



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

AGENDA

**Thursday, June 1, 2017
12:00 p.m.**

**9192 Topaz Way (MOC II) Auditorium
San Diego, California**

"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 Commission/Metro Wastewater JPA on any Agenda Item. Please complete a Speaker Slip and submit it to the Administrative Assistant or Chairperson 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.

Documentation
Included

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE TO THE FLAG
3. PUBLIC COMMENT
Persons speaking during Public Comment may address the Metro Commission/ Metro Wastewater JPA on any subject matter within the jurisdiction of the Metro Commission and/or Metro Wastewater JPA that is not listed as an agenda item. Comments are limited to three (3) minutes. Please complete a Speaker Slip and submit it prior to the start of the meeting.
- X 4. **ACTION** – CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE MINUTES OF THE REGULAR MEETING OF [May 4, 2017 \(Attachment\)](#)
- X 5. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FYE 2015 CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT SCHEDULE OF ALLOCATION FOR BILLING TO METROPOLITAN WASTEWATER UTILITY AND INDEPENDENT AUDITORS REPORT (EXHIBIT E AUDIT) (MGO/Seth Gates/Karyn Keese) (**Attachment**)
- X 6. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FY 2018 PROPOSED CITY OF SAN DIEGO METRO WASTEWATER UTILITY BUDGET (Seth Gates) (**Attachment**)

June 1, 2017

Metro Commission/Metro
Wastewater JPA Regular
Meeting Agenda

X

7. **FINANCE COMMITTEE:**

- a. Minutes from the April 26, 2017 Finance Committee Meeting (Information only) (**Attachment**)
- b. **ACTION:** FY 2018 METRO WASTEWATER JPA BUDGET AND VARIOUS SERVICES AGREEMENTS.* (Finance Committee Chairman John Mullin)

*All items may be discussed by the JPA together or separately. Action may be taken on all items as part of one motion or as separate individual actions in the order listed below.

- i. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FY 2018 METRO WASTEWATER JPA BUDGET (Karen Jassoy/ Karyn Keese) (**Attachment**)
 - ii. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FOURTH AMENDMENT TO THE AGREEMENT WITH PADRE DAM MUNICIPAL WATER DISTRICT FOR TREASURER SERVICES FOR FY 2018 (Karen Jassoy/ Karyn Keese) (**Attachment**)
 - iii. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FY 2018 CONTRACT WITH THE KEZE GROUP, LLC FOR FINANCIAL SERVICES (Greg Humora) (**Attachment**)
 - iv. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FY 2018 CONTRACT WITH NV5 FOR ENGINEERING SERVICES (Greg Humora) (**Attachment**)
 - v. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO:
 - i. APPROVE FY 2018 SCOPE OF WORK FOR CITY OF LEMON GROVE CONSULTANT WILSON ENGINEERING FOR ENGINEERING SUPPORT SERVICES
 - ii. DIRECT LEGAL COUNSEL TO PREPARE FY 18 REIMBURSEMENT AGREEMENT WITH CITY OF LEMON GROVE FOR WILSON ENGINEERING SERVICES
 - iii. AUTHORIZE CHAIR OR DESIGNEE TO EXECUTE REIMBURSEMENT AGREEMENT
(Greg Humora) (**Attachment**)
 - c. UPDATE ON FY 2016-17 BUGET OR LEGAL COUNSEL (BEST BEST & KRIEGER LLP) IN LIGHT OF INCREASED WORK IN FEBRUARY-MAY 2017 (Information only) (Finance Committee Chairman John Mullin/ Greg Humora)
8. **ACTION:** CONSIDERATION AND POSSIBLE ACTION OF PROVIDING THE CITY OF SAN DIEGO THE METRO COMMISSION/JPA'S PREFERENCE FOR A LEGISLATIVE FIX TO ECONDRARY EQUIBALENCY VERSUS AN ADMINISTRATIVE FIX (Greg Humora)

Documentation
Included

- X 9. METRO TAC UPDATE/REPORT (Greg Humora) **(Attachment)**
- X 10. POINT LOMA PERMIT RENEWAL UPDATE (Greg Humora) **(Attachment)**
- X 11. PURE WATER PROGRAM UPDATE (Standing Item) (John Helminski) **(Attachment)**
- 12. IROC UPDATE (Ed Spriggs)
- 13. REPORT OF GENERAL COUNSEL (Paula de Sousa Mills)
- 14. PROPOSED AGENDA ITEMS FOR THE NEXT METRO COMMISSION/METRO WASTEWATER JPA MEETING **July 6, 2017**
- 15. METRO COMMISSIONERS' AND JPA BOARD MEMBERS' COMMENTS
- 16. ADJOURNMENT OF METRO COMMISSION AND METRO WASTEWATER JPA

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

Materials provided to the Metro Commission and/or Metro Wastewater JPA related to any open-session item on this agenda are available for public review by contacting L. Peoples at (619) 548-2934 during normal business hours.

***In compliance with the
AMERICANS WITH DISABILITIES ACT***

The Metro Commission/Metro Wastewater JPA requests individuals who require alternative agenda format or special accommodations to access, attend, and/or participate in the Metro Commission/Metro Wastewater JPA meetings, contact E. Patino at (858) 292.6321, at least forty-eight hours in advance of the meetings.

Metro JPA 2017 Meeting Schedule

January 5, 2017	February 2, 2017	March 2, 2017
April 6, 2017	May 4, 2017	June 1, 2017
July 6, 2017	August 3, 2017	September 7, 2017
October 5, 2017	November 2, 2017	December 7, 2017

June 1, 2017

Metro Commission/Metro
Wastewater JPA Regular
Meeting Agenda

**Attachment 4
Action Minutes
of May 4, 2017**

Attachment 5
FY 2015
Exhibit E Audit



May 9, 2017

TO: Metro TAC Members and Interested Parties

FROM: Karyn Keese

SUBJECT: FYE 2015 City of San Diego Public Utilities Department Schedule of Allocation for Billing to Metropolitan Wastewater Utility and Independent Auditor's Report (Exhibit E Audit)

BACKGROUND

In March 2017 Public Utilities Department (PUD) staff provided the final FYE 2015 Independent Auditors Report (FYE 2015 audit) and final reconciliation for that year (copy attached to this staff memo). Although the FYE 2015 audit was immediately sent out to all Metro TAC and Metro Commission/JPA members as well as interested parties the audit has not been brought forward for formal review and acceptance.

When the FYE 2015 audit was released questions were raised by the Metro TAC and Metro Commission/JPA's chairs regarding the Pure Water Program costs that were being included in FYE 2015 and were being charged to the PAs in that fiscal year since the Pure Water Program (PWP) cost allocation between City of San Diego water and wastewater departments had not been finalized and had in fact been stalled since September 2015. Prior to moving forward with the acceptance of this audit the following questions were asked:

1. What were the total PWP costs charged to wastewater and therefore the PAs in FYE 2015?
2. Would all PWP costs be revised as needed once the final Pure Water cost allocation has been determined and agreed to by all parties?

DISCUSSION

PWP costs are currently being allocated as either O&M Program Costs or CIP Program costs to both the water and wastewater departments. O&M program cost are those general program management expenses that cannot be directly capitalized into a project. CIP Program costs currently include predesign and design of the Morena Pump Station and Pipeline and the North City Expansior Projects.

In response to item #1 above PUD audit staff provided detail of 35 Pure Water Program O&M purchase orders that have been issued with incurred costs since the project inception in 2014 through June 30, 2016 and the costs associated with them (see following summary table). We have audited these costs and have verified that water has paid 50% of the costs as well. In addition, we identified 5 additional purchase orders that are currently under review by staff that have 50/50 cost allocations that were issued by June 30, 2016.

THE JOINT POWERS AUTHORITY PROACTIVELY ADDRESSING REGIONAL WASTEWATER ISSUES.

**50/50 PWP O&M Costs from Project Inception
Metro Wastewater Costs Only**

2014	\$ 49,485.73
2015	\$ 1,323,166.83
2016	\$ 2,367,463.42
<u>Total</u>	<u>\$ 3,740,115.98</u>

In 2013 the PAs agreed to pay for general program PWP O&M costs on a 50/50 basis with the water department as cost allocation was being actively negotiated and it was assured at that time that once final cost allocation had been determined and approved by all parties that the split between water and wastewater would be revised retroactively to the inception of the project and that project costs would be adjusted. However, final PWP cost allocations have not been determined or approved by the PAs and the City of San Diego. At the April 19, 2017 Metro TAC meeting PUD financial staff reviewed this issue in regards to the PWP costs contained in the FYE 2015 audit and assured Metro TAC members that they would prepare the needed audit adjustments once cost allocation is complete in conjunction with the annual audit of the year that cost allocation is completed in that will most likely be FYE 2018.

In addition to the 50/50 split PWP O&M purchase orders our audit identified two CIP projects with costs starting in FYE 2015. A summary of these costs follows:

**PWP CIP Costs
Metro Wastewater Costs Only**

Morena PS & Pipeline: 78% Metro 22% water

2015	154,897.38
2015	\$ 1,647,287.87

NC Treatment Plant Expansion 100% Metro

2015	\$ 268,778.29
2016	\$ 2,349,629.56

IN CONCLUSION

The majority of the FYE 2015 costs for the Pure Water Program have been identified and we will continue to refine these numbers with PUD audit staff to insure that all PWP costs are identified for potential adjustment once PWP cost allocation is complete. PUD financial staff have provided assurances that any changes to either the PWP 50/50 split O&M or direct O&M or CIP cost allocations will be accomplished through a journal entry once cost allocations are complete in the fiscal year when they are finalized.

PUD financial staff will be at the May 17, 2017 Metro TAC meeting to review the audit and answer any question Metro TAC members may have.

**CITY OF SAN DIEGO PUBLIC
UTILITIES DEPARTMENT**

Schedule of Allocation for Billing to Metropolitan
Wastewater Utility and Independent Auditor's Reports

For the Fiscal Year Ended June 30, 2015



Certified
Public
Accountants

CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT
Schedule of Allocation for Billing to Metropolitan Wastewater Utility
and Independent Auditor’s Reports
For the Fiscal Year Ended June 30, 2015

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Independent Auditor’s Report on the Schedule of Allocation for Billing to Metropolitan Wastewater Utility

To the Honorable Mayor and City
Council of the City of San Diego
San Diego, California

Report on the Schedule

We have audited the accompanying Schedule of Allocation for Billing to Metropolitan Wastewater Utility (the Schedule) of the City of San Diego Public Utilities Department (PUD), an enterprise fund of the City of San Diego, California (the City) for the fiscal year ended June 30, 2015, and the related notes to the Schedule.

Management’s Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of the Schedule in accordance with the modified cash basis of accounting described in Note 3, this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the Schedule in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Schedule based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the Schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Schedule referred to above presents fairly, in all material respects, the modified cash basis allocation of billing to the Metropolitan Wastewater Utility of the PUD pursuant to the Regional Wastewater Disposal Agreement (Agreement) between the City and the Participating Agencies in the Metropolitan Wastewater System dated May 18, 1998 and amended on May 15, 2000 and June 3, 2010, for the fiscal year ended June 30, 2015, in accordance with the modified cash basis of accounting described in Note 3.

Basis of Accounting

We draw attention to Note 3 of the Schedule, which describes the basis of accounting. The Schedule is prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2017 on our consideration of the PUD's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over the Schedule and compliance and the results of that testing, and not to provide an opinion on internal control over the Schedule or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the PUD's internal control over the Schedule and compliance.



San Diego, California
February 27, 2017

CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT
Schedule of Allocation for Billing to Metropolitan Wastewater Utility
For the Fiscal Year Ended June 30, 2015

	Municipal System	Metropolitan System	Total
Transmission			
Main Cleaning	\$ 13,427,224	\$ -	\$ 13,427,224
Sewer Pump Stations.....	5,350,642	-	5,350,642
Other Pump Stations.....	6,276,302	956,471	7,232,773
Pump Station 1.....	-	2,417,436	2,417,436
Pump Station 2.....	-	9,268,862	9,268,862
Other Muni Agencies.....	3,409,824	-	3,409,824
Pipeline Maintenance & Repair.....	10,812,465	272,459	11,084,924
Wastewater Collection (WWC) Engineering & Planning.....	2,411,771	-	2,411,771
Total Transmission.....	41,688,228	12,915,228	54,603,456
Treatment and Disposal			
Point Loma Wastewater Treatment Plan (PTLWWTP).....	-	23,094,771	23,094,771
North City Water Reclamation Plant (NCWRP).....	-	9,282,399	9,282,399
South Bay Water Reclamation Plant (SBWRP).....	-	8,053,400	8,053,400
Metropolitan Biosolids Center (MBC).....	-	15,994,140	15,994,140
Cogeneration Facilities.....	-	314,652	314,652
Gas Utilization Facility (GUF).....	-	1,968,647	1,968,647
Wastewater Treatment and Disposal (WWTD) Plant Engineering.....	-	607,557	607,557
Total Treatment and Disposal.....	-	59,315,566	59,315,566
Quality Control			
Sewage Testing & Control.....	2,555,079	434,786	2,989,865
Marine Biology & Ocean Operations.....	936	5,301,034	5,301,970
Wastewater Chemistry Services.....	20	5,555,336	5,555,356
Industrial Permitting & Compliance.....	3,429,905	-	3,429,905
Total Quality Control.....	5,985,940	11,291,156	17,277,096
Engineering			
Program Management & Review.....	3,670,613	6,156,690	9,827,303
Environmental Support.....	1,622,536	272,640	1,895,176
Total Engineering.....	5,293,149	6,429,330	11,722,479
Operational Support			
Central Support: Clean Water Operations Management Network (Comnet).....	105,430	3,505,550	3,610,980
Operational Support.....	1,470,789	6,424,991	7,895,780
Total Operational Support.....	1,576,219	9,930,541	11,506,760
General & Administrative			
Business Support Admin.....	19,963,565	18,390,969	38,354,534
Operating Division Admin.....	6,601,682	5,765,703	12,367,385
Total General & Administrative.....	26,565,247	24,156,672	50,721,919
TOTAL OPERATING EXPENSES.....	81,108,783	124,038,493	205,147,276
CAPITAL IMPROVEMENT EXPENSE.....	75,690,945	22,262,192	97,953,137
DEBT SERVICE ALLOCATION.....	49,463,726	55,591,786	105,055,512
METROPOLITAN SYSTEM INCOME CREDITS.....			
Operating Revenue.....	-	(6,323,189)	(6,323,189)
CIP - Revenue Bond Issue.....	-	-	-
Operating - Grant Revenue.....	-	-	-
CIP - Grant/SRF Revenue.....	-	(3,696,984)	(3,696,984)
TOTAL METROPOLITAN SYSTEM INCOME CREDITS.....	-	(10,020,173)	(10,020,173)
TOTAL ALLOCATION FOR BILLING PURPOSES.....	\$ 206,263,454	\$ 191,872,298	\$ 398,135,752

See Accompanying Notes to the Schedule of Allocation for Billing to Metropolitan Wastewater Utility.

CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT

Notes to the Schedule of Allocation for Billing to Metropolitan Wastewater Utility
For the Fiscal Year Ended June 30, 2015

Note 1 – General

The City of San Diego Public Utilities Department (the PUD) operates and maintains the Metropolitan Wastewater System (the Metropolitan System) and the Municipal Wastewater Collection System (the Municipal System). The Participating Agencies and the City of San Diego (the City) have entered into the Regional Wastewater Disposal Agreement dated May 18, 1998 and amended on May 15, 2000 and June 3, 2010, for their respective share of usage and upkeep of the Metropolitan Wastewater Utility. The accompanying Schedule of Allocation for Billing to Metropolitan Wastewater Utility (the Schedule), represents the allocation of expenses for billing related to the Metropolitan Wastewater Utility of the Participating Agencies.

The Metropolitan System and Municipal System are accounted for as enterprise funds and reported in the Sewer Utility Fund in the City’s Comprehensive Annual Financial Report.

Note 2 – Participating Agencies

The Participating Agencies consist of the following municipalities and districts:

City of Chula Vista	City of National City
City of Coronado	City of Poway
City of Del Mar	Lemon Grove Sanitation District
City of El Cajon	Otay Water District
City of Imperial Beach	Padre Dam Municipal Water District
City of La Mesa	San Diego County Sanitation District

Note 3 – Summary of Significant Accounting Policies

Basis of Presentation

The Schedule has been prepared for the purpose of complying with the Regional Wastewater Disposal Agreement between the City and the Participating Agencies as discussed in Note 1 above, and is presented on a modified cash basis of accounting. As a result, the Schedule is not intended to be a presentation of the changes in the financial position of the City or the PUD in conformity with generally accepted accounting principles. The more significant differences are:

1. Purchases of capital assets are presented as capital improvement expenses.
2. Depreciation expense on capital assets is not reported in the Schedule.
3. Payments of principal and interest related to long-term debt are reported as debt service allocation.
4. Exclusion in the Schedule for unbudgeted expenses related to compensated absences, liability claims, capitalized interest, pollution remediation, other postemployment benefits, net pension obligation, and landfill closure and postclosure care costs.

The preparation of the Schedule requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT

Notes to the Schedule of Allocation for Billing to Metropolitan Wastewater Utility (Continued)
For the Fiscal Year Ended June 30, 2015

Note 4 – Capital Improvement Expense

Construction costs incurred during the fiscal year to maintain and improve the Metropolitan Wastewater Utility and equipment purchases used in the maintenance of the Metropolitan Wastewater Utility are included in capital improvement expense.

Metropolitan Wastewater Utility capital improvement income credits include, if any, contributions-in-aid-of-construction received from Federal and State granting agencies and reimbursements from bond proceeds.

Note 5 – Debt Service Allocation

Debt service allocation represents a portion of the principal and interest payments relating to the Senior Sewer Revenue Bonds Series 2009A, the Senior Sewer Revenue Refunding Bonds Series 2009B and 2010A, and the outstanding State Revolving Fund (SRF) loans from the State of California.

Note 6 – Metropolitan System Income Credits

Metropolitan System income credits are revenues earned by the Metropolitan System for costs incurred during the current or previous fiscal years. The PUD has agreed to share the income credits from the South Bay Water Reclamation Facility in accordance with the 1998 Regional Wastewater Disposal Agreement. An agreement was reached in fiscal year 2015 regarding revenue generated from the South Bay Water Reclamation Facility and revenue sharing payments were issued for the fiscal years from 2006 through 2014 to Participating Agencies. Revenue sharing payments for fiscal year 2015 of approximately \$1.2 million, were transferred from the Water Fund to the Metro Fund in the fiscal year 2016 and are not included in the Schedule.

Note 7 – Total Allocation for Billing Purposes

Costs to be billed to Participating Agencies include all individual construction projects costs and operation and maintenance expenses attributable to the Metropolitan System. Costs are apportioned back to the Participating Agencies based on their percentage of each of the totals of flow, suspended solids and chemical oxygen demand (COD). Each Participating Agency and the City are sampled quarterly, with plants sampled daily. Beginning in fiscal year 2014, the percentages were determined from a new sample data set taken during the fiscal year and annual monitored flow.

For construction projects, percentages were allocated to flow, suspended solids and COD based on each of the project's design and function. The percentages are weighted by total project costs and combined to determine the final three derived percentages. Total annual costs are then allocated based on the three derived percentages and the measured flow, suspended solids and COD of each Participating Agency.

Operation and maintenance (O&M) costs as a percentage of flow, suspended solids and COD are evaluated based on four cost categories: pump stations, plant operations, technical services and cogeneration. These percentages are weighted by the annual O&M costs for each category, and combined to determine a derived percentage for administrative costs. All O&M costs are then allocated based on the measured flow, suspended solids and COD of each Participating Agency.

CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT

Notes to the Schedule of Allocation for Billing to Metropolitan Wastewater Utility (Continued)

For the Fiscal Year Ended June 30, 2015

Note 8 – Administrative Protocol

In May 2010, the City of San Diego and all Participating Agencies signatory to the Regional Wastewater Disposal Agreement established an Administrative Protocol (Protocol) which was effective beginning in fiscal year 2010. The Protocol established a requirement that the Participating Agencies maintain a 1.2 debt service coverage ratio on parity debt, fund a 45-day operating reserve, and earn interest on the operating and unrestricted reserve accounts. All interest earned during fiscal year 2015 was credited to the operating reserve, which ended the fiscal year with a 45-day reserve.



Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Schedule of Allocation for Billing to Metropolitan Wastewater Utility Performed in Accordance with *Government Auditing Standards*

To the Honorable Mayor and City
Council of the City of San Diego
San Diego, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Schedule of Allocation for Billing to Metropolitan Wastewater Utility (the Schedule) of the City of San Diego Public Utilities Department (PUD), an enterprise fund of the City of San Diego, California (the City), for the fiscal year ended June 30, 2015, and the related notes to the Schedule, and have issued our report thereon dated February 27, 2017. Our report contained an explanatory paragraph indicating that the Schedule was prepared for the purpose of complying with, and in conformity with, the accounting practices prescribed by the Regional Wastewater Disposal Agreement between the City of San Diego and the Participating Agencies in the Metropolitan Wastewater System dated May 18, 1998 and amended on May 15, 2000 and June 3, 2010.

Internal Control over Financial Reporting

In planning and performing our audit of the Schedule, we considered the PUD’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedule, but not for the purpose of expressing an opinion on the effectiveness of the PUD’s internal control. Accordingly, we do not express an opinion on the effectiveness of the PUD’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of finding and response as item 2015-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the PUD's Schedule is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of schedule amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of San Diego Public Utility Department's Response to Finding

The PUD's response to the finding identified in our audit is described in the accompanying schedule of finding and response. The PUD's response was not subjected to the auditing procedures applied in the audit of the schedule and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Macias Gini & O'Connell LLP". The signature is written in a cursive, slightly slanted style.

San Diego, California
February 27, 2017

CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT

Schedule of Finding and Response
For the Fiscal Year Ended June 30, 2015

2015-001 Preparation of Schedule of Allocation for Billing to the Metropolitan System (Schedule)

Criteria

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Condition

To substantiate the completeness and accuracy of the Schedule, we performed a reconciliation of the total operating expenses recorded in the Sewer Fund as reported in the City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015, to the expenses reported in the Schedule, and noted a reconciling item relating to the State Revolving Fund (SRF) loan payment transfer in the amount of \$7,609,804 that was erroneously included in the Schedule.

The inclusion of the SRF loan payment transfer transaction in the Schedule resulted in amounts, as originally reported, for "Total Allocation for Billing Purposes" of \$207,814,043 for the Municipal System and \$197,931,513 for the Metropolitan System.

Cause

In fiscal year 2015, the Office of the City Comptroller (Comptroller's Office) implemented new procedures related to debt service payments recorded in the Sewer Fund for financial reporting preparation. The new procedure requires the elimination of account numbers associated with the transfer of SRF loan payments in the process of preparing the Schedule.

Elimination of SRF loan payment transfer recorded in account numbers 516032 and 516033 was overlooked during the preparation of the Schedule.

Effect

Due to the inclusion of the SRF loan payment transfer transactions, amounts originally reported as "Total Allocation for Billing Purposes" in the Schedule were overstated by \$7,609,804, and as a result the Schedule reflected that the participating agencies had underpaid by \$391,628 for the fiscal year ended June 30, 2015.

However, after the adjustment to the Schedule eliminating the recording and effect of the SRF loan payment transfer, the final "Total Allocation for Billing Purposes" amounts reported were \$206,263,454 for the Municipal System and \$191,872,298 for the Metropolitan System, resulting in an overpayment by the participating agencies of \$1,169,021 for the fiscal year ended June 30, 2015.

Recommendation

We recommend that the Comptroller's Office and PUD collaborate and improve upon their established review procedures of all financial schedules generated from the SAP financial accounting system used in the preparation of the Schedule. Procedures and processes should be re-evaluated to determine whether changes are necessary which provide greater assurance that errors, which could be material to the Schedule, are prevented, or detected and corrected.

CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT

Schedule of Finding and Response (Continued)

For the Fiscal Year Ended June 30, 2015

Furthermore, there could be improved communication between the Comptroller's Office and PUD regarding the completeness and accuracy of the Schedule, as well as high-level analytical review by responsible management concerning the overall reasonableness of the Schedule.

Management Response

The Comptroller's Office and PUD agree with the recommendations. The audit finding by MGO occurred during the PUD and Comptroller's Office continuing review of Exhibit E billing allocation. PUD and the Comptroller's Office provided MGO with the annual schedule of applicable costs; however, PUD and Comptroller's Office management subsequently identified a potential issue as anticipated billings did not match with actual calculations. PUD and the Comptroller's Office were continuing to research the cause when MGO identified the issue regarding the SRF loan payment that had been included erroneously. Both PUD and the Comptroller's Office have identified process improvements and internal controls that help address this specific issue that occurred in the FY 2015 Exhibit E preparation in addition to other internal controls improvement; including:

- PUD and Comptroller's Office Deputy Director or appropriate level designee review and approve prior to submitting finalized information to MGO;
- Greater collaboration among Comptroller's Office and PUD staff responsible for Exhibit E preparation, to include monthly onsite staffing by the Comptroller's Office at PUD's main facility at a minimum;
- Improved timeline clarity between PUD / Comptroller's Office / MGO as to specific deliverables, timelines, review period, etc.
- Documentation of significant process workflows through a series of work instructions, with an annual review to identify any changes to the procedures.

The establishment of these additional controls will specifically address process workflow and improvement between PUD and the Comptroller's Office, in addition to aiding MGO in finalizing the audited review of fiscal year information.

TABLE A

CITY OF SAN DIEGO - METROPOLITAN WASTEWATER DEPARTMENT
 FISCAL YEAR 2015 ESTIMATED UNIT COSTS
 FUNCTIONAL-DESIGN COST ALLOCATION METHOD

TREATMENT PARAMETER	FY 2015 BUDGET		UNITS	COST PER UNIT
	AMOUNT	%		
WASTEWATER FLOW	\$95,241,100	49.6%	57,899 (a)	\$1,644.94 /per Million Gallons
SUSPENDED SOLIDS	\$51,107,255	26.6%	177,279 (b)	\$288.29 /per Thousand Pounds
CHEMICAL OXYGEN DEMAND	\$45,523,944	23.7%	318,146 (c)	\$143.09 /per Thousand Pounds
TOTAL	\$191,872,299	100%		

(a) Units of Flow - Million Gallons Per Year

(b) Units of SS - Thousands of Pounds per Year

(c) Units of COD - Thousands of Pounds per Year

TABLE B

CITY OF SAN DIEGO - METROPOLITAN WASTEWATER DEPARTMENT
 PROJECTED DISTRIBUTION OF SYSTEM WASTEWATER COSTS - FISCAL YEAR 2015
 FUNCTIONAL-DESIGN BASED ALLOCATION METHOD

AGENCY	ALLOCATION OF COSTS BY FLOW, SUSPENDED SOLIDS AND CHEMICAL OXYGEN DEMAND				TOTAL PAID FOR FY 2015	DIFFERENCE
	FLOW (a)	SS (a)	COD (a)	TOTAL FLOW, SS & COD		
CHULA VISTA	\$9,906,794	\$5,285,831	\$4,858,571	\$20,051,196	\$19,587,912	\$463,284
CORONADO	975,973	572,488	412,382	1,960,843	\$2,449,228	(\$488,385)
DEL MAR	348,426	228,808	121,003	698,237	\$290,304	\$407,933
EAST OTAY MESA	35,919	19,396	15,766	71,081	\$24,208	\$46,873
EL CAJON	4,556,461	2,794,551	2,125,926	9,476,938	\$8,308,856	\$1,168,082
IMPERIAL BEACH	1,356,868	551,293	495,118	2,403,279	\$2,462,124	(\$58,845)
LA MESA	2,751,677	1,087,227	976,419	4,815,323	\$4,631,956	\$183,367
LAKESIDE/ALPINE	1,726,457	997,234	843,750	3,567,441	\$3,340,924	\$226,517
LEMON GROVE	1,305,142	585,253	538,933	2,429,328	\$2,310,508	\$118,820
NATIONAL CITY	2,481,525	1,118,826	1,173,889	4,774,240	\$5,165,548	(\$391,308)
OTAY	130,583	285,559	162,731	578,873	\$1,020,276	(\$441,403)
PADRE DAM	1,307,268	1,493,987	983,949	3,785,204	\$3,392,941	\$392,264
POWAY	1,614,251	860,712	646,270	3,121,233	\$3,826,336	(\$705,103)
SPRING VALLEY	2,429,601	1,275,166	1,029,948	4,734,715	\$7,513,608	(\$2,778,893)
WINTERGARDENS	544,649	347,887	261,022	1,153,558	\$915,780	\$237,778
SUBTOTAL PARTICIPATING AGENCIES	\$31,471,594	\$17,504,218	\$14,645,677	\$63,621,489	\$65,240,509	(\$1,619,020)
SAN DIEGO	\$63,769,504	\$33,603,036	\$30,878,272	\$128,250,812		
TOTAL	\$95,241,098	\$51,107,254	\$45,523,949	\$191,872,301		

(a) Allocations based on estimated annual flows and strength loadings - See Table C

TABLE C

CITY OF SAN DIEGO - METROPOLITAN WASTEWATER DEPARTMENT
SYSTEM WASTEWATER CHARACTERISTICS - FISCAL YEAR 2015
SYSTEM STRENGTH LOADINGS INCLUDED

AGENCY	WASTEWATER CHARACTERISTICS			UNADJUSTED ANNUAL USE			ADJUSTED ANNUAL USE				
	AVERAGE FLOW - mgd (a)	SS mg/l (b)	COD mg/l (b)	2015 FLOWS million gallons	SS thousand pounds	COD thousand pounds	2015 FLOWS million gallons	Flow Difference (c)	FY 2015 Billing Flows	SS thousand pounds	COD thousand pounds
CHULA VISTA	15.534	268	742	5,669.930	12,696	35,115	6,088.794	(66.220)	6,022.574	18,335	33,954
CORONADO	1.530	295	639	558.576	1,375	2,980	599.841	(6.524)	593.317	1,986	2,882
DEL MAR	0.546	330	526	199.414	550	875	214.145	(2.329)	211.816	794	846
EAST OTAY MESA	0.056	272	664	20.558	47	114	22.076	(0.240)	21.836	67	110
EL CAJON	7.145	308	706	2,607.788	6,712	15,365	2,800.437	(30.457)	2,769.980	9,694	14,857
IMPERIAL BEACH	2.128	204	552	776.573	1,324	3,578	833.942	(9.070)	824.872	1,912	3,460
LA MESA	4.315	199	537	1,574.861	2,611	7,057	1,691.203	(18.393)	1,672.810	3,771	6,824
LAKESIDE/ALPINE	2.707	291	740	988.099	2,395	6,098	1,061.094	(11.540)	1,049.554	3,459	5,897
LEMON GROVE	2.046	226	625	746.969	1,406	3,895	802.151	(8.724)	793.427	2,030	3,766
NATIONAL CITY	3.891	227	716	1,420.245	2,687	8,484	1,525.165	(16.587)	1,508.578	3,881	8,204
OTAY	0.205	1,100	1,886	74.736	686	1,176	80.257	(0.873)	79.384	991	1,137
PADRE DAM	2.050	575	1,139	748.185	3,588	7,111	803.457	(8.738)	794.719	5,182	6,876
POWAY	2.531	268	606	923.880	2,067	4,671	992.132	(10.790)	981.342	2,986	4,516
SPRING VALLEY	3.810	264	642	1,390.528	3,063	7,444	1,493.252	(16.240)	1,477.012	4,423	7,198
WINTERGARDENS	0.854	321	725	311.718	836	1,887	334.746	(3.641)	331.105	1,207	1,824
SUBTOTAL PARTICIPATING AGENCIES	49.348	280	704	18,012.059	42,044	105,851	19,342.691	(210.365)	19,132.326	60,718	102,352
SAN DIEGO	99.992	265	733	36,497.039	80,712	223,172	39,193.241	(426.253)	38,766.988	116,561	215,794
REGIONAL SLUDGE RETURNS	11.032	264	166	4,026.834	8,875	5,591					
FLOW DIFFERENCE	(1.744)			(636.618)	45,648	(16,468)					
TOTAL	158.628	367	658	57,899.314	177,279	318,146	58,535.932	(636.618)	57,899.314	177,279	318,146

(a) Flows based on metered, housecounts and inter-agency flow, adjustment to City of San Diego flow for centrate, chemical additions reduction, plus an addition for recycled water. Otay flow is bypass flow plus returned solids flow.

(b) SS and COD characteristics based on samples taken by PUD's Environmental Monitoring and Technical Services Division through June 30, 2015 - proportionate share of return flow loadings calculated in the "ADJUSTED ANNUAL USE" BOX.

(c) Flow difference between metered/housecount and facility totals.

TABLE D

CITY OF SAN DIEGO - METROPOLITAN WASTEWATER DEPARTMENT
 ALLOCATION OF FISCAL YEAR 2015 ESTIMATED BUDGET
 FUNCTIONAL-DESIGN BASED ALLOCATION METHOD

DESCRIPTION	FY 2015 ACTUAL COSTS	ALLOCATION OF COSTS						
		FLOW %	FLOW COSTS	SS %	SS COSTS	COD %	COD COSTS	TOTAL COSTS
<u>OPERATION AND MAINTENANCE :</u>								
TRANSMISSION AND SYSTEM MAINTENANCE	\$12,915,228	100.0%	\$12,915,228	0.0%	\$0	0.0%	\$0	\$12,915,228
OPERATIONS & MAINTENANCE	56,424,710	37.4%	21,085,019	33.6%	18,968,558	29.0%	16,371,133	56,424,710
TECHNICAL SERVICES	10,856,370	30.0%	3,256,911	40.0%	4,342,548	30.0%	3,256,911	10,856,370
COGENERATION	782,146	0.0%	0	60.0%	469,287	40.0%	312,858	782,146
METRO ADMIN & GENERAL EXPENSES - 41508	23,167,917	46.0%	10,659,264	29.4%	6,803,565	24.6%	5,705,087	23,167,917
METRO ADMIN & GENERAL EXPENSES - 41509	16,610,623	46.0%	7,642,337	29.4%	4,877,929	24.6%	4,090,357	16,610,623
TOTAL OPERATIONS AND MAINTENANCE	\$120,756,993	46.01%	\$55,558,759	29.37%	\$35,461,888	24.62%	\$29,736,346	\$120,756,993
<u>CAPITAL IMPROVEMENT PROGRAM :</u>								
PAY-AS-YOU-GO METRO 41508	6,451,607	55.8%	3,599,997	22.0%	1,419,353	22.2%	1,432,257	6,451,607
PAY-AS-YOU-GO METRO 41509	9,071,913	55.8%	5,062,127	22.0%	1,995,821	22.2%	2,013,965	9,071,913
DEBT SERVICE	55,591,786	55.8%	31,020,217	22.0%	12,230,193	22.2%	12,341,376	55,591,786
TOTAL CAPITAL IMPROVEMENT PROGRAM	\$71,115,305	55.8%	\$39,682,341	22.0%	\$15,645,367	22.2%	\$15,787,598	\$71,115,306
TOTAL O&M & CAPITAL IMPROVEMENT PROGRAM	\$191,872,298	49.6%	\$95,241,100	26.6%	\$51,107,255	23.7%	\$45,523,944	\$191,872,299

Attachment 6
FY 2018 City
of San Diego
Proposed
Metro Budget

Public Utilities
FY 2018 Proposed Budget – Metro
Metro Tac Presentation

May 17, 2017



Fiscal Year 2018 Proposed Budget

Metro Sewer Fund Summary

Non-General Fund	FTE	FY 2017 Adopted Budget	FTE	FY 2018 Proposed Budget	FTE	Change from FY 2017 Adopted
Metro Sewer Fund	462.20	\$220,304,391	458.86	\$224,055,110	(3.34)	\$3,750,719
Revenue		\$89,148,822		\$93,803,626		\$4,654,804



Fiscal Year 2018 Proposed Budget - Expense

Commitment Item Group	FY 2017 Adopted Budget	FY 2018 Proposed Budget	Change from FY 2017 Adopted Budget
Personnel Cost	29,655,612	29,474,819	(180,793)
Fringe Benefits	19,221,033	21,808,943	2,587,910
Supplies	21,312,782	21,662,766	349,984
Contracts	52,664,085	45,984,234	(6,679,851)
Information Technology	5,068,982	6,710,133	1,641,151
Capital Expenses	3,379,078	3,585,417	206,339
Debt Expenses	15,255	15,255	1
Energy and Utilities	17,392,348	16,259,611	(1,132,737)
Transfers Out	67,696,383	74,743,616	7,047,233
Contingencies	3,500,000	3,500,000	-
Other Expenses	398,834	310,316	(88,518)
Total	220,304,391	224,055,110	3,750,719



Fiscal Year 2018 Proposed Budget - Revenue

Commitment Item Group	FY 2017 Adopted Budget	FY 2018 Proposed Budget	Change from FY 2017 Adopted Budget
Charges for Current Services	69,195,422	80,163,726	10,968,304
Transfers In	-	10,889,900	10,889,900
Other Revenue	100,000	100,000	-
Revenue from Other Agencies	19,719,000	-	(19,719,000)
Revenue from Federal Agencies	-	1,350,000	1,350,000
Revenue from Use of Money and Property	134,400	1,300,000	1,165,600
Total	89,148,822	93,803,626	4,654,804



Summary of Major Revenue Changes

Revenue

- Addition of \$312k for the Infrastructure Asset Management Project
- Addition of \$1.1M for Interest on Pooled Investments
- Addition of \$1.4M for Pure Water Grants
- Addition of \$3.5M for Recycled Water Sales from Water to Metro
- Addition of \$5.0M for Participating Agency Contributions
- Reduction of \$8.8M in State Revolving Fund Proceeds



Summary of Major Expense Changes

Expense

- Addition of \$6.2M for Non-Discretionary adjustments
- Addition of \$2.4M for Salary and Benefit adjustments
- Addition of \$1.6M for Information Technology support
- Addition of \$1.4M for Laboratory Supplies, Equipment, and Facility Improvements
- Addition of \$1.0M for Condition Assessments associated with programmatic wastewater pipelines and CIP project planning
- Reduction of \$5.6M to reflect the removal of one-time expenditures, and the annualization expenditures implemented in Fiscal Year 2017



Pure Water FY 18 Proposed Budget Wastewater Detail

Task Order	Title	Consultant	Budget Allocation	FY18 Amount
Task Order #12	Regulatory Support	Montgomery Watson Harza	50% Water / 50% Wastewater	\$ 237,839
Task Order #13	Ken Weinberg (Environmental Support)	Montgomery Watson Harza	50% Water / 50% Wastewater	\$ 12,440
Task Order #19	Public Outreach and Education Services	Montgomery Watson Harza	50% Water / 50% Wastewater	\$ 360,000
Task Order #23	Program Management Office	Montgomery Watson Harza	50% Water / 50% Wastewater	\$ 2,308,500
Task Order #9	Kleinfelder/NCWRP Tertiary Filter & Pathogen Study	Kleindlfer	95% Water / 5% Wastewater	\$ 9,000
	Preliminary Environmental Impact Report /			
	Environmental Impact Report		50% Water / 50% Wastewater	\$ 600,000
	Miscellaneous Contracts		50% Water / 50% Wastewater	\$ 500,000
				\$ 4,027,779

Totals differ slightly from the IROC presentation due to non-discretionary accounts



Fiscal Year 2018 CIP Budget Metro Fund

Project	FY 2018 Proposed Budget
PURE Water Program / ALA00001	\$27,145,387
PS2 Power Reliability & Surge Protection / S00312	\$14,024,768
Metropolitan Waste Water Department Trunk Sewers / AJB00001	\$6,104,584
Metro Treatment Plants / ABO00001	\$4,250,000
I AM San Diego Project / S14000	\$522,867
City Facilities Improvements / ABT00001	\$100,000
Total	\$52,147,606



Questions/Comments

Public Utilities

Metropolitan Sewer Utility Fund

Department Expenditures

	FY2016 Actual	FY2017 Budget	FY2018 Proposed	FY2017–2018 Change
Metropolitan Wastewater - Metro	\$ 79,141,507	\$ -	\$ -	\$ -
Public Utilities	108,578,487	220,304,391	224,055,110	3,750,719
Total	\$ 187,719,993	\$ 220,304,391	\$ 224,055,110	\$ 3,750,719

Department Personnel

	FY2016 Budget	FY2017 Budget	FY2018 Proposed	FY2017–2018 Change
Metropolitan Wastewater - Metro	271.08	0.00	0.00	0.00
Public Utilities	191.13	462.20	458.86	(3.34)
Total	462.21	462.20	458.86	(3.34)

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Non-Discretionary Adjustment Adjustment to expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.	0.00	\$ 6,214,657	\$ -
Salary and Benefit Adjustments Adjustments to reflect savings resulting from vacant positions for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiations.	0.01	2,442,943	-
Support for Information Technology Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements.	0.00	1,641,151	-
Laboratory Supplies and Equipment Addition of non-personnel expenditures for laboratory supplies, equipment, and facility improvements.	0.00	1,420,620	-
Condition Assessments Addition of non-personnel expenditures for condition assessments associated with programmatic wastewater pipelines and CIP project planning.	0.00	1,040,000	-
Wastewater Planning Addition of non-personnel expenditures to assess operational efficiencies at wastewater facilities.	0.00	620,000	-
Wastewater Pipeline Project Addition of non-personnel expenditures associated with heavy pipeline cleanup for the Ferrous Line Improvement project.	0.00	500,000	-
Public Utilities Restructure Reallocation among funds as a result of departmental efficiency efforts.	(1.97)	130,994	-

Public Utilities

Significant Budget Adjustments (Cont'd)

	FTE	Expenditures	Revenue
IAM Project Addition of non-personnel expenditures and associated revenue for the Infrastructure Asset Management (IAM) project.	0.00	121,000	312,204
Security Equipment Addition of non-personnel expenditures to support the planning, repair and maintenance of critical security equipment.	0.00	115,500	-
Marine Biology and Ocean Operations Addition of non-personnel expenditures for consulting services associated with marine biology and ocean operations.	0.00	99,000	-
Southern California Coastal Water Research Project Joint Powers Agreement Addition of non-personnel expenditures for the annual Joint Powers Authority (JPA) member agency contribution.	0.00	25,000	-
Overtime Adjustment Addition of overtime personnel expenditures related to emergency operations, vacancies and long-term absences.	0.00	16,500	-
Supplemental Cost of Living Adjustment (COLA) Adjustment to reflect the allocation of the pay-go costs for the continued funding of the Supplemental COLA Benefit.	0.00	1,412	-
Bond Administrative Fees Addition of non-personnel expenditures for miscellaneous bond administration fees and contractual services.	0.00	1,248	-
Hourly Sick Leave Adjustment to reflect prior year expenditure trends, related to paid sick leave benefits for eligible hourly employees consistent with the requirements of Assembly Bill 1522.	0.00	(1,507)	-
Non-Standard Hour Personnel Funding Funding allocated according to a zero-based annual review of hourly funding requirements.	(0.38)	(57,659)	-
Human Resources Functions Consolidation Transfer of 0.99 positions to the Human Resources Department from the Public Utilities Department for centralized human resources support.	(0.99)	(124,154)	-
State Revolving Fund (SRF) Adjustment Reduction of non-personnel expenditures for SRF loan repayments to reflect amortization schedules for Fiscal Year 2018.	0.00	(456,313)	-
Pure Water Program Reduction of non-personnel expenditures associated with consulting services for the Pure Water program.	0.00	(643,318)	-
Equipment Maintenance Reduction of non-personnel expenditures for equipment, maintenance, and repair.	0.00	(774,869)	-
Contractual Reductions Reduction of non-personnel expenditures associated with Metropolitan Sewer Utility Agency waste disposal contracts.	0.00	(3,000,000)	-

Public Utilities

Significant Budget Adjustments (Cont'd)

	FTE	Expenditures	Revenue
One-Time Reductions and Annualizations	0.00	(5,581,486)	-
Adjustment to reflect the removal of one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2017.			
Revised Revenue	0.00	-	4,342,600
Adjustment to reflect revised revenue projections.			
Total	(3.33)	\$ 3,750,719	\$ 4,654,804

Expenditures by Category

	FY2016 Actual	FY2017 Budget	FY2018 Proposed	FY2017-2018 Change
PERSONNEL				
Personnel Cost	\$ 28,690,800	\$ 29,655,612	\$ 29,474,819	\$ (180,793)
Fringe Benefits	18,024,071	19,221,033	21,808,943	2,587,910
PERSONNEL SUBTOTAL	46,714,870	48,876,645	51,283,762	2,407,117
NON-PERSONNEL				
Supplies	\$ 21,540,223	\$ 21,312,782	\$ 21,662,766	\$ 349,984
Contracts	38,097,414	52,664,085	45,984,234	(6,679,851)
Information Technology	4,557,943	5,068,982	6,710,133	1,641,151
Energy and Utilities	10,037,365	17,392,348	16,259,611	(1,132,737)
Other	232,343	398,834	310,316	(88,518)
Contingencies	-	3,500,000	3,500,000	-
Transfers Out	64,682,089	67,696,383	74,743,616	7,047,233
Capital Expenditures	2,272,653	3,379,078	3,585,417	206,339
Debt	(414,907)	15,254	15,255	1
NON-PERSONNEL SUBTOTAL	141,005,123	171,427,746	172,771,348	1,343,602
Total	\$ 187,719,993	\$ 220,304,391	\$ 224,055,110	\$ 3,750,719

Revenues by Category

	FY2016 Actual	FY2017 Budget	FY2018 Proposed	FY2017-2018 Change
Charges for Services	\$ 69,835,271	\$ 69,195,422	\$ 80,163,726	\$ 10,968,304
Other Revenue	247,273	100,000	100,000	-
Rev from Federal Agencies	-	-	1,350,000	1,350,000
Rev from Money and Prop	1,802,334	134,400	1,300,000	1,165,600
Rev from Other Agencies	29,500	19,719,000	-	(19,719,000)
Transfers In	19,928,760	-	10,889,900	10,889,900
Total	\$ 91,843,139	\$ 89,148,822	\$ 93,803,626	\$ 4,654,804

Personnel Expenditures

Job Number	Job Title / Wages	FY2016 Budget	FY2017 Budget	FY2018 Proposed	Salary Range	Total
FTE, Salaries, and Wages						
20000011	Account Clerk	4.89	4.89	4.56	\$31,491 - \$37,918	\$ 170,742
20000007	Accountant 3	0.33	0.33	0.33	59,363 - 71,760	23,676
20000102	Accountant 4	0.33	0.33	0.33	66,768 - 88,982	29,365
90000102	Accountant 4 - Hourly	0.00	0.10	0.10	66,768 - 88,982	8,898
20000012	Administrative Aide 1	1.10	0.44	0.77	36,962 - 44,533	32,767
20000024	Administrative Aide 2	5.19	5.85	6.51	42,578 - 51,334	318,699

Public Utilities

Personnel Expenditures (Cont'd)

Job Number	Job Title / Wages	FY2016 Budget	FY2017 Budget	FY2018 Proposed	Salary Range	Total
20000057	Assistant Chemist	24.00	23.00	23.00	53,789 - 65,333	1,436,068
20001140	Assistant Department Director	1.16	1.16	1.16	31,741 - 173,971	162,403
20001202	Assistant Deputy Director	1.00	1.00	1.00	23,005 - 137,904	115,000
90001202	Assistant Deputy Director - Hourly	0.00	0.35	0.35	23,005 - 137,904	28,159
20000070	Assistant Engineer-Civil	8.42	8.42	8.19	57,866 - 69,722	531,889
20000087	Assistant Engineer-Mechanical	0.61	0.61	0.61	57,866 - 69,722	35,294
20000080	Assistant Laboratory Technician	1.00	1.00	1.00	33,696 - 40,602	40,602
20000041	Assistant Management Analyst	0.33	0.33	0.33	44,470 - 54,059	17,843
20001228	Assistant Metropolitan Wastewater Director	0.33	0.33	0.33	31,741 - 173,971	46,199
20000140	Associate Chemist	7.25	7.25	7.25	62,005 - 75,067	540,483
20000311	Associate Department Human Resources Analyst	1.65	1.65	0.66	54,059 - 65,333	43,130
20000145	Associate Engineer-Civil	0.83	1.16	1.33	66,622 - 80,454	101,252
20000143	Associate Engineer-Civil	11.34	10.73	10.95	66,622 - 80,454	857,847
90000143	Associate Engineer-Civil - Hourly	0.35	0.00	0.00	66,622 - 80,454	-
20000150	Associate Engineer-Electrical	2.61	3.22	3.22	66,622 - 80,454	245,228
90000150	Associate Engineer-Electrical - Hourly	0.00	0.35	0.35	66,622 - 80,454	25,626
20000154	Associate Engineer-Mechanical	0.61	0.61	0.61	66,622 - 80,454	47,238
20000132	Associate Management Analyst	0.33	0.33	0.33	54,059 - 65,333	17,843
20000119	Associate Management Analyst	11.21	11.04	11.10	54,059 - 65,333	669,724
20000134	Associate Management Analyst	0.33	0.33	0.33	54,059 - 65,333	21,565
90000119	Associate Management Analyst - Hourly	0.08	0.08	0.08	54,059 - 65,333	4,749
20000162	Associate Planner	0.34	0.34	0.46	56,722 - 68,536	27,046
20000655	Biologist 2	6.00	6.00	7.00	53,726 - 65,333	442,680
20000649	Biologist 3	0.24	0.24	0.24	62,005 - 75,067	17,662
20000648	Biologist 3	1.50	3.50	3.50	62,005 - 75,067	241,350
20000195	Boat Operator	1.00	1.00	1.00	43,493 - 51,896	49,054
20000201	Building Maintenance Supervisor	0.00	0.00	0.33	61,859 - 74,797	24,314
20000205	Building Service Supervisor	1.34	1.34	1.34	45,718 - 55,286	74,079
20000224	Building Service Technician	2.34	2.34	1.34	33,322 - 39,666	52,916
20000539	Clerical Assistant 2	8.32	5.99	2.99	29,931 - 36,067	106,338
20000306	Code Compliance Officer	0.44	0.44	0.44	37,232 - 44,803	16,368
20000307	Code Compliance Supervisor	0.11	0.11	0.00	42,890 - 51,334	-
20000545	Contracts Processing Clerk	0.00	0.33	0.33	32,968 - 39,811	13,138
20001168	Deputy Director	2.44	2.44	2.44	46,966 - 172,744	302,800
90001168	Deputy Director - Hourly	0.25	0.00	0.00	46,966 - 172,744	-
20000434	Electronics Technician	0.33	0.33	0.33	47,091 - 56,534	18,390
20000438	Equipment Painter	2.00	2.00	2.00	44,366 - 53,206	97,572
20000924	Executive Secretary	0.33	0.33	0.33	43,555 - 52,666	17,113
90000924	Executive Secretary - Hourly	0.11	0.00	0.00	43,555 - 52,666	-
20000461	Field Representative	0.55	0.55	0.55	32,323 - 38,917	20,865

Public Utilities

Personnel Expenditures (Cont'd)

Job Number	Job Title / Wages	FY2016 Budget	FY2017 Budget	FY2018 Proposed	Salary Range	Total
20000184	Fleet Parts Buyer	1.00	1.00	1.00	44,637 - 54,059	50,493
90000819	Golf Course Manager - Hourly	0.04	0.00	0.00	59,488 - 71,760	-
20000501	Heavy Truck Driver 2	3.00	3.00	3.00	37,565 - 45,302	135,906
20000178	Information Systems Administrator	0.34	0.34	0.34	73,466 - 88,982	30,253
20000290	Information Systems Analyst 2	3.06	2.04	2.04	54,059 - 65,333	125,398
20000293	Information Systems Analyst 3	2.38	2.38	2.38	59,363 - 71,760	166,560
20000998	Information Systems Analyst 4	1.36	1.36	1.36	66,768 - 80,891	108,857
20000999	Information Systems Analyst 4	1.00	1.00	1.00	66,768 - 80,891	80,891
20000514	Instrumentation and Control Supervisor	1.00	1.00	1.00	56,410 - 68,224	68,224
20000515	Instrumentation and Control Technician	8.00	8.00	8.00	51,896 - 62,296	459,348
90000515	Instrumentation and Control Technician - Hourly	0.35	0.35	0.70	51,896 - 62,296	39,706
20000497	Irrigation Specialist	0.33	0.33	0.33	37,814 - 45,261	14,843
20000590	Laboratory Technician	19.00	20.00	20.00	40,622 - 49,067	938,004
20000618	Machinist	4.00	4.00	4.00	46,134 - 55,266	211,103
90001073	Management Intern - Hourly	2.06	0.74	1.34	24,274 - 29,203	36,055
20000624	Marine Biologist 2	17.00	17.00	17.00	53,726 - 65,333	1,076,003
20000625	Marine Biologist 2	1.00	1.00	0.00	53,726 - 65,333	-
20000626	Marine Biologist 3	5.00	4.00	4.00	62,005 - 75,067	300,268
20000634	Organization Effectiveness Specialist 2	0.99	0.99	0.88	54,059 - 65,333	57,507
20000627	Organization Effectiveness Specialist 3	0.55	0.55	0.66	59,363 - 71,760	47,352
20000639	Organization Effectiveness Supervisor	0.66	0.66	0.33	66,768 - 80,891	26,350
20000667	Painter	3.00	3.00	3.00	41,600 - 49,962	144,014
20000680	Payroll Specialist 2	3.30	3.30	3.30	34,611 - 41,787	126,169
20000173	Payroll Supervisor	0.66	0.66	0.66	39,686 - 48,069	31,413
20000701	Plant Process Control Electrician	19.00	19.00	19.00	51,896 - 62,296	1,129,797
20000705	Plant Process Control Supervisor	6.33	6.33	7.33	56,410 - 68,224	491,654
20000703	Plant Process Control Supervisor	3.00	3.00	3.00	56,410 - 68,224	203,649
20000687	Plant Technician 1	22.00	21.00	21.00	37,814 - 45,261	912,567
20000688	Plant Technician 2	25.00	25.00	25.00	41,454 - 49,504	1,215,444
20000689	Plant Technician 3	14.00	14.00	14.00	45,490 - 54,434	758,365
20000706	Plant Technician Supervisor	9.00	9.00	8.00	52,666 - 62,837	501,753
20000732	Power Plant Operator	4.00	4.00	4.00	49,712 - 59,342	223,329
20000733	Power Plant Supervisor	2.00	2.00	2.00	55,141 - 66,581	133,162
21000184	Principal Backflow & Cross Connection Specialist	0.11	0.11	0.22	50,003 - 60,549	13,032
20000740	Principal Drafting Aide	0.88	0.88	0.88	50,003 - 60,549	52,881
20000743	Principal Engineering Aide	2.01	2.01	1.68	50,003 - 60,549	101,623

Public Utilities

Personnel Expenditures (Cont'd)

Job Number	Job Title / Wages	FY2016 Budget	FY2017 Budget	FY2018 Proposed	Salary Range	Total
20000707	Principal Plant Technician Supervisor	2.00	2.00	2.00	63,024 - 76,045	152,090
20000227	Procurement Specialist	0.00	1.00	1.00	49,109 - 59,488	59,488
20001222	Program Manager	4.47	4.47	3.75	46,966 - 172,744	410,152
90001222	Program Manager - Hourly	0.17	0.00	0.00	46,966 - 172,744	-
20000760	Project Assistant	0.12	0.12	0.12	57,866 - 69,722	8,263
20000761	Project Officer 1	0.24	0.24	0.24	66,622 - 80,454	17,507
90000761	Project Officer 1 - Hourly	0.04	0.00	0.00	66,622 - 80,454	-
20000763	Project Officer 2	0.73	0.73	0.73	76,794 - 92,851	67,149
20000766	Project Officer 2	0.44	0.44	0.22	76,794 - 92,851	18,661
20000768	Property Agent	0.11	0.11	0.11	59,363 - 71,760	7,777
20000783	Public Information Clerk	0.77	0.77	0.77	31,491 - 37,918	28,760
20001150	Public Utilities Director	0.33	0.33	0.33	59,155 - 224,099	65,340
20000319	Pump Station Operator	10.00	10.00	10.00	43,493 - 51,917	512,603
20000320	Pump Station Operator Supervisor	1.00	1.00	1.00	47,674 - 56,888	56,888
20000560	Recycling Program Manager	0.22	0.22	1.00	76,731 - 92,893	92,893
20000559	Recycling Program Manager	0.11	0.11	0.11	76,731 - 92,893	8,437
20000847	Safety Officer	0.66	0.66	0.66	57,907 - 69,930	46,156
20000854	Safety Representative 2	3.31	3.31	3.31	50,461 - 61,027	201,432
20001042	Safety and Training Manager	0.99	0.99	0.99	66,768 - 80,891	80,097
90001042	Safety and Training Manager - Hourly	0.35	0.35	0.00	66,768 - 80,891	-
20000869	Senior Account Clerk	0.76	0.76	0.76	36,067 - 43,514	32,175
21000183	Senior Backflow & Cross Connection Specialist	1.66	1.66	1.55	44,429 - 53,706	80,290
20000828	Senior Biologist	0.61	0.61	0.50	71,760 - 86,466	43,239
20000196	Senior Boat Operator	1.00	1.00	1.00	47,840 - 57,117	57,117
20000883	Senior Chemist	1.45	1.45	1.45	71,739 - 86,466	123,376
20000885	Senior Civil Engineer	3.87	3.87	3.87	76,794 - 92,851	358,672
20000890	Senior Civil Engineer	0.33	0.33	0.33	76,794 - 92,851	30,189
90000885	Senior Civil Engineer - Hourly	0.35	0.35	0.00	76,794 - 92,851	-
20000927	Senior Clerk/Typist	1.00	1.00	1.00	36,067 - 43,514	42,644
20000312	Senior Department Human Resources Analyst	0.33	0.33	0.00	59,363 - 71,760	-
20000400	Senior Drafting Aide	3.64	3.64	3.31	44,429 - 53,706	177,459
20000905	Senior Electrical Engineer	1.00	1.00	1.00	76,794 - 92,851	92,851
20000015	Senior Management Analyst	5.52	5.45	5.24	59,363 - 71,760	371,389
90000015	Senior Management Analyst - Hourly	0.00	0.08	0.08	59,363 - 71,760	5,741
20000880	Senior Marine Biologist	1.00	1.00	1.00	71,760 - 86,466	86,466
20000918	Senior Planner	0.23	0.34	0.34	65,354 - 79,019	25,785
20000920	Senior Planner	0.44	0.55	0.44	65,354 - 79,019	32,617
20000708	Senior Plant Technician Supervisor	7.33	7.33	7.33	60,070 - 72,467	530,706

Public Utilities

Personnel Expenditures (Cont'd)

Job Number	Job Title / Wages	FY2016 Budget	FY2017 Budget	FY2018 Proposed	Salary Range	Total
20000968	Senior Power Plant Supervisor	1.00	1.00	1.00	63,357 - 76,440	76,440
90000968	Senior Power Plant Supervisor - Hourly	0.35	0.35	0.00	63,357 - 76,440	-
20000938	Senior Wastewater Operations Supervisor	6.00	6.00	6.00	70,699 - 85,530	498,179
20000055	Senior Wastewater Plant Operator	1.00	2.00	2.00	56,534 - 67,621	133,322
20000950	Stock Clerk	5.34	5.34	5.34	30,056 - 36,275	188,999
20000955	Storekeeper 1	3.34	3.34	3.34	34,611 - 41,517	138,443
20000956	Storekeeper 2	2.00	2.00	2.00	37,835 - 45,718	90,522
20000954	Storekeeper 3	1.00	1.00	1.00	39,811 - 47,882	46,924
90000964	Student Engineer - Hourly	0.54	0.96	0.58	26,707 - 32,011	16,812
20000313	Supervising Department Human Resources Analyst	0.33	0.66	0.66	66,768 - 80,891	48,731
20000995	Supervising Economist	0.41	0.41	0.41	66,768 - 80,891	33,167
20000990	Supervising Field Representative	0.11	0.11	0.11	35,651 - 42,890	4,716
20000985	Supervising Management Analyst	0.11	0.11	0.11	66,768 - 80,891	8,903
20000970	Supervising Management Analyst	3.90	4.01	4.51	66,768 - 80,891	358,348
21000177	Trainer	1.98	1.98	1.98	54,059 - 65,333	117,171
20001041	Training Supervisor	0.22	0.22	0.55	59,363 - 71,760	38,519
20000937	Wastewater Operations Supervisor	25.00	25.00	25.00	64,667 - 77,293	1,916,846
20000941	Wastewater Plant Operator	42.00	41.00	41.00	53,830 - 64,397	2,467,277
20000931	Wastewater Treatment Superintendent	4.00	4.00	4.00	81,578 - 98,675	360,506
90000931	Wastewater Treatment Superintendent - Hourly	0.35	0.70	0.80	81,578 - 98,675	71,968
20001058	Welder	2.00	2.00	2.00	44,366 - 53,206	105,614
20000756	Word Processing Operator	5.32	7.21	9.10	31,491 - 37,918	336,586
	Bilingual - Regular					5,624
	Budgeted Vacancy Savings					(1,546,641)
	Exceptional Performance Pay-Classified					927
	Exceptional Performance Pay-Unclassified					1,045
	Geographic Info Cert Pay					2,655
	Night Shift Pay					99,597
	Overtime Budgeted					2,425,452
	Plant/Tank Vol Cert Pay					72,368
	Reg Pay For Engineers					172,356
	Sick Leave - Hourly					4,942
	Split Shift Pay					14,249
	Termination Pay Annual Leave					84,326
	Vacation Pay In Lieu					45,930
	Welding Certification					3,640
FTE, Salaries, and Wages Subtotal		462.21	462.20	458.86		\$ 29,474,819

Public Utilities

	FY2016 Actual	FY2017 Budget	FY2018 Proposed	FY2017-2018 Change
Fringe Benefits				
Employee Offset Savings	\$ 146,640	\$ 140,448	\$ 139,845	\$ (603)
Flexible Benefits	3,378,375	4,356,819	4,978,365	621,546
Long-Term Disability	83,513	84,958	-	(84,958)
Medicare	395,348	365,496	364,801	(695)
Other Post-Employment Benefits	2,530,145	2,583,434	2,562,958	(20,476)
Retiree Medical Trust	14,139	17,589	18,900	1,311
Retirement 401 Plan	20,433	20,049	19,472	(577)
Retirement ADC	8,546,062	8,698,892	10,747,936	2,049,044
Retirement DROP	136,007	127,543	150,403	22,860
Risk Management Administration	429,854	445,999	432,275	(13,724)
Supplemental Pension Savings Plan	1,642,846	1,655,861	1,664,503	8,642
Unemployment Insurance	47,540	48,716	47,553	(1,163)
Workers' Compensation	653,168	675,229	681,932	6,703
Fringe Benefits Subtotal	\$ 18,024,071	\$ 19,221,033	\$ 21,808,943	\$ 2,587,910
Total Personnel Expenditures			\$ 51,283,762	

Municipal Sewer Revenue Fund

Department Expenditures

	FY2016 Actual	FY2017 Budget	FY2018 Proposed	FY2017-2018 Change
Metropolitan Wastewater - Muni	\$ 45,983,700	\$ -	\$ -	\$ -
Public Utilities	76,774,684	133,936,893	128,102,050	(5,834,843)
Total	\$ 122,758,385	\$ 133,936,893	\$ 128,102,050	\$ (5,834,843)

Department Personnel

	FY2016 Budget	FY2017 Budget	FY2018 Proposed	FY2017-2018 Change
Metropolitan Wastewater - Muni	234.00	0.00	0.00	0.00
Public Utilities	175.32	400.71	401.04	0.33
Total	409.32	400.71	401.04	0.33

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Pipeline Condition Assessments Addition of non-personnel expenditures for condition assessments associated with programmatic wastewater pipelines and CIP project planning.	0.00	\$ 1,750,000	\$ -
Salary and Benefit Adjustments Adjustments to reflect savings resulting from vacant positions for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiations.	(0.01)	1,250,152	-
Support for Information Technology Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements.	0.00	871,467	-

**Attachment 7 i.
FY 2018 Metro
Wastewater
JPA Budget**

**METRO WASTEWATER JPA
PROPOSED BUDGET - FY '18**

	FY 17					FY '18		
	Actual Through 3/31/17	Forecast Through 6/30/17	Annual Budget	Forecast Over (Under) Budget	% of Budget	Proposed Budget	Difference from FY '17 Forecast	Difference from FY '17 Budget
Income								
Membership Dues	\$ 85,250	\$ 113,667	\$ 113,675	\$ (8)	100%	\$ 393,040	\$ 279,373	\$ 113,667
Interest Income	44	59	50	(9)	117%	60	1	(1)
Total Income	\$ 85,294	\$ 113,725	\$ 113,725	\$ (17)	100%	\$ 393,100	\$ 279,375	\$ 113,665
Expense								
Administrative Assistant-LP	\$ -	\$ 7,000	\$ 8,000	\$ (1,000)	88%	\$ 8,000	\$ 1,000	\$ -
Bank Charges	-	-	200	(200)	0%	200	200	-
Contingency	-	-	-	-	-	50,000	50,000	50,000
Dues & Subscriptions	-	600	600	-	100%	600	-	-
Financial Services								
Audit Fees	6,000	10,000	12,000	(2,000)	83%	-	(10,000)	(12,000)
Treasury Services-Padre	13,214	19,000	19,000	-	100%	19,000	-	-
JPA/TAC meeting expenses	3,859	5,146	5,000	146	103%	5,000	(146)	-
Miscellaneous	-	-	250	(250)	0%	250	250	-
Per Diem - Board	10,350	15,000	18,000	(3,000)	83%	18,000	3,000	-
Printing, Postage, Supplies	106	250	500	(250)	50%	500	250	-
Professional Services								
Atkins (Engineering)	6,000	10,000	50,000	(40,000)	20%	-	(10,000)	(50,000)
BB&K (Legal)	47,130	94,097	45,000	49,097	209%	60,000	(34,097)	15,000
Dexter Wilson Engineering ⁽¹⁾	-	-	-	-	-	77,550	77,550	77,550
Keze Group (Finance)	45,080	65,000	65,000	-	100%	75,200	10,200	10,200
NV5 (Engineering)	-	-	-	-	-	75,000	75,000	75,000
Telephone	-	1,200	1,400	(200)	86%	1,400	200	-
Website Maintenance & Hosting	1,895	2,400	2,400	-	100%	2,400	-	-
Total Expense	\$ 133,635	\$ 229,693	\$ 227,350	\$ 2,343	101%	\$ 393,100	\$ 163,407	\$ 165,750
Net Income (Loss)	\$ (48,341)	\$ (115,968)	\$ (113,625)	\$ (2,360)	102%	\$ -	\$ 115,968	\$ (52,085)

(1) Paid via reimbursement agreement with City of Lemon Grove

JPA RESERVE REQUIREMENT

Fund Balance at 3/31/17	\$ 250,042
Projected Net Loss FY '17	<u>(115,968)</u>
Projected Fund Balance @ 6/30/17	134,074
FY '18 Required Operating Reserve (4 Months Operating Expenses)	<u>(114,367)</u>
Contingency	<u>50,000</u>
Projected Fund Balance @ 6/30/17 Over/(Under) Required Reserves	<u>\$ 69,708</u>

PROPOSED AGENCY BILLING
FY '18

	FY '17		Proposed - FY '18	
	JPA Cost Distribution %	Total Agency Billings	JPA Cost Distribution %	Total Agency Billings
Chula Vista	31.48%	\$ 35,777	30.73%	\$ 120,806
Coronado	3.10%	3,524	4.58%	17,998
County of SD *	15.05%	17,106	15.71%	61,737
Del Mar	1.11%	1,258	0.06%	229
El Cajon	14.48%	16,454	14.26%	56,037
Imperial Beach	4.31%	4,899	3.82%	14,997
La Mesa	8.74%	9,936	7.59%	29,832
Lemon Grove	4.15%	4,713	3.97%	15,622
National City	7.89%	8,961	7.03%	27,638
Otay Water District	0.42%	472	0.84%	3,312
Padre Dam MWD	4.15%	4,721	6.74%	26,515
Poway	5.13%	5,829	4.67%	18,377
Total	100.00%	\$ 113,650	100.00%	\$ 393,100
<i>Total Required from Budget</i>		<i>\$ 113,650</i>		<i>\$ 393,100</i>

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

Attachment 7 ii.
4th Amendment
to Agreement
with Padre Dam
MWD for FY
2018 Treasurer
Services

**~~THIRD~~FOURTH AMENDMENT TO THE AGREEMENT
FOR TREASURER SERVICES BETWEEN METRO
WASTEWATER JOINT POWERS AUTHORITY AND
PADRE DAM MUNICIPAL WATER DISTRICT**

THIS ~~THIRD~~FOURTH AMENDMENT is made and entered into this ~~___~~1 day of ~~_____~~July, 2016~~2017~~, by and between the Metro Wastewater Joint Powers Authority (hereinafter referred to as “Metro JPA”), a joint powers authority organized and operating pursuant to California Government Code section 6500 *et seq.*, and the Padre Dam Municipal Water District (hereinafter referred to as the “District”).

RECITALS

A. WHEREAS, Metro JPA and the District did enter into an agreement for treasurer services (hereinafter referred to as the “Agreement”) on July 1, 2013 for the District to provide treasurer services to Metro JPA until June 30, 2014; and

B. WHEREAS, Section 4 of the Agreement provides that the treasurer services may be extended by the mutual agreement of both Parties; and

C. WHEREAS, On May 1, 2014, Metro JPA and the District entered into a first amendment to the Agreement (“First Amendment”) to mutually amend the Agreement to extend the end date of Padre Dam’s treasurer services until June 30, 2015; and

D. WHEREAS, On June 4, 2015, Metro JPA and the District entered into a second amendment to the Agreement (“Second Amendment”) to mutually amend the Agreement to extend the end date of Padre Dam’s treasurer services until June 30, 2016, and to increase the total amount that may be charged by the District for services to a not-to-exceed amount of \$19,000; and

E. WHEREAS, On July 1, 2016, Metro JPA and the District entered into a third amendment to the Agreement (“Third Amendment) to mutually extend the Agreement to extend the date of Padre Dam’s treasurer services until July 1, 2017; and

~~EF.~~ WHEREAS, Both Metro JPA and the District mutually desire to further amend the Agreement, as amended by the First Amendment~~—and~~, Second Amendment and Third Amendment, to extend the time of performance for services provided by the District.

NOW THEREFORE, in consideration of the mutual obligations of the parties herein expressed, Metro JPA and the District agree as follows:

1. Section 4 of the Agreement, as amended by the First Amendment~~—and~~, Second Amendment and Third Amendment, is further amended as necessary to extend the end date of Padre Dam’s treasurer services until June 30, ~~2017~~2018.

2. Section 5 of the Agreement, as amended by the First Amendment~~—and~~, Second Amendment and Third Amendment, is further amended as necessary to maintain the not-to-

exceed amount of \$19,000 as the total amount that may be charged by the District for services provided during the term of the extension provided for in this ~~Third~~Fourth Amendment.

3. All other terms and conditions of the Agreement, as amended, shall remain in full force and effect.

IN WITNESS WHEREOF, this ~~Third~~Fourth Amendment to the Agreement for Treasurer Services is executed by Metro JPA and by the District on the day and year first written above.

METRO WASTEWATER JPA:

PADRE DAM MUNICIPAL WATER DISTRICT:

By: _____
~~Jim Peasley~~Jerry Jones
~~Chairperson~~Chair

By: _____
Allen Carlisle
General Manager

APPROVED AS TO FORM:

Paula C. P. de Sousa Mills
General Counsel
METRO WASTEWATER JPA

Summary report:	
Litéra® Change-Pro 7.5.0.135 Document comparison done on 5/11/2017 1:08:19 PM	
Style name: my style	
Intelligent Table Comparison: Active	
Original filename: METRO_ Third Amendment to Agr for Treasurer Services FY 2016_17.DOC	
Modified DMS: iw://iManage/iManage/29780996/1	
Changes:	
Add	19
Delete	15
Move From	0
Move To	0
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	34

**AGREEMENT FOR TREASURER SERVICES BETWEEN
METRO WASTEWATER JOINT POWERS AUTHORITY
AND PADRE DAM MUNICIPAL WATER DISTRICT**

This Agreement (“Agreement”) is made and entered into as of the 1st day of July, 2013 by and between the METRO WASTEWATER JOINT POWERS AUTHORITY (“Metro JPA”), a joint powers authority organized and operating pursuant to California Government Code section 6500 *et seq.*, and the PADRE DAM MUNICIPAL WATER DISTRICT (the “District”). Metro JPA and the District are sometimes individually referred to herein as the “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, certain participating agencies are members of Metro JPA (“Member Agencies”);
and

WHEREAS, the activities of Metro JPA require the services of a treasurer to keep accounts, allocate costs and process accounts payable; and

WHEREAS, Metro JPA requires the services of a treasurer from one of its members; and

WHEREAS, the District has provided services as treasurer since September 1, 2002; and

WHEREAS, the Parties seek to continue the treasurer contract pursuant to the terms of, and by entering into, this Agreement.

AGREEMENT

IN CONSIDERATION of the mutual promises set forth herein, the Parties agree as follows:

1. The District agrees to provide treasurer services to Metro JPA to include:
 - Open 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 Commission and Metro JPA business.
 - Provide periodic unaudited financial reporting which reflects cash balances, outstanding receivables, and payables.
 - Provide periodic unaudited income statement financial reporting.
 - Financial reporting will separately track Metro Commission and 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 and Metro JPA.
 - Consult and respond to questions from member agencies concerning finances and billings.
 - Other incidental services consistent with the Treasurer's position.
2. The District shall assign Karen Jassoy, Padre Dam Chief Financial Officer/Director of Finance as the treasurer to provide the above referenced services.
 3. Metro JPA agrees to reimburse the District for labor services on an hourly basis. The hourly rate for said services is \$257 per hour. It is estimated by the Parties that services will be performed for an estimated 3 to 5 hours per month with extra time spent in the beginning and end of the fiscal year for set up and year-end statements. Some of the more routine monthly tasks will be assigned to other personnel and billed at their lower rate.
 4. Said treasurer services shall continue until June 30, 2014 but may be extended by mutual agreement of both Parties. Either Party may terminate this Agreement upon ninety (90) days notice.
 5. Total charges against this Agreement shall not exceed \$19,000, unless said amount is increased by an amendment to the Agreement.
 6. Metro JPA agrees to protect and hold harmless the District, Ms. Jassoy and the District's elective, appointive Board, officers, agents and employees from any and all claims, liabilities, expenses or damages arising out of or in any way connected with the performance of this Agreement by the District or Ms. Jassoy. The only exception to Metro JPA's responsibility to protect and hold harmless is any claim, liability, expense or damage arising from or related to the gross negligence or willful misconduct of the District or Ms. Jassoy.

[Signatures on following page]

IN WITNESS WHEREOF, this Agreement is executed by Metro JPA and by the District on the day and year first written above.

METRO WASTEWATER JPA:

PADRE DAM MUNICIPAL WATER DISTRICT:

By: _____

Cheryl Cox
Chairperson

By: _____

Allen Carlisle
General Manager

APPROVED AS TO FORM:

Paula C. P. de Sousa
General Counsel
METRO WASTEWATER JPA

**Attachment 7 iii.
FY 2018
Contract with
The Keze Group
LLC for
Financial
Services**

**AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN METRO WASTEWATER JOINT POWERS AUTHORITY
AND ~~THE KEZE GROUP, LLC.~~**

This agreement (“Agreement”) is made and entered into as of _____, ~~2016~~July 1, 2017, 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 ~~THE KEZE GROUP,~~The Keze Group LLC (hereinafter referred to as “Consultant”). Metro JPA and Consultant are sometimes referred to individually as “Party” and collectively as “Parties.”

RECITALS

A. ~~The Metro JPA would like to retain the services of Consultant to provide as needed technical, financial, and administrative support services~~ is a public agency of the State of California and is in need of professional services for the following project: As-needed Technical, Financial, and Administrative Support services for the fiscal year of 2017-2018 as set forth in more detail herein ~~for the fiscal year of 2016-2017.~~

B. Consultant is duly licensed and has the necessary qualifications to provide such services.

C. The Parties desire by this Agreement to establish the terms for Metro JPA to retain Consultant to provide the services described herein.

AGREEMENT

NOW THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

Consultant shall provide ~~the~~ Metro JPA with the services described in the Scope of Services attached hereto as Exhibit “A” and incorporated herein (“Services”).

2. Compensation.

a. Subject to paragraph 2(b) below, ~~the~~ Metro JPA shall pay for ~~the Services~~such services in accordance with the ~~Budget~~Schedule of Charges set forth in Exhibit ~~“A.”~~B,” and incorporated herein.

b. In no event shall the total amount paid for services rendered by Consultant pursuant to ~~Exhibits “A” exceed the budget of \$65,120 as set forth in Exhibit “A.”~~ In no event shall the billing rate for services rendered by Consultant pursuant to Exhibits “A” exceed \$160 per hour, as set forth in Exhibit “A.”72,500.00 without the written approval of Metro JPA. Periodic payments shall be made within thirty (30) days of receipt of a statement

for services rendered. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work.

If changes in the work seem merited by Consultant or the Metro JPA, and informal consultations with the other Party indicate that a change is warranted, it shall be processed by the Metro JPA in the following manner: a letter outlining the changes shall be forwarded to the Metro JPA by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the Metro JPA and executed by both Parties before performance of such services, or the Metro JPA will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Substitution of Key Personnel.

Consultant has represented to Metro JPA that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence and experience upon written approval of Metro JPA. In the event that Metro JPA and Consultant cannot agree as to the substitution of key personnel, Metro JPA shall be entitled to terminate this Agreement for cause, pursuant to provisions of Section 15 of this Agreement. The key personnel for performance of this Agreement are as follows: **Karyn Keese**.

5. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the Agreement period and for four (4) years from the date of final payment under the Agreement for inspection by Metro JPA. Consultant shall obtain the written consent of Metro JPA prior to destroying any such records or any work product prepared by Consultant as a result of the Services provided under this Agreement.

6. Time of Performance; Term.

Consultant shall commence and perform the Services in a prompt and timely manner and shall commence performance beginning July 1, ~~2016~~2017. This Agreement shall terminate on June 30, ~~2017~~2018, unless otherwise extended by a written amendment signed by both Parties or otherwise earlier terminated pursuant to Article 15 of this Agreement.

7. Delays in Performance.

Neither Metro JPA nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing Party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; and sabotage or judicial restraint.

Should such circumstances occur, the non-performing Party shall, within a reasonable time of being prevented from performing, give written notice to the other Party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

8. Compliance with Law.

Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government.

9. Standard of Care.

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

10. Assignment and Subconsultant.

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the Metro JPA, which may be withheld for any reason. Nothing contained herein shall prevent Consultant from employing independent associates, and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

11. Independent Consultant.

Consultant is retained as an independent contractor and is not an employee of Metro JPA. No employee or agent of Consultant shall become an employee of Metro JPA. The work to be performed shall be in accordance with the work described in Exhibit "A," subject to such directions and amendments from Metro JPA as herein provided.

12. Insurance.

a. Commercial General Liability.

(i) The Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to ~~the~~ Metro JPA.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG ~~000100 01~~) or exact equivalent.

~~(2) The policy shall contain no endorsements or provisions (A) limiting coverage for contractual liability; (B) excluding cross liability for claims or suits by one insured against another; or (C) containing any other exclusion(s) contrary to the terms or purposes of this Agreement.~~

(iii) Commercial General Liability Insurance must include coverage for the following:

- (1) Bodily Injury and Property Damage
- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability
- (5) Aggregate Limits that Apply per Project
- (6) Explosion, Collapse and Underground (UCX) exclusion deleted
- ~~(7)~~ Contractual Liability with respect to this Agreement
- ~~(8)~~ Broad Form Property Damage
- ~~(9)~~ Independent Consultants Coverage

(iv) The policy shall ~~not contain any exclusion contrary to the Agreement, including but not limited to no~~ endorsements or provisions limiting coverage for ~~(1A) contractual liability; (including but not limited to ISO CG 24 26 or 21 29); or (2B) cross liability exclusion for claims or suits by one insured against another; or (C) products/completed operations liability; or (D) contain any other exclusion(s) contrary to the terms or purposes of this Agreement.~~

(v) ~~All such policies~~The policy shall ~~be endorsed to name the give~~ Metro JPA, the Board and each member of the Board, its officers, employees, agents and Metro JPA designated volunteers ~~as Additional Insureds under the policy~~additional insured status using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(vi) 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. ~~Consultant shall guarantee that the insurer shall eliminate, and provided that such deductibles or self-insured retentions as respects~~shall not apply to Metro JPA, ~~its members, directors, officials, officers, employees, agents, and volunteers~~ as an additional insured.

b. Automobile Liability.

(i) At all times during the performance of the work under this Agreement, the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the Metro JPA.

(ii) Coverage for Automobile Liability Insurance shall be at least as broad as Insurance Services Office Form Number CA ~~0001 (ed. 12/93)~~00 01 covering automobile liability, ~~Code (Coverage Symbol 1-(, any auto).~~

(iii) ~~The~~Subject to written approval by Metro JPA, the automobile liability program may utilize deductibles, but not 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.

(iv) ~~All such policies~~The policy shall ~~name the~~give Metro JPA, the Board and each member of the Board, its officers, employees, agents and Metro JPA designated volunteers ~~as Additional Insureds under the policies~~additional insureds status.

c. Workers' Compensation/Employer's Liability.

(i) Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) To the extent ~~applicable~~Consultant has employees at any time during the term of this Agreement, at all times during the performance of ~~Services~~the work under this Agreement, the Consultant shall maintain ~~Workers' Compensation Insurance in compliance with applicable statutory requirements and Employer's Liability Coverage in amounts indicated herein.~~

(iii) ~~Such insurance shall include an insurer's Waiver of Subrogation in favor of the Metro JPA and will be in a form and with insurance companies acceptable to the Metro JPA.~~

(iii) ~~— If insurance is maintained, the Workers' Compensation and Employer's Liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the Metro JPA.~~

(iv) ~~Before beginning work, the Consultant shall furnish to the Metro JPA satisfactory proof that the Consultant has taken out for the period covered by the work under this Agreement,~~ full compensation insurance for all persons employed directly by ~~the Consultant or through subconsultants in carrying~~him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV ~~or of~~ the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subconsultants to obtain and maintain, for the period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.

d. ~~Public Liability, Property Damage, Automobile Liability, and Employer's Liability~~ Minimum Policy Limits Required

(i) The following insurance limits are required for the Agreement:

Combined Single Limit

Commercial General Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury, personal injury, and property damage
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Automobile Liability	\$500,000 per occurrence for bodily injury and property damage
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<u>Workers' Compensation</u>	<u>Statutory</u>
------------------------------	------------------

Employer's Liability (if applicable)	\$1,000,000 per occurrence
--------------------------------------	----------------------------

(ii) Defense costs shall be payable in addition to the limits.

(iii) Requirement of specific coverage or minimum limits contained in this ~~Agreement~~ section are not intended as a limitation on coverage, limits or any other requirement, or a waiver of any coverage normally provided by any insurance.

~~Any~~ Notwithstanding the minimum limits set forth in this Section 12(e), any available ~~insurance proceeds in excess of the specified minimum limits of~~ coverage shall be available provided to the parties required to be named as ~~additional insureds~~ Additional Insured pursuant to this Agreement.

f. Evidence Required.

Prior to execution of the Agreement, the Consultant shall file with the Metro JPA evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG ~~201000 01~~ (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with all required endorsements ~~to the policies described therein~~. All evidence of insurance shall be certified signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional ~~primary~~ insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

g. Policy Provisions Required.

~~(i) All policies shall contain a provision for thirty (30) days advance written notice by the insurer(s) to the Metro JPA of any cancellation. Statements that the carrier "will endeavor" and "that failure to mail such notice shall impose no obligation and liability upon the company, its agents or representatives," will not be acceptable on certificates.~~

~~In the event any insurer providing coverage required under this Agreement shall fail to provide the notice required in this section, Consultant shall be responsible to provide such notice to the Metro JPA. Consultant is responsible to replace any and all policies required under this Agreement which are cancelled during the term of this Agreement no later than the effective date of cancellation.~~

(i) Consultant shall provide Metro JPA at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s), including the General Liability Additional Insured Endorsement, to Metro JPA at least ten (10) days prior to the effective date of cancellation or expiration.

~~(ii) All policies of The Commercial General Liability Policy and Automobile Liability insurance Policy shall contain a provision stating that the Consultant's policies are primary insurance and that any insurance of the, self-insurance or other coverage maintained by Metro JPA, its members or any named or additional insureds shall not be called upon to contribute to any loss.~~

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

~~(iiiiv) All policies of Commercial General Liability and Automobile Liability required insurance coverages, except for the professional liability coverage, shall contain or shall be endorsed to contain a waiver of subrogation against the in favor of Metro JPA, the Board and each member of the Board, its officers, employees, agents and Metro JPA designated volunteers; or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss, and. Consultant hereby waives its own right of recovery against Metro JPA, the Board and each member of the Board, its officers, employees, agents and Metro JPA designated volunteers, or any other additional insureds, and shall require similar written express waivers and insurance clauses from each of its subconsultants.~~

(v) The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Consultant from liability in excess of such coverage, nor shall it limit the Consultant's indemnification obligations to Metro JPA and shall not preclude Metro JPA from taking such other actions available to Metro JPA under other provisions of the Agreement or law.

h. Qualifying Insurers.

(i) All policies required shall be issued by acceptable insurance companies, as determined by the Metro JPA, which satisfy the following minimum requirements:

(ii) ~~Insurance carriers shall be~~ Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and admitted to do transact in the business in of insurance in the State of California and maintain an agent for process within the state or be, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law. ~~Such insurance carrier shall have not less than an "A" policyholder's rating and a financial rating of not less than "Class VII" according to the latest Best Key Rating Guide.~~

i. Additional Insurance Provisions.

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by ~~the~~ Metro JPA, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification. ~~Neither the Metro JPA nor the Board, nor any member of the Board, nor any of the directors, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of the Agreement.~~

(ii) If at any time during the life of the Agreement, ~~the Consultant fails to maintain in full force any~~ any policy of insurance required ~~by the~~ under this Agreement ~~documents, the~~ does not comply with these specifications or is canceled and not replaced, Metro JPA has the right but not the duty to ~~acquire the necessary insurance for the Consultant and deduct the cost thereof from the appropriate progress payments due the Consultant, or backcharge the Consultant for such costs in the event they exceed the amount of unpaid progress payments due the Consultant~~ obtain the insurance it deems necessary and any premium paid by Metro JPA will be promptly reimbursed by Consultant or Metro JPA will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, Metro JPA may cancel this Agreement.

(iii) Metro JPA may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(iv) Neither Metro JPA nor any of its officials, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.

(iii)j. Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract ~~relating to the work under the Agreement~~ until they have provided evidence satisfactory to ~~the~~ Metro JPA that they have secured all insurance required under this ~~Section~~ 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. ~~The Consultant and Metro JPA shall be named as additional insureds on all subconsultants' policies of Commercial General Liability using endorsement form ISO CG 20 38 04 13 or an endorsement providing equivalent coverage.~~

(iv) ~~The Metro JPA may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Agreement.~~

13. Indemnification.

To the fullest extent permitted by law, Consultant ~~agrees to protect, save, defend~~ shall defend (with counsel of Metro JPA's choosing), indemnify and hold ~~harmless~~ Metro JPA ~~and, its Board and each member, members~~ of the Board, ~~officers, agents and employees, and authorized volunteers~~ free and harmless from any and all claims, ~~liabilities, expenses or damages of any nature, including attorneys' fees, for injury or death of any person, or damaged~~ demands, causes of action, suits, actions, proceedings, costs, expenses, liability, judgments, awards, decrees, settlements, loss, damage or injury of any kind, in law or equity, to property, or interference with use of property persons, including ~~loss of use, wrongful death, in any manner~~ arising out of ~~or in any way connected with the negligent performance,~~ pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct ~~under this Agreement by~~ of Consultant, ~~Consultant's agents~~ its officials, officers, employees, subconsultants, or independent consultants hired by subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Consultant's services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to Claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant. ~~The only exception to Consultant's responsibility to protect, save, defend and hold harmless Metro JPA, is due to the sole negligence, willful misconduct or active negligence of Metro JPA. This hold harmless provision shall apply to all liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Consultant.~~ obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Metro JPA, its Board, members of the Board, employees, or authorized volunteers.

14. Laws, Venue, and Attorneys' Fees.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this agreement, the action shall be brought in a state or federal court situated in the County of San Diego, State of California. In the event of any such litigation between the Parties, the prevailing party shall be

entitled to recover all reasonable costs incurred, including reasonable attorney's fees, as determined by the court.

15. Termination or Abandonment.

a. Metro JPA has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days' written notice to Consultant. In such event, Metro JPA shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. Metro JPA shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by Metro JPA and Consultant of the portion of such task completed but not paid prior to said termination. Metro JPA shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to Metro JPA only in the event of substantial failure by Metro JPA to perform in accordance with the terms of this Agreement through no fault of Consultant.

16. Notice Documents.

Except as otherwise provided in Section 15, above, all original field notes, written reports, Drawings and Specifications and other documents, produced or developed for the Project shall, upon payment in full for the services described in this Agreement, be furnished to and become the property of Metro JPA.

17. Organization.

Consultant shall designate an individual from The Keze Group as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of Metro JPA.

18. Notice.

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

METRO JPA:	CONSULTANT:
Metro Wastewater JPA	The Keze Group, LLC

c/o La Mesa City Hall	4653 Carmel Mountain Road <u>1801 E 51st Street, Suite 365, Unit 522</u>
8130 Allison Ave., La Mesa, CA 91942	San Diego, CA 92130 <u>Austin, TX 78723</u>
Attn: c/o Greg Humora, City of La Mesa	Attn: Karyn Keese

and shall be effective upon receipt thereof.

~~17. Data.~~

~~Consultant shall be entitled to rely upon the accuracy of data and information provided by the Metro JPA without independent review or evaluation unless such review or evaluation is specified in the Services.~~

~~18~~19. Third Party Rights.

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the Metro JPA and the Consultant.

20. Severability.

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

~~19~~21. Integration.

This Agreement represents the entire understanding of Metro JPA and Consultant as to those matters contained herein, and supersedes and cancels any prior oral or written understanding, promises or representations with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

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

METRO WASTEWATER JPA: ~~**THE KEZE GROUP**~~ **The Keze Group,**
LLC:

By: _____
~~Jim Peasley~~ Jerry Jones
~~Chairperson~~ Chair

By: _____
Karyn Keese

APPROVED AS TO FORM:

Paula C. P. de Sousa Mills
General Counsel

METRO WASTEWATER JPA

EXHIBIT “A”

Scope of Services ~~and Budget~~

~~SCOPE OF SERVICES~~
~~METRO TAC/COMMISSION/JPA~~
~~AS-NEEDED FINANCIAL SERVICES~~

The purpose of the As-Needed Consulting Contract for the Metro Wastewater JPA/~~Commission~~ 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. The intention of the As-Needed Contract is to provide review and oversight of the San Diego Metropolitan Sewer System (Metro System) Program with a minimum of duplication by the PAs. By combining the efforts of the PAs into a central focal point, our goal is to assist in increasing the responsiveness of the group to key issues of concern, ensure coverage at key meetings, centralize the data collection, minimize duplication of efforts by the PAs, and reduce the costs of both Metro TAC/~~Commission~~/JPA efforts, as well as the overall costs of the Metro [System](#) Program.

I. SCOPE OF SERVICES

The effort by The Keze Group, LLC (“TKG”) will be divided into five major categories, one for routine services, two for specific financial tasks, one for Pure Water Program support, and one for Metro TAC staff support.

I. SCOPE OF SERVICES

A. Routine Services

The routine services will include the following tasks:

1. Attendance and preparation of agendas for Metro TAC meetings.
2. Attendance and preparation of agendas for the Metro ~~Commission~~/JPA meetings.
3. [Attendance an preparation of agendas and minutes for the Metro JPA Finance Committee](#)
4. ~~3-~~Attendance at planning/work meetings with Public Utilities Department (PUD) staff.
5. ~~4-~~Meetings with Metro TAC Chairman and other JPA officials.

B. Routine Audit Review – Public Utilities Department (PUD), Wastewater Operations Branch Exhibit E Audit Review – FYEs ~~2015 and~~ [2016 and 2017](#)

1. Review and negotiate the auditors Scope of Work.
2. Attend Entrance and Exit Conferences with the Auditors.
3. Select operating, CIP, and non-operating revenue audit samples.
4. Attend Interim Bi-Weekly work meetings with the Auditors (maximum of 5 per audit).

5. Review all audit samples for contract compliance and accounting accuracy.
 6. Review the annual general services cost allocation.
 7. Review output for any special projects (In the past year this has included the reconciliation of ~~the Shames and other municipal lawsuits, and the 17~~ Pure Water Program ~~management contract~~task orders to revise their original cost allocation. This required review of 250 invoices) to insure that only appropriate Metro costs have/had been charged to the PAs).
 8. Review South Bay recycled water sales and incentives to insure that appropriate revenues are credited to the PAs. Review other income credits to insure that non-operating revenues are credited to the PAs.
 9. Review the draft and final audit numbers and sample test results. Prepare list of questions and work on resolution of issues regarding samples.
 10. Present the results to the Metro Finance Committee, Metro TAC, and Metro Wastewater JPA ~~/Commission~~.
 11. Monitor closeout process to insure timely payment of refunds (if any) and the accuracy of any additional billings' (if any) to PAs.
- C. Routine Review of MWWD Budget – FYE ~~2017 and~~ 2018 and 2019
1. Line item review of the proposed CIP projects to verify that they are a part of the Wastewater Agreement. Provide a preliminary review of the O&M costs to identify areas of concern for the PAs.
 2. Identify budget items that show major deviation from previous years, and discuss these deviations with the City.
 3. Attend meetings with the City of San Diego Public Utilities staff to identify the nature and magnitude of the budget items.
 4. Provide updates on budget issues to the Metro TAC, the Finance Committee, and the Metro Wastewater JPA ~~/Commission~~ meetings.
- D. FYE 2018 PUD Water and Wastewater Rate Case – PUD staff will be hiring a rate consultant to update their water and wastewater rate cases starting July 1, 2018. Included in the water rate case will be the review of recycled water rates. As these are PA revenues coordination with PUD staff and their consultant is anticipated.
- DE. Pure Water Program Support – This task includes 10 hours per month to assist in facilitation of the Pure Water Program. Envisioned subtasks include revisions to the Pure Water Program financial forecast model to update project costs, financing, and timing based on 30% design costs, revenue sharing, and potential water purchases; assistance with the update to the Regional Wastewater Disposal Agreement; and continued cost allocation monitoring and updates of all Pure Water purchase/task orders for both O&M and capital projects.

EF. Metro TAC Staff Support – This task includes ~~40~~12 hours per month for financial analysis

and consulting in support of varied Metro TAC Work Plan projects. TKG will support, as-needed, the items contained in the Metro TAC FYE 2017 Work Plan. One key issue that will continue during FYE ~~2017~~2018 is the North City optimized system debt service reconciliation and recycled water sales projections and the forecast for the eventual debt service pay-off to the Water Utility. Also, a billing formula needs to be prepared and implemented which will bill any PA that diverts their flow from the Metro System for the remaining debt service for existing Metro facilities and for ongoing capital projects required

to maintain them. In addition, the billing Protocol will need to be revised to reflect the cash flow needed for Pure Water Program costs.

II. ADDITIONAL SERVICES AS REQUESTED

- A. Review of ongoing background material not envisioned.
- B. Prepare for and attend additional meetings beyond what is included in Section I.
~~C. Attendance at IROC in support of the Metro JPA/Commission representatives.~~
- C. ~~D.~~ Provide additional follow-up on the additional items identified.
- D. ~~E.~~ Provide additional technical support on specific projects as directed by the Metro TAC, Finance Committee, and Metro JPA/~~Commission Chairmen~~ Chair.
- E. ~~F.~~ Provide technical support, as requested, to fulfill other Metro JPA/~~Commission~~ objectives.

EXHIBIT "B"

Schedule of Charges

III. PROPOSED BUDGET

The proposed budget for the ~~described~~ scope of services is ~~a not to exceed~~not to exceed amount of \$~~65,120~~72,500 for Fiscal Year Ending ~~2017~~2018. The hours and fees per task is summarized ~~in Attachment A to this scope of services~~below. The hourly billing rate is \$160.

Attachment A

Summary of Costs by Tasks

The Keze Group Metro JPA Contract FYE 2017

		Approved FYE 2017 Budget (for comparison purposes only)					Proposed FYE 2018 Budget for Services under this Agreement			
Task	Description	FYE2016	Budge	Cumula tive as	Balan	%	Proposed	Propos	Reducti	FYE
1.A	Routine Meetings	\$19,580	75.00	\$9,520	\$2,480	21	\$ 12,000	75\$0		75
2.B	Exhibit E Audit Review	\$16,000	60.00	\$12,480	-\$2,880	-	\$	85\$0		60
3.C	Review of PUD Budget	\$5,120	16.00	\$3,920	-\$1,360	-	\$	30\$0		16
4.D	FYE 2017/2018 PUD Water and Wastewater Rate	\$6,400	16.00	\$0	\$2,560	100	\$ 2,560	16\$0		16
5	FYE 2017 Recycled Water Financial Projects									
	a. Continued Support and Resolution of				\$6,400		\$ -	\$ (6,400)		-
	b. Review of Recycled Water Pricing				\$6,400		\$ -	\$ (6,400)		-
1.E	Pure Water Program Cost Allocation	\$19,200	120.0	\$9,360	\$9,840	51	\$ 19,200	120\$0	-	120
6.F	Metro TAC Staff Support	\$19,200	120.0	\$17,680	\$1,520	8%	\$	144\$0	-3,840	120
	Direct Expense									

TOTAL	\$98,300.6	\$407.00	\$52,960.00	\$12,160.00	19%	\$65,120.75	\$	(\$33,180.40)	407
Reduction in Scope/Fee from FYE 2016									
									-34%

EXHIBIT “C”

Insurance Certificates

Insurance documentation is included on the following pages.

Summary report:	
Litéra® Change-Pro 7.5.0.135 Document comparison done on 5/11/2017 2:40:08 PM	
Style name: my style	
Intelligent Table Comparison: Active	
Original filename: METRO JPA_ Agr for Financial Services with Keese FY 2016_2017.DOC	
Modified DMS: iw://iManage/iManage/29781041/1	
Changes:	
Add	186
Delete	201
Move From	9
Move To	9
Table Insert	52
Table Delete	14
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	471

SCOPE OF SERVICES
METRO TAC/COMMISSION/JPA
AS-NEEDED FINANCIAL SERVICES

May 2, 2017

The purpose of the As-Needed Consulting Contract for the Metro Wastewater JPA/Commission is to provide technical and financial support to the PAs in meeting their objectives of fair rates, equitable cost sharing, and program validation. The intention of the As-Needed Contract is to provide review and oversight of the San Diego Metropolitan Sewer System (Metro System) Program with a minimum of duplication by the PAs. By combining the efforts of the PAs into a central focal point, our goal is to assist in increasing the responsiveness of the group to key issues of concern, ensure coverage at key meetings, centralize the data collection, minimize duplication of efforts by the PAs, and reduce the costs of both Metro TAC/Commission/JPA efforts, as well as the overall costs of the Metro Program.

I. SCOPE OF SERVICES

The effort by The Keze Group, LLC (TKG) will be divided into five major categories, one for routine services, two for specific financial tasks, one for Pure Water Program support, and one for Metro TAC staff support.

A. Routine Services

The routine services will include the following tasks:

1. Attendance and preparation of agendas for Metro TAC meetings.
2. Attendance and preparation of agendas for the Metro Commission/JPA meetings.
3. Attendance and preparation of agendas and minutes for the Metro JPA Finance
4. Attendance at planning/work meetings with Public Utilities Department (PUD) staff.
5. Meetings with Metro TAC Chairman and other JPA officials.

B. Routine Audit Review – Public Utilities Department (PUD), Wastewater Operations Branch Exhibit E Audit Review – FYEs 2016 and 2017

1. Review and negotiate the auditors Scope of Work.
2. Attend Entrance and Exit Conferences with the Auditors.
3. Select operating, CIP, and non-operating revenue audit samples.
4. Attend Interim Bi-Weekly work meetings with the Auditors (maximum of 5 per

audit).

5. Review all audit samples for contract compliance and accounting accuracy.
 6. Review the annual general services cost allocation.
 7. Review output for any special projects (In the past year this has included the reconciliation of 17 Pure Water Program task orders to revise their original cost allocation. This required review of 250 invoices) to insure that only appropriate Metro costs have/had been charged to the PAs).
 8. Review South Bay recycled water sales and incentives to insure that appropriate revenues are credited to the PAs. Review other income credits to insure that non-operating revenues are credited to the PAs.
 9. Review the draft and final audit numbers and sample test results. Prepare list of questions and work on resolution of issues regarding samples.
 10. Present the results to the Metro Finance Committee, Metro TAC, and Metro Wastewater JPA / Commission.
 11. Monitor closeout process to insure timely payment of refunds (if any) and the accuracy of any additional billings' (if any) to PAs.
- C. Routine Review of MWWD Budget – FYE 2018 and 2019
1. Line item review of the proposed CIP projects to verify that they are a part of the Wastewater Agreement. Provide a preliminary review of the O&M costs to identify areas of concern for the PAs.
 2. Identify budget items that show major deviation from previous years, and discuss these deviations with the City.
 3. Attend meetings with the City of San Diego Public Utilities staff to identify the nature and magnitude of the budget items.
 4. Provide updates on budget issues to the Metro TAC, the Finance Committee, and the Metro Wastewater JPA/Commission meetings.
- D. FYE 2018 PUD Water and Wastewater Rate Case – PUD staff will be hiring a rate consultant to update their water and wastewater rate cases starting July 1, 2018. Included in the water rate case will be the review of recycled water rates. As these are PA revenues coordination with PUD staff and their consultant is anticipated.
- E. Pure Water Program Support – This task includes 10 hours per month to assist in facilitation of the Pure Water Program. Envisioned subtasks include revisions to the Pure Water Program financial forecast model to update project costs, financing, and timing based on 30% design costs, revenue sharing, and potential water purchases; assistance with the update to the Regional Wastewater Disposal Agreement; and continued cost allocation monitoring and updates of all Pure Water purchase/task orders for both O&M and capital projects.

F. Metro TAC Staff Support – This task includes 12 hours per month for financial analysis and consulting in support of varied Metro TAC Work Plan projects. TKG will support, as-needed, the items contained in the Metro TAC FYE 2017 Work Plan. One key issue that will continue during FYE 2018 is the North City optimized system debt service reconciliation and recycled water sales projections and the forecast for the eventual debt service pay-off to the Water Utility. Also, a billing formula needs to be prepared and implemented which will bill any PA that diverts their flow from the Metro System for the remaining debt service for existing Metro facilities and for ongoing capital projects required to maintain them. In addition, the billing Protocol will need to be revised to reflect the cash flow needed for Pure Water Program costs.

II. ADDITIONAL SERVICES AS REQUESTED

- A. Review of ongoing background material not envisioned.
- B. Prepare for and attend additional meetings beyond what is included in Section I.
- C. Provide additional follow-up on the additional items identified.
- D. Provide additional technical support on specific projects as directed by the Metro TAC, Finance Committee, and Metro JPA/Commission Chairmen.
- E. Provide technical support, as requested, to fulfill other Metro JPA/Commission objectives.

III. PROPOSED BUDGET

The proposed budget for the described scope of services is a not-to-exceed amount of \$ \$72,640 for Fiscal Year Ending 2018. The hours and fees per task is summarized in Attachment A to this scope of services. The hourly billing rate remained unchanged at \$160.

Summary of Costs by Tasks
Metro JPA Contract FYE 2017
From March 1 to 31, 2017

Task	Description	Approved FYE 2017 Budget					Proposed FYE 2018		
		Budget Amount	Budget Hours	Cumulative as of 4/30/17	Balance	% Remaning	Proposed FYE 2018	Proposed Hours	Difference
1	Routine Meetings	\$12,000	75.00	\$9,520	\$2,480	21%	\$ 12,000	75.00	\$ -
2	Exhibit E Audit Review	\$9,600	60.00	\$12,480	-\$2,880	-30%	\$ 13,600	85.00	\$ 4,000
3	Review of PUD Budget	\$2,560	16.00	\$3,920	-\$1,360	-53%	\$ 4,800	30.00	\$ 2,240
4	FYE 2018 PUD Water and Wastewater Rate Case	\$2,560	16.00	\$0	\$2,560	100%	\$ 2,560	16.00	\$ -
5	Pure Water Program Cost Allocation	\$19,200	120.00	\$9,360	\$9,840	51%	\$ 19,200	120.00	\$ -
6	Metro TAC Staff Support	\$19,200	120.00	\$17,680	\$1,520	8%	\$ 23,040	144.00	\$ 3,840
	Direct Expense								
	TOTAL	\$65,120	\$407.00	\$52,960.00	\$12,160.00	19%	\$ 75,200		\$ 10,080

EXHIBIT “B”

Schedule of Charges

The proposed budget for the scope of services is not to exceed amount of \$72,500 for Fiscal Year Ending 2018. The hours and fees per task is summarized below. The hourly billing rate is \$160.

Task	Description	Approved FYE 2017 Budget (for comparison purposes only)					Proposed FYE 2018 Budget for Services under this Agreement		
		Budget Amount	Budget Hours	Cumulative as of 4/30/17	Balance	% Rema	Proposed FYE 2018	Proposed Hours	Difference
I.A	Routine Meetings	\$12,000	75.00	\$9,520	\$2,480	21%	\$ 12,000	75.00	\$ -
I.B	Exhibit E Audit Review	\$9,600	60.00	\$12,480	-\$2,880	-30%	\$ 13,600	85.00	\$ 4,000
I.C	Review of PUD Budget	\$2,560	16.00	\$3,920	-\$1,360	-53%	\$ 4,800	30.00	\$ 2,240
I.D	FYE 2018 PUD Water and Wastewater Rate	\$2,560	16.00	\$0	\$2,560	100%	\$ 2,560	16.00	\$ -
I.E	Pure Water Program Cost Allocation	\$19,200	120.00	\$9,360	\$9,840	51%	\$ 19,200	120.00	\$ -
I.F	Metro TAC Staff Support	\$19,200	120.00	\$17,680	\$1,520	8%	\$ 23,040	144.00	\$ 3,840
	Direct Expense								
	TOTAL	\$65,120	\$407.00	\$52,960.00	\$12,160.00	19%	\$ 75,200		\$ 10,080

EXHIBIT “C”

Insurance Certificates

Insurance documentation is included on the following pages.

**Attachment 7 iv.
FY 2018
Contract with
NV5 for
Engineering
Services**

**AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN METRO WASTEWATER JOINT POWERS AUTHORITY
AND NV5, Inc.**

This agreement (“Agreement”) is made and entered into as of July 1, 2017, 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 NV5, Inc., a professional services firm (hereinafter referred to as “Consultant”). Metro JPA and Consultant are sometimes referred to individually as “Party” and collectively as “Parties.”

RECITALS

A. Metro JPA is a public agency of the State of California and is in need of professional services for the following project: Technical As-Needed Engineering Advisory Services (hereinafter referred to as “the Project”).

B. Consultant is duly licensed and has the necessary qualifications to provide such services.

C. The Parties desire by this Agreement to establish the terms for Metro JPA to retain Consultant to provide the services described herein.

AGREEMENT

NOW THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

Consultant shall provide Metro JPA with the services described in the Scope of Services attached hereto as Exhibit “A” and incorporated herein (“Services”). Additionally, at the option and request of Metro JPA, Consultant may be asked to perform additional social media monitoring services as described in the attached Exhibit “A-1” (“Additional Social Media Services”), which is incorporated herein.

2. Compensation.

a. Subject to paragraph 2(b) below, Metro JPA shall pay for ~~such services~~ the Services set forth in Exhibit “A” in accordance with the “Schedule of Charges for Services” set forth in Exhibit “B.” Additionally, Metro JPA shall pay Consultant for the Additional Social Media Services set forth in Exhibit “A-1,” only if requested by Metro JPA at its option, in accordance with the “Schedule of Charges for Additional Social Media Services” set forth in Exhibit “B-1.”

b. In no event shall the total amount paid for ~~services~~Services rendered by Consultant pursuant to Exhibit "~~A~~A-1" exceed ~~\$30,000~~\$75,000.00 without the written approval of Metro JPA. In no event shall the total amount paid for Additional Social Media Services rendered by Consultant pursuant to Exhibit "A-1" exceed \$6,600.00. Periodic payments shall be made within thirty (30) days of receipt of a statement for services rendered. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work.

If changes in the work seem merited by Consultant or the Metro JPA, and informal consultations with the other Party indicate that a change is warranted, it shall be processed by the Metro JPA in the following manner: a letter outlining the changes shall be forwarded to the Metro JPA by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the Metro JPA and executed by both Parties before performance of such services, or the Metro JPA will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Substitution of Key Personnel.

Consultant has represented to Metro JPA that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence and experience upon written approval of Metro JPA. In the event that Metro JPA and Consultant cannot agree as to the substitution of key personnel, Metro JPA shall be entitled to terminate this Agreement for cause, pursuant to provisions of Section 16 of this Agreement. The key personnel for performance of this [Services under this](#) Agreement are as follows: **Scott Tulloch, and Carmen Kasner.**

5. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the Agreement period and for four (4) years from the date of final payment under the Agreement for inspection by Metro JPA. Consultant shall obtain the written consent of Metro JPA prior to destroying any such records or any work product prepared by Consultant as a result of the Services provided under this Agreement.

6. Time of Performance; Term.

Consultant shall perform its services hereunder in a prompt and timely manner and shall commence performance upon receipt of a written Notice to Proceed from Metro JPA. Consultant shall complete the services required hereunder by June 30, ~~2017~~[2018](#). The Notice to Proceed shall set forth the date of commencement of the work.

7. Delays in Performance.

Neither Metro JPA nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing Party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; and sabotage or judicial restraint.

Should such circumstances occur, the non-performing Party shall, within a reasonable time of being prevented from performing, give written notice to the other Party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

8. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government.

b. Consultant shall assist Metro JPA, as requested, in obtaining and maintaining all permits required of Consultant by Federal, State and local regulatory agencies.

c. Consultant is responsible for all costs of clean up and/or removal of hazardous and toxic substances spilled as a result of Consultant's services or operations performed under this Agreement.

9. Standard of Care.

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

10. Assignment and Subconsultant.

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the Metro JPA, which may be withheld for any reason. Nothing contained herein shall prevent Consultant from employing independent associates, and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

11. Independent Consultant.

Consultant is retained as an independent contractor and is not an employee of Metro JPA. No employee or agent of Consultant shall become an employee of Metro JPA. The work to be performed shall be in accordance with the work described in Exhibit "A," subject to such directions and amendments from Metro JPA as herein provided.

12. Insurance.

a. Commercial General Liability.

(i) The Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to Metro JPA.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

(iii) Commercial General Liability Insurance must include coverage for the following:

- (1) Bodily Injury and Property Damage
- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability
- (5) Aggregate Limits that Apply per Project
- (6) Contractual Liability with respect to this Agreement
- (7) Broad Form Property Damage
- (8) Independent Consultants Coverage

(iv) The policy shall contain no endorsements or provisions limiting coverage for (A) contractual liability; (B) cross liability exclusion for claims or suits by one insured against another; or (C) products/completed operations liability; or (D) contain any other exclusion(s) contrary to the terms or purposes of this Agreement.

(v) 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.

(vi) 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.

b. Automobile Liability.

(i) At all times during the performance of the work under this Agreement, the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the Metro JPA.

(ii) Coverage for Automobile Liability Insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).

(iii) Subject to written approval by Metro JPA, the automobile liability program may utilize deductibles, but not a self-insured retention, provided that such deductibles shall not apply to Metro JPA as an additional insured.

(iv) The policy shall give Metro JPA, the Board and each member of the Board, its officers, employees, agents and Metro JPA designated volunteers additional insureds status.

c. Workers' Compensation/Employer's Liability.

(i) Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, the Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subconsultants to obtain and maintain, for the period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.

d. Professional Liability (Errors and Omissions).

At all times during the performance of the work under this Agreement the Consultant shall maintain Professional Liability Insurance or Errors and Omissions Insurance appropriate to its profession, in a form and with insurance companies acceptable to Metro JPA and in an amount indicated herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement.

e. Minimum Policy Limits Required

(i) The following insurance limits are required for the Agreement:

Combined Single Limit

Commercial General Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 per occurrence for bodily injury and property damage
Workers' Compensation	Statutory

Employer's Liability	\$1,000,000 per occurrence
Professional Liability	\$1,000,000 per claim and aggregate (errors and omissions)

(ii) Defense costs shall be payable in addition to the limits, with the exception of the professional liability policy.

(iii) Requirement of specific coverage or minimum limits contained in this section are not intended as a limitation on coverage, limits or any other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as Additional Insured pursuant to this Agreement.

f. Evidence Required.

Prior to execution of the Agreement, the Consultant shall file with the Metro JPA evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with all required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

g. Policy Provisions Required.

(i) Consultant shall provide Metro JPA at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s), including the General Liability Additional Insured Endorsement, to Metro JPA at least ten (10) days prior to the effective date of cancellation or expiration.

(ii) The Commercial General Liability Policy and Automobile Liability Policy shall contain a provision stating that the Consultant's policies are primary insurance and that any insurance, self-insurance or other coverage maintained by Metro JPA or any named insureds shall not be called upon to contribute to any loss.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is

cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to waiver of subrogation in favor of Metro JPA, the Board and each member of the Board, its officers, employees, agents and Metro JPA designated volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against Metro JPA, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(v) The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Consultant from liability in excess of such coverage, nor shall it limit the Consultant's indemnification obligations to Metro JPA and shall not preclude Metro JPA from taking such other actions available to Metro JPA under other provisions of the Agreement or law.

h. Qualifying Insurers.

(i) All policies required shall be issued by acceptable insurance companies, as determined by the Metro JPA, which satisfy the following minimum requirements:

(ii) Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and admitted to transact in the business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

i. Additional Insurance Provisions.

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by Metro JPA, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, Metro JPA has the right but not the duty to obtain the insurance it deems necessary, and Metro JPA may cancel this Agreement if Consultant fails to comply with these specifications or cancels required insurance policies and fails to replace them.

(iii) Metro JPA may require the Consultant to provide complete copies of all relevant certificates of insurance and endorsements for the insurance policies in effect for the duration of the Project.

(iv) Neither Metro JPA nor any of its officials, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.

j. 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.

13. Indemnification.

To the fullest extent permitted by law, Consultant shall defend (with counsel of Metro JPA's choosing), indemnify and hold Metro JPA, its Board, members of the Board, employees, and authorized volunteers free and harmless from any and all claims, demands, causes of action, suits, actions, proceedings, costs, expenses, liability, judgments, awards, decrees, settlements, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of the negligent acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including reasonable expert witness fees, reasonable attorneys' fees and other reasonable related costs and expenses. Notwithstanding the foregoing, to the extent Consultant's services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to Claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Metro JPA, its Board, members of the Board, employees, or authorized volunteers.

14. California Labor Code Requirements.

Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws, if applicable. Consultant shall defend, indemnify and hold Metro JPA, its member agencies, elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages, employment of apprentices, hours of labor and debarment of contractors and subcontractors.

If the services are being performed as part of an applicable “public works” or “maintenance” project, in addition to the foregoing, then pursuant to Labor Code sections 1725.5 and 1771.1, the Consultant and all subconsultants must be registered with the Department of Industrial Relations (“DIR”). Consultant shall maintain registration for the duration of the project and require the same of any subconsultants. This Project may also be subject to compliance monitoring and enforcement by the DIR. It shall be Consultant’s sole responsibility to comply with all applicable registration and labor compliance requirements, including the submission of payroll records directly to the DIR.

15. Laws, Venue, and Attorneys’ Fees.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this agreement, the action shall be brought in a state or federal court situated in the County of San Diego, State of California. In the event of any such litigation between the Parties, the prevailing party shall be entitled to recover all reasonable costs incurred, including reasonable attorney’s fees, as determined by the court.

16. Termination or Abandonment.

a. Metro JPA has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days’ written notice to Consultant. In such event, Metro JPA shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. Metro JPA shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by Metro JPA and Consultant of the portion of such task completed but not paid prior to said termination. Metro JPA shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days’ written notice to Metro JPA only in the event of substantial failure by Metro JPA to perform in accordance with the terms of this Agreement through no fault of Consultant.

17. Documents.

Except as otherwise provided in Section 16, above, all original field notes, written reports, Drawings and Specifications and other documents, produced or developed for the Project shall, upon payment in full for the services described in this Agreement, be furnished to and become the property of Metro JPA.

18. Organization.

Consultant shall assign Carmen Kasner as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of Metro JPA.

19. Notice.

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

METRO JPA:	CONSULTANT:
Metro Wastewater JPA c/o La Mesa City Hall 8130 Allison Ave., La Mesa, CA 91942 Attn: c/o Greg Humora, City of La Mesa	NV5, Inc. 15092 Avenue of Science, Suite 200 San Diego, CA 92126 Attn: c/o Carmen Kasner, NV5, Inc.

and shall be effective upon receipt thereof.

20. Third Party Rights.

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the Metro JPA and the Consultant.

21. Severability.

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

22. Integration.

This Agreement represents the entire understanding of Metro JPA and Consultant as to those matters contained herein, and supersedes and cancels any prior oral or written understanding, promises or representations with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

[SIGNATURES ON FOLLOWING PAGE]

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

METRO WASTEWATER JPA:

NV5 Inc.:

By: _____
~~Jim Peasley~~ Jerry Jones
~~Chairperson~~ Chair
Director

By: _____
Carmen Kasner
Regional Managing

APPROVED AS TO FORM:

Paula C. P. de Sousa Mills
General Counsel
METRO WASTEWATER JPA

Approval of Agreement for Professional Services with NV5 as to form.

EXHIBIT “A”

Scope of Services

The purpose of the As-Needed Engineering Consulting Contract for the Metro Wastewater JPA/~~Commission~~ is to provide technical support to the [Participating Agencies \(“PAs”\)](#) in meeting their objectives of Pure Water Program validation. The intention of the As-Needed Contract is to provide review and oversight of the San Diego Metropolitan Sewer System (Metro System) Program with a minimum of duplication by the PAs. By combining the efforts of the PAs into a central focal point, our goal is to assist in increasing the responsiveness of the group to key issues of concern, ensure coverage at key meetings, centralize the data collection, minimize duplication of efforts by the PAs, and reduce the costs of both Metro TAC/~~Commission~~/JPA efforts, as well as the overall costs of the Metro [System](#) Program.

I. Scope of Services

The effort by NV5 will be divided into two major categories, one for routine services and one for Metro TAC engineering support by Scott Tulloch in support of attaining either an administrative fix by EPA or permanent legislation to attain secondary equivalency, and continued efforts working with the City of San Diego Pure Water Program staff on cost allocation, facilities planning, and collaboration with environmental stakeholders.

A. Routine Services

The routine services could include the following tasks:

1. Attendance at the Metro TAC meetings
2. Attendance at Metro ~~Commission~~/JPA meetings
3. Independent cost review of Pure Water Program CIP
4. Provide additional technical support on specific projects as directed by the Metro TAC, Finance Committee, and/or Metro JPA/~~Commission~~ Chairman

B. Metro TAC Engineering Support – This task includes engineering technical support as requested by Metro TAC and the Metro ~~Commission~~/JPA. This will include engineering support for such items as the current Waiver of Secondary Treatment at Point Loma and the “Secondary Equivalency Alternative” as outlined in the Metro TAC white paper.

This will also include representing the JPA on the Water Reliability Coalition through the Friends of Infrastructure, Equinox Policy Committee Meetings, Pure Water Program Technical Advisory Committee Meetings, and any meetings as directed by the Metro TAC and/or the ~~Commission~~/[Metro](#) JPA to facilitate the secondary equivalency alternative, Pure Water Program, etc.

EXHIBIT “A” (cont.)

Scope of Services

II. Additional Services As Requested

- A. Review of ongoing background material not envisioned.
- B. Prepare for and attend additional meetings beyond what is included in Section I.
- C. Attendance at IROC in support of the Metro JPA/~~Commission~~ representatives.
- D. Provide additional follow-up on the additional items identified.
- E. Provide technical support, as requested, to fulfill other Metro JPA/~~Commission~~ objectives.

EXHIBIT “A-1”

Additional Social Media Services

I. Additional Social Media Services

NV5’s primary role during the first month of service will be to determine the key issues, keywords and items to track in our Meltwater system. The second month will be used to conduct a cursory media audit and develop the tracking, review and reporting plan. Upon approval, our media relations specialist will monitor social media by reviewing weekly Meltwater reports, and then consolidating for a designated representative of the Metro JPA to provide recommended action.

II. Optional Additional Social Media Services

In the event requested by Metro JPA, NV5 will also provide key message development, draft responses and more robust social media management services which could be added at any time along with training on traditional social media management which could also be added at any time, along with training on traditional and social media for Metro members engaging with news organizations, community leaders and the public through multiple news and information platforms. This, however is not anticipated in this scope of work.

EXHIBIT “B”

Schedule of Charges for Services

Services shall be provided on a time and materials basis at the direction and request of the Metro JPA/ Metro TAC appointed representative. The hourly rate for Scott Tulloch will be \$150.00. Consultant shall notify the Metro JPA when it has reached 80% of the total compensation under the Agreement to allow adequate time to obtain further approvals if needed.

The following rate sheet sets out Consultants standard rates should the need arise for other engineering or technical support, which shall only be provided if requested and approved by

Office:

Technical Services

Special Technical Advisor.....	\$150.00/hour
Engineering Aide/Planning Aide.....	\$60.00/hour
Project Assistant.....	\$80.00/hour
Project Administrator.....	\$95.00/hour
CADD Technician I.....	\$95.00/hour
CADD Technician II.....	\$115.00/hour
CADD Technician III.....	\$125.00/hour
Senior CADD Technician/Designer.....	\$130.00/hour
Design Supervisor.....	\$140.00/hour

Professional

Junior Engineer/Planner/Surveyor.....	\$90.00/hour
Assistant Engineer/Planner/Surveyor.....	\$125.00/hour
Associate Engineer/Planner/Surveyor.....	\$145.00/hour
Senior Engineer/Planner/Surveyor.....	\$165.00/hour
Manager.....	\$175.00/hour
Structural Engineer.....	\$165.00/hour
Associate.....	\$190.00/hour
Principal.....	\$200.00/hour

Expenses:

Plotting and In-house Reproduction.....	1.10 x Cost
Subsistence.....	1.10 x Cost
Other Expenses - Including Subconsultants & Purchased Services through Subcontracts.....	1.10 x Cost
Mileage - Outside local area.....	Per accepted IRS rate

Rates are effective through December 31, 2017. If contract assignment extends beyond that date, a new rate schedule will be added to the contract. Litigation support will be billed at \$300.00 per hour.

Metro JPA.

EXHIBIT "B-1"

Schedule of Charges for Additional Social Media Services

Fees for Additional Social Media Services listed in Exhibit A-1, Section I:

Social Media Monitoring - \$500/month

Meltwater - \$50/month

Fees for Optional Social Media Services listed in Exhibit A-1, Section II:

Gabriela Dow - \$136/hour

Rebecca Cole - \$136/hour

Teresa Leader-Anderson - \$101/hour

Meltwater - \$50/month

EXHIBIT “C”

Insurance Certificates

Insurance documentation is included on the following pages.

Summary report:	
Litéra® Change-Pro 7.5.0.135 Document comparison done on 5/11/2017 12:44:54 PM	
Style name: my style	
Intelligent Table Comparison: Active	
Original filename: 29537892_1.doc	
Modified DMS: iw://iManage/iManage/29781068/1	
Changes:	
Add	47
Delete	19
Move From	0
Move To	0
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	66

**Attachment 7 vi-vii.
Scope of Work for
City of Lemon
Grove Consultant
Wilson Engineering
Svs. for Eng. Supt.**

DEXTER S. WILSON, P.E.
ANDREW M. OVEN, P.E.
STEPHEN M. NIELSEN, P.E.
NATALIE J. FRASCHETTI, P.E.

May 4, 2017

648-028

Metro Wastewater JPA/TAC
276 Fourth Avenue
Chula Vista, CA 91950

Attention: Greg Humora, TAC Chair

Subject: Proposal for Engineering Services for the Metro Wastewater JPA/TAC

We are pleased to provide Metro Wastewater JPA/TAC with the following proposal for engineering services. The work, as further described in the Scope of Services below, consists of providing engineering services to the Metro Participating Agencies.

Work will be done on an hourly rate basis as directed by the TAC or JPA Chair Person. Below please find a scope of work. Appendix A provides a summary of hours by Tasks and Appendix B provides an estimate of cost by task. The estimated cost for FY 2017/18 is \$77,550.

SCOPE OF SERVICES

Dexter Wilson Engineering, Inc. will perform the following tasks:

- Task 1 - Attend and prepare for subcommittee meetings as directed by TAC or JPA Chairperson.
- Task 2 - Attend and prepare for other meetings as directed by TAC or JPA Chairperson.
- Task 3 - Prepare cost estimates, cost sharing material, scope of works or other

- Task 3 - Prepare cost estimates, cost sharing material, scope of works or other material as directed by TAC Chairperson.

- Task 4 - Review pure water reports, plans and specifications and provide comments as directed by TAC Chairperson.

COMPENSATION

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 attached as Exhibit "C." 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. Subconsultant invoices will be billed inside the cost ceiling at cost plus 5 percent.

TIME OF PERFORMANCE

This proposal is intended to provide services for FY 2017/18.

COST ESTIMATES

Since the Design Professional has no control over the cost of labor, materials, or equipment, or over the Contractor's method of determining prices, or over competitive bidding or market conditions, his opinions of probable construction cost provided for herein are to be made on the basis of his experience and qualifications. These opinions represent his best judgment as a Design Professional familiar with the construction industry. However, the Design Professional cannot and does not guarantee that proposals, bids, or the construction costs will not vary from opinions of probable cost prepared by him. If the Owner wishes greater assurance as to the construction cost, he shall employ an independent cost estimator.

Greg Humora
May 4, 2017
Page 3

OWNERSHIP OF ORIGINALS

The Owner acknowledges the Design Professional's plans and specifications as instruments of professional service. Nevertheless, the plans and specifications prepared under this agreement shall become the property of the Owner upon completion of the work. The Owner agrees to hold harmless and indemnify the Design Professional against all damages, claims, and losses, including defense costs, arising out of any reuse of the plans and specifications without the written authorization of the Design Professional.

QUALIFICATIONS

Dexter S. Wilson will supervise the services described above. Mr. Wilson is a Registered Civil Engineer in California and graduated from Stanford University with a Bachelor of Science in Chemistry, and from the University of Arizona with a Master of Science in Civil Engineering.

Thank you for the opportunity to provide a proposal on this project. If this proposal meets your approval, please prepare a contract in your format for our signature.

Respectfully submitted,

Dexter Wilson Engineering, Inc.



Dexter S. Wilson, P.E.

DSW:pjs

Attachments

Exhibit "A"

Summary of Hours by Task

Task 1 – Estimated 10 hours per month.

Task 2 – Estimated 5 hours per month.

Task 3 – Estimated 5 hour per month.

Task 4 – Estimated 10 hours per month.

Task	Professional	Technical	Clerical	Total
1	120	0	0	120
2	60	0	0	60
3	60	0	30	90
4	120	0	0	120
TOTAL	360	0	30	390

Exhibit "B"

Summary of Costs by Task

Task	Cost, \$
1	25,200
2	12,600
3	14,550
4	25,200
TOTAL	\$77,550

Exhibit "C"

DEXTER WILSON ENGINEERING, INC.

**Rate Schedule
Effective January 1, 2017**

CLASSIFICATION	HOURLY RATE
Office Personnel:	
 Planning/Design	
Principal Engineer (RCE)	\$210.00
Managing Engineer (RCE)	\$200.00
Project Engineer (RCE)	\$180.00
Senior Engineer (RCE)	\$140.00
Design Engineer (RCE)	\$130.00
Associate Engineer II	\$120.00
Associate Engineer I	\$110.00
Engineering Aide II	\$110.00
Engineering Aide I	\$ 95.00
 Drafting/Design	
Senior Designer	\$115.00
Senior Drafter	\$105.00
Drafter II	\$ 90.00
Drafter I	\$ 80.00
 Clerical	\$ 65.00

**Attachment 9
MetroTAC
Update/Report**

**Metro TAC Work Plan
Active & Pending Items
2017**

Active Items	Description	Member(s)
Pure Water Facilities Working Group	This subcommittee was formed by Metro TAC and is a technical group of engineers and supporting financial staff to work with San Diego staff and consultants on cost allocations for proposed Pure Water facilities. This group meets at least monthly. Current projects include North City and MBC expansions. First meeting was 3/24/17. Roberto Yano is the chair. <i>5/17: Group continues to meet monthly with PUD and PWP consultants. Reviewed and accepted cost allocation for MBC.</i>	Yazmin Arellano Dan Brogadir Steve Beppler Al Lau Scott Tulloch Dexter Wilson Roberto Yano SD staff & consultants
Sample Rejection Protocol Working Group	7/16: The sample rejection protocol from the B&C 2013 report has been under discussion between PUD staff and Metro TAC. A working group was formed to deal with this highly technical issue and prepare draft recommendations on any changes to current sampling procedures. The existing protocol is to be used through FY17. If changes are approved to the protocol they will be implemented in FY18. 1/17: Work group continues to meet monthly.	Dennis Davies Dan Brogadir Al Lau Dexter Wilson SD staff
PLWTP Permit Ad Hoc Working Group	1/17: Greg Humora and Scott Tulloch continue to meet with stakeholders. Milestones are included in each month Metro TAC and Commission agenda packet.	Greg Humora Scott Tulloch SD staff & consultants Enviro members
Flow Commitment Working Group	6/16: Upon the request of Metro Com Chair Jim Peasley Chairman Humora created a working group to review the Flow Commitment section of the Regional Agreement and make recommendations on the fiscal responsibilities of members who might withdraw their flow from the Metro System. The Work Group held their first meeting June 24, 2016. Yazmin Arellano chairs the work group. 1/17: Work group continues to meet monthly. 4/17: Group has prepared draft RFP to hire engineering consultant to update Pt. Loma capacities	Yazmin Arellano Roberto Yano Eric Minicilli Al Lau SD staff Karyn Keese
Social Media Working Group	6/16: Upon the request of Metro Com Chair Jim Peasley Chairman Humora created a working group to research and provide input on the creation of policies and procedures for Metro JPA social media. Mike Obermiller will chair this work group. He sent out an email to all Metro TAC members requesting copies of their agency's policies. 9/16: A draft policy has been approved by Metro TAC and will be presented to the Commission in October by Alexander Heide. 1/17: Draft policy and consultants contracts to be reviewed by Finance Committee in April 2017. <i>5/17: Finance Committee reviewed budget and requested scope/fee from NV5 for monitoring only</i>	Mike Obermiller Alexander Heide
Secondary Equivalency	5/14: Definition of secondary equivalency for Point Loma agreed to be enviros 12/14: Cooperative agreement signed between San Diego and enviros to work together to pass legislation for secondary equivalency (until 8/1/19) San Diego indicated that passage of Federal legislation is not possible under the current political environment. San Diego is exploring options for State legislation 9/15: Letter received from EPA endorsing modified permit for Point Loma 6/16: Pursuit of Federal Legislation will be held off until after the November 2016 election. City of San Diego to consult with DC lobbyists on 2/4/17	Greg Humora Scott Tulloch

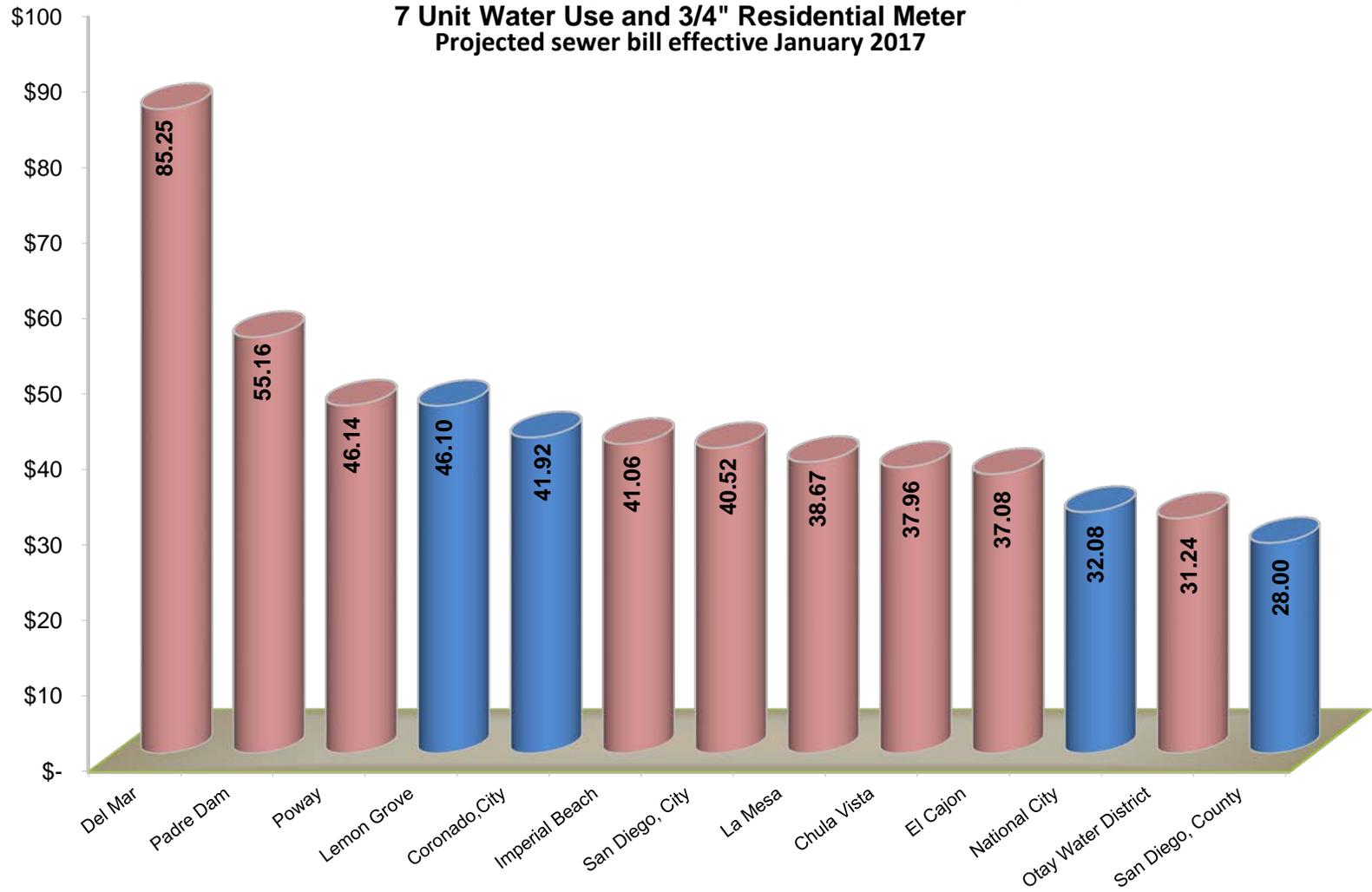
**Metro TAC Work Plan
Active & Pending Items
2017**

Active Items	Description	Member(s)
Pure Water Program Cost Allocation Working Group	A working group was formed to discuss Pure Water program cost allocation policies. 9/16: Concepts to be refined by Metro TAC and San Diego staff for presentation to Commission 1/17. 4/17: This group is currently being supported on a technical level by the Pure Water Facilities Subcommittee.	Greg Humora Scott Tulloch Roberto Yano Karyn Keese SD staff & consultants
Pure Water Program Cost Allocation Metro TAC Working Group	5/14: Draft facility plan and cost allocation table provided to Metro TAC working group 3/15: Draft cost allocation presentation provided to Metro TAC	Greg Humora Scott Tulloch Rick Hopkins Roberto Yano Al Lau Bob Kennedy Karyn Keese
Exhibit E Audit	6/16: FY 2013 audit accepted by Metro Commission; 9/16: FYE 2014 audit accepted by Metro Commission. FYE 2015 audit report to be issued by end of 2016 and then all audits will be caught up. 1/17: FYE 2015 to be issued in February 2017. FYE 2016 fieldwork is underway with anticipated draft 7/17. 3/17: FYE 2015 audit report issued. Acceptance pending resolution of PWP cost allocation for cost incurred in that fiscal year. <i>5/17: FYE 2015 audit to move forward as requested costs have been received. FYE 2016 audit field work complete,</i>	Karyn Keese Karen Jassoy
Amend Regional Wastewater Disposal Agreement	The addition of Pure Water facilities and costs will likely require the amendment of the 1998 Regional Wastewater Disposal Agreement. The Padre Dam billing errors have led to a need to either amend the Agreement and/or develop administrative protocols to help resolve potential future billing errors. After Pure Water cost allocation had been agreed to this effort will begin.	Greg Humora Roberto Yano Dan Brogadir Paula de Sousa Mills Karyn Keese
Management of Non-Disposables in Wastewater	9/13: Eric Minicilli handed out a position paper prepared by the NEWEA. 6/15 Chairman Humora provided attached from SCAP. 2/16: Chairman Humora distributed Robbins Geller Rudman & Dowd memorandum.	Eric Minicilli
2015/16 Transportation Rate Update	5/14: Metro TAC approved 2014 transportation rate w/caveat that PUD staff hires a consultant to review/revise methodology for 2015.	Al Lau Dan Brogadir Karyn Keese
IRWMP	8/15 RAC minutes included in August Metro TAC agenda. Padre Dam received a \$6 million grant for their project. 9/16: June 2, 2016 and August 3, 2016 minutes presented to Metro TAC. 12/16: Roberto Yano and Yazmin Arellano appointed to IRWMP. <i>5/17: Roberto Yano providing monthly updates as well as grant funding opportunities</i>	Roberto Yano Yazmin Arellano
"No Drugs Down the Drain"	The state has initiated a program to reduce pharmaceuticals entering the wastewater flows. There have been a number of pharmaceutical collection events within the region sponsored by law enforcement.	Greg Humora
Strength Based Billing Evaluation	San Diego will hire a consultant every three years to audit the Metro metered system to insure against billing errors.	Al Lau Dan Brogadir Karyn Keese
Grease Recycling	To reduce fats, oils, and grease (FOG) in the sewer systems, more and more restaurants are being required to collect and dispose of cooking grease. Companies exist that will collect the grease and turn it into energy.	Eric Minicilli

**Metro TAC Work Plan
Active & Pending Items
2017**

Active Items	Description	Member(s)
Point Loma Modified NPDES Permit	1/15: Permit was submitted. EPA has begun their review. 11/16 first possible date at the Regional Board for consideration. 12/16: First hearing of Permit Application held at San Diego Regional Board. 4/17: Regional Board hearing on accelerated PWP facilities timeline 4/12/17. <i>5/17: Coastal Commission hearing 5/10/17.</i>	Greg Humora Scott Tulloch Karyn Keese
Changes in water legislation	Metro TAC and the Board should monitor and report on proposed and new legislation or changes in existing legislation that impact wastewater conveyance, treatment, and disposal, including recycled water issues	Paula de Sousa Mills
Border Region	Impacts of sewer treatment and disposal along the international border should be monitored and reported to the Board. These issues would directly affect the South Bay plants on both sides of the border.	<i>New Board Members to be Appointed</i>

Sewer Rate Comparison in San Diego County
7 Unit Water Use and 3/4" Residential Meter
Projected sewer bill effective January 2017



Metro TAC Participating Agencies Selection Panel Rotation

Agency	Representative	Selection Panel	Date Assigned
Padre Dam	Neal Brown	IRWMP – Props 50 & 84 Funds	2006
El Cajon	Dennis Davies	Old Rose Canyon Trunk Sewer Relocation	9/12/2007
La Mesa	Greg Humora	As-Needed Piping and Mechanical	11/2007
National City	Joe Smith	MBC Additional Storage Silos	02/2008
Otay Water District	Rod Posada	As-Needed Biological Services 2009-2011	02/2008
Poway	Tom Howard	Feasibility Study for Bond Offerings	02/2008
County of San Diego	Dan Brogadir	Strategic Business Plan Updates	02/2008
Coronado	Scott Huth	Strategic Business Plan Updates	09/2008
Coronado	Scott Huth	As-needed Financial, HR, Training	09/2008
PBS&J	Karyn Keese	As-needed Financial, Alternate HR, Training	09/2008
Otay Water District	Rod Posada	Interviews for Bulkhead Project at the PLWTP	01/2009
Del Mar	David Scherer	Biosolids Project	2009
Padre Dam	Neal Brown	Regional Advisory Committee	09/2009
County of San Diego	Dan Brogadir	Large Dia. Pipeline Inspection/Assessment	10/2009
Chula Vista	Roberto Yano	Sewer Flow Monitoring Renewal Contract	12/2009
La Mesa	Greg Humora	Sewer Flow Monitoring Renewal Contract	12/2009
Poway	Tom Howard	Fire Alarm Panels Contract	12/2009
El Cajon	Dennis Davies	MBC Water System Improvements D/B	01/2010
Lemon Grove	Patrick Lund	RFP for Inventory Training	07/2010
National City	Joe Smith	Design/Build water replacement project	11/2010
Coronado	Scott Huth	Wastewater Plan update	01/2010
Otay Water District	Bob Kennedy	RFP Design of MBC Odor Control Upgrade/Wastewater Plan Update	02/2011
Del Mar	Eric Minicilli	Declined PS 2 Project	05/2011
Padre Dam	Al Lau	PS 2 Project	05/2011
County of San Diego	Dan Brogadir	RFP for As-Needed Biological Services Co.	05/2011
Chula Vista	Roberto Yano	North City Cogeneration Facility Expansion	07/2011
La Mesa	Greg Humora	confined space RFP selection panel	10/2011
Poway	Tom Howard	COSS's for both Water and WW	10/2011
El Cajon	Dennis Davies	Independent Accountant Financial Review & Analysis – All Funds	01/2012

Lemon Grove	Mike James	MBC Dewatering Centrifuges Replacement (Passed)	01/2012
National City	Joe Smith	MBC Dewatering Centrifuges Replacement (Passed)	01/2012
Coronado	Godby, Kim	MBC Dewatering Centrifuges Replacement (Passed)	01/2012
Otay Water District	Bob Kennedy	MBC Dewatering Centrifuges Replacement (Accepted)/Strategic Planning Rep	01/2012
Del Mar	Eric Minicilli	New As Need Engineering Contract	02/2012
Padre Dam	Al Lau	PA Rep. for RFQ for As Needed Design Build Services (Passed)	05/2012
County of San Diego	Dan Brogadir	PA Rep. for RFQ for As Needed Design Build Services (Cancelled project)	05/2012
Chula Vista	Roberto Yano	As-Needed Condition Assessment Contract (Accepted)	06/2012
La Mesa	Greg Humora	New programmatic wastewater facilities condition (Awaiting Response)	11/2012
Poway	Tom Howard	Optimization Review Study	01/2013
El Cajon	Dennis Davies	PUD 2015 Annual Strategic Plan	1/15/14
Lemon Grove	Mike James	As-Needed Engineering Services (Passed)	7/25/14
National City	Kuna Muthusamy	As-Needed Engineering Services	7/25/14
Coronado	Ed Walton	Strategic Planning	01/2014
Otay Water District	Bob Kennedy	Strategic Planning (Volunteered, participated last year)	01/2014
Del Mar	Eric Minicilli	Pure Water Program Manager Services	9/1/14
Padre Dam	Al Lau	Pure Water Program Manager Services	9/1/14
County of San Diego	Dan Brogadir	As-Needed Condition Assessment Contract	3/24/2015
Chula Vista	Roberto Yano	Out on Leave	6/10/15
La Mesa	Greg Humora	North City to San Vicente Advanced Water Purification Conveyance System	6/10/15
Poway	Mike Obermiller	Real Property Appraisal, Acquisition, and Relocation Assistance for the Public Utilities Department	11/30/15
El Cajon	Dennis Davies	PURE WATER RFP for Engineering Design Services	12/22/15
Lemon Grove	Mike James	PURE WATER RFP Engineering services to design the North City Water reclamation Plant and Influence conveyance project	03/16/15
National City	Kuna Muthusamy	Passes	04/04/2016
Coronado	Ed Walton	As-Needed Environmental Services - 2 Contracts	04/04/2016
Otay Water District	Bob Kennedy	As Needed Engineering Services Contract 1 & 2	04/11/2016
Del Mar	Eric Minicilli	Pure Water North City Public Art Project	08/05/2016
Padre Dam	Al Lau	Biosolids/Cogeneration Facility solicitation for Pure Water	08/24/2016
County of San Diego	Dan Brogadir	Pure Water North City Public Art Project	08/10/2016
Chula Vista	Roberto Yano	Design Metropolitan Biosolids Center (MBC) Improvements Pure Water Program	9/10/2016
La Mesa	Greg Humora	Design of Metropolitan Biosolids Center (MBC) Improvements	9/22/16
Poway	Mike Obermiller	Electrodialysis Reversal (EDR) System Maintenance	12/7/16
El Cajon	Dennis Davies		

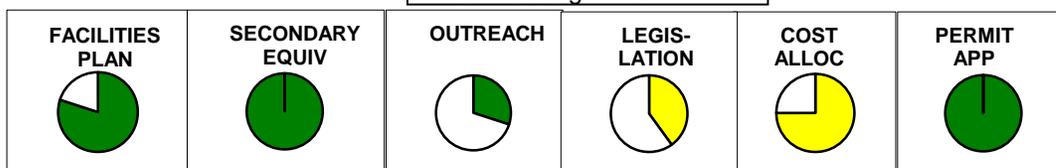
Lemon Grove	Mike James		
National City	Kuna Muthusamy		
Coronado	Ed Walton		
Otay Water District	Bob Kennedy		
Del Mar	Eric Minicilli		
Padre Dam	Al Lau		
County of San Diego	Dan Brogadir		
Chula Vista	Roberto Yano		
La Mesa	Greg Humora		
Poway	Mike Obermiller		
El Cajon	Dennis Davies		
Lemon Grove	Mike James		
National City	Kuna Muthusamy		
Coronado	Ed Walton		

Attachment 10
Pt. Loma
Permit
Renewal
Update



DATE	TASK	FOLLOW UP ACTION/STATUS
2014	Begin outreach to regulators, legislators, key stakeholders and public	San Diego signed contract with Katz Assoc. 5/14
01/23/2014	San Diego meet with JPA on cost allocation. 1) Agree on methodology 2) Insert construction costs from facilities plan	San Diego to look at comparing PR facilities construction through secondary to secondary at Point Loma.
February	First draft of legislative language	Draft prepared
03/05/2014	San Diego (Ann, Brent, Bob, Allan) meet with EPA staff	Pure Water program was well received by EPA
10/08/2014	City of San Diego Environmental Committee	Consideration of Pt Loma Permit
10/16/2014	Metro Commission - VOTE on Supporting Permit	
11/18/2014	City of San Diego City Council Meeting	Consideration of Pt Loma Permit and Side Agreement. Passed 9-0
2015		
January	Submit NPDES Permit to the Environmental Protection Agency	Submitted! Regional Board expected to act on permit 9/16 or 11/16
	Prepare proposed language for admin fix to Clean Water Act	
	Be ready to provide lang for legislative fix to Clean Water Act	
05/20/2015	Present Phase 1 of cost allocation to Metro TAC	
06/04/2015	Metro JPA Strategic Planning Meeting at Pt Loma	
07/01/2015	Water Reliability Coalition Potable Reuse Media Training	
09/15/2015	City of San Diego City Council Request to set Prop 218 Public Hearing for water rate increase	218 Notice for water rates approved to be mailed out
09/17/2015	Letter received from EPA endorsing Pt Loma modified permit	
11/17/2015	City of San Diego Public Hearing for water rate increases	Water rate increases approved
2016		
09/21/2016	Pure Water Program EIR to Metro TAC	
09/21/2016	Pure Water Program Update to Metro TAC	
10/06/2016	Pure Water Program EIR to JPA	
10/06/2016	Pure Water Program Update to JPA	
10/19/2016	Pure Water Cost Allocation to Metro TAC	
11/08/2016	Election day	
12/14/2016	Pt Loma Permit Public Hearing at RWQCB	Comment Letter submitted requesting permit condition remain unchanged
2017		
	Political strategy for OPRA II approval in DC	
01/05/2017	Pure Water Cost Allocation to JPA	
02/10/2017	Revised Pt Loma Permit Issued with Pure Water construction milestones in 2022 (14 day comment period)	Comment letter submitted requesting continuance of public hearing
03/30/2017	Second Revised Pt Loma Permit Issued still with Pure Water construction milestones in 2022	
04/12/2017	Pt Loma Permit Second Public Hearing at RWQCB	Permit was approved
05/10/2017	Coastal Commission Meeting in San Diego at County offices to hear Pt Loma permit at 8:30	Permit was approved!!!
05/17/2017	FY19-FY23 Sewer rates to Metro TAC	
	Begin drafting updated wastewater disposal agreement	

Milestone Progress Dashboard



Amount of pie filled = % complete
 Green = on schedule
 Yellow = behind schedule
 Red = late

Attachment 11
Pure Water
Program
Update

Public Utilities Department

Pure Water Program Implementation Update

Metro TAC
April 19, 2017

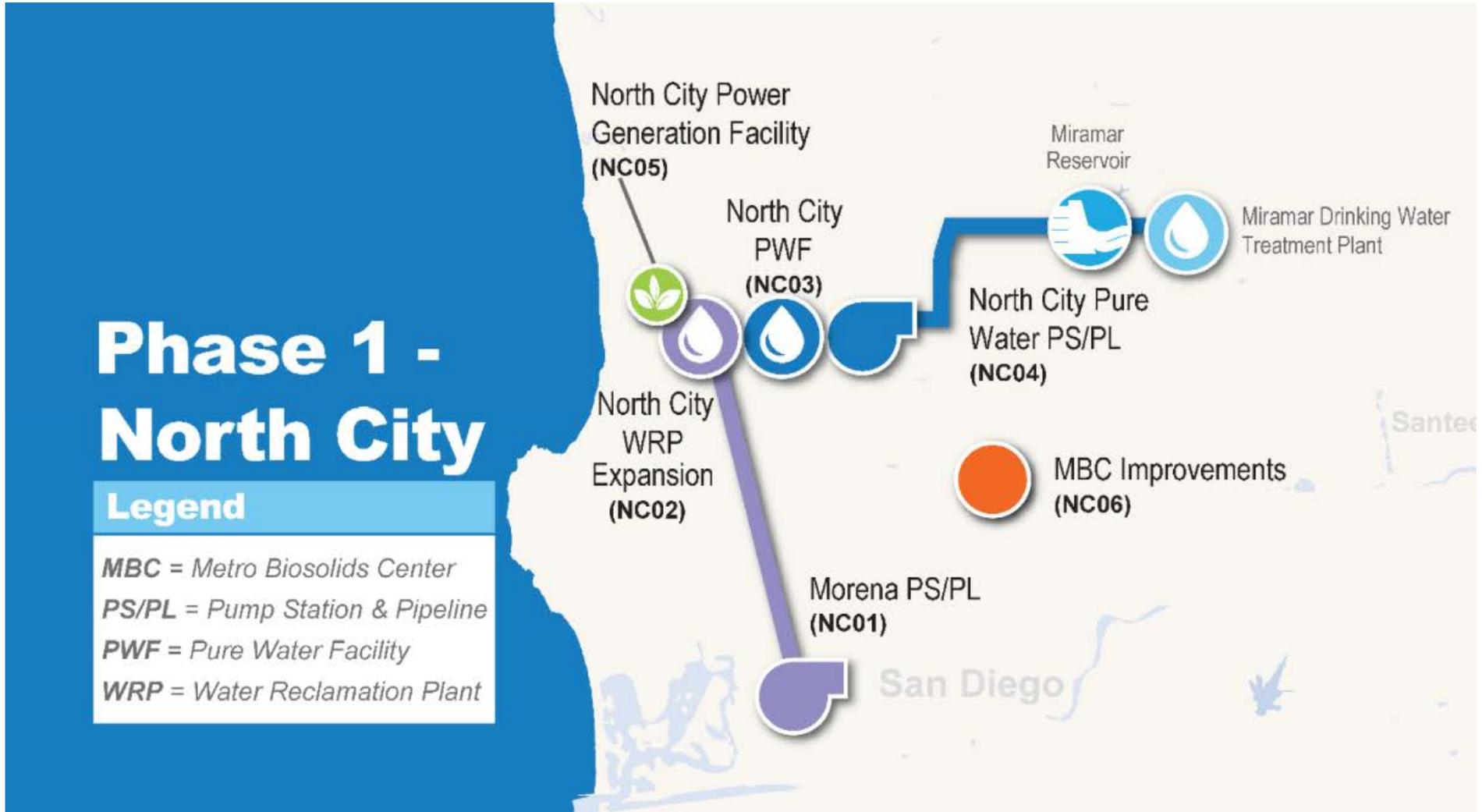




Pure Water Update

- North City Phase 1 Project Delivery
- Regulatory Approval Process
- Public Outreach

Phase 1 – North City Projects



Project Delivery

- Phase 1 Design
 - Preliminary design is complete
 - All core project design contracts (5) to be awarded by June 2017
 - Renewable Energy Project - Request for statement of qualifications to be issued this Fall 2017
- CEQA Process
 - Program Environmental Impact Report – Approved and certified on October 25, 2016
 - Project Specific Phase 1 – North City Projects EIR/EIS
 - First screen check draft EIR/EIS was submitted to Development Services Department in February 2017
 - Public draft to be released July 2017 for review and comment
- Construction Management Planning
 - Public Utilities and Public Works Departments collaborating on Construction Management organizational structure,
 - Construction Management scope of work to be divided into 2 contracts
 - Contracts to be advertised April/May 2017

Regulatory Approval Process

- Title 22 Engineering Report
 - Serves as basis for regulatory review and approval of North City Pure Water Project
 - Describes all aspects of North City Pure Water System
 - Industrial waste control program
 - Facility designs and operations
 - Water quality monitoring
 - System reliability features
 - Management and organizational structure
 - Operator certification and training
 - Incorporates feedback received during monthly meetings with California Division of Drinking Water (DDW) staff (March 2016 – March 2017)
 - Anticipate submittal to DDW this April/May 2017

Point Loma National Pollutant Discharge Elimination System (NPDES) Permit Renewal Tentative Order No. 2017-0007

- Joint Public Hearing held on December 14 , 2016
- Regional Water Quality Control Board (RWQCB) issued a revised tentative order on February 10, 2017
- RWQCB Approval Hearing held on April 12, 2017
 - Recommended Action: Approved revised Tentative Order No. 2017-0007
- Next Public Hearing at the California Coastal Commission anticipated in May 2017

Ongoing Research and Process Optimization

- Research through June 2017
 - Verifying sodium hypochlorite effectiveness in advanced oxidation process – has cost benefit over hydrogen peroxide (originally considered)
 - Determining best online analyzers to monitor water quality throughout process – for protection of equipment integrity
- Upcoming Research (July 2017 – September 2018)
 - Reverse Osmosis (RO): Pre-selection will determine best product to maximize RO production and minimize annual O&M costs

Operator Readiness

- Training
 - Consultant training of City staff on operation of demonstration plant is complete – plant is fully operated by City staff
 - Develop advance water treatment operator specifications for new operator certification.
 - City remains engaged in statewide industry effort to develop operator training and certification requirements

Public Outreach

Quarter 1 2017 Outreach Metrics



Pure Water Day Open House - October 22, 2016



- Engaged 400+ attendees
 - Introductory video
 - Pure Water Facility tours
 - Water tasting station
- Kid Zone
 - Video testimonials
 - Waterwise Garden tours
 - Snow cones and kettle corn

Pure Stone San Diego – March 16, 2017



- 200+ attendees
- Stone Full Circle Pale Ale brewed with San Diego's Pure Water
- First commercial brewery to brew beer with 100% advanced-treated recycled water
- 70+ media outlets covered the event

Pure Brew San Diego – March 19, 2017



- 2017 WaterReuse California Annual Conference
- 16 home brewers brewed beer with Pure Water
- 200+ attendees
- 3 winners

Phase 1 Outreach Kick-Off

- 12 presentations to 300+ community members
- Focused on North City Projects in Council Districts 1, 5 and 6
 - Morena Pump Station and Pipeline
 - North City Water Reclamation Plant Expansion
 - North City Pure Water Facility
 - North City Pure Water Pump Station and Pipeline
- Presented to community planning groups, town councils, civic associations, HOAs, recreation councils and stakeholder groups
- Promoted Pure Water Day Open House held October 22, 2016
- Additional presentations on individual projects scheduled for Spring 2017

Awards and Recognition



2016 Water Environment Federation

- Utility of the Future Award

2016 Association of Metropolitan Water Agencies

- Sustainable Water Utility Management Award

2017 Association of Environmental Professionals

California Awards

- Outstanding Public Involvement/Education Program
- Outstanding Environmental Analysis Document

Questions

