



Metro Finance Committee
(Finance Advisory Committee to Metro JPA)

TO: Finance Committee Members and Metro Commissioners

DATE: Wednesday, May 27, 2015

TIME: 8:30 a.m.

LOCATION: Atkins Global, 3570 Carmel Mountain Road, Suite 300, San Diego, CA 92130*

* The location and time of future meetings is subject to change

***THIS NOTICE HAS BEEN DISTRIBUTED TO THE METRO COMMISSIONERS AND
FINANCE COMMITTEE MEMBERS.***

1. Roll Call

2. Public Comments

Persons speaking during Public Comment may address the Metro Finance Committee on any subject matter within the jurisdiction of the Metro Finance Committee 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 meeting.

3. **INTRODUCTIONS**

4. **ACTION:** Consideration and Possible Action to Approve Change in Meeting Time and Location (Karyn Keese)

5. **DISCUSSION:** June 4th Strategic Planning Preparation (Karyn Keese)

6. **ACTION:** Acceptance of the 2011 and 2012 Exhibit E Audits (Karyn Keese/MGO) (**Attachment**)

7. **ACTION:** Consideration and Possible Action to Approve the Minutes of the April 29, 2015 Regular Meeting (Karyn Keese) (**Attachment**)

8. **ACTION:** Consideration and Possible Action to Recommend Approval of the FYE 2016 City of San Diego Metro Sewer Budget (Seth Gates/Edgar Patino) (**Attachment**)

9. **ACTION:** Consideration and Possible Action to Recommend Approval of the Billing Issues Reconciliation (Karyn Keese/Edgar Patino) (**Attachment**)

10. **ACTION:** Consideration and Possible Action to Recommend Approval of the South Bay Recycled Water Revenues (Karyn Keese/Edgar Patino) (**Attachment**)

11. **ACTION:** Consideration and Possible Action to Recommend Approval of the FY 2015-2016 Metro Wastewater JPA Budget (Karyn Keese) (**Attachment**)
12. **ACTION:** Consideration and Possible Action to Recommend Approval of and Amendment to the Treasurers Contract for FY 2015-2016 (Karyn Keese) (**Attachment**)
13. **ACTION:** Consideration and Possible Action to Recommend Approval of the FY 2015-2016 Atkins Contract (Karyn Keese) (**Attachment**)
14. **ACTION:** Consideration and Possible Action to Recommend Approval of the FY 2015-2016 The Keze Group, LLC Contract (Karyn Keese) (**Attachment**)
15. Other Business of the Finance Committee
16. Review of Items to be Brought Forward to the Metro Commission/Metro JPA
17. Adjournment

The Metro Finance Committee may take action on any item listed on the Agenda whether or not it is listed “for action”.

Materials provided to the Metro Finance Committee related to any open-session item on this agenda are available for public review by contacting Karyn Keese (858)514.1008 during normal business hours.

<u>Finance Committee 2015 Meeting Schedule</u>		
January 28	May 27	September 30
February 25	June 24	October 28
March 28	July 29	November 25
April 29	August 26	December 30

January 28	May 27	September 30
February 25	June 24	October 28
March 28	July 29	November 25
April 29	August 26	December 30

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

The Metro Finance Committee requests individuals who require alternative agenda format or special accommodations to access, attend, and/or participate in the Metro Finance Committee meetings, contact Margaret O'Donnell at (619)525.1354, at least forty-eight hours in advance of the meetings.

ATTACHMENT 6

FY 2011 and FY 2012 Exhibit E
Audits

(Attachment for FY 2012 to follow)

**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, 2011



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, 2011

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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

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, 2011. The Schedule is the responsibility of the PUD's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PUD's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 3, the accompanying Schedule referred to above 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 and the Participating Agencies in the Metropolitan Wastewater System dated May 18, 1998 and amended on May 15, 2000 and June 3, 2010. Accordingly, the Schedule is not intended to present the financial position or the changes in the financial position of the PUD in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the Schedule referred to above presents fairly, in all material respects, the allocation for billing to Metropolitan Wastewater Utility of the PUD for the fiscal year ended June 30, 2011 on the basis of accounting described in Note 3.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2015, 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 financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

This report is intended solely for the information and use of the City Council, the Mayor, the City, the PUD's management, and the Metro Commission/Metro Wastewater JPA Board and is not intended to be and should not be used by anyone other than these specified parties.

Macias Gini & O'Connell LLP

San Diego, California
March 17, 2015

CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT

Schedule Of Allocation For Billing To Metropolitan Wastewater Utility

For The Fiscal Year Ended June 30, 2011

	Operating Expenses		
	Municipal System	Metropolitan System	Total
Transmission			
Main Cleaning	\$ 10,834,099	\$ -	\$ 10,834,099
Sewer Pump Stations.....	5,998,136	-	5,998,136
Other Pump Stations.....	5,312,558	1,004,688	6,317,246
Pump Station 1.....	-	2,704,338	2,704,338
Pump Station 2.....	-	7,571,955	7,571,955
Other Muni Agencies.....	2,670,301	-	2,670,301
Pipeline Maintenance & Repair.....	11,557,496	623,096	12,180,592
Wastewater Collection (WWC) Engineering and Planning.....	3,083,868	-	3,083,868
Total Transmission.....	39,456,458	11,904,077	51,360,535
Treatment and Disposal			
Point Loma Wastewater Treatment Plant (PTLWWTP).....	-	21,589,238	21,589,238
North City Water Reclamation Plant (NCWRP).....	-	7,939,849	7,939,849
South Bay Water Reclamation Plant (SBWRP).....	-	6,522,841	6,522,841
Metropolitan Biosolids Center (MBC).....	-	15,224,552	15,224,552
Gas Utilization Facility (GUF).....	-	1,259,233	1,259,233
Total Treatment and Disposal.....	-	52,535,713	52,535,713
Quality Control			
Sewage Testing and Control.....	2,757,872	284,887	3,042,759
Marine Biology and Ocean Operations.....	-	5,824,469	5,824,469
Wastewater Chemistry Services.....	-	5,845,562	5,845,562
Industrial Permitting and Compliance.....	3,358,119	-	3,358,119
Total Quality Control.....	6,115,991	11,954,918	18,070,909
Engineering			
Program Management and Review.....	2,568,442	4,379,882	6,948,324
Environmental Support.....	947,596	171,501	1,119,097
Total Engineering.....	3,516,038	4,551,383	8,067,421
Operational Support			
Central Support; Clean Water Operations Management Network (Comnet)			
Central Operations & Management Center (COMC).....	264,105	4,699,970	4,964,075
Operational Support.....	908,572	8,114,643	9,023,215
Total Operational Support.....	1,172,677	12,814,613	13,987,290
General and Administrative			
Business Support Administration.....	18,252,386	20,432,894	38,685,280
Operating Division Administration.....	6,426,044	2,906,219	9,332,263
Total General and Administrative.....	24,678,430	23,339,113	48,017,543
TOTAL EXPENSES.....	74,939,594	117,099,817	192,039,411
CAPITAL IMPROVEMENT EXPENSES.....	83,842,886	11,647,500	95,490,386
DEBT SERVICE ALLOCATION.....	43,205,389	62,855,518	106,060,907
METROPOLITAN SYSTEM INCOME CREDITS			
Operating Revenue.....	-	(5,213,976)	(5,213,976)
Capital Improvement Project (CIP) - Revenue Bond Issue.....	-	(6,107,048)	(6,107,048)
Operating - Grant Revenue.....	-	(380,282)	(380,282)
CIP - Grant Revenue.....	-	(354,679)	(354,679)
TOTAL METROPOLITAN SYSTEM INCOME CREDITS.....	-	(12,055,985)	(12,055,985)
TOTAL ALLOCATION FOR BILLING PURPOSES.....	\$ 201,987,869	\$ 179,546,850	\$ 381,534,719

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, 2011

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 and reported in the Sewer Utility Enterprise 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 Coronado
- City of Del Mar
- East Otay Mesa Sewer Maintenance District
- City of El Cajon
- City of Imperial Beach
- City of La Mesa
- Lakeside Sanitation District
- Lemon Grove Sanitation District
- City of National City
- Otay Water District
- Padre Dam Municipal Water District
- City of Poway
- Spring Valley Sanitation District
- Winter Gardens Sewer Maintenance District
- Alpine Sanitation District

The San Diego County Sanitation District was formed on July 1, 2011. The following former districts were reorganized and combined to form the San Diego County Sanitation District:

- East Otay Mesa Sewer Maintenance District
- Lakeside Sanitation District
- Alpine Sanitation District
- Winter Gardens Sewer Maintenance District
- Spring Valley Sanitation District

The reorganization does not affect the allocation of expenses for billing related to the Metropolitan System.

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 financial position or 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.

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, 2011

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 amounts related to accrued expenses for compensated absences, liability claims, capitalized interest, pollution remediation, postemployment healthcare benefits, pension benefit costs, 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.

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 that 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. Currently, there is an unresolved issue between the Participating Agencies and the City regarding the calculation of the reclaimed water revenue. The Wastewater Utility Fund has not received any proceeds from reclaimed water sales pending transfer from the Water Utility Fund.

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. The percentages are determined from cumulative samples and 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.

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, 2011

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.

Note 8 – Pension Benefit Costs

The rates supporting expenses related to the employer share of pension costs are actuarially determined by the San Diego City Employees' Retirement System's actuary. Employer contribution rates are set with a 2 year time-lag (i.e., rates effective in fiscal year 2011 were calculated in the fiscal year 2009 actuarial valuation). The City's Sewer Utility Enterprise Fund fully paid its pension rates as determined by the actuary in its actuarial report prepared in fiscal year 2009 for fiscal year 2011.

Further information regarding the City's pension plan, benefits costs and funded status as of June 30, 2011 can be found in the City's Comprehensive Annual Financial Report.

Note 9 – Postemployment Healthcare Benefits

Postemployment healthcare benefits costs are measured and accrued based upon annual actuarial valuations similar to current practice with pension plans. The actuarial valuations provide information on the annual required contributions (ARC) to fund the plan. The Schedule only includes postemployment healthcare benefits paid during the fiscal year ended June 30, 2011.

Further information regarding the City's Postemployment Healthcare Benefits as of June 30, 2011 can be found in the City's Comprehensive Annual Financial Report.

Note 10 – 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 2011 was credited to the operating reserve, which ended the fiscal year with a 45-day reserve.

Note 11 – Subsequent Events

Padre Dam Overbilling Sludge Issue

In November 2010, Padre Dam Municipal Water District (Padre Dam) submitted a letter to the City regarding possible overcharge. The City investigated the issue and in April 2011, confirmed that Padre Dam was overcharged. Thereafter, the overcharge has been discussed by all of the Participating Agency members of the Metro JPA Technical Advisory Committee meetings. Padre Dam and the City have issued a proposal for consideration by the member agencies, which was accepted by the City and Padre Dam in December 2014. Currently, an administrative protocol is being drafted.

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, 2011

North City Wastewater Treatment Plant Billing Issue

In February 2013, the City discovered a billing issue associated with the North City Water Reclamation Plant wherein the City may have omitted flow and under billed itself. The City actively investigated this issue to determine the financial impact to all parties involved. As of December 2014, the billing issue has been tentatively resolved pending the drafting of an administrative protocol, coupled with the Padre Dam overbilling issue, to ensure a resolution to the satisfaction of all parties.



**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 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, 2011, and have issued our report thereon dated March 17, 2015. 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. 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.

Internal Control Over Financial Reporting

Management of the PUD are responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the PUD's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the PUD's internal control over financial reporting.

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 Schedule will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

We noted certain matters that we reported to management of the PUD, in a separate letter dated March 17, 2015.

This report is intended solely for the information and use of the City Council, the Mayor, the City, the PUD's management, and the Metro Commission/Metro Wastewater JPA Board and is not intended to be and should not be used by anyone other than these specified parties.

Macias Gini & O'Connell LLP

San Diego, California

March 17, 2015

ATTACHMENT 7

Minutes of April 29, 2015
Regular Meeting

Metro Finance Committee

Meeting Minutes

DATE OF MEETING: April 29, 2015

TIME: 8:30 AM

LOCATION: Atkins North America Conference Room

MEETING ATTENDANCE:

Commissioners:

John Mullin, Chair, City of Poway
Jim Peasley, Vice Chair, Padre Dam
Jose Lopez, Otay
Steve Miesen, Chula Vista

Staff:

Al Lau, Padre Dam; Vice Chair Metro
TAC
Edgar Patino, City of San Diego
Seth Gates, City of San Diego
Karyn Keese, Atkins
Karen Jassoy, Padre Dam Treasurer
Steve Martin, BBK

1. Roll Call

Meeting attendance is noted above. There was a quorum for the meeting.

2. Public Comments

There were no public attendees and no comments.

3. Introductions

As this was the first meeting in over a year and new Commissioners and staff introductions were made by each Commissioner and staff. The role of the Finance Committee was discussed.

4. ACTION: Consideration and Possible Action to Select and Appoint a New Committee Chair and Vice Chair

Vice Chair Jim Peasley was reaffirmed and continued to chair the meeting. John Mullin was elected as Chair.

5. JPA Audit Review

Karen Jassoy reviewed the June 30 2013 JPA audit. The audit gave the JPA a clean opinion and had no management comments. It was discussed that the JPA has chosen to do two year audits and thus the next audit will be at the end of fiscal year 2015. On a motion by John Mullin and seconded by Steve Miesen, the audit was unanimously accepted by the Finance Committee and recommended to be moved forward to the Metro Commission/JPA for their review and potential acceptance.

6. JPA Mid-Year Budget Review

Karen Jassoy reviewed the six month cash-flow of the JPA's budget. In most areas as of December 31, 2014 the cash flow is under budget including the Atkins contract. The only exception is the construction of the new website due to timing of the work being done. The actual website contract is on a total basis within their approved contract limits. On a motion by Jose Lopez and seconded by Jim Peasley the midyear review was unanimously accepted by the

Finance Committee and recommended to be moved forward to the Metro Commission/JPA for their review and potential acceptance.

7. Other Business of the Finance Committee

Karyn Keese discussed the upcoming JPA budget process.

8. Review of Items to be Brought Forward to the next Metro Commission/Metro JPA Meeting

Items 5 and 6 will be brought forward to the Metro Commission/JPA at their May 2015 meeting. Vice Chair Jim Peasley will report the recommendations of the Committee.

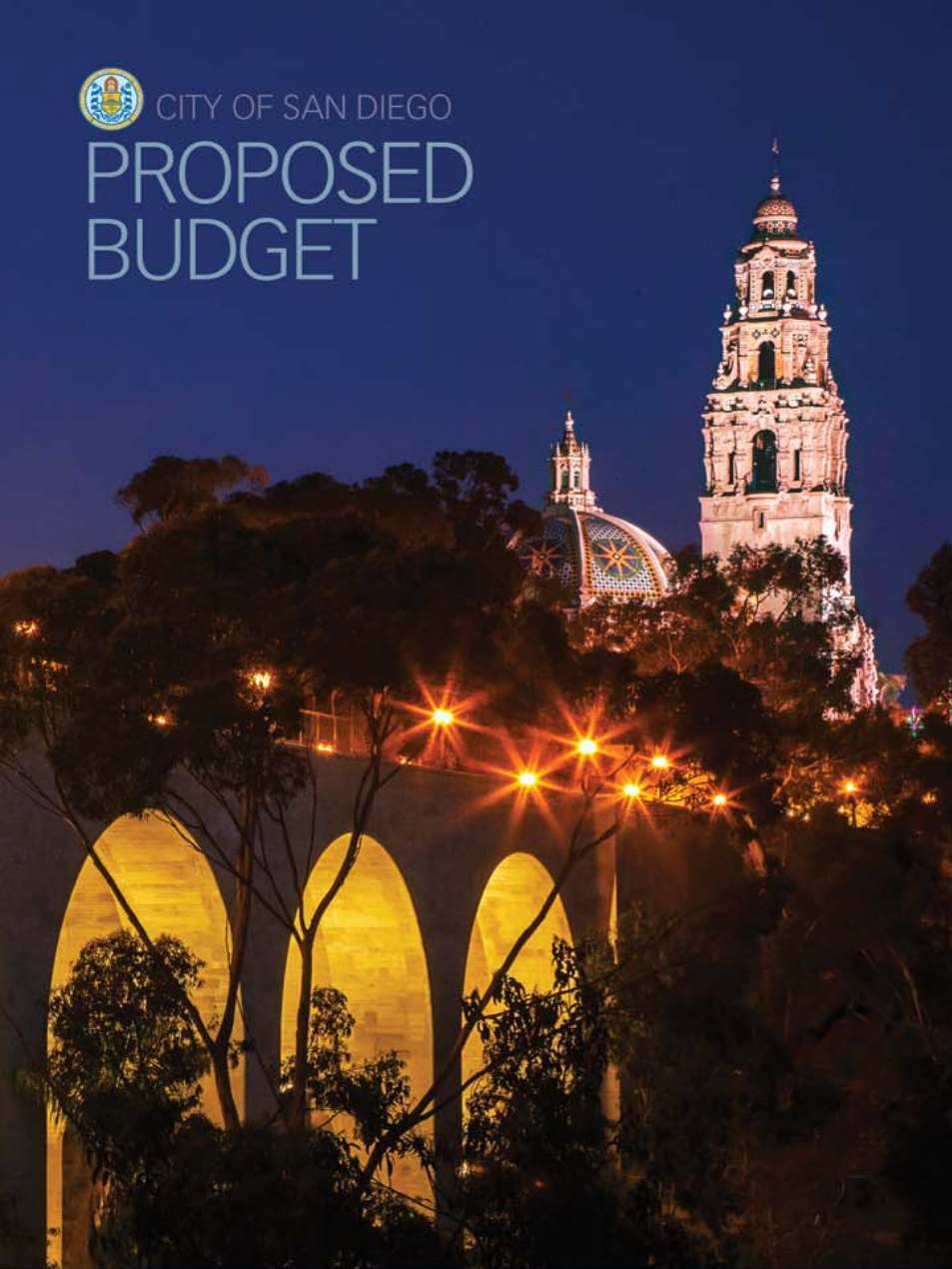
9. Adjournment (To the next Regular Meeting, May 27, 2015)

ATTACHMENT 8

FYE 2016 City of San Diego Metro Sewer Budget



CITY OF SAN DIEGO
**PROPOSED
BUDGET**



Public Utilities Department

May 20, 2015

FY: 2016

Fiscal Year 2016 Proposed Budget

Metro Sewer Fund Summary

Non-General Fund	FY 2015		FY 2016		Change from FY	
	FTE	Adopted Budget	FTE	Proposed Budget	FTE	2015 Adopted Budget
Metro Sewer Fund	463.30	\$210,929,631	458.21	\$215,528,302	(5.09)	\$4,598,671
Revenue		\$102,841,900		\$89,818,922		(\$13,022,978)

Fiscal Year 2016 CIP Budget Metro Fund

Project	FY 2016 Proposed CIP Budget
EAM ERP Implementation / S14000	\$ 431,361
MBC Odor Control Facility Upgrades / S00323	\$ 415,612
Metro Treatment Plants / ABO00001	\$ 4,500,000
PS2 Power Reliability & Surge Protection / S00312	\$ 9,140,000
PURE Water Program / ALA00001	\$ 3,452,565
Total	\$ 17,939,538

Summary of Major Changes

Revenue

- *Decrease of \$13.3 million in State Revolving Fund loan reimbursements*

Expense

- *Increase of \$4.5 million in Energy and Utilities costs due primarily to SDG&E rate increases*
- *Increase of \$2.5 million in State Revolving Loan repayments*
- *Increase of \$2.4 million in ongoing maintenance and repairs*
- *Decrease of \$2.9 million in one-time expenditures*
- *Decrease of \$2.0 million in contracts to align with anticipated expenditures*
- *Decrease of \$1.2 million due to reallocations*
- *Decrease of 5.09 FTE's (net) associated with the reallocations*

ATTACHMENT 9

Billing Issues Reconciliation

City of San Diego Master Summary Reconciliation Padre Dam/North City Mass Balance Corrections															
	True-ups	North City	True-ups	Operating Reserve	NC Adjustment	True-ups	Operating Reserve	PD Sludge Corrections	NC Adjustment	True-ups	PD Sludge Corrections	NC Adjustment	PD Sludge Corrections	PD Sludge Corrections	Grand Total
Agency	FY 2012 ⁽⁵⁾	FY 2012	FY 2011 ⁽⁴⁾	FY 2011	FY 2011	FY 2010 ⁽⁴⁾	FY 2010	FY 2010	FY 2010	FY 2009 ⁽⁴⁾	FY 2009	FY 2009	FY 2008	FY 2007	Total
City of Chula Vista	(\$730,295)	(\$71,019)	(\$213,398)	\$30,531	(\$227,228)	(\$376,257)	\$61,933	\$126,009	(\$222,986)	\$474,713	\$109,106	(\$62,217)	\$102,100	\$116,698	(\$882,310)
City of Coronado	(\$538,248)	(\$6,270)	(\$583,058)	\$3,071	(\$19,093)	(\$679,675)	\$7,402	\$8,871	(\$19,415)	(\$275,582)	\$8,895	(\$6,080)	\$8,661	\$11,504	(\$2,079,017)
City of Del Mar	(\$164,130)	(\$2,505)	(\$160,924)	\$1,048	(\$7,858)	(\$85,933)	\$2,270	\$4,809	(\$7,980)	(\$36,646)	\$4,438	(\$2,247)	\$4,241	\$4,889	(\$446,528)
East Otay Mesa ⁽²⁾	(\$115,744)	(\$105)	(\$47,688)	\$48	(\$191)	(\$19,194)	\$0	\$17	(\$266)	(\$1,132)	\$2	(\$15)	\$0	\$0	(\$184,268)
City of El Cajon	(\$1,965,590)	(\$27,520)	(\$1,291,237)	\$14,178	(\$92,368)	(\$1,030,467)	\$33,676	\$43,990	(\$89,797)	(\$404,988)	\$39,679	(\$25,630)	\$45,914	\$48,441	(\$4,701,719)
City of Imperial Beach	(\$207,591)	(\$8,683)	(\$82,135)	\$4,182	(\$28,827)	\$147,297	\$8,055	\$15,850	(\$29,253)	\$257,573	\$14,051	(\$8,080)	\$12,033	\$13,277	\$107,749
City of La Mesa	(\$538,535)	(\$17,194)	(\$293,511)	\$9,339	(\$60,800)	(\$86,919)	\$19,499	\$29,835	(\$58,880)	\$172,044	\$26,698	(\$16,907)	\$26,209	\$28,484	(\$760,637)
Lakeside/Alpine	(\$202,718)	(\$12,573)	(\$128,786)	\$5,985	(\$38,840)	(\$224,925)	\$11,815	\$18,394	(\$36,264)	\$37,178	\$16,657	(\$10,356)	\$16,174	\$17,959	(\$530,300)
City of Lemon Grove	(\$350,679)	(\$8,320)	(\$150,931)	\$4,182	(\$27,497)	(\$15,715)	\$7,964	\$13,260	(\$26,699)	\$73,470	\$11,938	(\$7,419)	\$10,786	\$12,915	(\$452,745)
The City of National City	(\$516,792)	(\$17,407)	(\$202,820)	\$8,207	(\$58,576)	(\$336,104)	\$16,700	\$31,253	(\$57,987)	(\$462,072)	\$24,643	(\$14,827)	\$24,962	\$31,131	(\$1,529,689)
Otay Water District	(\$138,556)	(\$4,122)	(\$140,345)	\$700	(\$11,698)	(\$30,009)	\$1,013	\$11,955	(\$11,963)	(\$187,279)	\$8,621	(\$3,182)	\$10,448	\$11,307	(\$483,110)
Padre Dam Water District ⁽³⁾	(\$1,251,578)	(\$10,342)	(\$869,925)	\$4,658	(\$36,443)	(\$2,138,425)	\$11,463	(\$1,249,374)	(\$35,859)	(\$1,526,464)	(\$1,080,393)	(\$10,272)	(\$1,023,808)	(\$1,167,525)	(\$10,384,287)
City of Poway	(\$448,309)	(\$12,253)	(\$231,718)	\$6,071	(\$41,189)	\$189,604	\$12,724	\$21,586	(\$39,974)	\$536,352	\$19,752	(\$11,839)	\$17,216	\$17,141	\$35,164
Spring Valley	\$298,847	(\$29,917)	\$290,913	\$13,792	(\$94,361)	\$826,914	\$22,751	\$46,583	(\$86,072)	\$1,010,481	\$41,120	(\$23,582)	\$29,962	\$33,605	\$2,381,037
Wintergardens	(\$61,330)	(\$3,428)	(\$35,088)	\$1,794	(\$10,989)	\$37,486	\$3,269	\$4,934	(\$10,501)	\$94,654	\$4,402	(\$2,987)	\$3,950	\$4,202	\$30,369
City of San Diego	\$6,931,248	\$231,656	\$4,140,650	\$ (107,789)	\$755,959	\$3,822,325	\$ (220,533)	\$872,025	\$733,896	\$237,693	\$750,388	\$205,644	\$711,154	\$815,970	\$19,880,285
Notes ⁽¹⁾ FY 1998 - Inception of Strength-based billing ⁽²⁾ No billable flow until FY 2009 ⁽³⁾ City notified November 2010 (FY 2011) ⁽⁴⁾ FY 2009, 2010, 2011 End of Year Reconciliation Audited (True-Up) ⁽⁵⁾ FY 2012 End of Year Reconciliation is Not Final Subject to change															

ATTACHMENT 10

So. Bay Recycled Water Revenues

Recycled Water Revenue Allocation
Based on PA Share of Metro System
Fiscal Years 2002-2014

AGENCY	Fiscal Year 2009			Fiscal Year 2010			Fiscal Year 2011			Fiscal Year 2012			Fiscal Year 2013			Fiscal Year 2014			TOTAL
	Allocation	Revenue	Interest	Allocation	Revenue	Interest	Allocation	Revenue	Interest	Allocation	Revenue	Interest	Allocation	Revenue	Interest	Allocation	Revenue	Interest	
CHULA VISTA	9.983%	\$ 327,015	\$ 2,151	9.820%	\$ 120,640	\$ 2,224	9.737%	\$ 142,685	\$ 2,235	9.903%	\$ 172,671	\$ 2,401	9.866%	\$ 127,324	\$ 2,277	10.168%	\$ 156,573	\$ 2,148	\$ 1,060,346
CORONADO	1.124%	\$ 36,823	\$ 242	1.010%	\$ 12,414	\$ 229	0.980%	\$ 14,354	\$ 225	1.038%	\$ 18,092	\$ 252	1.012%	\$ 13,037	\$ 233	1.019%	\$ 15,685	\$ 215	\$ 111,800
DEL MAR	0.342%	\$ 11,187	\$ 74	0.343%	\$ 4,215	\$ 76	0.344%	\$ 4,899	\$ 77	0.352%	\$ 6,145	\$ 85	0.346%	\$ 4,460	\$ 80	0.353%	\$ 5,440	\$ 75	\$ 36,813
EAST OTAY MESA	0.005%	\$ 159	\$ 1	0.023%	\$ 277	\$ 5	0.015%	\$ 227	\$ 4	0.016%	\$ 278	\$ 4	0.020%	\$ 256	\$ 5	0.033%	\$ 507	\$ 7	\$ 1,728
EL CAJON	4.618%	\$ 151,278	\$ 995	4.497%	\$ 55,245	\$ 1,019	4.522%	\$ 66,260	\$ 1,038	4.437%	\$ 77,361	\$ 1,075	4.470%	\$ 57,577	\$ 1,030	4.793%	\$ 73,808	\$ 1,012	\$ 487,699
IMPERIAL BEACH	1.356%	\$ 44,403	\$ 292	1.377%	\$ 16,920	\$ 312	1.334%	\$ 19,546	\$ 306	1.325%	\$ 23,099	\$ 321	1.358%	\$ 17,496	\$ 313	1.421%	\$ 21,886	\$ 300	\$ 145,194
LA MESA	3.038%	\$ 99,532	\$ 655	2.920%	\$ 35,667	\$ 661	2.979%	\$ 43,648	\$ 684	2.762%	\$ 48,160	\$ 670	2.843%	\$ 36,619	\$ 655	2.995%	\$ 46,118	\$ 633	\$ 313,901
LAKEVIEW/ALPINE	1.851%	\$ 60,621	\$ 399	1.805%	\$ 22,172	\$ 409	1.909%	\$ 27,971	\$ 438	2.031%	\$ 35,407	\$ 492	1.966%	\$ 25,705	\$ 460	1.773%	\$ 27,296	\$ 374	\$ 201,744
LEMON GROVE	1.289%	\$ 42,235	\$ 278	1.307%	\$ 16,060	\$ 296	1.334%	\$ 19,546	\$ 306	1.309%	\$ 22,828	\$ 317	1.287%	\$ 16,574	\$ 296	1.341%	\$ 20,650	\$ 283	\$ 139,670
NATIONAL CITY	2.471%	\$ 80,940	\$ 532	2.640%	\$ 32,436	\$ 598	2.617%	\$ 38,356	\$ 601	2.541%	\$ 44,298	\$ 616	2.461%	\$ 31,700	\$ 567	2.566%	\$ 39,507	\$ 542	\$ 270,692
OTAY	0.344%	\$ 11,284	\$ 74	0.229%	\$ 2,813	\$ 52	0.223%	\$ 3,273	\$ 51	0.355%	\$ 6,198	\$ 86	0.099%	\$ 1,280	\$ 23	0.059%	\$ 907	\$ 12	\$ 26,083
PADRE DAM	1.508%	\$ 49,396	\$ 325	1.473%	\$ 18,093	\$ 334	1.485%	\$ 21,768	\$ 341	1.247%	\$ 21,738	\$ 302	1.332%	\$ 17,159	\$ 307	1.676%	\$ 25,801	\$ 354	\$ 155,918
POWAY	2.073%	\$ 67,894	\$ 447	1.916%	\$ 23,544	\$ 434	1.936%	\$ 28,372	\$ 444	1.868%	\$ 32,565	\$ 453	1.797%	\$ 23,149	\$ 414	1.796%	\$ 27,652	\$ 379	\$ 205,746
SPRING VALLEY	3.967%	\$ 129,949	\$ 855	4.082%	\$ 50,144	\$ 925	4.399%	\$ 64,458	\$ 1,010	4.545%	\$ 79,243	\$ 1,102	4.264%	\$ 54,918	\$ 982	3.110%	\$ 47,892	\$ 657	\$ 432,134
WINTERGARDENS	0.558%	\$ 18,272	\$ 120	0.559%	\$ 6,863	\$ 127	0.572%	\$ 8,386	\$ 131	0.574%	\$ 10,009	\$ 139	0.580%	\$ 7,467	\$ 134	0.604%	\$ 9,302	\$ 128	\$ 61,078
TOTAL PARTICIPATING AGENCIES	34.526%	\$ 1,130,967	\$ 7,400	34.000%	\$ 417,702	\$ 7,702	34.376%	\$ 503,748	\$ 7,891	34.301%	\$ 598,091	\$ 8,315	33.752%	\$ 434,723	\$ 7,773	33.707%	\$ 519,022	\$ 7,120	\$ 3,650,516

ATTACHMENT 11

FY 2015-2016

Metro Wastewater JPA Budget



**PROPOSED BUDGET
FISCAL YEAR '16**

**Metro Wastewater JPA
Proposed Budget FY '16**

	FY '15		FY '16			
	Budget (Approved)	Projected (Actual)	Budget (Proposed)	Diff from FY '15 Budget	Diff from FY '15 Projected	
<hr/>						
Notes on FY '16 Budget Preparation						
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Income						
Membership Dues	\$ 246,710	\$ 246,710	\$ 256,610	\$ 9,900	\$ 9,900	Revenue spread over 12 months. Total is budgeted to break even.
Interest Income	100	16	20	(80)	4	Estimated small interest amount
Total Income	246,810	246,726	256,630	9,820	9,904	
<hr/>						
Expense						
Consultant - Atkins						
Atkins Engineering	161,490	161,490	59,580	10,156	10,156	Budget increased due to increased meetings for Scott Tulloch for Pure Water Program
TKG Financial & Management			98,300	(13,766)	(13,766)	Budget decreased due to decreased hours for audits and billing rate
Legal - BB&K	35,000	35,000	35,000	-	-	Proposed budget per Paula deSousa
Per Diems - Board	19,000	16,000	18,000	(1,000)	2,000	Per diem bills received through 3/15/15. Budget slightly lower for FY '16 due to history
Treasury Support - Padre Dam	16,000	13,939	19,000	3,000	5,061	Per contract. Bi-Annual Audit in FY '16; additional Treasurer services required
Metro/JPA/TAC meetings	4,500	5,255	5,000	500	(255)	Budget set too low for FY '15; increase for FY '16
Audit	-	-	12,000	12,000	12,000	Bi-Annual Audit to be performed in FY '16
Administrative Support-LP	3,600	3,600	4,000	400	400	Projecting contract will be spent; budget small increase for FY '16 (renewal has COLA)
Mileage Reimbursement	500	200	500	-	300	Kept budget flat
Web Site	4,820	6,407	2,400	(2,420)	(4,007)	Website design final installment paid FY '15 (reserves); budget \$200/month for web hosting
Supplies, Printing, Postage	400	306	400	-	94	Kept budget flat
Telephone	450	1,283	1,400	950	117	Budget increased in FY '16 to cover cell phone for Admin Assistant
Bank Charges	200	-	200	-	200	Temporary waiver granted from bank
Dues and Subscriptions	600	600	600	-	-	FY '16 based on historical expenses - S.C. Alliance of Public Treatment Works
Miscellaneous	250	250	250	-	-	Placeholder for unexpected small charges
Contingencies	-	-	-	-	-	Reserves high enough - no need for additional contingency
Total Expense	246,810	244,329	256,630	9,820	12,301	
Net Income (Loss)	\$ -	\$ 2,397	\$ -	\$ 0	\$ (2,397)	
<hr/>						
Fund Balance at 6/30/14			\$ 106,517			
Projected Net Income for FY '15			2,397			
Projected Fund Balance @ 6/30/15			\$ 108,914			
<hr/>						
FY '16 JPA Required Operating Reserve (4 Months Operating Expenses)			85,543			
Projected Fund Balance @ 6/30/15 Over/(Under) Required Reserves			\$ 23,370			

**Metro Wastewater JPA
Agency Cost Allocations FY '16**

	Prior Year (FY '15)	
	Commission Flow Distribution %	Total Agency Billings
Chula Vista	28.31%	\$ 69,843
Coronado	4.22%	\$ 10,411
County of SD *	18.95%	\$ 46,752
Del Mar	0.42%	\$ 1,036
El Cajon	13.68%	\$ 33,750
Imperial Beach	3.84%	\$ 9,474
La Mesa	7.63%	\$ 18,824
Lemon Grove	3.77%	\$ 9,301
National City	7.78%	\$ 19,194
Otay Water District	0.67%	\$ 1,653
Padre Dam MWD	4.67%	\$ 11,521
Poway	6.06%	\$ 14,951
Total Flow	100.00%	\$ 246,710

Total Required Agency Billings from P&L

Proposed FY '16	
Commission Flow Distribution %	Total Agency Billings
27.76%	\$ 71,242
4.33%	\$ 11,110
18.81%	\$ 48,262
0.92%	\$ 2,358
13.57%	\$ 34,824
3.94%	\$ 10,100
8.06%	\$ 20,692
3.88%	\$ 9,951
8.14%	\$ 20,885
0.68%	\$ 1,752
4.28%	\$ 10,978
5.63%	\$ 14,456
100.00%	\$ 256,610
	\$ 256,610

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

ATTACHMENT 12

Amendment – Treasurer's
Contract for FY 2015-2016

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

THIS SECOND AMENDMENT is made and entered into this ____ day of _____, 2015, 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, Both Metro JPA and the District mutually desire to further amend the Agreement, as amended by the First 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, is amended as necessary to extend the end date of Padre Dam's treasurer services until June 30, 2016.

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

[Signatures on following page]

IN WITNESS WHEREOF, this Second 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
Chairperson

By: _____
Allen Carlisle
General Manager

APPROVED AS TO FORM:

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

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

THIS ~~FIRST~~SECOND AMENDMENT is made and entered into this ____ day of _____, ~~2014~~2015, 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

~~E~~D. WHEREAS, Both Metro JPA and the District mutually desire to further amend the Agreement, as amended by the First 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, is amended as necessary to extend the end date of Padre Dam's treasurer services until June 30, ~~2015~~2016.

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

[Signatures on following page]

IN WITNESS WHEREOF, this ~~First~~Second 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: _____
~~Cheryl Cox~~Jim Peasley
Chairperson

By: _____
Allen Carlisle
General Manager

APPROVED AS TO FORM:

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

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

THIS FIRST AMENDMENT is made and entered into this 1 day of May, 2014, 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, both Metro JPA and the District mutually desire to amend the Agreement 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 is amended as necessary to extend the end date of Padre Dam's treasurer services until June 30, 2015.

2. All other terms and conditions of the Agreement shall remain in full force and effect.

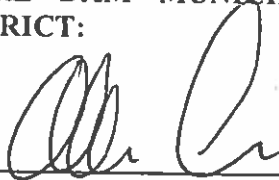
[Signatures on following page]

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

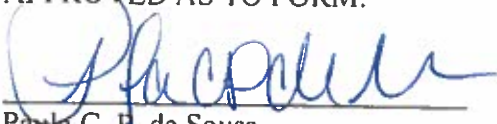
METRO WASTEWATER JPA:

By: 
Cheryl Cox
Chairperson

PADRE DAM MUNICIPAL WATER DISTRICT:

By: 
Allen Carlisle
General Manager

APPROVED AS TO FORM:


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

**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 \$14,000[METRO JPA TO CONFIRM AMOUNT], 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 13

FY 2015-2016 Atkins Contract

**AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN METRO WASTEWATER JOINT POWERS AUTHORITY
AND ATKINS NORTH AMERICA, INC.**

This agreement ("Agreement") is made and entered into as of _____, 2015, 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 ATKINS NORTH AMERICA, INC. (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 and engineering support services as set forth in more detail herein for the fiscal year of 2015-16.

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 such services in accordance with the Budget set forth in Exhibit "A."

b. In no event shall the total amount paid for services rendered by Consultant pursuant to Exhibit "A" exceed \$59,580. 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 Agreement are as follows: Scott Tulloch.

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 its services in a prompt and timely manner upon execution of this Agreement. This Agreement shall terminate on June 30, 2016, unless otherwise extended by a written amendment signed by both Parties, or otherwise earlier terminated as provided for herein.

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, 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 0001) 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
- (6) Contractual Liability with respect to this Agreement
- (7) Broad Form Property Damage
- (8) Independent Consultants Coverage

(iv) The policy shall not contain any exclusion contrary to the Agreement, including but not limited to endorsements or provisions limiting coverage for (1) contractual liability (including but not limited to ISO CG 24 26 or 21 29); or (2) cross liability for claims or suits by one insured against another.

(v) All such policies shall be endorsed name the 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 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 such deductibles or self-insured retentions as respects Metro JPA, its members, directors, officials, officers, employees, agents, and volunteers.

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) covering automobile liability, Code 1 (any auto).

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

(iv) All such policies shall name the 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.

c. Workers' Compensation/Employer's Liability.

(i) At all times during the performance of Services 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.

(ii) 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 out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV or the Labor Code of the State of California and any acts amendatory thereof. Consultant shall require all subconsultants to obtain and maintain 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 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. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend. The retroactive date, if any, of each such policy is to be no later than the effective date of this Agreement, and Consultant shall maintain such coverage continuously for a period of at least three (3) years following the completion of work under this Agreement.

e. Public Liability, Property Damage, Automobile Liability, Employer's Liability, and Professional Liability (Errors and Omissions).

(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
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.

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

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 to the parties required to be named as additional insureds 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 2010 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with all endorsements to the policies described therein. All evidence of insurance shall be certified 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.

(ii) All policies of Commercial General Liability and Automobile Liability insurance shall contain a provision stating that the Consultant's policies are primary insurance and the insurance of the Metro JPA, its members, or any named or additional insureds shall not be called upon to contribute to any loss. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to

Metro JPA, its members, officials, officers, employees, agents and volunteers, or any other additional insureds.

(iii) All policies of Commercial General Liability and Automobile Liability insurance shall contain or shall be endorsed to contain a waiver of subrogation against the 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 waivers from each of its subconsultants.

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 admitted to do business in California and maintain an agent for process within the state or be 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 insurance required by the Agreement documents, the 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. In the alternative, Metro JPA may cancel this Agreement.

(iii) Consultant shall not allow any 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. If requested by Consultant, Metro JPA may approve different scopes or minimum limits of insurance for particular 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 and hold harmless Metro JPA and its Board and each member of the Board, officers, agents and employees from any and all claims, liabilities, expenses or damages of any nature, including attorneys' fees, for injury or death of any person, or damage to property, or interference with use of property, including loss of use, arising out of or in any way connected with the negligent performance or willful misconduct under this Agreement by Consultant, Consultant's agents, officers, employees, subconsultants, or independent consultants hired by 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.

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.

Effective March 1, 2015, 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. The 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. 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	Atkins North America, Inc. 3570 Carmel Mountain Road, Suite 300 San Diego, CA 92130 Attn: Scott Tulloch

and shall be effective upon receipt thereof.

18. 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 scope of services.

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. 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:

ATKINS NORTH AMERICA INC.:

By: _____
Jim Peasley
Chairperson

By: _____

APPROVED AS TO FORM:

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

EXHIBIT “A”

Scope of Services and Budget

SCOPE OF SERVICES

METRO TAC/COMMISSION/JPA

AS-NEEDED ENGINEERING SERVICES

The purpose of the As-Needed Engineering Consulting Contract for the Metro Wastewater JPA/Commission is to provide technical support to the 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 Program.

I. Scope of Services

The effort by ATKINS 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 Meetings

The routine meetings will include the following tasks:

1. Attendance at the Metro TAC meetings
2. Attendance Metro Commission/JPA meetings.
3. Pure Water Program Technical Advisory Committee Meetings
4. Water Reliability Coalition Meetings
5. Equinox Policy Committee Meetings

B. General 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 and any meetings as directed by the Metro TAC and/or the Commission/JPA to facilitate the secondary equivalency alternative, etc.

II. ADDITIONAL SERVICES AS REQUESTED

- A. Participate in the MWWDD Strategic Business Plan.
- B. Independent cost review of Pure Water Program CIP.
- C. Review of ongoing background material not envisioned.
- D. Prepare for and attend additional meetings beyond what is included in Section I.
- E. Attendance at IROC in support of the Metro JPA/Commission representatives.
- F. Provide additional follow-up on the additional items identified.
- G. Provide additional technical support on specific projects as directed by the Metro TAC, Finance Committee, and Metro JPA/Commission Chairmen.
- H. Provide technical support, as requested, to fulfill other Metro JPA/Commission objectives.

III. BUDGET

- A. Routine Meetings: \$ 19,580 or approximately 8.5 hours per month.
- B. Engineering Support: Per recommendation from Scott Tulloch the 2015 budget of \$29,608 is recommended to be increased to \$40,000 for 2016 due to increased Pure Water Program activities.

Total Budget: \$59,580.

**AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN METRO WASTEWATER JOINT POWERS AUTHORITY
AND ATKINS NORTH AMERICA, INC.**

This agreement ("Agreement") is made and entered into as of _____, ~~2014~~2015, 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 ATKINS NORTH AMERICA, INC. (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~~ and engineering support services as set forth in more detail herein for the fiscal year of ~~2014~~2015-1516.

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 such services in accordance with the ~~Schedule of Charges~~Budget set forth in Exhibit "~~B,~~" ~~attached hereto and incorporated herein by reference.~~A."

b. In no event shall the total amount paid for services rendered by Consultant pursuant to ~~Exhibits~~Exhibit "A" ~~and "B"~~ exceed ~~the sum of \$161,490.00 for fiscal year 2014-15~~\$59,580. 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 Agreement are as follows: Scott Tulloch.

45. 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.

56. Time of Performance; Term.

Consultant shall commence and perform its services in a prompt and timely manner upon execution of this Agreement. This Agreement shall terminate on June 30, ~~2015~~2016, unless otherwise extended by a written amendment signed by both Parties, or otherwise earlier terminated as provided for herein.

67. 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.

78. Compliance with Law.

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

89. 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.

910. 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.

1011. 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.

~~11. 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.~~

12. Insurance.

a. Commercial General Liability.

(i) The Consultant shall take out and maintain, during the performance of all work under this Agreement, 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 0001) 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
- (6) Contractual Liability with respect to this Agreement
- (7) Broad Form Property Damage
- (8) Independent Consultants Coverage

(iv) The policy shall not contain any exclusion contrary to the Agreement, including but not limited to endorsements or provisions limiting coverage for (1) contractual liability (including but not limited to ISO CG 24 26 or 21 29); or (2) cross liability for claims or suits by one insured against another.

~~(iv)~~ All such policies shall be endorsed name the 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 using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

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

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) covering automobile liability, Code 1 (any auto).

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

(iv) All such policies shall name the 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.

c. Workers' Compensation/Employer's Liability.

(i) At all times during the performance of Services 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.

(ii) 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 out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV or the Labor Code of the State of California and any acts amendatory thereof. Consultant shall require all subconsultants to obtain and maintain 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 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. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend. The retroactive date, if any, of each such policy is to be no later than the effective date of this Agreement, and Consultant shall maintain such coverage ~~continuously~~continuously for a period of at least three (3) years following the completion of work under this Agreement.

e. Public Liability, Property Damage, Automobile Liability, Employer's Liability, and Professional Liability (Errors and Omissions).

(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
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.

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

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 to the parties required to be named as additional insureds 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 2010 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with all endorsements to the policies described therein. All evidence of insurance shall be certified 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.

(ii) All policies of Commercial General Liability and Automobile Liability insurance shall contain a provision stating that the Consultant’s policies are primary insurance and the insurance of the Metro JPA, its members, or any named or additional insureds shall not be called upon to contribute to any loss. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to Metro JPA, its members, officials, officers, employees, agents and volunteers, or any other additional insureds.

(iii) All policies of Commercial General Liability and Automobile Liability insurance shall contain or shall be endorsed to contain a waiver of subrogation against the Metro JPA, the Board and each member of the Board, its officers, employees, agents and Metro JPA designated volunteers; or shall specifically allow ~~Consultant~~ Consultant or others providing insurance evidence in compliance with these specifications to waive ~~its~~ 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 waivers from each of its subconsultants.

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 admitted to do business in California ~~or~~ and maintain an agent for process within the state or be 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 insurance required by the Agreement documents, the 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. In the alternative, Metro JPA may cancel this Agreement.

(iii) ~~The Consultant shall include all~~ not allow any subconsultants ~~as insureds under its policies or shall furnish separate certificates and endorsements for each subconsultant. All coverages for subconsultants shall be subject to all of the requirements stated herein unless otherwise agreed in writing by the Metro JPA. All~~ 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. If requested by Consultant, Metro JPA may approve different scopes or minimum limits of insurance for particular subconsultants. The Consultant and Metro JPA shall be named as additional insureds on all subconsultants' policies of Commercial General Liability insurance provided by subconsultants shall name the Metro JPA as an additional insured 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 and hold harmless Metro JPA and its Board and each member of the Board, officers, agents and employees from any and all claims, liabilities, expenses or damages of any nature, including attorneys' fees, for injury or death of any person, or damage to property, or interference with use of property, including loss of use, arising out of or in any way connected with the negligent performance or willful misconduct under this Agreement by Consultant, Consultant's agents, officers, employees, subconsultants, or independent consultants hired by 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.

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.

Effective March 1, 2015, 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. The 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.

~~14~~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.

~~15~~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.

~~16~~17. 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	Atkins North America, Inc. 3570 Carmel Mountain Road, Suite 300 San Diego, CA 92130 Attn: Karyn Keese <u>Scott Tulloch</u>

and shall be effective upon receipt thereof.

~~17~~18. 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 scope of 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.

~~19~~20. ~~Termination of Prior Agreements~~Integration.

~~The Parties agree that upon executing this Agreement, the Agreement for Professional Services entered into June 6, 2013, by and between the Parties, and prior versions thereof, shall terminate.~~

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:

ATKINS NORTH AMERICA INC.:

By: _____
~~Cheryl Cox~~ Jim Peasley
Chairperson

By: _____

APPROVED AS TO FORM:

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

EXHIBIT “A”

Scope of Services and Budget

~~EXHIBIT “B”~~

~~Schedule of Charges/Payments~~

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

May 17, 2015

The purpose of the As-Needed Engineering Consulting Contract for the Metro Wastewater JPA/Commission is to provide technical support to the 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 Program.

I. Scope of Services

The effort by ATKINS 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 Meetings

The routine meetings will include the following tasks:

1. Attendance at the Metro TAC meetings
2. Attendance Metro Commission/JPA meetings.
3. Pure Water Program Technical Advisory Committee Meetings
4. Water Reliability Coalition Meetings
5. Equinox Policy Committee Meetings

- B. General 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 and any meetings as directed by the Metro TAC and/or the Commission/JPA to facilitate the secondary equivalency alternative, etc.

II. ADDITIONAL SERVICES AS REQUESTED

- A. Participate in the MWWWD Strategic Business Plan.
- B. Independent cost review of Pure Water Program CIP.
- C. Review of ongoing background material not envisioned.
- D. Prepare for and attend additional meetings beyond what is included in Section I.
- E. Attendance at IROC in support of the Metro JPA/Commission representatives.
- F. Provide additional follow-up on the additional items identified.
- G. Provide additional technical support on specific projects as directed by the Metro TAC, Finance Committee, and Metro JPA/Commission Chairmen.
- H. Provide technical support, as requested, to fulfill other Metro JPA/Commission objectives.

III. PROPOSED BUDGET

- A. Routine Meetings: \$ 19,580 or approximately 8.5 hours per month.
- B. Engineering Support: Per recommendation from Scott Tulloch the 2015 budget of \$29,608 is recommended to be increased to \$40,000 for 2016 due to increased Pure Water Program activities.

Total Budget: \$59,580.

ATTACHMENT 14

FY 2015-2016

The Keze Group, LLC Contract

**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 _____, 2015, 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, 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 as set forth in more detail herein for the fiscal year of 2015-16.

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 in accordance with the Budget set forth in Exhibit "A."

b. In no event shall the total amount paid for services rendered by Consultant pursuant to Exhibits "A" exceed the budget of \$98,300 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." 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. Term.

Consultant shall commence and perform the Services in a prompt and timely manner beginning July 1, 2015. This Agreement shall terminate on June 30, 2016, 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, 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 0001) 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
- (6) Contractual Liability with respect to this Agreement
- (7) Broad Form Property Damage
- (8) Independent Consultants Coverage

(iv) The policy shall not contain any exclusion contrary to the Agreement, including but not limited to endorsements or provisions limiting coverage for (1) contractual liability (including but not limited to ISO CG 24 26 or 21 29); or (2) cross liability for claims or suits by one insured against another.

(v) All such policies shall be endorsed to name the 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 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 such deductibles or self-insured retentions as respects Metro JPA, its members, directors, officials, officers, employees, agents, and volunteers.

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) covering automobile liability, Code 1 (any auto).

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

(iv) All such policies shall name the 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.

c. Workers' Compensation/Employer's Liability.

(i) At all times during the performance of Services 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.

(ii) 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 out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV or the Labor Code of the State of California and any acts amendatory thereof. Consultant shall require all subconsultants to obtain and maintain 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 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. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend. The retroactive date, if any, of each such policy is to be no later than the effective date of this Agreement, and Consultant shall maintain such coverage continuously for a period of at least three (3) years following the completion of work under this Agreement.

e. Public Liability, Property Damage, Automobile Liability, Employer's Liability, and Professional Liability (Errors and Omissions).

(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	\$1,000,000 per occurrence for bodily injury and property damage
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.

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

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 to the parties required to be named as additional insureds 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 2010 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with all endorsements to the policies described therein. All evidence of insurance shall be certified 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.

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

(iii) All policies of Commercial General Liability and Automobile Liability insurance shall contain or shall be endorsed to contain a waiver of subrogation against the 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 waivers from each of its subconsultants.

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 admitted to do business in California and maintain an agent for process within the state or be 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 insurance required by the Agreement documents, the 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. In the alternative, Metro JPA may cancel this Agreement.

(iii) Consultant shall not allow any 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. If requested by Consultant, Metro JPA may approve different scopes or minimum limits of insurance for particular 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 and hold harmless Metro JPA and its Board and each member of the Board, officers, agents and employees from any and all claims, liabilities, expenses or damages of any nature, including attorneys' fees, for injury or death of any person, or damage to property, or interference with use of property, including loss of use, arising out of or in any way connected with the negligent performance or willful misconduct under this Agreement by Consultant, Consultant's agents, officers, employees, subconsultants, or independent consultants hired by 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.

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.

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	The Keze Group, LLC 4653 Carmel Mountain Road San Diego, CA 92130 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. 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.

19. 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, LLC.:

By: _____
Jim Peasley
Chairperson

By: _____
Karyn Keese

APPROVED AS TO FORM:

Paula C. P. de Sousa
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 Program. Karyn Keese of The Keze Group, LLC (TKG) has provided these services to the Metro/TAC/Commission/JPA since 1998 and has supported numerous dealings with financial and engineering issues that affect the PAs.

I. Scope of Services

The effort by The Keze Group, LLC (TKG) will be divided into the following tasks:

A. Routine Meetings

The routine meetings will include the following tasks:

1. Attendance at the Metro TAC meetings, preparation of minutes and agendas.
2. Attendance and preparation of agendas for the Metro Commission/JPA meetings.
3. Prepare agendas, minutes, and technical support to the Metro Finance Committee.

B. Routine Audit Review – Public Utilities Department (PUD), Wastewater Operations Branch Exhibit E Audit Review – FYEs 2014 and 2015

1. Review and negotiate the auditors Scope of Work
2. Attend Entrance and Exit Conferences with the Auditors
3. Select audit sample
4. Attend Interim Bi-Weekly work meetings with the Auditors (maximum of 5 per audit)
5. Review the Draft and Final Audit numbers and test results

6. Review all audit samples for contract compliance and accounting accuracy
7. Review the annual general services cost allocation
8. Review output for any special projects (In the past this has included the reconciliation of the Shames and other municipal lawsuits, and the Clean Water Program management contract to insure that only Metro costs have/had been charged to the PAs)
9. Present the results to the Metro Finance Committee, Metro TAC, and Metro Wastewater JPA / Commission
10. Review final closeout of 2009 to 2012 open audits to insure Padre Dam and North City adjustments are correctly applied to each PA
11. Monitor closeout process to insure timely payment of refunds (if any) and the accuracy of any additional billings' (if any) to PAs
12. Monitor Pure Water Program cost allocations to insure Metro is only paying its fair share of the Program.

C. Routine Review of MWWD Budget – FYE 2016 and 2017

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 2015/16 Water and Wastewater Rate Cases – During FYE 2014 and 2015 outside consultants have been preparing the PUD's water and wastewater rate cases. Preliminary results on the first of three steps in the rate case process (revenue requirement) will be released in early 2015. TKG will work with the IROC Finance Committee to provide in-depth review of the Rate Cases during this fiscal year to insure that Metro Commission/JPA interests are considered and included especially when it comes to the funding of the Pure Water Program. It is anticipated by PUD staff that the rate case will be completed in FYE 2015/16.

E. FYE 2015/16 Recycled Water Financial Projects

1. Continued Support and Resolution of Recycled Water Contractual Issues – During FYE 2011 the City’s Public Utilities Director recognized the PAs right to the revenues from the sales of recycled water at the South Bay plant. The past sales of recycled water will be included in the FYE 2014 and/or 2015 audits as an income credit and revenue will be returned to the participating agencies. However several housekeeping issues remain to be resolved such as the completion of the repayment schedule for the North City Optimized System Debt and continued discussions over allocation of the capacity reservation leases paid by Otay Water District and Olivenhain Municipal Water District and will be continued this year. TKG will support the effort in resolving these issues in FYE 2015/16. (Note: This is ongoing from FYE 2013 but had been tabled due to staff resources associated with the Pure Water Program).
2. Review of Recycled Water Pricing Study – In December 2009 PUD asked its consultant to address the difference between wholesale and retail customers and develop appropriate recycled water rates. PUD’s original proposed unitary rate structure is of major concern to the PAs. A second draft of the pricing study was received but was not considered acceptable by the PAs. PUD has since retained another consultant and the draft of this report is due to move forward with the water rate case during FYE 2015/16.

The PAs goal for this study is to insure that the rates are fair and equitable to all parties, and set at appropriate levels that balance the facilitation of increased use of recycled water per the City’s agreement with the environmental community, while providing additional monies to operate the system. TKG will review the upcoming draft in-depth to insure that the PAs goals are reached. (Note: This is a carry-over from FYE 2015 as the draft has not been released and is in the Mayors office)

3. Pure Water Program Cost Allocations – With the completion of the Recycled Water Master Plan, the next phase is the implementation of selected capital projects. TKG is currently and will continue to work with the PUD and Metro TAC subcommittee to provide guidance regarding appropriate cost sharing allocations. (Note: This is ongoing from FYE 2015).

- F. Metro TAC Staff Support – This task includes 10 hours per month for unforeseen financial analysis and consulting. TKG will support on an as-needed basis, especially the items contained in the Metro TAC FYE 2015/16 Work plan. Past issues that were supported during FYE 2015 was the reallocation of Metro costs due to the overbilling of Padre Dam Municipal Water District for their sewage strengths. In addition, Brown & Caldwell recently prepared a draft Metro Strength Billing Evaluation Report. This report contained recommendations for changes to the current strength based billing process as well as a billing issue regarding the recycled water flow at North City. In FYE 2015/16 PUD staff will be updating the

transportation rate calculation methodology and potentially the basis for the functional design based rate calculation. TKG will review all calculations to insure that the billing issues, strength base billing changes, and changes to the transportation rate are appropriate.

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 additional technical support on specific projects as directed by the Metro TAC, Finance Committee, and Metro JPA/Commission Chairmen.
- F. Provide technical support, as requested, to fulfill other Metro JPA/Commission objectives.

III. BUDGET

Attached is a spreadsheet showing a not-to-exceed budget of \$98,300. TKG has reduced our billing rate from the Atkins billing rate of \$190 per hour to \$160 per hour. In addition we have reduced the budgeted amount of hours for the Exhibit E audit from 140 hours to 100 hours as we anticipate that resolution of all the outstanding audits will be completed by the end of FYE 2015. Based on the anticipated work on Pure Water Cost Allocation we have raised the number of hours from the budgeted FYE2015 from 60 to 120 which is similar to what has actually been expended in FYE2015. All other tasks are budgeted at the normal hours that are the average of what has been incurred over the years.

2015 Budget versus 2016 Budget Split
Financial and Engineering Services

FYE 2015 Budget			Budget As of April 2015				FYE 2016 Budget					
		FYE 2015 Budget	Spent	Remaining	% Spent	Months Elapsed			Engineering	Financial Services	Difference	
1000	Routine Support Services Support MetroTAC Attend Metro Commission Support Metro Finance	\$ 39,160	\$ 27,977.51	\$ 11,182.49	71%	92%	1000	Routine Support Services Support MetroTAC Attend Metro Commission Support Metro Finance Support AdHoc	\$ 19,580	\$ 19,580	\$ -	
2000	2011,2012, 2013 Audits Review & Edit Audit Scope Entrance/Exit Conference Interim Work Meetings Review Draft & Final Numbers Special Audit Projects Prepare Report/Presentation Present Metro TAC/Metro Com.	\$ 26,600	\$ 6,175.00	\$ 20,425.00	23%	92%	2000	2014 and 2015 Audits Review & Edit Audit Scope Entrance/Exit Conference Interim Work Meetings Review Draft & Final Numbers Special Audit Projects Prepare Report/Presentation Present Metro TAC/Metro Com. Final Closeout of 2009 to 2012		\$ 16,000	\$ (10,600)	140.00
3000	Budget & CIP Review	\$ 6,080	\$ 2,280.00	\$ 3,800.00	38%	92%	3000	Budget & CIP Review		\$ 5,120	\$ (960)	
4000	Special Projects						4000	Special Projects			\$ -	
4001	General Metro TAC Support	\$ 22,800	\$ 13,775.00	\$ 9,025.00	60%	92%	4001	General Metro TAC Support		\$ 19,200	\$ (3,600)	101.05
4002	Rate Case & Rate Case Audit	\$ 8,740		\$ 8,740.00	0%	92%	4002	Rate Case & Rate Case Audit		\$ 6,400	\$ (2,340)	33.68
4003	Resolve Reclaimed Issues	\$ 8,740		\$ 8,740.00	0%	92%	4003	Resolve Reclaimed Issues		\$ 6,400	\$ (2,340)	33.68
4004	Reclaimed Water Pricing Study	\$ 7,600		\$ 7,600.00	0%	92%	4004	Reclaimed Water Pricing Study		\$ 6,400	\$ (1,200)	33.68
4005	Reclaimed Cost Allocations	\$ 11,400	\$ 45,077.50	\$ (33,677.50)	395%	92%	4005	Pure Water Program Cost Allocation		\$ 19,200	\$ 7,800	60.00
5000	Engineering Support	\$ 29,608	\$ 23,250.00	\$ 6,358.00	79%	92%	5000	Engineering Support	\$ 40,000		\$ 10,392	
	Direct Expenses	\$ 762	\$ 268.57	\$ 493.43	35%	92%		Direct Expenses	\$ -		\$ (762)	
Total		\$161,490.00	\$ 118,803.58	\$ 42,686.42			Total		\$ 59,580	\$ 98,300	\$ (3,610)	

74% 26%

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

This agreement ("Agreement") is made and entered into as of _____, ~~2014~~2015, 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 ~~ATKINS NORTH AMERICA, INC.~~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 as set forth in more detail herein for the fiscal year of ~~2014~~2015-1516.

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 ~~such~~the Services in accordance with the ~~Schedule of Charges~~Budget set forth in Exhibit "~~B,~~" ~~attached hereto and incorporated herein by reference.~~A.

b. In no event shall the total amount paid for services rendered by Consultant pursuant to Exhibits "A" ~~and "B"~~ exceed the ~~sum of \$161,490.00 for fiscal year 2014-15.~~budget of \$98,300 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." 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.

45. 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.

56. ~~Time of Performance;~~ Term.

Consultant shall commence and perform ~~its~~the Services in a prompt and timely manner ~~upon execution of this Agreement~~beginning July 1, 2015. This Agreement shall terminate on June 30, ~~2015~~2016, unless otherwise extended by a written amendment signed by both Parties or otherwise earlier terminated pursuant to Article 15 of this Agreement.

67. 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.

78. Compliance with Law.

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

89. 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.

910. 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.

1011. 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.

~~11. 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.~~

12. Insurance.

a. Commercial General Liability.

(i) The Consultant shall take out and maintain, during the performance of all work under this Agreement, 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 0001) 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
- (6) Contractual Liability with respect to this Agreement
- (7) Broad Form Property Damage
- (8) Independent Consultants Coverage

(iv) The policy shall not contain any exclusion contrary to the Agreement, including but not limited to endorsements or provisions limiting coverage for (1) contractual liability (including but not limited to ISO CG 24 26 or 21 29); or (2) cross liability for claims or suits by one insured against another.

~~(iv)~~ All such policies shall be endorsed to name the 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 using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

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

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) covering automobile liability, Code 1 (any auto).

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

(iv) All such policies shall name the 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.

c. Workers' Compensation/Employer's Liability.

(i) At all times during the performance of Services 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.

(ii) 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 out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV or the Labor Code of the State of California and any acts amendatory thereof. Consultant shall require all subconsultants to obtain and maintain 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 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. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend. The retroactive date, if any, of each such policy is to be no later than

the effective date of this Agreement, and Consultant shall maintain such coverage ~~continuously~~continuously for a period of at least three (3) years following the completion of work under this Agreement.

e. Public Liability, Property Damage, Automobile Liability, Employer's Liability, and Professional Liability (Errors and Omissions).

(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
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.

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

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 to the parties required to be named as additional insureds 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 2010 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with all endorsements to the policies described therein. All evidence of insurance shall be certified 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.

(ii) All policies of Commercial General Liability and Automobile Liability insurance shall contain a provision stating that the Consultant’s policies are primary insurance and the insurance of the Metro JPA, its members or any named or additional insureds shall not be called upon to contribute to any loss.

(iii) All policies of Commercial General Liability and Automobile Liability insurance shall contain or shall be endorsed to contain a waiver of subrogation against the Metro JPA, the Board and each member of the Board, its officers, employees, agents and Metro JPA designated volunteers; or shall specifically allow ~~Counstant~~ Consultant or others providing insurance evidence in compliance with these specifications to waive ~~its~~ 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 waivers from each of its subconsultants.

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 admitted to do business in California ~~or~~ and maintain an agent for process within the state or be 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 insurance required by the Agreement documents, the 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. In the alternative, Metro JPA may cancel this Agreement.

(iii) ~~The Consultant shall include all~~ not allow any subconsultants ~~as insureds under its policies or shall furnish separate certificates and endorsements for each subconsultant. All coverages for subconsultants shall be subject to all of the requirements stated herein unless otherwise agreed in writing by the Metro JPA. All~~ 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. If requested by Consultant, Metro JPA may approve different scopes or minimum limits of insurance for particular subconsultants. The Consultant and Metro JPA shall be named as additional insureds on all subconsultants' policies of Commercial General Liability ~~insurance provided by subconsultants shall name the Metro JPA as an additional insured~~ 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 and hold harmless Metro JPA and its Board and each member of the Board, officers, agents and employees from any and all claims, liabilities, expenses or damages of any nature, including attorneys' fees, for injury or death of any person, or damage to property, or interference with use of property, including loss of use, arising out of or in any way connected with the negligent performance or willful misconduct under this Agreement by Consultant, Consultant's agents, officers, employees, subconsultants, or independent consultants hired by 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.

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.

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	Atkins North America, Inc. The Keze Group, LLC
c/o La Mesa City Hall	3570 4653 Carmel Mountain Road, Suite 300
8130 Allison Ave., La Mesa, CA 91942	San Diego, CA 92130
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 ~~scope of~~ Services.

18. 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.

19. ~~Termination of Prior Agreements~~Integration.

~~The Parties agree that upon executing this Agreement, the Agreement for Professional Services entered into June 6, 2013, by and between the Parties, and prior versions thereof, shall terminate.~~

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:
KEZE GROUP, LLC.:

~~**ATKINS NORTH AMERICA INC**~~**THE**

By: _____
~~Cheryl Cox~~Jim Peasley
Chairperson

By: _____
Karyn Keese

APPROVED AS TO FORM:

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

EXHIBIT “A”

Scope of Services and Budget

~~EXHIBIT “B”~~

~~Schedule of Charges/Payments~~