is legally responsible. Consultant's obligations to indemnify, defend, and hold Metro JPA harmless against any Liabilities shall apply regardless of any negligence of Indemnified Parties, except to the extent solely caused by the negligence or willful misconduct of the Indemnified Parties. Consultant shall not agree without Indemnified Parties' prior written consent to any settlement on Indemnified Parties' behalf. Consultant's indemnification, hold harmless, and defense obligation shall survive the termination or expiration of this Agreement.

5.03 Consultant shall carry all insurance required by federal, state, county and local laws. Unless otherwise indicated on Attachment A, Consultant shall procure and maintain during the life of the Agreement, adequate insurance coverage, admitted in the State of California, to protect Consultant and Metro JPA from any liabilities and claims for injuries and damages to persons or property which may arise from, or in connection with, the performance of work hereunder by Consultant, its agents, representatives, employees or subcontractors. The nature and amount of insurance shall be discussed by the parties prior to executing this Agreement and the adequacy of which shall be determined by Metro JPA in its sole discretion. Insurance policies shall be on an occurrence basis. Consultant will provide proof of insurance coverage upon request of Metro JPA. Metro JPA reserves the right to terminate this Agreement if

Consultant fails to provide proof of adequate insurance coverage as required herein. Provision of insurance coverage as required by this Agreement shall not affect Consultant's indemnity obligations.

5.04 Upon the award of this Agreement and periodically thereafter, Consultant may be required to complete and file with Metro JPA a Conflict of Interest form, to be provided to Consultant by Metro JPA.

5.05 Consultant shall not subcontract or assign this Agreement nor any duties or obligations under this Agreement without the prior written consent of Metro JPA. Consultant shall be responsible for the acts and omissions of and for payment to any subcontractor performing services under this Agreement, and shall bind any such subcontractor to Consultant's duties and obligations hereunder.

5.06 Consultant shall be solely and completely responsible for the safety of all Consultant personnel, including personnel of any subcontractors, during performance of Services. Consultant shall fully comply with all laws, rules, regulations and ordinances relating to safety of the public and workers, whether federal, state or local. Consultant shall also comply with all contract provisions and Metro JPA's policies, procedures, departmental rules, and other directives, as provided by Metro JPA to Consultant, relating to the safety of the public and workers.

Insurance

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

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

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

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

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

5.08 The following are required provisions:

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

5.09 Consultant will furnish Metro JPA with certificates of insurance prior to the commencement of work under this Agreement, and as may be periodically requested by Metro JPA. Consultant shall include

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

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

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

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

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

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

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

ARTICLE 6 OBLIGATIONS OF METRO JPA

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

ARTICLE 7 TERMINATION OF AGREEMENT

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

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

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

ARTICLE 8 PROPRIETARY AND CONFIDENTIAL INFORMATION

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

8.02 Metro JPA will solely and exclusively own all right, title and interest in and to all original, data, reports, documents and materials developed pursuant to the Services and all intellectual property rights related thereto ("**Work Product**"). All Work Product shall be considered "works for hire," provided that, to the extent that any of the foregoing may not be deemed a "work for hire," or in the event that Metro JPA may not, by operation of law or otherwise, be deemed to own any such Work Product, Consultant agrees to assign to Metro JPA, and to the extent permitted by applicable law does hereby irrevocably and unconditionally assign to Metro JPA and its successors, and assigns, all right, title and interest in and to such Work Product and all intellectual property rights embodied therein or practiced thereby.

ARTICLE 9 GENERAL PROVISIONS

9.01 Any notices required to be given under this Agreement by either party to the other may be affected by email, personal delivery, mail (first class, registered, or certified) with postage prepaid and return receipt requested. Mailed notices must be addressed to the parties at the addresses below, but each party may change the address by giving written notice in accordance with this Section. Any notice personally delivered or sent by email shall be deemed communicated upon receipt if received before 5:00 p.m. Pacific Standard Time ("PST") on a business day, or the following business day if received after 5:00 p.m. PST or on a Saturday, Sunday, or legal holiday. Any notice sent by overnight delivery service shall be deemed communicated on the next business day following delivery thereof to the overnight delivery service. Any notice given by mail shall be deemed communicated three (3) days after deposit in the United States mail.

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

To Consultant : To the address indicated on the signature page hereto.

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

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

9.04 If this Agreement involves an expenditure of public funds in excess of Ten Thousand Dollars (\$10,000), the Agreement is subject to examination and audit of the State Auditor, at the request of Metro JPA or as part of any audit of Metro JPA, for a period of three (3) years after final payment under the Agreement. Consultant shall cooperate with Metro JPA, including any authorized representative of Metro JPA, regarding such audit at no charge to Metro JPA.

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

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

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

9.08 This Agreement may not be modified or amended other than by a writing signed by the parties, including any changes to the scope of services or any timeframes identified in Attachment A. A waiver by either party of a breach of any provision of this Agreement shall not constitute a general waiver or prejudice the other party's right otherwise to demand strict compliance with that provision or any other provisions in this Agreement. Likewise, Metro JPA's acceptance of any reports, work, services or materials furnished pursuant to this Agreement, or Metro JPA's payment therefor, shall not operate as a waiver of any of Metro JPA's rights under this Agreement or of any cause of action or defense relating to the performance of this Agreement.

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

9.10 Metro JPA and Consultant do covenant that the individual executing this Agreement on their behalf is a person duly authorized and empowered to execute this Agreement for such party. This Agreement may be executed in counterparts and electronically, each of which shall constitute an original, but all of which together shall constitute one and the same agreement, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

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

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their authorized representatives on the Effective Date.

METRO WASTEWATER JPA:

DEXTER WILSON

By:

By:

Jerry Jones
Chair

Dexter Wilson

Attachment A – Scope of Work and Approved Fees

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 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 50 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 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 30 hours total.
 Task 5 — Estimated 5 hours per month.
 Task 6 — Estimated 200 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

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

This agreement (“**Agreement**”) is made and entered into as of July 1, 2026 by and between the METRO WASTEWATER JOINT POWERS AUTHORITY (hereinafter referred to as the “**Metro JPA**”), a joint powers authority organized and operating pursuant to California Government Code section 6500 *et seq.*, and Rodney Greek, CPA (hereinafter referred to as “**Consultant**”). Metro JPA and Consultant are sometimes referred to individually as “**Party**” and collectively as “**Parties**.”

ARTICLE 1 TERM OF AGREEMENT

1.01 The term of this Agreement shall commence on July 1, 2026 (the “**Effective Date**”), and will continue for **four years** through June 30, 2030, or until terminated as provided under Article 7, whichever occurs first. At the Parties discretion, and pursuant to a written letter agreement, this Agreement may be extended by one optional year according to the terms set forth in Attachment A – Scope of Work (“**Attachment A**”) and herein. This Agreement may be further extended by a written amendment signed by both parties. Attachment A may contain further instructions regarding required timelines for performance of the Services to be provided under this Agreement. Time is of the essence for each and every provision of this Agreement.

ARTICLE 2 SCOPE OF WORK

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

2.02 Consultant shall determine the method, details, and means of performing the above-described Services. Unless otherwise stated in Attachment A, Consultant shall supply all labor, tools, materials, and equipment required to perform the Services under this Agreement.

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

ARTICLE 3 COMPENSATION

3.01 Compensation payable to Consultant for Services performed under this Agreement shall not exceed those annual amounts indicated on Attachment A (the “**Approved Fees**”). The Approved Fees shall not be exceeded unless agreed upon through an amendment to this Agreement executed by both parties. Such amendment shall identify any change in compensation as a result of the change in scope of work. The parties agree that this compensation was developed in accordance with the customary and prevailing compensation level in the community and surrounding area for comparable services. Consultant and Metro JPA agreed to this amount through an arm’s length negotiation between the parties.

3.02 Consultant shall not incur any expenses unless pre-approved by Metro JPA in writing. Consultant shall submit invoices to Metro JPA at the address listed on Attachment A. Such invoices shall include a brief narrative description of the work performed, as well as detailed time expenditures on a task-by-task basis pursuant to Attachment A. Consultant will provide Metro JPA with receipts and proof of payment for all expenses. Unless otherwise provided on Attachment A, Metro JPA shall make payment of any undisputed invoiced amount to Consultant within forty-five (45) days of receipt of an approved invoice.

3.03 Metro JPA shall have the right to withhold payment from Consultant for any unsatisfactory Services until such time service is performed satisfactorily or as otherwise provided for in this Agreement. The Parties will work in good faith to promptly resolve any invoiced amount disputed by Metro JPA.

ARTICLE 4 RELATIONSHIP OF PARTIES

4.01 **Independent Contractor.** Consultant's retention by Metro JPA is as an independent contractor. Nothing in this Agreement is intended to create an employer-employee relationship between Metro JPA and Consultant or Consultant's personnel, subcontractors, and hires. Neither Consultant nor its personnel shall be entitled to any benefits, including without limitation, paid sick leave, vacation, insurance or wages. Consultant is solely responsible for appropriately classifying, training and compensating its employees, paying and withholding taxes as an employer, carrying employer-required insurance (including workers' compensation), ensuring a safe workplace, and complying with all other duties and obligations as an employer. Consultant shall not hold itself out as an agent of the Metro JPA and shall not have authority to bind Metro JPA except as expressly authorized in Schedule A. As a material inducement to entering into this Agreement, the Parties represent and warrant as follows:

4.01.1 Consultant is free from the control and direction of Metro JPA in connection with the performance of the Services.

4.01.2 Consultant provides services directly to Metro JPA rather than to customers of Metro JPA, except to the extent that Consultant's personnel are solely performing the Services under Consultant's name and Consultant regularly contracts with other businesses.

4.01.3 If the Services are performed in a jurisdiction that requires Consultant to have a business license or business tax registration, Consultant has the required business license or business tax registration.

4.01.4 Consultant maintains a business location that is separate from the business or work location of Metro JPA.

4.01.5 Consultant is customarily engaged in an independently established business of the same nature as that involved in the Services.

4.01.6 Consultant advertises and holds itself out to the public as available to provide the same or similar services as provided under this Agreement.

4.01.7 Consistent with the nature of the Services, Consultant provides its own tools, vehicles, and equipment to perform the Services, not including any proprietary materials that may be necessary to perform the Services. Consultant is not required to purchase or rent any products, equipment, or services from Metro JPA as a condition of this Agreement.

4.01.8 Consultant can negotiate his or her own rates.

4.01.9 Consistent with the nature of the Services, Consultant can set its own hours and location of work.

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

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

ARTICLE 5 OBLIGATIONS OF CONSULTANT

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

5.02 To the maximum extent allowable by law, Consultant shall indemnify, defend, and hold harmless Metro JPA and each its officials, officers, directors, employees, agents and volunteers (collectively referred to as the "**Indemnified Parties**") against all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties, attorneys' fees, and costs (collectively referred to as "**Liabilities**") that such entities or persons may incur that pertain to, arise out of, or relate to Consultant's performance or obligations under this Agreement, or to Consultant's negligence, recklessness, or willful misconduct, or a breach by Consultant of any representation or agreement contained in this Agreement. Consultant's obligation to indemnify, defend, and hold harmless Metro JPA shall extend to the acts or omissions, either directly or indirectly, by Consultant's officers, officials, directors, employees, subcontractors, agents, representatives, volunteers, successors, assigns, or anyone for whom Consultant is legally responsible. Consultant's obligations to indemnify, defend, and hold Metro JPA harmless against any Liabilities shall apply regardless of any negligence of Indemnified Parties, except to the extent solely caused by the negligence or willful misconduct of the Indemnified Parties. Consultant shall not agree without Indemnified Parties' prior written consent to any settlement on Indemnified Parties' behalf. Consultant's indemnification, hold harmless, and defense obligation shall survive the termination or expiration of this Agreement.

5.03 Consultant shall carry all insurance required by federal, state, county and local laws. Unless otherwise indicated on Attachment A, Consultant shall procure and maintain during the life of the Agreement, adequate insurance coverage, admitted in the State of California, to protect Consultant and Metro JPA from any liabilities and claims for injuries and damages to persons or property which may arise from, or in connection with, the performance of work hereunder by Consultant, its agents, representatives, employees or subcontractors. The nature and amount of insurance shall be discussed by the parties prior to executing this Agreement and the adequacy of which shall be determined by Metro JPA in its sole discretion. Insurance policies shall be on an occurrence basis. Consultant will provide proof of insurance coverage upon request of Metro JPA. Metro JPA reserves the right to terminate this Agreement if

Consultant fails to provide proof of adequate insurance coverage as required herein. Provision of insurance coverage as required by this Agreement shall not affect Consultant's indemnity obligations.

5.04 Upon the award of this Agreement and periodically thereafter, Consultant may be required to complete and file with Metro JPA a Conflict of Interest form, to be provided to Consultant by Metro JPA.

5.05 Consultant shall not subcontract or assign this Agreement nor any duties or obligations under this Agreement without the prior written consent of Metro JPA. Consultant shall be responsible for the acts and omissions of and for payment to any subcontractor performing services under this Agreement, and shall bind any such subcontractor to Consultant's duties and obligations hereunder.

5.06 Consultant shall be solely and completely responsible for the safety of all Consultant personnel, including personnel of any subcontractors, during performance of Services. Consultant shall fully comply with all laws, rules, regulations and ordinances relating to safety of the public and workers, whether federal, state or local. Consultant shall also comply with all contract provisions and Metro JPA's policies, procedures, departmental rules, and other directives, as provided by Metro JPA to Consultant, relating to the safety of the public and workers.

Official Bond and Insurance

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

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

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

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

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

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

5.09 The following are required provisions:

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

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

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

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

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

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

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

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

ARTICLE 6 OBLIGATIONS OF METRO JPA

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

ARTICLE 7 TERMINATION OF AGREEMENT

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

the amounts withheld. Should the amounts withheld exceed the amounts deducted, the balance will be paid to Consultant upon completion of the Services to be provided under this Agreement. If the costs, expenses, or other damages incurred by Metro JPA exceed the amounts withheld, Consultant shall be liable to Metro JPA for the difference.

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

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

ARTICLE 8 PROPRIETARY AND CONFIDENTIAL INFORMATION

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

8.02 Metro JPA will solely and exclusively own all right, title and interest in and to all original, data, reports, documents and materials developed pursuant to the Services and all intellectual property rights related thereto ("**Work Product**"). All Work Product shall be considered "works for hire," provided that, to the extent that any of the foregoing may not be deemed a "work for hire," or in the event that Metro JPA may not, by operation of law or otherwise, be deemed to own any such Work Product, Consultant agrees to assign to Metro JPA, and to the extent permitted by applicable law does hereby irrevocably and unconditionally assign to Metro JPA and its successors, and assigns, all right, title and interest in and to such Work Product and all intellectual property rights embodied therein or practiced thereby.

ARTICLE 9 GENERAL PROVISIONS

9.01 Any notices required to be given under this Agreement by either party to the other may be affected by email, personal delivery, mail (first class, registered, or certified) with postage prepaid and return receipt requested. Mailed notices must be addressed to the parties at the addresses below, but each party may change the address by giving written notice in accordance with this Section. Any notice personally delivered or sent by email shall be deemed communicated upon receipt if received before 5:00 p.m. Pacific Standard Time ("PST") on a business day, or the following business day if received after 5:00 p.m. PST or on a Saturday, Sunday, or legal holiday. Any notice sent by overnight delivery service shall be deemed communicated on the next business day following delivery thereof to the overnight delivery service. Any notice given by mail shall be deemed communicated three (3) days after deposit in the United States mail.

To Metro JPA:	Metro Wastewater JPA
	P.O. Box 1072
	National City, CA 91951

Email: ExecutiveDirector@Metrojpa.org
Attention: Executive Director

To Consultant : To the address indicated on the signature page hereto.

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

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

9.04 If this Agreement involves an expenditure of public funds in excess of Ten Thousand Dollars (\$10,000), the Agreement is subject to examination and audit of the State Auditor, at the request of Metro JPA or as part of any audit of Metro JPA, for a period of three (3) years after final payment under the Agreement. Consultant shall cooperate with Metro JPA, including any authorized representative of Metro JPA, regarding such audit at no charge to Metro JPA.

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

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

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

9.08 This Agreement may not be modified or amended other than by a writing signed by the parties, including any changes to the scope of services or any timeframes identified in Attachment A. A waiver by either party of a breach of any provision of this Agreement shall not constitute a general waiver or prejudice the other party's right otherwise to demand strict compliance with that provision or any other provisions in this Agreement. Likewise, Metro JPA's acceptance of any reports, work, services or materials furnished pursuant to this Agreement, or Metro JPA's payment therefor, shall not operate as a waiver of any of Metro JPA's rights under this Agreement or of any cause of action or defense relating to the performance of this Agreement.

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

9.10 Metro JPA and Consultant do covenant that the individual executing this Agreement on their behalf is a person duly authorized and empowered to execute this Agreement for such party. This Agreement may be executed in counterparts and electronically, each of which shall constitute an original, but all of which

together shall constitute one and the same agreement, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

[SIGNATURE PAGE FOLLOWS]

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

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their authorized representatives on the Effective Date.

METRO WASTEWATER JPA:

RODNEY GREEK, CPA

By:

By:

Jerry Jones
Chair

Rodney Greek

APPROVED AS TO FORM:

Adriana Ochoa
General Counsel
METRO WASTEWATER JPA

Attachment A – Scope of Work and Approved Fees

**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

AGREEMENT FOR ADMINISTRATIVE SERVICES BETWEEN METRO WASTEWATER JOINT POWERS AUTHORITY AND LORI PEOPLES

This agreement (“**Agreement**”) is made and entered into as of July 1, 2026 by and between the METRO WASTEWATER JOINT POWERS AUTHORITY (hereinafter referred to as the “**Metro JPA**”), a joint powers authority organized and operating pursuant to California Government Code section 6500 *et seq.*, and Lori Peoples (hereinafter referred to as “**Consultant**”). Metro JPA and Consultant are sometimes referred to individually as “**Party**” and collectively as “**Parties**.”

ARTICLE 1 TERM OF AGREEMENT

1.01 The term of this Agreement shall commence on July 1, 2026 (the “**Effective Date**”), and will continue for **four years** through June 30, 2030, or until terminated as provided under Article 7, whichever occurs first. At the Parties discretion, and pursuant to a written letter agreement, this Agreement may be extended by one optional year according to the terms set forth in Attachment A – Scope of Work (“**Attachment A**”) and herein. This Agreement may be further extended by a written amendment signed by both parties. Attachment A may contain further instructions regarding required timelines for performance of the Services to be provided under this Agreement. Time is of the essence for each and every provision of this Agreement.

ARTICLE 2 SCOPE OF WORK

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

2.02 Consultant shall determine the method, details, and means of performing the above-described Services. Unless otherwise stated in Attachment A, Consultant shall supply all labor, tools, materials, and equipment required to perform the Services under this Agreement.

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

ARTICLE 3 COMPENSATION

3.01 Compensation payable to Consultant for Services performed under this Agreement shall not exceed those annual amounts indicated on Attachment A (the “**Approved Fees**”). The Approved Fees shall not be exceeded unless agreed upon through an amendment to this Agreement executed by both parties. Such amendment shall identify any change in compensation as a result of the change in scope of work. The parties agree that this compensation was developed in accordance with the customary and prevailing compensation level in the community and surrounding area for comparable services. Consultant and Metro JPA agreed to this amount through an arm’s length negotiation between the parties.

3.02 Consultant shall not incur any expenses unless pre-approved by Metro JPA in writing. Consultant shall submit invoices to Metro JPA at the address listed on Attachment A. Such invoices shall include a brief narrative description of the work performed, as well as detailed time expenditures on a task-by-task basis pursuant to Attachment A. Consultant will provide Metro JPA with receipts and proof of payment for all expenses. Unless otherwise provided on Attachment A, Metro JPA shall make payment of any undisputed invoiced amount to Consultant within forty-five (45) days of receipt of an approved invoice.

3.03 Metro JPA shall have the right to withhold payment from Consultant for any unsatisfactory Services until such time service is performed satisfactorily or as otherwise provided for in this Agreement. The Parties will work in good faith to promptly resolve any invoiced amount disputed by Metro JPA.

ARTICLE 4 RELATIONSHIP OF PARTIES

4.01 **Independent Contractor.** Consultant's retention by Metro JPA is as an independent contractor. Nothing in this Agreement is intended to create an employer-employee relationship between Metro JPA and Consultant or Consultant's personnel, subcontractors, and hires. Neither Consultant nor its personnel shall be entitled to any benefits, including without limitation, paid sick leave, vacation, insurance or wages. Consultant is solely responsible for appropriately classifying, training and compensating its employees, paying and withholding taxes as an employer, carrying employer-required insurance (including workers' compensation), ensuring a safe workplace, and complying with all other duties and obligations as an employer. Consultant shall not hold itself out as an agent of the Metro JPA and shall not have authority to bind Metro JPA except as expressly authorized in Schedule A. As a material inducement to entering into this Agreement, the Parties represent and warrant as follows:

4.01.1 Consultant is free from the control and direction of Metro JPA in connection with the performance of the Services.

4.01.2 Consultant provides services directly to Metro JPA rather than to customers of Metro JPA, except to the extent that Consultant's personnel are solely performing the Services under Consultant's name and Consultant regularly contracts with other businesses.

4.01.3 If the Services are performed in a jurisdiction that requires Consultant to have a business license or business tax registration, Consultant has the required business license or business tax registration.

4.01.4 Consultant maintains a business location that is separate from the business or work location of Metro JPA.

4.01.5 Consultant is customarily engaged in an independently established business of the same nature as that involved in the Services.

4.01.6 Consultant advertises and holds itself out to the public as available to provide the same or similar services as provided under this Agreement.

4.01.7 Consistent with the nature of the Services, Consultant provides its own tools, vehicles, and equipment to perform the Services, not including any proprietary materials that may be necessary to perform the Services. Consultant is not required to purchase or rent any products, equipment, or services from Metro JPA as a condition of this Agreement.

4.01.8 Consultant can negotiate his or her own rates.

4.01.9 Consistent with the nature of the Services, Consultant can set its own hours and location of work.

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

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

ARTICLE 5 OBLIGATIONS OF CONSULTANT

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

5.02 To the maximum extent allowable by law, Consultant shall indemnify, defend, and hold harmless Metro JPA and each its officials, officers, directors, employees, agents and volunteers (collectively referred to as the "**Indemnified Parties**") against all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties, attorneys' fees, and costs (collectively referred to as "**Liabilities**") that such entities or persons may incur that pertain to, arise out of, or relate to Consultant's performance or obligations under this Agreement, or to Consultant's negligence, recklessness, or willful misconduct, or a breach by Consultant of any representation or agreement contained in this Agreement. Consultant's obligation to indemnify, defend, and hold harmless Metro JPA shall extend to the acts or omissions, either directly or indirectly, by Consultant's officers, officials, directors, employees, subcontractors, agents, representatives, volunteers, successors, assigns, or anyone for whom Consultant is legally responsible. Consultant's obligations to indemnify, defend, and hold Metro JPA harmless against any Liabilities shall apply regardless of any negligence of Indemnified Parties, except to the extent solely caused by the negligence or willful misconduct of the Indemnified Parties. Consultant shall not agree without Indemnified Parties' prior written consent to any settlement on Indemnified Parties' behalf. Consultant's indemnification, hold harmless, and defense obligation shall survive the termination or expiration of this Agreement.

5.03 Consultant shall carry all insurance required by federal, state, county and local laws. Unless otherwise indicated on Attachment A, Consultant shall procure and maintain during the life of the Agreement, adequate insurance coverage, admitted in the State of California, to protect Consultant and Metro JPA from any liabilities and claims for injuries and damages to persons or property which may arise from, or in connection with, the performance of work hereunder by Consultant, its agents, representatives, employees or subcontractors. The nature and amount of insurance shall be discussed by the parties prior to executing this Agreement and the adequacy of which shall be determined by Metro JPA in its sole discretion. Insurance policies shall be on an occurrence basis. Consultant will provide proof of insurance coverage upon request of Metro JPA. Metro JPA reserves the right to terminate this Agreement if

Consultant fails to provide proof of adequate insurance coverage as required herein. Provision of insurance coverage as required by this Agreement shall not affect Consultant's indemnity obligations.

5.04 Upon the award of this Agreement and periodically thereafter, Consultant may be required to complete and file with Metro JPA a Conflict of Interest form, to be provided to Consultant by Metro JPA.

5.05 Consultant shall not subcontract or assign this Agreement nor any duties or obligations under this Agreement without the prior written consent of Metro JPA. Consultant shall be responsible for the acts and omissions of and for payment to any subcontractor performing services under this Agreement, and shall bind any such subcontractor to Consultant's duties and obligations hereunder.

5.06 Consultant shall be solely and completely responsible for the safety of all Consultant personnel, including personnel of any subcontractors, during performance of Services. Consultant shall fully comply with all laws, rules, regulations and ordinances relating to safety of the public and workers, whether federal, state or local. Consultant shall also comply with all contract provisions and Metro JPA's policies, procedures, departmental rules, and other directives, as provided by Metro JPA to Consultant, relating to the safety of the public and workers.

Insurance

5.07 Consultant shall procure and maintain in full force and effect for the duration of this Agreement, commercial general liability and automobile insurance in amounts and with policies, endorsements and conditions required by the Metro JPA for the Administrative Services, as determined by the Metro JPA Executive Director in his or her discretion.

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

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

5.09.1 Evidence of insurance must be maintained for at least five (5) years after termination of this Agreement.

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

**ARTICLE 6
OBLIGATIONS OF METRO JPA**

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

**ARTICLE 7
TERMINATION OF AGREEMENT**

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

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

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

**ARTICLE 8
PROPRIETARY AND CONFIDENTIAL INFORMATION**

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

8.02 Metro JPA will solely and exclusively own all right, title and interest in and to all original, data, reports, documents and materials developed pursuant to the Services and all intellectual property rights related thereto ("**Work Product**"). All Work Product shall be considered "works for hire," provided that, to the extent that any of the foregoing may not be deemed a "work for hire," or in the event that Metro JPA may not, by operation of law or otherwise, be deemed to own any such Work Product, Consultant agrees to assign to Metro JPA, and to the extent permitted by applicable law does hereby irrevocably and

unconditionally assign to Metro JPA and its successors, and assigns, all right, title and interest in and to such Work Product and all intellectual property rights embodied therein or practiced thereby.

ARTICLE 9 GENERAL PROVISIONS

9.01 Any notices required to be given under this Agreement by either party to the other may be affected by email, personal delivery, mail (first class, registered, or certified) with postage prepaid and return receipt requested. Mailed notices must be addressed to the parties at the addresses below, but each party may change the address by giving written notice in accordance with this Section. Any notice personally delivered or sent by email shall be deemed communicated upon receipt if received before 5:00 p.m. Pacific Standard Time (“PST”) on a business day, or the following business day if received after 5:00 p.m. PST or on a Saturday, Sunday, or legal holiday. Any notice sent by overnight delivery service shall be deemed communicated on the next business day following delivery thereof to the overnight delivery service. Any notice given by mail shall be deemed communicated three (3) days after deposit in the United States mail.

To Metro JPA:	Metro Wastewater JPA P.O. Box 1072 National City, CA 91951 Email: ExecutiveDirector@metrojpa.org Attention: Executive Director
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To Consultant:	To the address indicated on the signature page hereto.
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9.02 This Agreement, including any Attachments, contains the entire understanding between the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements, or conditions, express or implied, oral or written, except as herein contained. The express terms hereof control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms hereof.

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

9.04 If this Agreement involves an expenditure of public funds in excess of Ten Thousand Dollars (\$10,000), the Agreement is subject to examination and audit of the State Auditor, at the request of Metro JPA or as part of any audit of Metro JPA, for a period of three (3) years after final payment under the Agreement. Consultant shall cooperate with Metro JPA, including any authorized representative of Metro JPA, regarding such audit at no charge to Metro JPA.

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

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

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

9.08 This Agreement may not be modified or amended other than by a writing signed by the parties, including any changes to the scope of services or any timeframes identified in Attachment A. A waiver by either party of a breach of any provision of this Agreement shall not constitute a general waiver or prejudice the other party's right otherwise to demand strict compliance with that provision or any other provisions in this Agreement. Likewise, Metro JPA's acceptance of any reports, work, services or materials furnished pursuant to this Agreement, or Metro JPA's payment therefor, shall not operate as a waiver of any of Metro JPA's rights under this Agreement or of any cause of action or defense relating to the performance of this Agreement.

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

9.10 Metro JPA and Consultant do covenant that the individual executing this Agreement on their behalf is a person duly authorized and empowered to execute this Agreement for such party. This Agreement may be executed in counterparts and electronically, each of which shall constitute an original, but all of which together shall constitute one and the same agreement, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

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

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their authorized representatives on the Effective Date.

METRO WASTEWATER JPA:

LORI PEOPLES

By:

By:

Jerry Jones
Chair

Lori Peoples
Address: _____

Attachment A – Scope of Work and Approved Fees

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 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 Executive Team to 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.

Approved Fees:

Contract Compensation Cap: \$50,000 annually, for Fiscal Years ending 2027-2030

Hourly Rate: \$75, plus mileage at the current IRS Rate/Mile and actual costs for postage and supplies. The above hourly rate may increase each July 1 during the term of this

Agreement based on the increase, if any, in the May San Diego Consumer Price Index – All Urban Consumers, rounded to the nearest dollar.

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 JPA
May 2026

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).

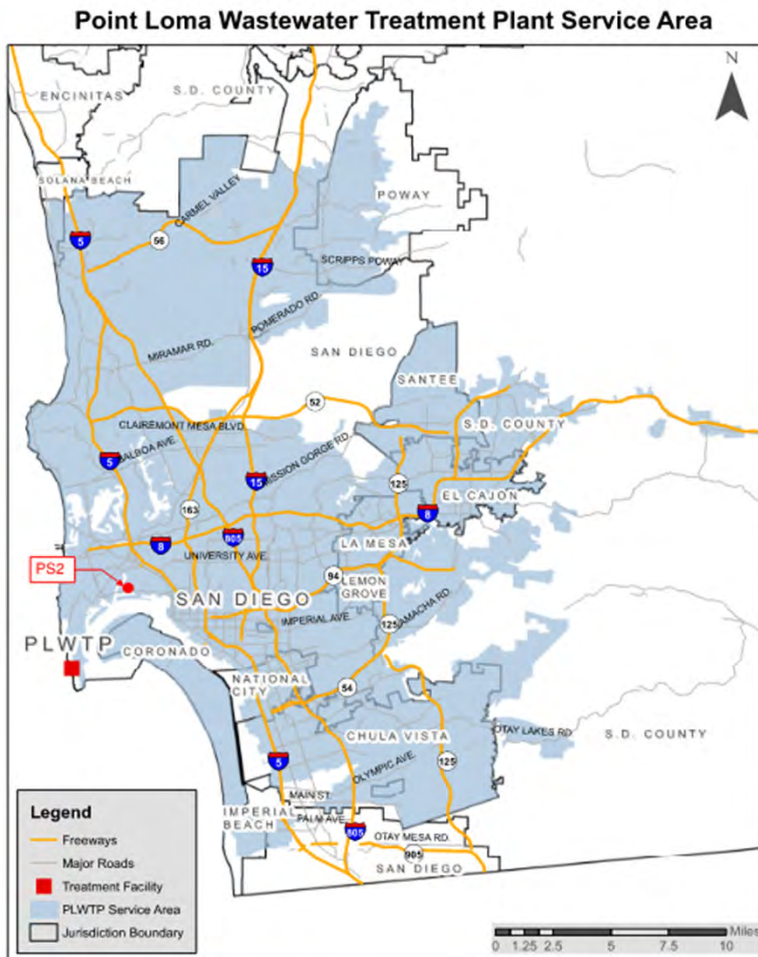
Location Map

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



Service Area

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



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 (63 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



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 2027-2032
- 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

Project Budget

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

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

Thank You

METRO JPA/TAC
Staff Report
Date: May 7, 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:

Authorization to execute a contract with NRC, Environmental Services, Inc for as needed jetting and pipe cleaning at wastewater facilities. \$1,465,578.97 is 33% of the total contract amount of \$4,441,148.39 over the five years.

Recommendations:

Approve the Metro expenditure.

Metro TAC:	TAC approved on April 15, 2026.
IROC:	N/A
Prior Actions: (Committee/Commission, Date, Result)	TAC approved

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:

TAC Approved

Additional/Future Action:

Anticipated for Environment Committee on May 21, 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 the 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 PUD 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, the 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 the sedimentation process with potential to overflow into the local waterways.

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 four (4) additional one-year terms.



Public Utilities Department

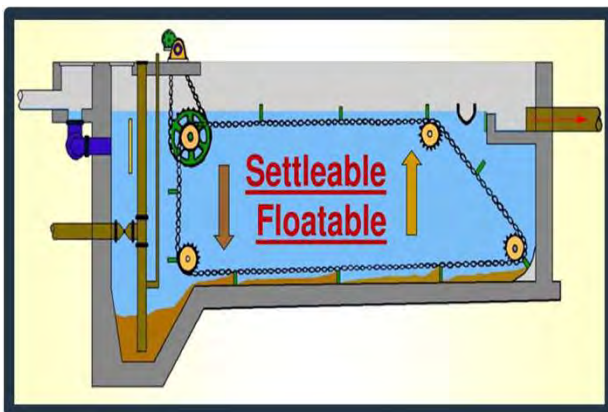
Execute Contract with NRC Environmental Services, Inc. to Provide as-needed Jetting and Pipe Cleaning



Metro JPA/Metro Commission
May 7, 2026

1

Background



The City of
SAN DIEGO

- 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.

2

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.



5

Requested Action



- Authorize 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.
- Authorize one-year (1) contract with the option to renew four (4) additional one-year option terms.
- Contract amount not to exceed \$4,441,148.39.
- Authorize 33% of Metro costs approximately \$1,465,578.97.



6

Questions?



7



8



April 20, 2026

U.S. Department of the Interior
Bureau of Reclamation
Submitted via Grants.gov

Subject: Letter of Support for the City of San Diego's Pure Water Program Application

To Whom It May Concern:

On behalf of the **Metro Wastewater Joint Powers Authority**, we are pleased to express our support for the City of San Diego's Pure Water San Diego Phase I application to the Bureau of Reclamation's WaterSMART Large-Scale Water Recycling Program.

Pure Water San Diego Phase 1 will provide a safe, local, reliable, and sustainable water supply for the San Diego region by producing 30 million gallons per day of new drinking water. The project will enhance long-term water supply reliability, reduce dependence on imported water, and strengthen drought resilience. In addition, Pure Water provides important environmental benefits by reducing wastewater discharges to the ocean and supporting compliance with regulatory requirements at the Point Loma Wastewater Treatment Plant.

This project reflects strong regional collaboration between the City and the Metro Wastewater Joint Powers Authority and aligns with federal priorities to expand water recycling, improve long-term water supply reliability, and invest in climate-resilient water infrastructure across the West.

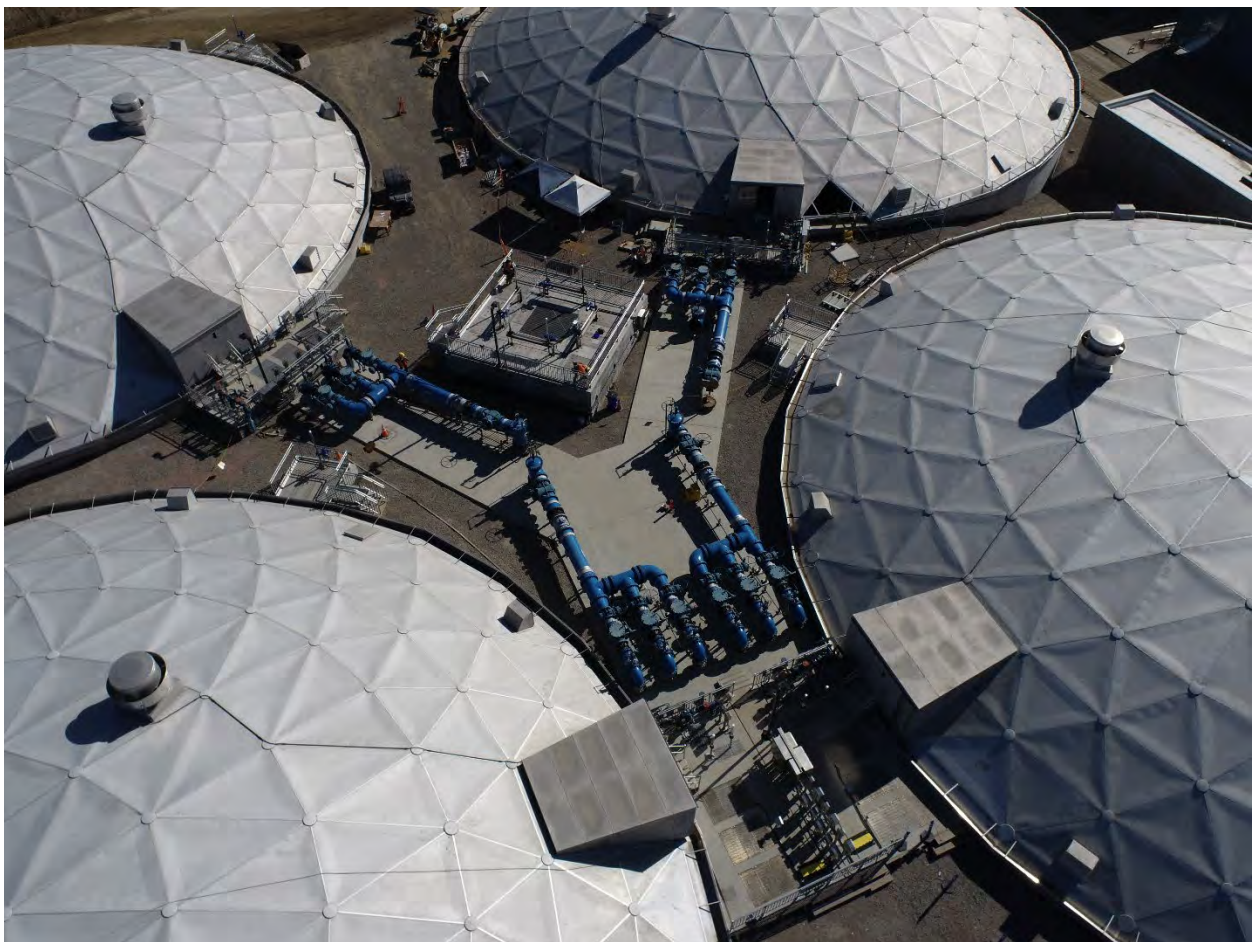
The Metro Wastewater Joint Powers Authority strongly supports the City's application and respectfully encourages the Bureau of Reclamation to fund this critical regional project

Sincerely,

Jerry Jones, Chair
Metro Wastewater Joint Powers Authority/Metro Commission
councilmanjjones@gmail.com
(619) 867-9236

The Joint Powers Authority Proactively Addressing Regional Wastewater Issues

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.



Monthly Metro TAC Chair Report April 2026

A summary of action items, presentations, discussions, and updates heard at the regularly scheduled Metro Technical Advisory Committee held on April 15, 2026.

Action:

Agenda Item 2: Consideration and Possible Action to Recommend Approval to the Metro Wastewater JPA of Pump Station 2 Design Contract Amendment

- City staff presented on the proposed amendment. They provided background on Pump Station 2 and explained the contract needed to be extended due to updated project phasing. The scope is being expanded to include the results of additional assessments and investigation performed leading to more improvements to the stations. It will also include an estimate for construction support services. The additional cost to the PAs is \$757,000 and was included in the FY26 budget.
- TAC requested clarification as to why the additional scope was not included in the original scope; staff explained that the need for this work could not be identified until the initial investigation was completed. TAC also requested a review of the configuration of the station wet wells. Metro Engineering staff let TAC know that they were included in some of the timing decisions and wet well investigations results. TAC unanimously recommended the amendment.

Agenda Item 3: Consideration and Possible Action to Recommend Approval to the Metro Wastewater JPA of As-Needed Jetting & Pipe Cleaning at Wastewater Treatment Facilities

- City provided background on why it jets/cleans facilities and pipelines at treatment plants to meet requirements. The project was competitively bid and they are recommending awarding to the lowest responsible bidder out of three bids. The Metro cost would be no more than \$1,465,578.97 per year.

- TAC clarified that the cost ceiling would be held for the extension years. They also requested the bid results for reference for their own agencies. TAC unanimously recommended the contract.

Agenda Item 4a-d: Consideration and Possible Action to Recommend to the Metro Wastewater JPA/Metro Commission Approval of the Following Scopes of Work Relating to FY 2027

- The Executive Director and TAC Chair presented the scope of work for the four contract renewals: the Keze Group, LLC, Dexter Wilson Engineering, Inc., Rodney Greek, CPA, and Lori Anne Peoples. The Succession Planning Ad Hoc and Finance Committee recommended/approved these scopes through a detailed review process.
- TAC clarified that the Ad Hoc Committee conducted an extensive review to determine whether any consultant contracts should be competitively solicited and, based on that review, recommended retaining the existing consultants. TAC praised all consultants and unanimously approved all of the scopes.

Agenda Item 5: Consideration and Possible Action to Recommend to the Metro Wastewater JPA/Metro Commission Approval of FY 2027 Draft Metro Wastewater JPA Budget

The Executive Director presented the budget for FY 2027. The discussion began with a review of the FY 2026 year-end projections, followed by the FY 2027 proposed budget, which reflects an approximate 4% increase. Key drivers include the addition of a standalone Executive Director position, and potential increases related to the introduction of new programs such as liability insurance and external agency memberships such as CSDA and CASA. FY 2027 PA membership dues will remain unchanged, with reserves proposed to cover the difference. The allocation of dues among the PAs was also reviewed as a reminder.

- TAC asked for some slide updates for the JPA meetings to match the budget document. They also asked why the attorney's contract wasn't reviewed and it was explained that it is a different process since the attorney serves at the pleasure of the JPA Board. They also asked when the FY21-23 audit would be completed and if it would impact the budget distribution. It is not expected to be completed in time for this budget, but would be taken into account for future budgets. The budget was unanimously approved.

Standing Items to be Brought to JPA:

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

Agenda Item 7: Pure Water Program Update (Doug Owen/Ben Kuhnel)

Agenda Item 8: Metro Wastewater Financial (Adam Jones)

Agenda Item 9: SARA Update Report (Blake Behringer/Karyn Keze)

Agenda Item 10: JPA Executive Director (Karyn Keze)

Agenda Item 11: Metro Commission/JPA Board Meeting Recap (Blake Behringer)

Metro Meetings:

Recent Meetings

- **Metro JPA:**
 - **Date:** April 2, 2026

- **I&I Metro TAC Subcommittee:**
 - **Date:** February 26, 2026

Upcoming Meetings

- **Metro JPA:**
 - **Date:** May 7, 2026
 - **Format:** In person.

- **Metro TAC:**
 - **Date:** May 20, 2026
 - **Format:** Zoom only.

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