



Meeting of the Metro Commission and Metro Wastewater JPA

AGENDA

Thursday, May 7, 2015
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 [April 2, 2015](#) (**Attachment**)
- X 5. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE JPA AUDIT REVIEW (**Attachment**) (Karen Jassoy)
- X 6. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE JPA MID-YEAR BUDGET REVIEW (**Attachment**) (Karen Jassoy)
- X 7. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE AS-NEEDED ENGINEERING CONSULTANT SERVICES 2015-2017 AGREEMENT (**Attachment**) (Raina Amen)
8. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPOINT ALTERNATE(S) TO METRO JPA FINANCE COMMITTEE (Steve Martin)

May 7, 2015

Metro Commission/Metro
Wastewater JPA Regular
Meeting Agenda

- X 9. METRO TAC UPDATE/REPORT (**Attachment**) (Greg Humora)
- X 10. POINT LOMA PERMIT RENEWAL UPDATE (**Attachment**) (Greg Humora)
- 11. IROC UPDATE (Ed Spriggs)
- 12. FINANCE COMMITTEE (Jim Peasley)
- 13. REPORT OF GENERAL COUNSEL (Paula de Sousa)
- 14. PROPOSED AGENDA ITEMS FOR THE NEXT METRO COMMISSION/METRO
WASTEWATER JPA MEETING **June 4, 2015**
- 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) 476-2557 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 2015 Meeting Schedule

January 8, 2015	February 5, 2015	March 5, 2015
April 2, 2015	May 7, 2015	June 4, 2015
July 2, 2015	August 6, 2015	September 3, 2015
October 1, 2015	November 5, 2015	December 3, 2015

AGENDA ITEM 4

Minutes of the Regular Meeting of
April 2, 2015



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

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

**April 2, 2015
DRAFT Minutes**

Chairman Peasley called the meeting to order at 12:07 p.m. A quorum of the Metro Wastewater JPA and Metro Commission was declared, and the following representatives were present:

1. ROLL CALL

<u>Agencies</u>	<u>Representatives</u>		<u>Alternate</u>
City of Chula Vista	Steven Miesen	X	Rick Hopkins
City of Coronado	Bill Sandke	X	
City of Del Mar	Sherryl Parks		
City of El Cajon	Tony Ambrose	X	Dennis Davies
City of Imperial Beach	Ed Spriggs	X	
City of La Mesa	Bill Baber	X	
Lemon Grove Sanitation District	Jerry Jones	X	
City of National City	Jerry Cano		Albert Mendivil
City of Poway	John Mullin	X	
County of San Diego	Dianne Jacob		Daniel Brogadir
Otay Water District	Jose Lopez	X	Mark Robak
Padre Dam MWD	Jim Peasley	X	Augie Scalzitti
Metro TAC Chair	Greg Humora	X	Dennis Davies
IROC Chair	Irene Stallard-Rodriguez		

Others present: Metro JPA General Counsel Paula de Sousa; Metro JPA Secretary Lori Anne Peoples; Karyn Keese of Atkins Global; Roberto Yano – City of Chula Vista; Ed Walton – City of Coronado; Bob Kennedy, Rod Posada – Otay Water District; Al Lau, Augie Scalzetti – Padre Dam Municipal Water District; Mike Obermiller – City of Poway; John Helmski, Peggy Merino, Edgar Patino, Marie Wright-Travis - City of San Diego Public Utilities; Tom Zeleny – City Attorney City of San Diego

2. PLEDGE OF ALLEGIANCE TO THE FLAG

Dan Brogadir led the pledge.

3. PUBLIC COMMENT

None.

**4. ACTION: CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE MINUTES OF THE
REGULAR MEETING OF March 5, 2015**

ACTION: Upon motion by Vice Chair Jones, seconded by Commissioner Lopez, the Minutes of March 5, 2015 were approved unanimously.

**5. ACTION: CONSIDERATION AND POSSIBLE ACTION TO APPROVE PUMP STATION 2
FORCE MAIN SIPHON & WEST PT. LOMA INTERCEPTOR SEWER**

Tung Phung provided a brief verbal and Power Point presentation of the staff report.

ACTION: Upon motion by Commissioner Sandke, seconded by Vice-Chair Jones, the item was approved unanimously.

6. PRESENTATION: PUBLIC UTILITIES DEPARTMENT OVERVIEW

With Board consensus, this item was continued to the next meeting due to the absence of Ms. Razak

7. PRESENTATION: CONDITION ASSESSMENT UPDATE

Assistant Engineer Monika Smoczynski and Sr. Civil Engineer Pete Wong provided a brief verbal and Power presentation.

8. PRESENTATION: PURE WATER SAN DIEGO OUTREACH PRESENTATION

Deputy Director External Affairs Brent Eidson provided a brief verbal and Power Point presentation.

9. DISCUSSION: MEETING AND TOUR OF PT. LOMA TREATMENT PLANT, POTENTIAL STRATEGIC PLANNING SESSION

MetroTAC Chair Humora stated that every couple of years, the Commission is provided with a brief orientation for new members to get them up to speed. It covers where the JPA came from, our history, roles, finances and some strategic planning. Staff explains what they do, including himself as MetroTAC Chair as well as the roles of Karyn and Lori. He then inquired if the Commission was interested in holding another orientation and if so if they would like to hold it at the Pt. Loma Treatment Plant in June followed by a short tour of the facility and also if they wanted to include some strategic planning at this point in time.

Chair Peasley expressed his thoughts and concurrence to meet at Pt. Loma and cover the history of the JPA, role of JPA, Muni/Metro system definition, how does the sewer system work, how the PA's are connected, how the system works, a billing system overview, how does MetroTAC/City staff role, Finance Consultant and Committee role, information on the Pure Water Program and the potential financial impact on the PA's in the future in an effort to bring everyone up to speed.

Vice Chair Jones stated the last orientation was very good and thorough and was basically a Metro 101 including seeing Pt. Loma, with just the need to add Pure Water along with an overview of the current Strategic Plan to create ownership of the new members.

Commissioner Lopez stated he concurred and suggested the New Member Manual be provided to everyone in advance. MetroTAC Chair Humora stated it was currently on our website and could be reviewed at any time as well as the Commissioners could print out the sections they have questions on and bring them to the orientation for discussion.

Greg clarified that June sounded like the best month to hold this, people would meet at MOC around 8:30-9:00 and vans would be provided to shuttle members out to Pt. Loma.

10. METRO TAC UPDATE/REPORT

MetroTAC Chair Humora stated that in addition to the items on the agenda, MetroTAC touched base on the Padre Dam Mass Balance/North City/Fiscal Years 08-13 Audits where there are a lot of dollars sitting out there that everyone is curious about. It is believed that there is agreement on all of the numbers and dollars, there are a few issues the attorneys are working on that they would like to see and perhaps some administrative protocols they are working on and the target date is May to bring to the FY12 Audit to bring before the JPA Finance Committee, TAC and then JPA for approval and pending that approval they will be able to true up all the items and get the financials taken care of.

11. PT. LOMA PERMIT RENEWAL

MetroTAC Chair Humora stated that they were working hard behind the scenes with San Diego staff and the environmental stakeholders. The large stakeholder group meets approximately every three months and had a meeting recently. The main work items they are working on are the cost allocation and the second equivalency aspect. City of San Diego staff has been

dialoging with Region 9 EPA and Headquarters EPA in Washington DC and they actually have some language as to how they think the Code of Federal Regulations could be modified without actually having to change the law, more of the implementation of the law. That information has been passed on to the EPA for comments. It is anticipated that Region 9 in the Sacramento/San Francisco area will take the lead for Headquarters and San Diego City Attorney, Tom Zeleny and his team are working with them and providing information on how things could be changed that would potentially work for Pt. Loma to remain an advanced primary facility and comply with the clean water act without having to apply for a modified permit every five years. That is our goal. We also have agreements of support from the Environmental Stakeholders which should really help the process move along. At least 30 days are needed for the EPA to review and discuss this so more information will be coming forth in the next month.

12. IROC UPDATE

Chair Peasley stated that he had attended the March 16th meeting for Commissioner Spriggs and that they had nominations and made appointments to fill the vacant IROC Outreach and Communications positions; Commissioner Spriggs was unanimously reappointed to the Outreach Committee as he was not present; a presentation was received by City of San Diego staff on the work plans of the three sub-committees (Finance, Infrastructure and Operations, and Outreach and Communications) and a lengthy discussion was held on customer support call center staffing issues with City of San Diego staff taking appropriate actions in hiring practices.

13. FINANCE COMMITTEE

Karyn Keese of Atkins Global stated that she was happy to say that she had received the final 2011 audit with 2012 right on its heels. The City of San Diego Auditor will be presenting these to the MetroTAC then JPA Finance Committee and then to the Commission. She also noted that it was budget season for the JPA and that she planned to bring the budget to the workshop in June. In May, the JPA Treasurer, Karen Jassoy, will be presenting the JPA Audit to the Finance Committee and thus there will be Finance Committee meetings coming forth for at least the next three months.

14. REPORT OF GENERAL COUNSEL

General Counsel de Sousa stated that she had no report and that she will be getting married on April 25th in Cabo and on her honeymoon in Italy during the month of May and her colleague, Attorney Steve Martin will be filling in for her.

15. PROPOSED AGENDA ITEMS FOR THE NEXT METRO COMMISSION/METRO WASTEWATER JPA MAY 7, 2015

Chair Peasley requested information regarding the agreement with the Environmental Community (terms/conditions/obligations/risks) be presented by Tom Zeleny, San Diego City at the next meeting.

16. METRO COMMISSIONERS' AND JPA BOARD MEMBERS' COMMENTS

Chair Peasley and Al Lau from Padre Dam Municipal Water District reminded all of the Commissioners that on April 10, 2015 at 10:00 a.m. at Padre Dam Municipal Water District Headquarters, the Grand Opening/Ribbon Cutting Ceremony and Demonstration Party for their Advance Water Purification Project was being held. He then referred everyone to their website: www.padredam.org.

Chair Peasley and the Commissioners presented General Counsel de Sousa with a card and small token of appreciation for all she has done for the Commission, each extending congratulatory comments on her upcoming nuptials.

17. ADJOURNMENT

At 1:35 p.m., there being no further business, Commissioner Peasley declared the meeting adjourned.

Recording Secretary

AGENDA ITEM 5

JPA Audit Review

Board of Directors
Metro Wastewater Joint Powers Authority
Santee, California

We have audited the financial statements of the Metro Wastewater Joint Powers Authority (the Authority) for the year ended June 30, 2013 and have issued our report thereon dated May 15, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in the engagement letter dated November 4, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings:

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Metro Wastewater Joint Powers Authority are described in Note 1 to the financial statements. As discussed in Note 1c to the basic financial statements, the Authority incorporated deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure of net position due to the adoption of Governmental Accounting Standards Board's Statement No. 63 "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*". The adoption of this standard also provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

We evaluated the key factors and assumptions used to develop these estimates in determining that they were reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Significant Audit Findings (Continued)

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Adjustments

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. As a result of our audit related test work, we proposed no corrections to the financial statements that, in our judgment, had a significant effect on the District's financial reporting process.

Disagreements with Management

For the purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 15, 2014.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the Management's Discussion and Analysis accompanying the financial statements, we have read the Management's Discussion and Analysis to determine if any material inconsistencies were identified. We have not audited the Management's Discussion and Analysis and we do not express an opinion or provide any assurance on it.

This information is intended solely for the use of the Board of Directors and management of the Metro Wastewater Joint Powers Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

White Nelson Diehl Evans LLP

May 15, 2014
Carlsbad, CA

METRO WASTEWATER JOINT POWERS AUTHORITY

ANNUAL FINANCIAL REPORT

WITH REPORT ON AUDIT BY
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

JUNE 30, 2013

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2013

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Statement of Revenues, Expenses and Changes in Net Position	7
Statement of Cash Flows	8
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Metro Wastewater Joint Powers Authority
Santee, California

We have audited the accompanying financial statements of the Metro Wastewater Joint Powers Authority (the Authority) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Authority's preparation and fair presentation of the financial statements 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 Authority'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 financial statements.

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 financial statements referred to above present fairly, in all material respects, the financial position of the Metro Wastewater Joint Powers Authority as of June 30, 2013, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the California Controller's Office and California Regulations governing Special Districts.

Emphasis of Matters

As discussed in Note 1c to the basic financial statements, the Authority incorporated deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure of net position due to the adoption of Governmental Accounting Standards Board's Statement No. 63 "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*". The adoption of this standard also provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as identified in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance on them.

White Nelson Diehl Evans LLP

Carlsbad, California
May 15, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

My discussion and analysis of Metro Wastewater Joint Powers Authority's (JPA) financial performance provides an overview of Metro's financial activities for the years ended June 30, 2013. Please read it in conjunction with the JPA's financial statements, which follow this section. The year ended June 30, 2012 is provided for reference.

Financial Statements

This discussion and analysis provides an introduction and a brief description of the JPA's financial statements, including the relationship of the statements to each other and the significant differences in the information they provide. The JPA's financial statements include four components:

- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows
- Notes to Basic Financial Statements

The statement of net position includes all of the JPA's assets and liabilities, with the difference between the two reported as net position. There were no deferred outflows or deferred inflows of resources for the year ended June 30, 2013. The JPA's entire net position is unrestricted.

The statement of revenues, expenses and changes in net position presents information which shows how the JPA's net position changed during the year. All of the current year's revenues and expenses are recorded when the underlying transaction occurs, regardless of the timing of the related cash flows. The statement of revenues, expenses and changes in net position measures the success of the JPA's operations over the past year and determines whether the JPA has recovered its costs through member agency assessments.

The statement of cash flows provides information regarding the JPA's cash receipts and cash disbursements during the year. This statement reports the JPA's cash activity as either Operating or Investing; the JPA had no Capital and Related Financing Activities or Noncapital and Related Financing Activities for the year. The statement of cash flows differs from the statement of revenues, expenses and changes in net position because it accounts only for transactions that result in cash receipts or cash disbursements.

The notes to the financial statements provide a description of the accounting policies used to prepare the financial statements and present material disclosures required by generally accepted accounting principles that are not otherwise present in the financial statements.

Financial Highlights

For the year ended June 30, 2013, the JPA's total net position increased by \$30,940. The JPA's operating revenues of \$223,515 increased by \$17,515 while operating expenses of \$192,660 increased by \$35,084. Non-operating revenues decreased by \$17. There were no non-operating expenses.

Financial Analysis of the Financial Statements

Net Position

The JPA's net position at June 30, 2013 totaled \$146,510 compared to \$115,570 at June 30, 2012. The increase in net position is attributed to operating income, net of operating expenses, of \$30,855 and \$85 of nonoperating revenue. The following is a summary of the JPA's statement of net position:

Financial Analysis of the Financial Statements (cont.)

	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>Difference</u>
Assets			
Current Assets	<u>\$ 222,089</u>	<u>\$ 159,247</u>	<u>\$ 62,842</u>
Total Assets	<u>222,089</u>	<u>159,247</u>	<u>62,842</u>
Liabilities			
Current Liabilities	<u>75,579</u>	<u>43,677</u>	<u>31,902</u>
Total Liabilities	<u>75,579</u>	<u>43,677</u>	<u>31,902</u>
Net Position			
Unrestricted	<u>146,510</u>	<u>115,570</u>	<u>30,940</u>
Total Net Position	<u>\$ 146,510</u>	<u>\$ 115,570</u>	<u>\$ 30,940</u>

Revenues, Expenses and Changes in Net Position

The JPA reported a change in net position of \$30,940 for the year ended June 30, 2013, a decrease of \$17,586 when compared to the year ended June 30, 2012. Revenues were higher than the prior year by \$17,498 due to increased contributions from member agencies. Operating expenses were \$192,660, an increase of \$35,084 compared to the year ended June 30, 2012. The primary increases had to do with additional work performed by Atkins and a redesign of the JPA's website. The following is a summary of the JPA's statement of revenues, expenses and changes in net position:

	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>Difference</u>
Operating Revenues	<u>\$ 223,515</u>	<u>\$ 206,000</u>	<u>\$ 17,515</u>
Nonoperating Revenues	<u>85</u>	<u>102</u>	<u>(17)</u>
Total Revenues	<u>223,600</u>	<u>206,102</u>	<u>17,498</u>
Operating Expenses	<u>192,660</u>	<u>157,576</u>	<u>35,084</u>
Total Expenses	<u>192,660</u>	<u>157,576</u>	<u>35,084</u>
Changes in Net Position	<u>30,940</u>	<u>48,526</u>	<u>(17,586)</u>
Net Position at Beg of Year	<u>115,570</u>	<u>67,044</u>	<u>48,526</u>
Net Position at End of Year	<u>\$ 146,510</u>	<u>\$ 115,570</u>	<u>\$ 30,940</u>

Long-Term Debt and Capital Assets

The JPA has no long-term debt or capital assets.

Conditions Affecting Current Financial Position

There are no known facts, decisions, or conditions that are expected to have a significant effect on the JPA's net position or future results of operations.

Contacting the JPA's Financial Manager

This financial report is designed to provide Metro Wastewater JPA's member agencies, their constituents and the State of California with a general overview of the JPA's finances and to demonstrate the JPA's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the JPA's treasurer, Karen Jassoy.

**METRO WASTEWATER
JOINT POWERS AUTHORITY**

STATEMENT OF NET POSITION
June 30, 2013

ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 212,985
Accounts receivable	9,104
Total Current Assets	<u>222,089</u>
 TOTAL ASSETS	 <u>222,089</u>
 LIABILITIES	
Current Liabilities:	
Accounts payable	<u>75,579</u>
Total Current Liabilites	<u>75,579</u>
 TOTAL LIABILITIES	 <u>75,579</u>
 NET POSITION	
Unrestricted	<u>146,510</u>
 TOTAL NET POSITION	 <u><u>\$ 146,510</u></u>

**METRO WASTEWATER
JOINT POWERS AUTHORITY**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the year ended June 30, 2013

OPERATING REVENUES	
Member agency assessments	\$ 223,515
Total Operating Revenues	223,515
OPERATING EXPENSES	
Engineering	124,983
Directors meetings	18,087
General and administrative	20,010
Legal	29,580
Total Operating Expenses	192,660
OPERATING INCOME	30,855
NONOPERATING REVENUES	
Investment income	85
Total Nonoperating Revenues	85
Change in Net Position	30,940
Net Position, Beginning of Year	115,570
Net Position, End of Year	\$ 146,510

**METRO WASTEWATER
JOINT POWERS AUTHORITY**

STATEMENT OF CASH FLOWS
For the year ended June 30, 2013

Cash Flows from Operating Activities:

Cash receipts from membership agency assessments	\$ 223,515
Cash paid to vendors and suppliers for materials and services	<u>(161,619)</u>
Net Cash Provided (Used) by Operating Activities	<u>61,896</u>

Cash Flows from Investing Activities:

Interest and investment earnings	<u>85</u>
Net Cash Provided by Investing Activities	<u>85</u>

Net Increase in Cash and Cash Equivalents	61,981
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Cash and Cash Equivalents, Beginning of Year	<u>151,004</u>
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Cash and Cash Equivalents, End of Year	<u><u>\$ 212,985</u></u>
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Reconciliation of Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:

Operating income	<u>\$ 30,855</u>
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Changes in operating assets and liabilities:	
(Increase) decrease in accounts receivable	(861)
Increase (decrease) in accounts payable	<u>31,902</u>
Total Adjustments	<u>31,041</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 61,896</u></u>

June 30, 2013

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a. Organization and Operations of the Reporting Entity:

The Metropolitan Wastewater Commission was formed in 1998 pursuant to the terms of the 1998 Regional Wastewater Disposal Agreement between the City of San Diego and the following municipalities collectively referred to as the Participating Agencies: Cities of Chula Vista, Coronado, Del Mar, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City and Poway, the County of San Diego, the Otay Water District, Padre Dam Municipal Water District, and the East Otay, Lakeside/Alpine, Spring Valley and Winter Gardens Sanitation Districts. The Metropolitan Wastewater Commission is an advisory body to the City of San Diego, advising the City on matters affecting the Metro System, owned by the City of San Diego.

In 2001 the Metro Wastewater Joint Powers Authority (the Authority) was formed to provide the Participating Agencies with a stronger voice in the operations of the Metro System, for which they collectively pay approximately 35% of the operation and capital costs. As of October 2007, all Participating Agencies of the Metropolitan Wastewater Commission are members of the Authority.

The Authority, along with the Metropolitan Wastewater Commission acts as partners with the City of San Diego and the City's Metropolitan Wastewater Department in planning and budget development, and through its participation in the Metro Technical Advisory Committee, monitors the implementation of the City of San Diego Metropolitan Wastewater Plan and the City's Metropolitan Wastewater Department's engineering and financial practices.

b. Measurement Focus, Basis of Accounting and Financial Statements Presentation:

"Measurement focus" is a term used to describe *which* transactions are recorded within the various financial statements. "Basis of accounting" refers to *when* transactions are recorded regardless of the measurement focus applied. The accompanying financial statements are reported using the "economic resources measurement focus", and the "accrual basis of accounting". Under the economic resources measurement focus all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Operating revenues, mainly member agency assessments, result from exchange transactions associated with the principal activity of the Authority. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, result from non-exchange transactions, in which, the Authority receives value without directly giving value in exchange.

The Authority reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise.

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

b. Measurement Focus, Basis of Accounting and Financial Statements Presentation (continued):

The basic financial statements of the Metro Wastewater Joint Powers Authority have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental accounting financial reporting purposes.

Net position of the Authority is classified into three components: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position. These classifications are defined as follows:

Net Investment in Capital Assets

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of notes or borrowing that are attributable to the acquisition of the asset, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. The Authority has no net investment in capital assets at June 30, 2013.

Restricted Net Position

This component of net position consists of net position with constrained use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. The Authority has no amounts in restricted net position at June 30, 2013.

Unrestricted Net Position

This component of net position consists of net position that does not meet the definition of “net investment in capital assets” or “restricted net position”.

When both restricted and unrestricted resources are available for use, it is the Authority’s practice to use restricted resources first, then unrestricted resources as they are needed.

c. New Accounting Pronouncements:

Implemented:

In fiscal year 2012-2013, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 63, “*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*”. This statement incorporates deferred outflows of resources and deferred inflows of resources, as defined by GASB Concepts Statement No. 4, “*Elements of Financial Statements*” into the definitions of the required components of the residual measure of net position, formerly net assets. This statement also provides a new Statement of Net Position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

c. New Accounting Pronouncements (Continued):

Pending Accounting Standards:

GASB has issued the following statements which may impact the District's financial reporting requirements in the future:

- GASB 65 - *"Items Previously Reported as Assets and Liabilities"*, effective for periods beginning after December 15, 2012.
- GASB 66 - *"Technical Corrections, an amendment of GASB Statement No. 10 and Statement No. 62"*, effective for periods beginning after December 15, 2012.
- GASB 67 - *"Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25"*, effective for the fiscal years beginning after June 15, 2013.
- GASB 68 - *"Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27"*, effective for the fiscal years beginning after June 15, 2014.
- GASB 69 - *"Government Combinations and Disposals of Government Operations"*, effective for periods beginning after December 15, 2013.
- GASB 70 - *"Accounting and Financial Reporting for Nonexchange Financial Guarantees"*, effective for the periods beginning after June 15, 2013.

d. Cash and Cash Equivalents:

For purposes of the statement of cash flows, the Authority considers all investment instruments purchased with a maturity of three months or less to be cash equivalents.

e. Accounts Receivable:

Management believes that all receivables are fully collectible; therefore no allowance for doubtful accounts was recorded as of June 30, 2013.

f. Budgetary Controls:

The Authority prepares a budget that is approved by the Board of Directors. Unspent appropriations for the operating budget lapse at fiscal year-end unless designated by Board action to be carried forward to the next budget period.

g. Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

h. Subsequent Events:

Events occurring after June 30, 2013 have been evaluated for possible adjustments to the financial statements or disclosures as of May 15, 2014, which is the date these financial statements were available to be issued.

2. CASH AND INVESTMENTS:

At June 30, 2013, the \$212,985 of cash and cash equivalents shown on the Statement of Net Position are deposits with financial institutions.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counter-party (e.g., broker-dealer) the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Authority deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2013, there were no deposits with financial institutions in excess of the Federal insurance limits.

3. MEMBER AGENCY ASSESSMENTS:

The Authority prepares an expense budget, then calculates member agency assessments to cover budgeted expenses. Member agency assessments are based on each agency's projected treated wastewater flow discharge. The projected discharge is based on the actual figures from the prior year.

Agency	2012 Flow Forecast	% of total	Billing
Chula Vista	16.75	27.17	\$ 60,742
Coronado	2.20	3.57	7,979
County of San Diego	11.78	19.11	42,709
Del Mar	0.68	1.10	2,448
El Cajon	9.00	14.60	32,641
Imperial Beach	2.25	3.65	8,160
La Mesa	5.07	8.22	18,373
Lemon Grove	2.25	3.65	8,153
National City	4.57	7.42	16,578
Otay Water District	0.40	0.64	1,433
Padre Dam	3.22	5.22	11,678
Poway	3.48	5.65	12,621
Total	61.63	100.00	\$ 223,515

AGENDA ITEM 6

JPA Mid-Year Budget Review

Metro Wastewater JPA
Treasurer's Report
Six months ending December 31, 2014

Metro Wastewater JPA
Treasurer's Report
Six months ending December 31, 2014
Unaudited

Beginning Cash Balance at July 1, 2014	\$ 117,898
 Operating Results	
Membership dues & interest income	123,367
Expenses	<u>(101,593)</u>
Net Income	21,774
Net change in receivables & payables (see Cash Flow)	<u>(97,320)</u>
 Cash used in Operations	 <u>(75,546)</u>
 Ending Cash Balance at December 31, 2014	 <u><u>\$ 42,352</u></u>

Submitted by:

Karen Jasson, Treasurer, 4/5/15

Metro Wastewater JPA

Balance Sheet

As of December 31, 2014 and June 30, 2014

Unaudited

	<u>Dec 31, 2014</u>	<u>Jun 30, 2014</u>	<u>\$ Change</u>
ASSETS			
Checking/Savings			
California Bank & Trust - Savings	\$ 33,684	\$ 117,272	\$ (83,588)
California Bank & Trust - Checking	<u>8,668</u>	<u>626</u>	<u>8,042</u>
Total Checking/Savings	42,352	117,898	(75,546)
Accounts Receivable	<u>123,355</u>	<u>-</u>	<u>123,355</u>
TOTAL ASSETS	<u><u>\$ 165,707</u></u>	<u><u>\$ 117,898</u></u>	<u><u>\$ 47,809</u></u>
 LIABILITIES & EQUITY			
Liabilities			
Accounts Payable	\$ -	\$ 2,350	\$ (2,350)
Accrued Expenses			
Administrative Expense	2,048	-	2,048
Engineering Expense	15,608	-	15,608
Legal Expense	1,479	-	1,479
Treasurer Expense	4,500	-	4,500
Website Expense	<u>4,750</u>	<u>-</u>	<u>4,750</u>
Total Liabilities	28,385	2,350	26,035
Fund Balance			
At Beginning of Period	115,548	146,505	(30,957)
Net Income (loss)	<u>21,774</u>	<u>(30,957)</u>	<u>52,731</u>
At End of Period	<u>137,322</u>	<u>115,548</u>	<u>21,774</u>
TOTAL LIABILITIES & EQUITY	<u><u>\$ 165,707</u></u>	<u><u>\$ 117,898</u></u>	<u><u>\$ 47,809</u></u>

<i>Fund balance at 12/31/14</i>	<i>\$ 137,322</i>
<i>FY '15 JPA Required Operating Reserve</i>	
<i>based on 4 months of Operating Expenses</i>	<u>82,270</u>
<i>Over required reserve</i>	<i>\$ 55,052</i>

Metro Wastewater JPA
Profit & Loss Budget vs. Actual
Six months ending December 31, 2014
Unaudited

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
Income			
Membership Dues	\$ 123,355	\$ 123,355	\$ -
Interest Income	12	52	(40)
Total Income	\$ 123,367	\$ 123,407	\$ (40)
Expense			
Administrative Assistant	\$ 2,048	\$ 1,800	\$ 248
Admin & Treasury Services-Padre	4,500	8,000	(3,500)
Atkins	70,091	80,747	(10,656)
Audit Fees	-	-	-
Bank Charges		100	
Contingencies	-	-	-
Dues & Subscriptions	-	300	(300)
Legal - BB&K	11,049	17,500	(6,451)
JPA/TAC meeting expenses	1,680	2,250	(570)
Mileage Reimbursement	-	250	(250)
Miscellaneous	259	125	134
Office Supplies	74	200	(126)
Per Diem - Agency	6,600	9,500	(2,900)
Postage	-		-
Printing	-		-
Public Information	5,292	2,410	2,882
Telephone	-	225	(225)
Total Expense	\$ 101,593	\$ 123,407	\$ (21,714)
Net Income	<u><u>\$ 21,774</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 21,774</u></u>

Metro Wastewater JPA

Statement of Cash Flows

Six months ending December 31, 2014

Unaudited

OPERATING ACTIVITIES

Net Income	\$ 21,774
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	(123,355)
Accounts Payable	(2,350)
Accrued Expenses	28,385
Net cash used in Operations	(75,546)
Net cash decrease for period	(75,546)
Cash at beginning of period	117,898
Cash at end of period	\$ 42,352

Metro Wastewater JPA
Vendor Accrual Summary
As of December 31, 2014

Lori Peoples	\$	2,048.00	*
Atkins North America		15,608	*
Best, Best and Krieger		1,479	*
Padre Dam		4,500	*
Vision Technology Solutions		<u>4,750</u>	*
Total	\$	<u><u>28,385.00</u></u>	

**Accruals; bills received and paid after 12/31/14*

AGENDA ITEM 7

**As-Needed Engineering Consultant
Services 2015-2017 Agreement**

**METRO JPA/TAC
Staff Report
Date: April 28, 2015**

Project Title: As-Needed Engineering Consultant Services 2015-2017 Agreement

Requested Action: Request to approve the As-Needed Engineering Consultant Services 2015-2017 agreement between the City of San Diego and Kleinfelder/ Simon Wong Engineering.

Recommendations: Approve the contract request.

Metro JPA:	Approve the subject item
IROC:	N/A
Prior Actions: (Committee/Commission, Date, Result)	Approved by the Environment Committee on April 10, 2015.

Fiscal Impact:

Is this projected budgeted?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Cost breakdown between Metro & Muni:	It is estimated that the funding will be spent as follows: Water: 40%, Wastewater: 60% (Metro: 40%, Muni: 20%).
Fiscal impact to the Metro JPA:	The estimated impact is \$402,000.

Capital Improvement Program:

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

Previous TAC/JPA Action: Item approved by the Metro TAC on April 15, 2015.

Additional/Future Action: None

City Council Action: Item approved by City Council on April 28, 2015.

Background: Please view the attached document.

Discussion: Please view the attached document.

Bid Results: Not applicable.

As-Needed Engineering Consultant Services 2015-2017 Agreement

The Engineering and Program Management Division within the Public Utilities Department (PUD) provides engineering services for operation upgrades and improvements at water and wastewater facilities. These engineering services are generally provided by City staff. However, occasionally, it has been necessary to utilize outside as-needed consultant staff to access highly specialized expertise which is only needed for infrequent types of projects and to accommodate emergency projects.

The Department uses professional engineering consultants to provide specialized technical services in various engineering disciplines (ex. civil, mechanical, and electrical engineering) to support the existing and future water and wastewater facilities on an as-needed basis. Task orders under the as-needed engineering contract vary in type including: studies, designs, engineering services during construction, geotechnical evaluations and facility condition assessments. It is the Department's policy to maximize the use of City in-house engineering staff both within the Department and Citywide. However, on those occasions when specialized expertise is required, the Public Utilities Department recommends the use of an as-needed professional engineering consultant. In July 2014, the Department requested proposals from qualified firms for the As-Needed Engineering Consultant Services for 2015-2017 agreement. In September 2014, a total of twelve (12) engineering firms submitted proposals pursuant to the RFP. Subsequently, the Selection Panel which consisted of five (5) participants (one (1) member from the Metro TAC, three (3) from the Public Utilities Department and one (1) member from the City's EOCP) evaluated the proposals and determined that a total of five (5) engineering firms were highly qualified to participate in the interview process. In November 2014, the Selection Panel interviewed the five (5) short-listed firms. The selection process was based on ratings in five (5) established categories: (1) Experience and Technical Competence; (2) Proposed Method to Accomplish the Work; (3) Strength of Key Personnel and Commitment to the Project; (4) Knowledge and Understanding of the Local Environment; (5) Commitment to Equal Opportunity. Based on the rating criteria, the results of the interview process selected Kleinfelder/Simon Wong Engineering as the most highly qualified firm. To date, the Department has completed negotiations with the selected consultant.

Project Cost and Schedule: The proposed As-Needed Engineering Consultant Services 2015-2017 contract with Kleinfelder/Simon Wong Engineering has a total not-to-exceed amount of five million dollars (\$5,000,000) with a contract duration of three (3) years effective from the date of City Council approval. It is estimated that the funding will be distributed as follows: Water: 40%, Wastewater: 60% (Metro: 40%, Muni: 20%).

The following schedule is anticipated:

- April 28, 2015 - City Council Approval of Agreement
- June 2015 - Issue Notice to Proceed

AGENDA ITEM 9

MetroTAC Update/Report

MetroTAC
2014/15 Work Plan
March 2015 (Revised Per Metro TAC)

MetroTAC Items	Description	Subcommittee Member(s)
JPA Website Update	5/13: The Metro TAC would like to update the current website as it is outdated. A review of the current website and its limitations will be on the Metro TAC agenda in the next couple months. 9/13: Greg & Karyn have been working with Vision Internet to finalize a scope of work and contract. These will go to the JPA for approval at their October meeting. 1/14: The contract has been negotiated and approved and Vision has started on the framework for the website. <i>3/15: New website has launched.</i>	Greg Humora Karyn Keese Lori Peoples
Ebola Protocol for Protection of Wastewater Staff	11/14: Members of Metro TAC discussed their concerns over protecting their wastewater crews from exposure to viruses such as Ebola. A recent panel of AWWA experts came to a conclusion that there are no current guidelines available from the CDC. Ann Sasaki stated that she will find if San Diego has a protocol on this and report back. It was suggested that ADS might have a protocol and should be contacted. SCAP has not released anything as well. 12/14: Tom Howard reported that the CDC has provided guidelines and will provide a copy of it to be included in the December minutes. <i>3/15: continued guidelines are being released.</i>	Mike Obermiller Tom Howard
SDG&E Rate Plan	SDG&E has submitted a Rate Plan that would not only change some rate structures but will also shorten the off peak hours for users such as utilities. BBK will continue to monitor and update Metro TAC and Commission/JPA members on protest measures.	Paula de Sousa
PUD Industrial Waste Program Update	9/13: A performance audit was performed on the PUD's IWCP. The audit produced two findings and made 8 recommendations. PUD has hired Brown & Caldwell to perform a fee study and assist implementation of an updated program. A subcommittee of the Metro TAC was formed to work with PUD staff and the consultant.	Roberto Yano Ed Walton
Management of Non-Dispersibles in Wastewater	9/13: Eric Minicilli handed out a position paper prepared by the NEWEA.	Eric Minicilli
2013/14 Transportation Rate Update	5/13: PUD staff is proposing slightly revising the methodology and increasing the transportation rate. Subcommittee met with PUD staff on 6/12/13 to review calculations. 9/13: PUD staff is having the rate methodology reviewed by engineering staff. They should be meeting with Metro TAC subcommittee within the next month. 5/14: PUD staff has met with subcommittee and will be presenting the current proposal at May Metro TAC. 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

MetroTAC Items	Description	Subcommittee Member(s)
PLWTP Permit Ad Hoc TAC	<p>6/13: Ad Hoc created by JPA at their special June workshop. Goal: Create regional water reuse plan so that both a new, local, diversified water supply is created and maximum offload at Point Loma is achieved to support federal legislation for permanent acceptance of Point Loma as a smaller advanced primary plant. Minimize ultimate Point Loma treatment costs and most effectively spend ratepayer dollars due to successful coordination between water and wastewater agencies.</p> <p>Ad Hoc has been meeting all month and has developed a Concept Paper. Ad Hoc will be giving presentations to PAs City Councils/Board of Directors during July 2013. 9/13: Greg Humora, Leah Browder, and Scott Tulloch have given presentations to most of the governing bodies of the PAs in addition to meeting with environmental groups, San Diego staff and City Council members. A position paper, as well as a presentation, has been prepared. A resolution of support has been adopted by the governing bodies of the PAs.</p> <p>1/14: The AdHoc outreach group continues to meet with stakeholders and City staff in development of the Program. <i>Milestones are included in each month agenda packet</i></p>	<p>Greg Humora Leah Browder Mark Watton Scott Tulloch Rick Hopkins Jim Smyth Karyn Keese</p>
IRWMP	<p>Bob Kennedy attended the Regional Advisory Committee (RAC) meeting of April 3, 2013. Minutes from this meeting are attached. 6/5/13: Bob Kennedy attended Meeting #43. Minutes are attached to this work plan. The Final 2013 San Diego IRWM Plan has been completed and is available to download at http://sdirwmp.org/2013-irwm-plan-update. 1/14: Bob Kennedy continues to attend RAC meetings and reports back to Metro TAC. 5/14: Bob Kennedy presented minutes from meeting #49 & #50 to Metro TAC 9/14: Meeting No, 52 minutes included in October 2014 Metro TAC agenda. 12/14: Meeting No. 53 minutes included in December Metro TAC agenda.</p>	<p>Bob Kennedy Greg Humora</p>
Fiscal Items	<p>The Finance committee will continue to monitor and report on the financial issues affecting the Metro System and the charges to the PAs. The debt finance and reserve coverage issues have been resolved. Refunds totaling \$12.3 million were sent to most of the PA's. 10/26/11: 2010 will be the first year where the PAs will be credited with interest on the debt service reserve and operational fund balances. Interest will be applied as an income credit to Exhibit E when that audit is complete.</p>	<p>Greg Humora Karen Jassoy Karyn Keese</p>
Recycled Water Revenue Issue	<p>Per our Regional wastewater Agreement revenues from SBWTP are to be shared with PA's. 4/11: City has agreed to pay out revenue to Wastewater Section and PA's credit will be on the Exhibit E adjustments at year end Open issues: Capacity reservation lease payments and North City Optimized System Debt service status. 12/11: Letter sent to San Diego regarding outstanding recycled water revenue issues. 1/14: Karyn Keese continues to meet with City staff to determine the basis of the water department's administrative charges. 4/13: Need Metro TAC member for subcommittee</p>	<p>Karyn Keese</p>
Water Reduction - Impacts on Sewer Rates	<p>The MetroTAC wants to evaluate the possible impact to sewer rates and options as water use goes down and consequently the sewer flows go down, reducing sewer revenues. Sewer strengths are also increasing because of less water to dilute the waste. We are currently monitoring the effects of this. 2/2011: wastewater revenues are declining due to conservation and flow reductions and agencies are re-prioritizing projects to be able to cover annual operations costs</p>	<p>Eric Minicilli Bob Kennedy Karyn Keese</p>

MetroTAC Items	Description	Subcommittee Member(s)
"No Drugs Down the Drain"	<p>The state has initiated a program to reduce pharmaceuticals entering the wastewater flows. There have been a number of collection events within the region. The MetroTAC, working in association with the Southern California Alliance of Publicly-owned Treatment Works (SCAP), will continue to monitor proposed legislation and develop educational tools to be used to further reduce the amount of drugs disposed of into the sanitary sewer system.</p> <p>8/2010: County Sheriff and Chula Vista have set up locations for people to drop off unwanted medications and drugs. 4/11: Local law enforcement has taken a proactive role and is sponsoring drug take back events. 3/11: TAC to prepare a position for the board to adopt; look for a regional solution; watch requirements to test/control drugs in wastewater. 10/26/11: A prescription drug take back day is scheduled for 10/29/11. Go to www.dea.gov to find your nearest location. 4/12: East County to host a prescription drug take back 4/28/12. 4/27/13 is scheduled to be a county wide take back day. Locations can be found on the DEA website. 5/14: There was a county-wide drug take-back program on 4/26/14. All sheriffs' offices in San Diego County now take-back drugs on a daily basis. 9/14: Measures are being taken through the Attorney General's office to require Drug Stores to take back unused drugs on a national level.</p>	Greg Humora
Strength Based Billing Evaluation	<p>3/20/13: Brown and Caldwell presented their draft results to Metro TAC. This has been added as a standing item to the Metro TAC agenda for discussions on the recommendations. 9/13: This item is complete. 1/14: City staff provided Metro TAC with draft adjustments back to 2004 based on B&C's review of the North City Plants flows. 2/14: The City provided the Finance Committee with draft adjustments back to 1998.</p>	Karyn Keese
Grease Recycling	<p>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. MetroTAC is exploring if a regional facility offers cost savings for the PAs. The PAs are also sharing information amongst each other for use in our individual programs. 3/11: get update on local progress and status of grease rendering plant near Coronado bridge</p>	Eric Minicilli
Padre Dam Mass Balance Correction	<p>11/11: Padre Dam has been overcharged for their sewage strengths since 1998. Staff from City of San Diego presented a draft spreadsheet entitled Master Summary Reconciliations Padre Dam Mass Balance Corrections Calculation. Rita Bell and Karyn Keese were elected to review the documentation and report back to Metro TAC. 2/12: Audit complete. Item added as Standing to Metro TAC agenda. 4/12: This issue is scheduled as a standing item and discussed at each Metro TAC meeting until it is resolved. Currently Metro TAC is focusing on the statute of limitations. 2/13: The PAs have received a joint letter from Padre Dam/City of San Diego. The PA's attorneys group continues to meet on this issue. 3/13: The attorney's group has requested an extension to 4/23/13 to respond to San Diego's letter. 5/13: The attorney's group has submitted a letter to Padre Dam and San Diego. 1/14: City of San Diego has submitted an offer to the attorney's group. The attorney's group met in January to discuss. 2/14: Edgar Patino has prepared a spreadsheet of all open financial issues. Karyn Keese is currently reviewing it. The spreadsheet has been given to the attorney's group. 5/14: Metro TAC will meet with the PA attorney group at the May meeting. 9/14: PA Attorney group has submitted a letter to San Diego and Padre Dam outlining a proposed settlement. <i>3/15: Numbers have been agreed upon but are unaudited. Attorney's are working on the Protocol.</i></p>	Rita Bell Karyn Keese

MetroTAC Items	Description	Subcommittee Member(s)
Waiver and Recycled Water Study Implementation	11/12: Metro TAC requested a timeline from City staff including milestones for the waiver process. The waiver is due no later than 7/30/15. However, the application needs to be submitted six months prior to the July date (2/1/15). Preparation of the waiver will begin in the early part of FYE 2014. 2/13: City staff has met to start coordination of the waiver process. Staff in attendance included Roger Bailey, Marsi Steirer, Guann Hwang, Steve Meyers, and Allan Langworthy. 5/13: Scott Tulloch has briefed Metro TAC and the Metro Commission/JPA on the waiver's history and secondary equivalency. A JPA workshop to be held in June to further discuss. Scott Tulloch is preparing a briefing paper for the Commission's use. 6/13: JPA workshop held and PLWTP Steering Committee and Ad Hoc TAC were appointed.	Greg Humora Leah Browder Scott Tulloch Karyn Keese
City of San Diego Recycled Water Pricing Study	San Diego is working on a rate study for pricing recycled water from the South Bay plant and the North City plant. Metro TAC, in addition to individual PAs, has been engaged in this process and has provided comments on drafts San Diego has produced. We are currently waiting for San Diego to promulgate a new draft which addresses the changes we have requested. 10/26/11: draft study still not issued. 5/13: Recycled Water Study to be on July 2013 Metro TAC agenda per PUD staff. 6/24/13: Recycled Water Pricing Study goes to IROC. 7/10/13: Recycled Water Study goes to NR&C 9/13: PUD has hired Black & Veatch to review the study	Karyn Keese Rita Bell
Pure Water Program Cost Allocation	A small working group was formed to discuss options to allocate PLWTP offset project costs among the water and wastewater rate payers; Concepts will be discussed at TAC and JPA Board in near future. 7/12: Subcommittee to meet with PUD staff & consultants to review TM 8 and economic model. 8/12: Subcommittee has meet with City staff and consultants. Economic model has been received. City will not pursue cost allocations until Demonstration Project is complete due to staffing constraints. 6/13: Ad Hoc TAC has started work on cost allocation concept. 5/14: Cost allocation workgroup will meet in May. 6/14: Cost allocation group has met twice. <i>7/14: Cost allocation group continues to meet on a every two week basis.</i>	Greg Humora Leah Browder Scott Tulloch Rick Hopkins Roberto Yano Kristen Crane Al Lau Bob Kennedy Karyn Keese
Board Members' Items		
Rate Case Items	1/12: San Diego is in the process of hiring a consultant to update their rate case. As part of that process, Metro TAC and the Finance Committee will be monitoring the City's proposals as they move forward. 6/12: San Diego hired Black & Veatch as their rate consultant. 2/13: Preliminary results were reported at the IROC Meeting of 2/19/13. Karyn Keese will be working with the IROC Finance Committee to review details. 3/13: Karyn Keese attended a joint workshop with IROC to review the draft revenue requirement for the Rate Case. 4/13: Next meeting with IROC on the rate case is 5/20/13. 5/13: Next special meeting with IROC is June 24, 2013. 6/13: San Diego is only moving forward with Water Rate Case due to needed rate increase. Wastewater does not appear to need a rate adjustment for two years.	Karyn Keese
Exhibit E	Metro TAC and the Finance Committee are active and will monitor this process. Individual items related to Schedule E will come directly to the Board as they develop. 2/13: 2010 and 2011 audits are ongoing. 3/13: The 2010 audit is complete and has been presented to Metro TAC & the Finance Committee. Will move forward to Commission at 6/13 meeting. 2011 field work is complete. 2012 sample selected. 9/13: 2012 preliminary fieldwork is complete. Waiting for PUD's answers to questions. 5/14: Fieldwork for all audits is complete (including 2013). True-ups have not been completed since 2008 due to the Padre Dam and North City billing issues.	Karen Jassoy Karyn Keese

MetroTAC Items	Description	Subcommittee Member(s)
Future bonding	Metro TAC and the Finance Committee are active and will monitor this process. Individual items related to bonding efforts will come directly to the Board as they develop. 10/26/11: San Diego is issuing an RFP for a cost of service study to support a future bond issue potentially in mid-2013. Kristin Crane to sit on the selection panel. 2/13: San Diego's preliminary rate case does not show the issuance of additional debt until FY 2018.	Karen Jassoy Karyn Keese Kristen Crane
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
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. 2/12: This Item does not have a champion. Should we remove?	<i>Who should take over?</i>
SDG&E Rate Case	5/14: BBK prepared a draft letter for all PAs to send regarding SDG&E's latest proposal to the PUC regarding the change in off-peak hours. BBK will continue to monitor.	Paula de Sousa
Metro JPA Strategic Plan	6/12: Chairman Ewin to establish a subcommittee to monitor the progress of strategic plan initiatives.	<i>Who should take over?</i>

Completed Items	Description	Subcommittee Member(s)
City of San Diego Revised Procurement Process	8/12: San Diego City Engineer James Nagelvoort reported on recent changes to San Diego's procurement process to move projects through more quickly. Technically any CIP projects under \$30 million may no longer need to be reviewed by the Metro TAC or JPA prior to City Council approval. Chairman Humora requested San Diego prepare a summary of the recent changes and the decision points for consideration of the TAC at the September meeting. 10/4: Metro Commission requests further review by TAC to recommend an appropriate level for CIP's to be brought forth to the Commission. 11/12: MetroTAC recommended leaving the thresholds as they are today and therefore everything will go through TAC and then to the JPA for formal action. The policy will be placed on the JPA website. The Metro Commission approved the policy at their November 2012 meeting. San Diego's CIP will become a standing item on the Metro TAC agenda.	Metro TAC
State WDRs & WDR Communications Plan	The Waste Discharge Requirements (WDRs), a statewide requirement that became effective on May 2, 2006, requires all owners of a sewer collection system to prepare a Sewer System Management Plan (SSMP). Agencies' plans have been created. We will continue to work to meet state requirements, taking the opportunity to work together to create efficiencies in producing public outreach literature and implementing public programs. Project complete: 5/10. 2/12: State has proposed new WDR regulations. Metro TAC will not reopen but Dennis Davies will stay on top of the issue.	Dennis Davies

Completed Items	Description	Subcommittee Member(s)
Ocean Maps from Scripps	Schedule a presentation on the Sea Level Rise research by either Dr. Emily Young, San Diego Foundation, or Karen Goodrich, Tijuana River National Estuarine Research Reserve Project complete: 5/10	Board Member Item
Secondary Waiver	The City of San Diego received approval from the Coastal Commission and now the Waiver is being processed by the EPA. The new 5 year waiver to operate the Point Loma Wastewater Treatment Plant at advanced primary went into effect August 1, 2010. Project complete 7/10	Scott Huth
Lateral Issues	Sewer laterals are owned by the property owners they serve, yet laterals often allow infiltration and roots to the main lines causing maintenance issues. As this is a common problem among PAs, the MetroTAC will gather statistics from national studies and develop solutions. 4/11: There has been no change to the issue. We will continue to track this item through SCAP and report back when the issue is active again. Efforts closed 3/11	Tom Howard Joe Smith
Advanced Water Purification Demonstration Project	San Diego engaged CDM to design/build/operate the project for the water repurification pilot program. 2/8/11: Equipment arrived 3/2011; tours will be held when operational (June/July 2011 timeframe). 2/12: Tours are available. San Diego whitepaper on IPR distributed to Metro TAC members. Closed 4/18/12	Al Lau
SDG&E Rate Case	SDG&E has filed Phase 2 of its General Rate Case, which proposes a new "Network Use Charge" which would charge net-energy metered customers for feeding renewable energy into the grid as well as using energy from the grid. The proposal will have a significant impact on entities with existing solar facilities, in some cases, increases their electricity costs by over 400%. Ultimately, the Network Use Charge will mean that renewable energy projects will no longer be as cost effective. SDG&E's proposal will damage the growth of renewable energy in San Diego County. A coalition of public agencies has formed to protest this rate proposal. 2/12: PUC has not accepted SDG&E's filing. Metro TAC move to close this item. Will continue to monitor this. 8/19: Karyn to check with Paula regarding latest SDG&E issues.	Paula de Sousa
Metro JPA Strategic Plan	2/2011: committee to meet 2/28/11 to plan for retreat to be held on 5/5/11 Retreat held and wrap up presented to the Commission at their June Meeting. JPA strategic planning committee to meet to update JPA Strategic Plan and prepare action items. 1/12: Draft strategic plan reviewed by Board and referred to Metro TAC for input. MetroTAC has created a subcommittee to work on this project. 2/12: Metro TAC has completed their final review. Forwarded to Commission. 4/12: Adopted at April 2012 Metro JPA Meeting. Project complete.	Augie Caires Ernie Ewin

Completed Items	Description	Subcommittee Member(s)
Recycled Water Study	As part of the secondary waiver process, San Diego agreed to perform a recycled water study within the Metro service area. That study is currently underway, and MetroTAC has representatives participating in the working groups. TM #8 Costs estimates are out and PAs provided comments on TM#8 and have asked for a technical briefing. 10/16/11: Final draft of report is due out in November 2011.1/12: Final draft of report is due in March 2012.3/12: Final draft available for comments until 3/19/12 4/12: PUD staff to give presentation to Metro JPA at their May meeting. 5/12 PUD staff presented the Recycled Water Study to the Metro JPA at their May meeting. Metro JPA approved the Study as a planning document. Study to move forward to SD City Council in July 2012 with letter of support from JPA. 7/12: City of San Diego approved the Recycled Water Study; Study submitted on time to Coastal Commission. Final report uploaded to JPA website.11/12: San Diego received a letter from the Coastal Commission. Metro Commission consensus was that based on the tone of the Coastal Commission letter the region may be seeing some time line changes relative to San Diego's projections on the implementation of IPR and that the MetroTAC needs to manage all aspects including the Coastal Commission and multiple issues such as desalination water, Coastal Commissions attitude at this point and pending IPR programs we have heard about.	Scott Huth Al Lau Scott Tulloch Karyn Keese
IRWMP	4:12: Metro TAC received a presentation from Cathy Pieroni (City of San Diego) on the Integrated Regional Water Management Program (IRWMP). Group is still relatively informal but plans to become more structured during its upcoming 2 year plan update. There is a governance & finance work group that starts in the 3rd quarter of 2012 and at that point the JPA role will be examined. Padre Dam and Chula Vista are regular participants. 9/19: Cathy Pieroni gave an update. Recommendation by IRWM to the RAC to include a seat for the Metro JPA. Bob Kennedy will attend the October 3, 2012 meeting representing the JPA. 11/12: At their November 2012 meeting the Metro Commission unanimously appointed Bob Kennedy of Otay Water District as primary and Metro TAC Chairman Greg Humora as alternate to the IRWMP RAC. 2/13: On February 6, 2013 Bob Kennedy attended the IRWMP meeting. Metro JPA has been added as a permanent member of the Water Quality subcommittee of the RAC. The City of San Diego presented an overview of the Recycled Water Study. Next meeting scheduled for April 3, 2013. Closed 4/12 as the Metro JPA has become a member.	Bob Kennedy Greg Humora
Role of Metro JPA regarding Recycled Water	As plans for water reuse unfold and projects are identified, Metro JPA's role must be defined with respect to water reuse and impacts to the various regional sewer treatment and conveyance facilities 2/12: Scott Huth removed as member due to new position. JPA/Metro TAC needs to appoint a new representative. 4/13: Scott Tulloch added to this subcommittee. Metro TAC member needed. 5/13: Greg Humora added to this work group.6/13: This group was formalized by the JPA as the PLWTP Ad Hoc Technical Advisory Committee.	Greg Humora Karyn Keese Scott Tulloch
San Diego Wastewater 50th Anniversary Celebration	5/13: Cheryl Lester presented the draft plan for the Anniversary celebration. She requested Metro Commission/JPA participation. Commission Parks will represent the Commission/JPA. 9/13: The celebration was a big success and was well attended.	Sherryl Parks
SDG&E Rate Case	8/19: Karyn to check with Paula regarding latest SDG&E issues.11/12: Sophie Akins from BBK will present updated information to Metro TAC.	Paula de Sousa

Completed Items	Description	Subcommittee Member(s)
Salt Creek Diversion	9/2010: OWD, Chula Vista and San Diego met to discuss options and who will pay for project; Chula Vista and OWD are reviewing options. 2/2011: OWD and PBS&J reviewed calculations with PUD staff; San Diego to provide backup data for TAC to review. This option is also covered in the Recycle Water Study.10/26/11: Back-up information has still not been received from staff. 8/12: San Diego to conduct business case evaluation and add to Capital Improvement Program as recommend by Metro Commission to San Diego City Council on July 17, 2012 in support of the Recycled Water Study.5/14: PUD staff has prepared and presented a Business Case. This has been discussed at the March, April, & May Metro TAC meetings. 5/14: Metro TAC agreed with PUD staff recommendation that this project should not be pursued at this time. Otoy abstained from the vote.	Roberto Yano Bob Kennedy Karyn Keese Rita Bell

AGENDA ITEM 10

Point Loma Permit Renewal Update

Point Loma Permit/Potable Reuse KEY MILESTONE DATES



04/29/2015

DATE	TASK	FOLLOW UP ACTION/STATUS
12/13/2013	San Diego provide draft facilities plan to stakeholders	Draft provided. Enviro requested if schedule could be accelerated. San Diego provide update on 2/5/14
January	Begin outreach to regulators, legislators, key stakeholders and public	San Diego signed contract with Katz Assoc. 5/14
04/16/2014	San Diego Define Secondary Equivalency. Provide draft white paper	Comments provided on white paper. Enviro requested an analysis to be run using existing flows as a base line for comparison. Also look a concentration limits.
04/23/2014	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
February	Seek Congressional sponsor for legislation (Issa/Davis ?)	Need to define secondary equivalency 1st
02/24/2013	Imperial Beach outfall meeting	Halla agreed to look at additional potable reuse to reduce south bay discharge
03/05/2014	San Diego (Ann, Brent, Bob, Allan) meet with EPA staff	Pure Water program was well received by EPA
March	Resolve Padre Dam mass balance correction. This is holding up the FY12, FY11, FY10, and FY09 audits	Letter sent to SD & PD on 8/29/14 from ALL PAs
March	Resolve North City billing correction	These adjustments may be combined with Padre Dam mass balance corrections
March	Resolve recycled water revenue	These adjustments will occur with true-up following Padre Dam and North City
03/07/2014	Presentation to SANDAG Regional Planning Committee	Presentation was well received
03/27/2014	San Diego County Water Authority Board Meeting	CWA voted to delay changes in cost allocations until 2016
06/30/2014	Complete cost analysis and rate impact review Finalize cost allocation method	Target of Feb 15 to finalize
8/8 - 10/8	Agency presentations	
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
Nov-April 2015	Refine cost allocation	Scheduled to meet every two weeks
January	Submit NPDES Permit to the Environmental Protection Agency	Submitted!
	Prepare proposed lang for administrative fix to Clean Water Act	
	Be ready to provide lang for legislative fix to Clean Water Act	
03/04/2015	Stakeholders meeting	
05/07/2015	Cost allocation meeting	
05/15/2015	Stakeholders meeting	

Milestone Progress Dashboard

