



## Monthly Executive Director's Report November 2024 - Revised

The purpose of this report is to provide an update on the activities, progress, and outcomes related to the JPA's initiatives, including the development of the 2024 Draft Strategic Plan. It aims to ensure transparency, document key discussions and decisions, and keep all stakeholders informed of ongoing efforts and upcoming milestones.

During November, the Executive Director and the Executive Team focused primarily on supporting and advancing the Metro Wastewater JPA's Strategic Planning Ad Hoc efforts. A significant portion of the team's efforts also centered on fostering collaboration between the City of San Diego's legal team and the JPA's legal counsel to finalize the draft language for the Second Amended and Restated Agreement (SARA).

### Key Tasks and Updates:

#### 1. Holiday Meeting Schedule:

- **December 2024 Metro TAC:** The Meeting has been cancelled as no items are moving forward until after the first of the year from the City of San Diego that require Metro TAC/JPA input.
- **January 2025 JPA/Commission Meeting:** The January 2 meeting is canceled due to the holidays. A special meeting will be held on January 9 at noon at MOC, with a closed session as the main agenda item. Only Board members may attend the closed session, per Brown Act restrictions. The rest of the agenda will include only routine reports.

#### 2. Upcoming North City Pure Water Construction Tours:

Tours of the Pure Water Construction at North City are planning to be scheduled after the February and March JPA meetings per request of several Board members at their December Meeting. These are being coordinated by Doug Campbell, City of San Diego, and the JPA's Executive Director. Each tour will be limited to 12 participants, as carts are used for most of the tour, including primary Board Members and TAC representatives. Further coordination discussions will occur at the January JPA/Commission and TAC meetings.

### 3. Informational Reports and Website Reminder:

- The JPA maintains a website where valuable information about the Metro System, the Pure Water Program and the JPA can be easily accessed at <https://www.metrojpa.org/home>.
- Each month two reports are prepared and provided to the JPA/Commission's Directors and other interested parties:
  - **Executive Director Report:** This report provides a comprehensive review of the Executive Team's activities and other relevant actions from the previous month. It aligns with the time frame covered by the Check Registry included in the agenda packet. The report is distributed individually via email at the start of the month and subsequently included in the agenda packet for the following month.
  - **Metro TAC Chair's Report:** This report offers technical context for the agenda items presented in the agenda packet. It includes detailed information about the actions taken by Metro TAC during their review of each item to ensure informed decision-making.

### 4. 2025 Draft Strategic Plan:

- The JPA's 2025 Draft Strategic Plan was presented to both the Board and Metro TAC during their November meetings.
- Feedback from Directors was collected at that meeting and subsequently reviewed during the fifth Strategic Planning Ad Hoc meeting. This input was carefully incorporated into the revised Draft Strategic Plan, which will be presented to the Board at their December meeting. The Ad Hoc reached unanimous agreement on all items, including the revisions stemming from the Board's feedback.
- In addition, Metro TAC members were provided an opportunity to provide feedback and comments and there were no concerns expressed.

#### **Purpose of the Strategic Plan:**

The purpose of the Strategic Plan is to establish a clear vision, set priorities, and guide the Metro Wastewater JPA's efforts in achieving its goals. It serves as a roadmap for decision-making, resource allocation, and collaboration among stakeholders, ensuring that the JPA continues to operate efficiently, address emerging challenges, and meet the needs of its member agencies effectively.

### 5. FY 2021 – FY 2023 Metro Contract Compliance Audit and Reconciliation

- **O&M Audit Questions Response from City:** The Executive Director and the City Audit staff continue to work through questions regarding the O&M portions of the Audit. All questions regarding the CIP have been resolved.

- **Contract Extension:** The Executive Director met with the City Audit team to prepare a request for contract extension for MGO, the City of San Diego's current auditors, past December 31, 2024, to the City's Auditor Controller's Office. It is important that this contract extension for MGO, to complete the multi-year audit, is accepted by the Auditor Controller Office as the City has recently changed audit firms after it's normal RFP process. Having new auditors step in at this point would require much of the work that has already been done to be redone.

**Purpose of Participation in the Audit:** This collaboration will strengthen the foundation of our financial oversight and enhance the alignment of our operational processes with strategic goals.

#### 6. **Final Draft Second Amended and Restated Agreement (SARA) Language Review:**

**SARA Review and Revisions:** The City of San Diego's Attorney's Office has completed an initial review of SARA. During November the JPA's Attorney continued to meet with the City's attorneys to address language and philosophical differences, laying the groundwork for further staff discussions and alignment. These discussions have been completed and a revised SARA document is being prepared by the JPA's Attorney which will be distributed in December to the Metro Technical Advisory Committee (Metro TAC) members and Metro JPA Directors for review.

**Purpose:** This process is essential to ensure that the SARA reflects a unified approach and meets the strategic and operational needs of all stakeholders.

#### 7. **FAB Implementation:**

**Exhibit B Capacity Refinement for FAB Cost Allocations:** The JPA Executive Team continues to work closely with JPA members and Public Utilities Department (PUD) staff to refine and finalize the capacity figures outlined in the draft of Exhibit B, which will serve as the foundation for the Financial Advisory Board (FAB) cost allocations. All Participating Agencies (PAs) are reminded that the goal was to finalize Exhibit B by the end of October, ensuring its timely release alongside the SARA and draft FAB cost allocations. If you have not, Technical Advisory Committee (TAC) members are encouraged to schedule meetings with the Executive Team if further discussions are needed to finalize their individual capacities in Exhibit B. Any revisions received will be incorporated into Exhibit B included with the Draft SARA Documents and used to create draft Metro rates.

**Purpose:** This collaborative effort is critical to achieving accurate and equitable cost allocations across all participating agencies.

## 8. JPA Policies and Procedures Manual

The Executive Director, the Treasurer, and Staff Accountant have created a draft Policies and Procedures Manual and met several times to review and revise. The third draft of the manual has been sent to the JPA's legal counsel for review and their input. The manual will eventually replace the entirety of Section 14 of the New Directors Manual and will be a stand-alone document including the following policies and procedures:

- I. POLICY 1 – Records Retention
- II. POLICY 2 – Social Media
- III. POLICY 3 – Electronic Direct Deposit Policy
- IV. POLICY 4 – Manual and Electronic Payment/Transfer Policy
- V. POLICY 5 – Meetings Meal Policy
- VI. POLICY 6 – 2025 Investment Policy
- VII. POLICY 7 – Purchasing Policy
- VIII. PROCEDURE 1 – AG Opinion (Staff in Closed Sessions)
- IX. PROCEDURE 2 – Fiscal Year End Closing Procedures
- X. RESOLUTION 2023-1 Establishing a Reserve Fund
- XI. RESOLUTION 2023-2 Establishing Compensation for Directors
- XII. PROTOCOL 1 – Debt Service and Operating Reserve Calculation (City of San Diego)

The policies and procedures highlighted in yellow are new. Policies 1, 2, and 5 have been edited for clarity and conciseness. This manual will be the main topic of discussion at the January 2025 Finance Committee Meeting. Once the Finance Committee has reviewed and edited the manual will move forward to the JPA/Commission Board for their review and adoption.

**Purpose of a Policies and Procedures Manual:** The purpose of a Policies and Procedures Manual is to provide a clear and comprehensive framework for organizational operations. It establishes standardized guidelines and processes to ensure consistency, compliance with regulations, and effective communication. The manual serves as a reference for management and stakeholders, promoting accountability, efficiency, and alignment with the organization's mission and goals.

## 9. Inflow and Infiltration (I&I) Study:

The I&I committee met on November 14<sup>th</sup> and the main topic was the meeting previously held between ADS (company who provides the billing meters and their support for the Metro System), City staff, and JPA staff. For the next meeting on December 12<sup>th</sup> the committee plans to discuss any progress on gathering the

necessary data for the study including rain gauge location and data and defining sewer meter sheds.

### **Upcoming Meetings:**

- **Metro JPA/Commission Meeting:**
  - **Date:** December 5, 2024
  - **Format:** In-Person, MOC Auditorium
  - **Main Topics:** Metro Wastewater JPA FY 2024 Year-End and First Quarter 2025 Treasurer's Reports; Metro JPA 2025 Strategic Plan
- **Metro TAC Meeting:**
  - **Date:** December 18, 2024 - Cancelled
  - **Format:** Zoom
- **Special Metro JPA/Commission Meeting:**
  - **Date:** January 9, 2025
  - **Format:** In-Person, MOC Auditorium
  - **Main Topics:** Pump Station 2 and Closed Session
- **Metro JPA Finance Committee Meeting**
  - **Date:** January 28, 2025
  - **Format:** Hybrid, MOC Conference Room
  - **Main Topics:** Draft Policies & Procedures Manual; FY 2026 JPA Budget Planning