



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

AGENDA

**Thursday, June 7, 2018
12:00 p.m.**

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

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

Note: Any member of the Public may address the Metro Commission/Metro Wastewater JPA on any Agenda Item. Please complete a Speaker Slip and submit it to the Administrative Assistant or Chairperson prior to the start of the meeting if possible, or in advance of the specific item being called. Comments are limited to three (3) minutes per individual.

Documentation
Included

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE TO THE FLAG
3. PUBLIC COMMENT

Persons speaking during Public Comment may address the Metro Commission/ Metro Wastewater JPA on any subject matter within the jurisdiction of the Metro Commission and/or Metro Wastewater JPA that is not listed as an agenda item. Comments are limited to three (3) minutes. Please complete a Speaker Slip and submit it prior to the start of the meeting.
- X 4. **ACTION** – CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE MINUTES OF THE REGULAR MEETING OF [April 5, 2018](#) and SPECIAL MEETING OF [May 3, 2018](#) (**Attachments**)
- X 5. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO RECOMMEND APPROVAL OF THE FY 2019 PROPOSED CITY OF SAN DIEGO METRO WASTEWATER UTILITY BUDGET.(Mark Gonzalez) (**Attachment forthcoming**)
- X 6. **FINANCE COMMITTEE:**
 - a. MINUTES FROM THE MAY, 24, 2017 FINANCE COMMITTEE MEETING (Information only) (**Attachment**)

June 7, 2018

Metro Commission/Metro
Wastewater JPA Regular
Meeting Agenda

- b. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE AMENDMENT TO REIMBURSEMENT AGREEMENT WITH LEMON GROVE SANITATION DISTRICT FOR FY 2018 ENGINEERING SUPPORT SERVICES PROVIDED BY CONSULTANT WILSON ENGINEERING (TO INCREASE WORK IN FY 2017-18 IN THE AMOUNT OF \$10,500 WITH CORRESPONDING REVISIONS TO EXHIBITS A AND B)
(Greg Humora/Karyn Keese) (**Attachment**)
 - i. AUTHORIZE THE CHAIR OR DESIGNEE TO EXECUTE FY 2018 AMENDMENT TO REIMBURSEMENT AGREEMENT WITH LEMON GROVE SANITATION DISTRICT
- c. **ACTION:** REVIEW AND CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FY 2019 METRO WASTEWATER JPA BUDGET AND VARIOUS SERVICES AGREEMENTS
(Finance Committee Chairman John Mullin)

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

- i. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FY 2019 METRO WASTEWATER JPA BUDGET
(Karen Jassoy/Karyn Keese) (**Attachment**)
- ii. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE AMENDMENT TO THE TREASURERS CONTRACT WITH PADRE DAM MUNICIPAL WATER DISTRICT FOR FY 2019
(Greg Humora/Karyn Keese) (**Attachment**)
- iii. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FY 2019 CONTRACT WITH THE KEZE GROUP., LLC FOR FINANCIAL MANAGEMENT SERVICES
(Greg Humora) (**Attachment**)
- iv. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE AMENDMENT TO AGREEMENT FOR ADMINISTRATIVE SUPPORT SERVICES WITH LORI ANNE PEOPLES THROUGH FY 2022
(Greg Humora/Karyn Keese) (**Attachment**)
- v. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE REIMBURSEMENT AGREEMENT WITH CITY OF SAN DIEGO FOR ADMINISTRATIVE SUPPORT SERVICES THROUGH FY 2022
(Greg Humora/Karyn Keese) (**Attachment**)
- vi. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FY 2019 NV5 CONTRACT FOR ENGINEERING SERVICES
(Greg Humora/Karyn Keese) (**Attachment**)

- vii. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE AMENDMENT TO REIMBURSEMENT AGREEMENT WITH LEMON GROVE SANITATION DISTRICT FOR FY 2019 ENGINEERING SUPPORT SERVICES BY LEMON GROVE SANITATION DISTRICT CONSULTANT WILSON ENGINEERING
(Greg Humora/Karyn Keese) (**Attachment**)

- a. AUTHORIZE THE CHAIR OR DESIGNEE TO EXECUTE FY 2019 AMENDMENT TO REIMBURSEMENT AGREEMENT WITH LEMON GROVE SANITATION DISTRICT

- X 7. METRO TAC UPDATE/REPORT
(Standing Item) (**Attachment**) (Greg Humora)
9. UPDATE FROM PURE WATER PROJECT EIR SUBCOMMITTEE (Standing Item) (Greg Humora)
- X 9. PURE WATER COST ALLOCATION/PROPOSED CURRENT DRAFT OF THE REGIONAL WASTEWATER DISPOSAL AGREEMENT
(**Attachment**) (Nicholaus Norvell)
10. CITY OF SAN DIEGO SECONDARY EQUIVALENCY LEGISLATION (Standing Item) (John Helminski)
11. PURE WATER PROGRAM UPDATE (Standing Item) (John Helminski)
12. IROC UPDATE (Standing Item) (Jerry Jones)
13. PURE WATER AD HOC COMMITTEE UPDATE (Standing Item) (Jerry Jones)
14. REPORT OF GENERAL COUNSEL (Standing Item) (Paula de Sousa Mills)
15. PROPOSED AGENDA ITEMS FOR THE NEXT METRO COMMISSION/METRO WASTEWATER JPA MEETING **July 5, 2018**
16. METRO COMMISSIONERS' AND JPA BOARD MEMBERS' COMMENTS
17. CLOSED SESSION
- CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
INITIATION OF LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (d)(4)
NUMBER OF POTENTIAL CASES: 1
(General Counsel)
18. ADJOURNMENT OF METRO COMMISSION AND METRO WASTEWATER JPA

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

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

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

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

Metro JPA 2018 Meeting Schedule

January 4, 2018	February 1, 2018	March 1, 2018
April 5, 2018	May 3, 2018	June 7, 2018
July 5, 2018	August 2, 2018	September 6, 2018
October 3, 2018	November 1, 2018	December 6, 2018

Attachment 4

Action Minutes of the
Regular Meeting of
April 5, 2018 and
Special Meeting of
May 3, 2018



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

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

**April 5, 2018
DRAFT Minutes**

Chairman Jones called the meeting to order at 12:10 p.m. A quorum of the Metro Wastewater JPA and Metro Commission was declared, and the following representatives were present:

1. ROLL CALL

<u>Agencies</u>	<u>Representatives</u>	<u>Alternate</u>
City of Chula Vista	Steve Padilla	X
City of Coronado	Richard Bailey	Whitney Benzian
City of Del Mar	Sherryl Parks	Joe Bride
City of El Cajon	Ben Kalasho	(No representative)
City of Imperial Beach	Ed Spriggs	X
City of La Mesa	Bill Baber	X
Lemon Grove San District	Jerry Jones	X
City of National City	Jerry Cano	Albert Mendivil
City of Poway	John Mullin	X
County of San Diego	Dianne Jacob	(No representative)
Otay Water District	Tim Smith	X
Padre Dam MWD	Jim Peasley	X
Metro TAC Chair	Greg Humora	X

Others present: General Counsel Paula de Sousa Mills and Special Counsel Lindsay Puckett - BBK Law; Metro JPA Secretary Lori Anne Peoples; Frank Rivera – City of Chula Vista; Ed Walton – City of Coronado; Yazmin Arellano and Dennis Davies – City of El Cajon; Erin Bullers– City of La Mesa; Mike James and Dexter Wilson – Lemon Grove Sanitation District; Roberto Yano – City of National City; Al Lau and Augie Scalzetti - Padre Dam MWD; Mike Obermiller – City of Poway; Bob Kennedy – Otay Water District; Vic Bienes, John Helminski, Chisti Dadachanji, Seth Gates, Lee Ann Jones-Santos and Edgar Patino - City of San Diego Public Utilities; Dan Brogadir – County of San Diego; Scott Tulloch – NV5

2. PLEDGE OF ALLEGIANCE TO THE FLAG

Commissioner Baber of La Mesa led the pledge.

3. PUBLIC COMMENT

None

**4. ACTION: CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE MINUTES
OF THE REGULAR MEETING OF March 1, 2018**

ACTION: Upon motion by Vice Chair Peasley, seconded by Commissioner Mendivil, the minutes were approved by unanimous vote.

5. INFORMATION: PPOINT LOMA RENEWABLE ENERGY UPDATE

Chisti Dadachanji of the City of San Diego provided a verbal overview of her Power Point presentation titled "Power Generation and Sales at Point Loma Wastewater Treatment Plant" covering the sources of onsite generation; 2016 generation amount and revenue; power sales; local government renewable energy self-generation bill credit transfer program (RESBCT) distribution amount and future plans.

6. METRO TAC/UPDATE REPORT

MetroTAC Vice Chair Yano stated that the updated MetroTAC Work Plan was attached to the agenda..

7. UPDATE FROM METROTAC PURE WATER PROJECT EIR SUBCOMMITTEE

MetroTAC Vice Chair Yano stated that the subcommittee continues to work on reviewing the City responses to the Metro JPA's comments to the North City projects.

8. CITY OF SAN DIEGO SECONDARY EQUIVALENCY LEGISLATION

John Helminski, City of San Diego, stated that they were continuing to work with Scott Peters and Duncan Hunters offices at this time. Some questions came down about the wastewater system as a whole. They will get back with Congressman Peters office pending any language changes, which if revised, will bring back to the MetroTAC and JPA for discussion.

9. PURE WATER PROGRAM UPDATE

John Helminski stated that they were focused this past week on the EIR Hearing which will go before the San Diego City Council next week. They have some opposition to the proposed pipeline placement and are also working on Pure Water funding opportunities. Once the EIR is approved by the City Council, they will move forward with the construction projects.

10. IROC UPDATE

Chair Jones requested this item be continued to the next Regular meeting in interest of time.

11. PURE WATER AD HOC COMMITTEE UPDATE

Chair Jones noted that this committee met regularly and more information will be presented to the Commissioners during Closed Session.

12. FINANCE COMMITTEE

Chair Mullin stated that there was no report.

13. REPORT OF GENERAL COUNSEL

General Counsel de Sousa Mills stated that the Finance Committee will start the budgeting project shortly. She also provided an update on the recently passed Federal Budget, noting in the additional funding will be available for the Clean Water Program and Drinking Water Program.

14. PROPOSED AGENDA ITEMS FOR THE NEXT REGULAR METRO COMMISSION/METRO WASTEWATER JPA MEETING OF May 3, 2018

None.

15. METRO COMMISSIONERS' AND JPA BOARD MEMBERS' COMMENTS

None.

17. CLOSED SESSION:

General Counsel de Sousa Mills announced that the Commission would now be going into Closed Session for:

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
INITIATION OF LITIGATION PURSUANT TO PARAGRAPH (4) OF SUBDIVISION (D)
OF SECTION 54946.9
NUMBER OF POTENTIAL CASES: 1

The Board went into Closed Session at 12:45 p.m.

The meeting reconvened at 1:52 p.m. with no reportable action.

16. ADJOURNMENT

At 1:52 p.m., there being no further business, Chair Jones declared the meeting adjourned.

Recording Secretary



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

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

**May 3, 2018
DRAFT Minutes**

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

1. ROLL CALL

<u>Agencies</u>	<u>Representatives</u>	<u>Alternate</u>
City of Chula Vista	Steve Padilla	X
City of Coronado	Richard Bailey	Whitney Benzian
City of Del Mar	Sherryl Parks	X
City of El Cajon	Ben Kalasho	X
City of Imperial Beach	Ed Spriggs	X
City of La Mesa	Bill Baber	(No Representative)
Lemon Grove San District	Jerry Jones	X
City of National City	Jerry Cano	Albert Mendivil
City of Poway	John Mullin	X
County of San Diego	Dianne Jacob	(No representative)
Otay Water District	Mark Robak	(No representative)
Padre Dam MWD	Jim Peasley	X
Metro TAC Chair	Greg Humora	X

Others present: Assistant Metro JPA General Counsel Paula de Sousa Mills and Assistant General Counsel Nicholas Norvell and Special Counsel Lindsay Puckett - BBK Law; Metro JPA Secretary Lori Anne Peoples; Joe Bride – City of Del Mar; Roberto Yano – City of National City; Yazmin Arellano and Dennis Davies – City of El Cajon; Kevin Woo, Al Law and Augie Scalzetti – Padre Dam Municipal Water District; Alex Heide and Rudy Guzman – City of Poway; John Helminski - City of San Diego Public Utilities; Scott Tulloch – NV5

2. PLEDGE OF ALLEGIANCE TO THE FLAG

Commissioner Mullin, City of Poway led the pledge.

3. PUBLIC COMMENT

None

4. ACTION: CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE METRO JPA TREASURERS REPORT THROUGH MARCH 31, 2018

Kevin Woo from Padre Dam Municipal Water District representing Metro Wastewater JPA Treasurer Karen Jassoy provided a brief verbal overview of the financial statements. Chair Jones commented on the overages coming forward on this report and stated as the Commissioners were aware both Dexter Wilson and BBK Law have been asked to do a lot of heavy lifting this past quarter. General Counsel de Sousa Mills

stated that Mr. Wilsons' contract includes "a not to exceed" amount and this amount has not been exceeded at this point.

ACTION: Motion by Commissioner Mullin, seconded by Vice Chair Peasley, to approve the Treasurers Report through March 31, 2018. The motion carried unanimously.

5. REPORT: UPDATE FROM METROTAC REGIONAL WASTEWATER DISPOSAL AGREEMENT FLOW COMMITMENT WORKING GROUP

Yazmin Arellano reported that the working group's purpose was to review the original agreement and make recommendations. The group has worked on several proposed alternatives to distribute equitability. She then covered the table provided which showed: Agency; FY 2018 Billing Flow; Contract Capacity (MGD) 2050 Projected Flow (MGD); Metro Capacity Rights (Assume 6 MGD Padre Dam) (MMGD); Metro Capacity Rights (Assume 15 MGD Padre Dam) (MGD) and 2050 Agency Projected Flow Requested (MGD) amounts. Ms. Arellano also noted that the bold numbers were tentative and may require slight changes. Also, the listed flows are Average Annual Dry Weather Flows as of April 26, 2018. Further, final updates will be provided next month.

6. REPORT: UPDATE FROM METROTAC PURE WATER COST ALLOCATION WORKING GROUP

Roberto reported that the working group was working hard and cooperative with the City of San Diego. Their next meeting would be May 9th and they hope to have a Draft Agreement to send to the MetroTAC representatives' in time for their May 15 meeting.

7. REPORT: UPDATE FROM PURE WATER AD HOC COMMITTEE

Chair Jones reported that heavy lifting was being done at this committee and they would have 2 meetings this month.

8. REPORT: UPDATE FROM METROTAC PURE WATER PROJECT EIR SUBCOMMITTEE

MetroTAC Chair Humora stated they had filed the comment letter with the City of San Diego and it was heard on April 10th and passed and approved after several hours of testimony. The Letter of Determination was filed on April 11 and Metro JPA Special Counsel is watching for any action which must take place by May 11. In terms of the Pure Water Program cost sharing deal points and possible amendment to the Regional Wastewater Disposal Agreement, the PA's will each need to review and ultimately take back to their jurisdictions for approval. The Ad Hoc Committee will help the PAs briefings/ presentations if desired. Greg stated that the goal is to have the cost sharing deal points/ draft amendment to the Regional Wastewater Disposal Agreement on the May 16th TAC meeting for review and discussion, and then to include them on the Metro JPA June Agenda for review and Discussion. Based on the current schedule under discussion with the City of San Diego, because the City of San Diego approves agreements/ amendments to agreements by ordinance, it currently anticipates scheduling the first reading of the ordinance in July. The amendment will be in the form of an amended and restated Regional Wastewater Disposal Agreement and the goal is to get the City of San Diego blessing prior to the City of San Diego City Council going forward with Pure Water Project contracts. Vice Chair Peasley stated that they are all doing their best but some PAs have unique situations with their advance water purification processes that will need to be evaluated.

Item 9 was heard after Closed Session

9. ACTION: CONSIDERATION AND POSSIBLE ACTION ON BUDGET FOR FY 2017/2018 LEGAL SERVICES BY BBK IN LIGHT OF INCREASED WORK DIRECTED BY JPA

Chair Jones provided an overview of the item and General Counsel de Sousa Mills provided additional detail.

ACTION: Motion by Commissioner Mullin, seconded by Vice Chair Peasley, to authorize payment of the BBK invoices for legal services over the budget line item for FY 2017/2018 out of contingency first and then out of reserves. Motion carried by unanimous vote.

10. METRO COMMISSIONERS' AND JPA BOARD MEMBERS' COMMENTS

There were none.

11. PROPOSED AGENDA ITEMS FOR THE NEXT METRO COMMISSION/METRO WASTEWATER JPA MEETING JUNE 7, 2018

General Counsel de Sousa Mills reminded the Commission that the budget and annual contracts would be heard at the next meeting in June.

12. CLOSED SESSION

General Counsel de Sousa Mills called for the following Closed Session:

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION/INITIATION OF LITIGATION PURSUANT TO PARAGRAPH (4) OF SUBDIVISION (d) OF SECTION 54946.9

NUMBER OF POTENTIAL CASES: 1

The Board went into Closed Session at 12:45 p.m.

The meeting reconvened at 1:35 p.m. with no reportable action.

Item 9 was heard here.

13. ADJOURNMENT

At 1:41 p.m., there being no further business, Chair Jones declared the meeting adjourned.

Recording Secretary

Attachment 5

FY 2019 City of San Diego Metro Wastewater Utility Budget (Forthcoming)

Attachment 6a

Action Minutes from the May 24, 2017 Metro JPA Finance Committee Meeting



Metro Wastewater JPA Finance Committee
May 24, 2017
Minutes

Meeting called to order: 10:15 a.m. at PUD MOC 11 (Room 2C-Second Floor) 9192 Topaz Way, San Diego, CA by Committee Chairman Mullin

MEETING ATTENDANCE

Attendees:

John Mullin, Chair, Poway
Jim Peasley, Vice Chair, Padre
Jerry Jones, Lemon Grove Sanitation District
Bill Baber, La Mesa
Ed Spriggs, Imperial Beach

Support Staff:

Karyn Keese, The Keze Group, LLC
Paula de Sousa Mills, BBK Law
Roberto Yano, Vice Metro TAC Chair
Karen Jassoy, Metro JPA Treasurer
Lori Anne Peoples, Metro JPA Board Secretary

City of San Diego Staff:

Edgar Patino, Public Utilities Department, City of San Diego (PUD)
Seth Gates, Public Utilities Department, City of San Diego (PUD)
Charlotte Strong-Williams, Public Utilities Department, City of San Diego, Pure Water (PUD)

Others:

Alex Heide, Poway
Kevin Starkey, Macias Gini & O'Connell (MGO) LLP

General Public:

There were no general public members.

1. Roll Call

Meeting attendance is noted above. There was a quorum for the meeting. As there were several new people, introductions were made.

1. Public Comment

There was no public comment.

2. Approval of Minutes from the May 24, 2017 Finance Committee Meeting

ACTION: Upon motion by Committee Member Jones, seconded by Committee Member Spriggs, the April 26, 2017 Minutes were approved unanimously.

3. Approval of NV5 Social Media Monitoring Contract

- On April 26, the quotes and anticipated services for a social media consultant were presented to the Finance committee for a budget appropriation. After much discussion by the committee, direction was given to solicit a quote from NV5 for only a social media monitoring task. Additionally, the committee voiced concerns over the relatively high cost of the services relative to the anticipated benefit that may be provided to the JPA.
- The quote has been received from NV5 at approximately \$550 per month.
- Given the anticipated monthly cost for these services relative to the overall JPA budget, the social media committee is recommending not to proceed with the contracting out of social media services until it becomes warranted.
- Additionally, as part of item 9, NV5's contract has been amended to include optional social media services, to allow for added flexibility in the event that these services are requested in the future. However this task was not authorized during the budget process.
- The Social Media Policy that was adopted by the Metro JPA in October, is still applicable.

ACTION: Upon motion by Committee Member Baber, seconded by Committee Member Spriggs, Mr. Heide was requested to research the cost of the JPA potentially purchasing monitoring software and having one of the JPA members IT departments run the programming provide the monitoring. He will report to the committee at their next meeting. Motion carried unanimously.

4. Approval of the FY 2015 City of San Diego Public Utilities Department Schedule of Allocation for Billing to Metropolitan Wastewater Utility and Independent Auditors Report

Karyn Keese reviewed the staff report (copy attached). With the assistance of PUD audit staff the FYE 2015 Pure Water Program costs have been identified and she has reviewed the detail of each task order. In addition, PUD financial staff (Lee Ann Jones-Santos) has provided written assurance that once the Pure Water Program cost allocation is complete that any required adjustments between water and wastewater costs will be made starting with the inception of the Program in FYE 2014 through the date of the audit adjustments. With the completion of these two tasks the FYE 2015 audit fieldwork is complete.

MGO reviewed the audit detail and discussed the schedule of findings regarding the SRF Loan payment transaction. Seth Gates reviewed the City's response to this finding and discussed the corrective actions which have already been undertaken.

Metro TAC reviewed the FYE 2015 audit at their May meeting and unanimously accepted the audit. The Finance Committee unanimously accepted the FYE 2015 audit. Seth Gates

stated that refund checks will be sent out by the end of FYE 2017 as well as billings to the PAs.

ACTION: Upon motion by Vice Chair Peasley, seconded by Committee Member Jones, the FY 2015 City of San Diego Public Utilities Department Schedule of Allocation for Billing to Metropolitan Wastewater Utility and Independent Auditors Report was approved unanimously.

5. Approval of FY 2018 Metro Wastewater JPA Budget

Karyn Keese gave a brief overview of the history of the JPA budgets in regard to use of as-needed engineering and financial consultants. Karen Jassoy reviewed the FY 2018 budget. Karen noted that since the budget was prepared for the Metro TAC/Finance Committee agendas she had received the quarterly billing for BBK and that the projections to year-end needed to be updated for this contract in light of the increased work effort for BBK due to the Modified Permit hearings before the Regional Board and Coastal Commission. Item 12 was discussed as part of the budget process and it was decided that the budget should be revised prior to going to the Metro Commission/JPA to reflect an increased projected year-end amount of \$94,000 and an increase of the BBK FY 2018 budget amount to \$60,000. Karen Jassoy will redo the budget and present alternatives to Chair Mullin showing billing levels and the use of reserves. The revised budget will be moved forward to the Metro Commission/JPA with the Finance Committee's concurrence and approval.

ACTION: Upon motion by Committee Member Baber, seconded by Vice Chair Peasley, the FY 2018 Metro Wastewater JPA approved unanimously.

6. Approval of Amendment to the Treasurers Contract with Padre Dam Munitipal water District for FY 2018

Paula de Sousa Mills stated that this contract is identical to the last year's Treasurer's Contract in dollar amount. There have been some changes to the standard JPA contract's boiler plate and these changes have been incorporated in all of the contracts that are before the Finance Committee for approval.

- TAC has recommended approval of the FY 2018 Amendment to the Treasurers Contract.
- The Finance Committee recommended approval of the FYE 2018 Amendment as well.

ACTION: Upon motion by Vice Chair Peasley, seconded by Committee Member Jones, the amendment was approved unanimously.

7. Approval of FY 2018 Contract with the Keze Group, LLC for Financial Management Services

- The agreement is for the Keze Group to provide financial and technical assistance to the participating agencies.
- This contract provide for added oversight of the Metro system, which is often reflected in Exhibit E audits as well as the review Pure Water task orders.
- The increase in cost from \$65,120 to \$72,500 primarily reflects changes in the scope of services resulting from the Pure Water program. (Many more tasks than previous years)

- There are also minor modifications to the financial support task for the Metro Tac, as well as coordination with San Diego Public Utilities with their upcoming rate case.
- TAC has recommended the approval of the FY 2018 Contract with the Keze Group.
- Finance Committee recommended approval of the FYE 2018 Contract as well.

ACTION: Upon motion by Committee Member Jones, seconded by Vice Chair Peasley, the contract with The Keze Group was approved unanimously.

8. Approval of the FY 2019 NV5 Contract for Engineering Services

- Scope of work is for the engineering review and oversight of the San Diego metro system on an as-needed basis. It also includes support for attaining an administrative/legislative fix for secondary equivalency.
- Scott Tulloch, of NV5, also attends TAC meeting, JPA meetings, and help provide oversight to the Pure Water program.
- Cost of the contract is up a bit with a not to exceed cap of \$75,000 due to anticipated increase in Pure Water Program engineering support to Metro TAC and the JPA.
- Additionally, the scope of work contains optional social media services that could be utilized, if warranted, at a not to exceed amount of \$6,600.
- TAC recommended approval of the NV5 contract for engineering services.
- In addition, the Finance Committee recommended approval of the NV5 contract for engineering services. The social media services scope will remain included but will not be utilized until authorized separately.

ACTION: Upon motion by Committee Member Jones, seconded by Vice Chair Peasley, the contract with NV5 was approved by unanimous vote.

9. Approval of FY 2018 Scope of Work with Wilson Engineering for Engineering Support Services

- With the gearing-up of the Pure Water Program, there are many projects of complex and technical nature that are and will be coming forward to the Metro TAC and the JPA.
- The addition of as-need engineering services would provide additional support to the JPA to help with the technical review of design these projects.
- These services will not be duplicative of NV5's (Scott Tulloch) engineering services. The two services would be complementary to one another. NV5's scope of work includes Administrative/Legislative fix for Secondary equivalency & PWP validation studies. Wilson Engineering has 35 years of wastewater facilities design experience and will be reviewing all Pure Water Capital projects and support task orders to insure proper cost allocation between water and wastewater on combined projects as well as confirmation of the integrity and cost effectiveness of the proposed designs through their work with the PWP Facilities Working Group.
- Currently, Wilson Engineering's services are also being used by the Lemon Grove Sanitation District. It is proposed that the work that Wilson Engineering does for the JPA be billed through Lemon Grove, which would pass the cost forward to the JPA. This is similar to how the Treasurer's Contract is handled through Padre Dam.
- TAC recommended to the Metro Finance committee the appropriation of funds in the JPA budget for additional engineering services, which would be billed through the Lemon Grove Sanitation District.

- The Finance Committee also recommended the appropriation funds in the budget for additional engineering services, which would be billed through the Lemon Grove Sanitation District.

ACTION: Upon motion by Vice Chair Peasley, seconded by Committee Member Baber to approve the FY 2018 Scope of Work along with the recommendation of the appropriation of funds in the budget for additional engineering services, which would be billed through the Lemon Grove Sanitation District. Motion carried unanimously.

10. Approval of the FY 2018 Proposed City of San Diego Metro Wastewater Utility Budget

Karyn Keese explained that this was a very busy year for our General Counsel. Further, that both Karyn and Paula had discussed that the budget for legal counsel, like all other contracts, should be conservative to avoid supplemental billings to JPA members. The changes to the contract contain a budgeted amount for FY 2019 of \$130,000 which is the expected FY 2018 year end amount as similar additional work will be required in the upcoming year.

ACTION: Upon motion by Committee Member Jones, seconded by Vice Chair Peasley, the FY 2018 City of San Diego Metro Wastewater Utility Budget approved unanimously.

11. Approval of FY 2016-2017 Budget for Legal Counsel Best Best & Krieger LLP) in Light of Increased

This item was discussed as part of Item 6.

12. Review of Items to be Brought Forward to the Metro Commission/Metro JPA

Items 3 through 11 will be moved forward to the Metro Commission/Metro Wastewater JPA for their regular June 2017 meeting. Paula de Sousa Mills will work with Lori Peoples to establish a different agenda format for the budget and associated contracts that will allow the contracts to be discussed as part of the budget.

13. Other Business of the Finance Committee

Karyn Keese thanked Alex Heide for representing Metro TAC at the Finance Committee meeting and doing such an excellent job. She stated that Metro TAC Chair Greg Humora has a conflict on Wednesdays and will not be able to attend Finance Committee meetings unless the meeting is moved to noon. It was decided that the next Finance Committee meeting will be held at noon and the date, time, and location of the Finance Committee meetings will be put on the agenda again for further discussion.

14. Adjournment

The meeting was adjourned at 12:15 p.m.

Attachment 6i

Amdt. for Increased

Work FY 2017-18

Lemon Grove

Sanitation District

Consultant Wilson

Engineering

**FIRST AMENDMENT TO REIMBURSEMENT AGREEMENT BETWEEN THE
METRO WASTEWATER JOINT POWERS AUTHORITY AND THE
LEMON GROVE SANITATION DISTRICT**

THIS FIRST AMENDMENT (this “Amendment”) is entered into this ____ day of _____, 2018, by and between the METRO WASTEWATER JOINT POWERS AUTHORITY, (hereinafter “Metro JPA”), a joint powers authority organized and operating pursuant to California Government Code section 6500 *et seq.*, and the LEMON GROVE SANITATION DISTRICT (hereinafter the “Lemon Grove”), a member agency of the joint powers authority. Metro JPA and Lemon Grove are sometimes individually referred to herein as the “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, the Parties entered into that certain Reimbursement Agreement Between the Metro Wastewater Joint Powers Authority and the Lemon Grove Sanitation District dated August 16, 2017 (the “Agreement”); and

WHEREAS, pursuant to the Agreement, Lemon Grove provides Engineering Services to Metro JPA through Lemon Grove’s consultant, Dexter Wilson Engineering, Inc. (“Consultant”), and Metro JPA reimburses Lemon Grove for Consultant’s services; and

WHEREAS, the parties desire to amend the Agreement to increase the maximum reimbursement amount payable to Lemon Grove for Consultant’s services, and for other purposes as set forth below.

NOW, THEREFORE, it is agreed by and between the parties as follows:

1. Recitals. The Recitals set forth above are true and correct and are incorporated into the body of this Amendment as though expressly set forth herein.
2. Amendment of Section 2. Section 2 of the Agreement is amended to increase the not-to-exceed amount payable by Metro JPA to Lemon Grove for Consultant’s services to \$88,050.
3. Exhibits “A” and “B.” Exhibits “A” and “B” of the Agreement are replaced to read as shown in the attached Exhibits “A” and “B,” which are incorporated into this Amendment.
4. Effect of Amendment. Except as expressly set forth in this Amendment, all other sections, provisions, exhibits and commitments of the Agreement remain unchanged and in full force and effect.
5. Counterparts. This Amendment may be executed in one or more counterparts, including facsimile counterparts, each of which shall, for all purposes, be deemed an original and all such counterparts, taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this First Amendment to the Reimbursement Agreement Between the Metro Wastewater Joint Powers Authority and the Lemon Grove Sanitation District as of the date first set forth above.

METRO WASTEWATER JPA

LEMON GROVE SANITATION DISTRICT

By: _____
James Peasley, Vice-Chair

By: _____
Lydia Romero, Executive Director

By: _____
Dexter Wilson, Consultant

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By: _____
Paula C. P. de Sousa Mills
General Counsel
Metro Wastewater JPA

By: _____
James P. Lough
General Counsel
Lemon Grove Sanitation District

EXHIBIT A

Scope of Work to be Performed by Dexter Wilson Engineering, Inc. for the DISTRICT

FY 2017-18

Dexter Wilson Engineering, Inc. will perform the following tasks for the DISTRICT which will thereafter be reimbursed by Metro JPA:

1. Attend and prepare for subcommittee meetings as directed by TAC or JPA Chairperson.
2. Attend and prepare for other meetings as directed by TAC or JPA Chairperson.
3. Prepare cost estimates, cost sharing material, scope of works or other material as directed by TAC Chairperson.
4. Review pure water reports, plans and specifications and provide comments as directed by TAC Chairperson.
5. Assist with preparation of amendment to Wastewater Disposal Agreement.

EXHIBIT B

Schedule of Charges – FY 2017-18

Work completed under this contract will be billed on a monthly basis. Fees will be calculated on an hourly rate basis by multiplying the actual hours worked on the job in each classification by the rates in the schedule below. These rates are subject to change in January of each year. All direct costs will be billed outside the proposed cost ceiling at cost plus 10 percent. Consultant invoices will be billed inside the cost ceiling at cost plus 5 percent.

Summary of Hours by Task:

Task 1 — Estimated 10 hours per month. Task 5 — 50 hours total.

Task 2 — Estimated 5 hours per month.

Task 3 — Estimated 5 hour per month.

Task 4 — Estimated 10 hours per month.

Task	Professional	Technical	Clerical	Total
1	120	0	0	120
2	60	0	0	60
3	60	0	30	90
4	120	0	0	120
5	50	0	0	50
TOTAL	360	0	30	440

Summary of Costs by Task

	Task Cost
1	25,200
2	12,600
3	14,550
4	25,200
5	10,500
TOTAL	\$88,050

Attachment 6ii

FY 2019 Metro
Wastewater JPA
Budget



Metro Wastewater Joint Powers Authority
Proposed Budget & Agency Allocations
Fiscal Year 2019

**METRO WASTEWATER JPA
PROPOSED BUDGET - FY '19**

	FY '18					FY '19		
	Actual Through 3/31/18	Forecast Through 6/30/18	Approved Annual Budget	Forecast over /(under) Budget		Proposed Budget	Difference from FY '18 Forecast	Difference from FY '18 Budget
				\$	%			
Income								
Membership Dues	\$ 294,825	\$ 393,100	\$ 393,040	\$ 60	100%	\$ 415,340	\$ 22,240	\$ 22,300
Interest Income	53	71	60	(11)	118%	60	(11)	-
Total Income	\$ 294,878	\$ 393,171	\$ 393,100	\$ 49	100%	\$ 415,400	\$ 22,229	\$ 22,300
Expense								
Administrative Assistant-LP	\$ 525	\$ 7,000	\$ 8,000	\$ (1,000)	88%	\$ 8,400	\$ 1,400	\$ 400
Bank Charges	-	-	200	(200)	0%	200	200	-
Contingency	-	-	50,000	(50,000)		-	-	(50,000)
Dues & Subscriptions	-	600	600	-	100%	600	-	-
Financial Services								
Audit Fees	-	10,000	-	10,000		12,000	2,000	12,000
Treasury Services-Padre	13,881	19,000	19,000	-	100%	21,000	2,000	2,000
JPA/TAC meeting expenses	2,591	3,455	5,000	(1,545)	69%	5,000	1,545	-
Miscellaneous	-	-	250	(250)	0%	250	250	-
Per Diem - Board	8,850	15,000	18,000	(3,000)	83%	18,000	3,000	-
Printing, Postage, Supplies	366	250	500	(250)	50%	500	250	-
Professional Services								
Engineering - NV5	21,748	40,000	75,000	(35,000)		50,000	10,000	(25,000)
Engineering - Dexter Wilson ⁽¹⁾	61,418	88,050	77,550	10,500		88,050	-	10,500
Financial - The Keze Group	42,560	64,000	75,200	(11,200)	85%	77,600	13,600	2,400
Legal - BB&K	61,353	130,000	60,000	70,000	217%	130,000	-	70,000
Telephone	341	1,200	1,400	(200)	86%	1,400	200	-
Website Maintenance & Hosting	1,800	2,400	2,400	-	100%	2,400	-	-
Total Expense	\$ 215,433	\$ 380,955	\$ 393,100	\$ (12,145)	97%	\$ 415,400	\$ 34,445	\$ 22,300
Net Income (Loss)	\$ 79,445	\$ 12,216	\$ -	\$ 12,195		\$ -	\$ (12,216)	\$ -

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

FY '19 RESERVE REQUIREMENT	
4 Months Operating Expenses	\$ 138,467
Fund Balance at 3/31/18	\$ 213,009
Projected Net Income FY '18	12,216
Projected Fund Balance at 6/30/18	225,225
Budgeted Net Income FY '19	-
Projected Fund Balance @ 6/30/19	225,225
Amount over Required Reserve	\$ 86,758

**METRO WASTEWATER JPA
PROPOSED AGENCY BILLINGS FY '19**

	FY '18		Proposed - FY '19		
	JPA Cost Distribution %	Total Agency Billings	JPA Cost Distribution %	Total Agency Billings	Increase from Prior Year
Chula Vista	30.73%	\$ 120,806	29.73%	\$ 123,463	\$ 2,657
Coronado	4.58%	17,998	4.31%	17,886	(112)
County of SD *	15.71%	61,737	16.44%	68,291	6,554
Del Mar	0.06%	229	0.06%	236	7
El Cajon	14.26%	56,037	14.37%	59,696	3,659
Imperial Beach	3.82%	14,997	3.57%	14,815	(182)
La Mesa	7.59%	29,832	7.72%	32,055	2,223
Lemon Grove	3.97%	15,622	3.89%	16,172	550
National City	7.03%	27,638	7.13%	29,618	1,980
Otay Water District	0.84%	3,312	0.83%	3,437	125
Padre Dam MWD	6.74%	26,515	7.23%	30,047	3,532
Poway	4.67%	18,377	4.72%	19,624	1,247
Total	100.00%	\$ 393,100	100.00%	\$ 415,340	\$ 22,240
<i>Total Required from Budget</i>		\$ 393,100		\$ 415,340	

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

Attachment 6iii
Amdt. to
Treasurers
Contract with
Padre Dam
Municipal Water
District FY 2019

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

THIS ~~FOURTH~~FIFTH AMENDMENT is made and entered into this ~~+~~+ day of ~~July, 2017~~July, 2018, by and between the Metro Wastewater Joint Powers Authority (hereinafter referred to as "Metro JPA"), a joint powers authority organized and operating pursuant to California Government Code section 6500 *et seq.*, and the Padre Dam Municipal Water District (hereinafter referred to as the "District").

RECITALS

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

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

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

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

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

F. WHEREAS, On July 1, 2017, Metro JPA and the District entered into a fourth amendment to the Agreement ("Fourth Amendment") to mutually extend the Agreement the date of Padre Dam's treasurer services until June 30, 2018.

~~FG.~~ WHEREAS, Both Metro JPA and the District mutually desire to further amend the Agreement, as amended by the First Amendment, Second Amendment~~—and~~, and Third Amendment, and Fourth 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, Second

Amendment~~-and~~, Third Amendment, and Fourth Amendment, is further amended as necessary to extend the end date of Padre Dam's treasurer services until June 30, ~~2018~~2019.

2. Section 5 of the Agreement, as amended by the First Amendment, Second Amendment~~-and~~, Third Amendment, and Fourth Amendment, is further amended as necessary to ~~maintain~~increase the not-to-exceed amount ~~of \$19,000-as~~to \$21,000, which is the total amount that may be charged by the District for services provided during the term of the extension provided for in this ~~Fourth~~Fifth Amendment.

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

IN WITNESS WHEREOF, this ~~Fourth~~Fifth 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: _____
Jerry Jones
Chair

By: _____
Allen Carlisle
General Manager

APPROVED AS TO FORM:

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

Summary report: Litéra® Change-Pro 7.5.0.135 Document comparison done on 5/15/2018 10:36:12 AM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: iw://iManage/iManage/29780996/1	
Modified DMS: iw://iManage/iManage/31088426/1	
Changes:	
Add	19
Delete	14
Move From	0
Move To	0
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	33

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

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

RECITALS

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

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

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

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

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

AGREEMENT

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

1. The District agrees to provide treasurer services to Metro JPA to include:
 - Open separate bank accounts to include savings and checking.
 - Maintain and reconcile bank accounts.
 - Prepare Member Agency annual billings.
 - Collect and deposit Member Agency billings.
 - Make authorized expenditures related to conducting Metro Commission and Metro JPA business.
 - Provide periodic unaudited financial reporting which reflects cash balances, outstanding receivables, and payables.
 - Provide periodic unaudited income statement financial reporting.
 - Financial reporting will separately track Metro Commission and Metro JPA receipts and expenditures.
 - Accrual basis of accounting will be used to reveal outstanding receivables

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

[Signatures on following page]

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

METRO WASTEWATER JPA:

**PADRE DAM MUNICIPAL WATER
DISTRICT:**

By: _____

Cheryl Cox
Chairperson

By: _____

Allen Carlisle
General Manager

APPROVED AS TO FORM:

Paula C. P. de Sousa
General Counsel

METRO WASTEWATER JPA

Attachment 6iv

FY 2019

Contract

The Keze

Group LLC

**AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN METRO WASTEWATER JOINT POWERS AUTHORITY
AND KEZE GROUP**

This agreement ("Agreement") is made and entered into as of July 1, ~~2017~~2018, 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. Metro JPA is a public agency of the State of California and is in need of professional services for the following project: As-needed Technical, Financial, and Administrative Support services for the fiscal year of ~~2017~~-2018-2019 as set forth in more detail herein.

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

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

AGREEMENT

NOW THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

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

2. Compensation.

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

b. In no event shall the total amount paid for services rendered by Consultant pursuant to Exhibit "A" exceed ~~\$75,200.00~~77,600.00 without the written approval of Metro JPA. Periodic payments shall be made within thirty (30) days of receipt of a statement for services rendered. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work.

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

4. Substitution of Key Personnel.

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

5. Maintenance of Records.

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

6. Time of Performance; Term.

Consultant shall commence and perform the Services in a prompt and timely manner and shall commence performance beginning July 1, ~~2017~~2018. This Agreement shall terminate on June 30, ~~2018~~2019, unless otherwise extended by a written amendment signed by both Parties or otherwise earlier terminated pursuant to Article 15 of this Agreement.

7. Delays in Performance.

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

Should such circumstances occur, the non-performing Party shall, within a reasonable time of being prevented from performing, give written notice to the other Party describing the

circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

8. Compliance with Law.

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

9. Standard of Care.

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

10. Assignment and Subconsultant.

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

11. Independent Consultant.

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

12. Insurance.

a. Commercial General Liability.

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

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

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

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

(1) Bodily Injury and Property Damage

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

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

(v) The policy shall give Metro JPA, the Board and each member of the Board, its officers, employees, agents and Metro JPA designated volunteers additional insured status using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

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

b. Automobile Liability.

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

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

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

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

c. Workers' Compensation/Employer's Liability.

(i) Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of

that code, and he/she will comply with such provisions before commencing work under this Agreement.

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

d. Minimum Policy Limits Required

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

Combined Single Limit

Commercial General Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$500,000 per occurrence for bodily injury and property damage
Workers' Compensation	Statutory
Employer's Liability (if applicable)	\$1,000,000 per occurrence

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

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

f. Evidence Required.

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

amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

g. Policy Provisions Required.

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

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

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

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

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

h. Qualifying Insurers.

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

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

i. Additional Insurance Provisions.

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

(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, Metro JPA has the right but not the duty to obtain the insurance it deems necessary and any premium paid by Metro JPA will be promptly reimbursed by Consultant or Metro JPA will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, Metro JPA may cancel this Agreement.

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

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

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

13. Indemnification.

To the fullest extent permitted by law, Consultant shall defend (with counsel of Metro JPA's choosing), indemnify and hold Metro JPA, its Board, members of the Board, employees, and authorized volunteers free and harmless from any and all claims, demands, causes of action, suits, actions, proceedings, costs, expenses, liability, judgments, awards, decrees, settlements, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all

consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Consultant's services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to Claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Metro JPA, its Board, members of the Board, employees, or authorized volunteers.

14. 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. Documents.

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

17. Organization.

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

18. Notice.

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

METRO JPA:	CONSULTANT:
Metro Wastewater JPA 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 1801 E 51st Street, Suite 365, Unit 522 Austin, TX 78723 Attn: Karyn Keese

and shall be effective upon receipt thereof.

19. Third Party Rights.

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

20. Severability.

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

21. Integration.

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

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

METRO WASTEWATER JPA:

The Keze Group, LLC:

By: _____
Jerry Jones
Chair

By: _____
Karyn Keese

APPROVED AS TO FORM:

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

EXHIBIT “A”

Scope of Services

The purpose of the As-Needed Consulting Contract for the Metro Wastewater JPA is to provide technical and financial support to the Participating Agencies (“PAs”) in meeting their objectives of fair rates, equitable cost sharing, and program validation. 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/JPA efforts, as well as the overall costs of the Metro System Program.

I. SCOPE OF SERVICES

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

I. SCOPE OF SERVICES

A. Routine Services

The routine services will include the following tasks:

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

B. Routine Audit Review – Public Utilities Department (PUD), Wastewater Operations

Branch Exhibit E Audit Review – FYEs ~~2016 and~~ 2017 and 2018

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

(maximum of 5 per audit).

5. Review all audit samples for contract compliance and accounting accuracy.
6. Review the annual general services cost allocation.
7. Review output for any special projects (In the past year this has included the reconciliation of 17 Pure Water Program task orders to revise their original cost allocation. This required review of 250 invoices) to insure that only appropriate Metro costs have/had been charged to the PAs). This year the 50/50 Pure Water Program cost allocation will be revised and all associated costs back to project inception will be reviewed and adjusted. As of 6/30/17 there were 55 purchase/task orders that fall into this category. This will require an extensive set of journal entries during the course of the audit that are not routine in nature and will have to be reviewed. If the cost allocation remains at the newest planning numbers of 39% wastewater/61% water this means a potential savings to the PA's of \$800,000 to \$1,000,000 in incurred planning costs.
8. Review South Bay recycled water sales and incentives to insure that appropriate revenues are credited to the PAs. Review other income credits to insure that non-operating revenues are credited to the PAs.
9. Review the draft and final audit numbers and sample test results. Review the administrative protocol calculations to insure proper allocation of revenues and expenses to the PAs. Prepare list of questions and work on resolution of issues regarding samples.
10. Present the results to the Metro Finance Committee, Metro TAC, and Metro Wastewater JPA.
11. Monitor closeout process to insure timely payment of refunds (if any) and the accuracy of any additional billings' (if any) to PAs.

C. Routine Review of MWWDD Budget – FYE 2018 and 2019

1. Line item review of the proposed CIP projects to verify that they are a part of the Wastewater Agreement. Provide a preliminary review of the O&M costs to identify areas of concern for the PAs.
2. Identify budget items that show major deviation from previous years, and discuss these deviations with the City.
3. Attend meetings with the City of San Diego Public Utilities staff to identify the nature and magnitude of the budget items.
4. Provide updates on budget issues to the Metro TAC, the Finance

Committee, and the Metro Wastewater JPA meetings.

D. FYE 2018 PUD Water and Wastewater Rate Case – PUD staff will be hiring a rate consultant to update their water and wastewater rate cases starting July 1, 2018. Included in the water rate case will be the review of recycled water rates. As these are PA revenues coordination with PUD staff and their consultant is anticipated.

E. Pure Water Program Support – This task includes 10 hours per month to assist in facilitation of the Pure Water Program. Envisioned subtasks include revisions to the Pure Water Program financial forecast model to update project costs, financing, and timing based on ~~30% design costs,~~program costs from construction bids anticipated in July 2018 and revenue sharing,~~and potential water purchases~~; assistance with the update to the Regional Wastewater Disposal Agreement; and continued cost allocation monitoring and updates of all Pure Water purchase/task orders for both O&M and capital projects.

F. Metro TAC Staff Support – This task includes 12 hours per month for financial analysis and consulting in support of varied Metro TAC Work Plan projects. TKG will support, as-needed, the items contained in the Metro TAC FYE ~~2017~~2019 Work Plan. One key issue that will continue during FYE ~~2018~~2019 is the North City optimized system debt service reconciliation and recycled water sales projections and the forecast for the eventual debt service pay-off to the Water Utility. Also, a billing formula needs to be prepared and implemented which will bill any PA that diverts their flow from the Metro System for the remaining debt service for existing Metro facilities and for ongoing capital projects required to maintain them. In addition, the billing Protocol will need to be revised to reflect the cash flow needed for Pure Water Program costs.

II. ADDITIONAL SERVICES AS REQUESTED

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

EXHIBIT “B”

Schedule of Charges

The proposed budget for the described scope of services is ~~not to exceed amount of \$75,200~~ not-to-exceed \$77,600 for Fiscal Year Ending ~~2018~~ 2019. The hours and fees per task is summarized ~~below~~ in Attachment A to this Schedule of Charges. The hourly billing rate ~~is~~ remains unchanged at \$160.

		Approved FYE 2017 Budget (for comparison purposes only)					Proposed FYE 2018 Budget for Services under this Agreement		
Task	Description	Budget	Budget	Cumulative as of	Balance	%	Proposed	Proposed	Difference
I.F.	Routine Meetings	\$12,000	75.00	\$9,520	\$2,480	21%	\$ 12,000	75.0	\$ -
I.F.	Exhibit E Audit Review	\$9,600	60.00	\$12,480	-\$2,880	-30%	\$ 13,600	85.0	\$ 4,000
I.G.	Review of PUD Budget	\$2,560	16.00	\$3,920	-\$1,360	-53%	\$ 4,800	30.0	\$ 2,240
I.H.	FYE 2018 PUD Water and Wastewater	\$2,560	16.00	\$0	\$2,560	100%	\$ 2,560	16.0	\$ -
I.H.	Pure Water Program Cost Allocation	\$19,200	120.00	\$9,360	\$9,840	51%	\$ 19,200	120.0	\$ -
I.H.	Metro TAC Staff Support	\$19,200	120.00	\$17,680	\$1,520	8%	\$ 23,040	144.0	\$ 3,840
	Direct Expense								
	TOTAL	\$65,120	\$407.00	\$52,960.00	\$12,160.00	19%	\$ 75,200		\$ 10,080

Attachment A
Summary of Costs by Task
Metro JPA Contract FYE 2019
Based on Estimates as of March 31, 2018

Task	Description	Approved FYE 2018 Budget Summary						Proposed FYE 2019		
		Budget Amount	Budget Hours	Current Month	Cumulative	Balance	% Remaining	Proposed FYE 2019	Proposed Hours	Difference
1	Routine Meetings	\$12,000	75	\$400	\$4,000	\$8,000	67%	\$ 12,000	75	\$ -
2	Exhibit E Audit Review	\$13,600	85	\$80	\$8,240	\$5,360	39%	\$ 16,000	100	\$ 2,400
3	Review of PUD Budget	\$4,800	30	\$1,120	\$2,160	\$2,640	55%	\$ 4,800	30	\$ -
4	FYE 2019 Water and Wastewater Rate Case	\$2,560	16	\$0	\$0	\$2,560	100%	\$ 2,560	16	\$ -
5	Pure Water Program Cost Allocation	\$19,200	120	\$2,400	\$10,360	\$8,840	46%	\$ 19,200	120	\$ -
6	Metro TAC Staff Support	\$23,040	144	\$1,600	\$19,960	\$3,080	13%	\$ 23,040	144	\$ -
	Direct Expense									
	TOTAL	\$75,200	470	\$5,600	\$44,720	\$30,480	41%	\$ 77,600	485	\$ 2,400

EXHIBIT “C”

Insurance Certificates

Insurance documentation is included on the following pages.

Summary report: Litéra® Change-Pro 7.5.0.135 Document comparison done on 5/10/2018 11:54:13 AM	
Style name: Default Style	
Intelligent Table Comparison: Active	
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Move To	1
Table Insert	0
Table Delete	1
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	1
Embedded Excel	0
Format changes	0
Total Changes:	47

Attachment 6v

Amdt. Adm.

Supt. Svs. with

Lori Anne

Peoples

through FY

2022

**~~FIRST~~SECOND AMENDMENT TO THE AGREEMENT FOR
ADMINISTRATIVE SUPPORT SERVICES
BY AND BETWEEN
THE METRO WASTEWATER JOINT POWERS AUTHORITY
AND LORI ANNE PEOPLES**

THIS ~~FIRST~~SECOND AMENDMENT ("Amendment") is made and entered into this ____ day of _____, ~~2016~~2018, by and between the Metro Wastewater Joint Powers Authority, existing and organized pursuant to the provisions of Government Code section 6500 *et seq.* ("Metro JPA") and Lori Anne Peoples ("Ms. Peoples"). Metro JPA and Ms. Peoples are sometimes individually referred to herein as the "Party" and collectively as the "Parties."

RECITALS

A. Metro JPA and Ms. Peoples entered into an Agreement for Administrative Support Services on April 11, 2014 ("Agreement") for Ms. Peoples to provide clerical support and related services to facilitate monthly Metro JPA, Metro JPA Committees, Metro Commission, and Metro TAC meetings, and any special meetings, as further described in the Agreement.

B. Section 2 of the Agreement provides that the Term of the Agreement may be extended in a writing signed by both Parties.

C. The Parties previously amended the Agreement on June 2, 2016 to extend the Term of the Agreement through June 30, 2018 (the "First Amendment").

D. ~~C.~~ Both Metro JPA and Ms. Peoples mutually desire to further extend the Term of the Agreement to June 30, ~~2018~~2022.

E. ~~D.~~ In addition to extending the Term, the First Amendment amended Section 4 of the Agreement ~~states to state~~ that Ms. Peoples will spend approximately ~~twenty (20) hours per month providing Administrative Services to Metro Commission during the Term of the Agreement, and approximately four (4) (ten (10)) hours per month providing Administrative Services to Metro JPA and Metro TAC during the Term of the Agreement.~~

F. ~~E.~~ Section 4 of the Agreement provides that upon mutual agreement of the Parties, the estimated monthly hours may be extended or modified to obtain increased or amended Administrative Services from Ms. Peoples as necessary.

G. ~~F.~~ Both Metro JPA and Ms. Peoples mutually desire to amend the Agreement to increase the estimated number of hours Ms. Peoples will spend providing Administrative Services to Metro JPA ~~and Metro TAC~~ to reflect ~~that Ms. Peoples will assume~~ an increase in workload due to functions related to the Metro ~~TAC minute preparation function beginning on July 1, 2016~~JPA Finance Committee.

NOW THEREFORE, in consideration of the mutual obligations of the parties herein

expressed, Metro JPA and Ms. Peoples agree as follows:

1. Section 2 of the Agreement is amended to extend the Term of the Agreement to terminate on June 30, ~~2018~~2022.

2. Section 3 of the Agreement is amended to increase Ms. Peoples' hourly rate to \$55.00 per hour and to add the following sentences at the end of Section 3:

Metro JPA will provide Ms. Peoples with either a pre-paid, reloadable debit card in the amount of \$500 or a credit card with a limit of \$500, which will be used only for expenditures requisite to the conduct of the Administrative Services. Each quarter, Ms. Peoples will submit an invoice showing all charges made to the debit or credit card. If the card is a debit card, Ms. Peoples may request that the card be replenished to \$500 once per quarter after submitting the invoice for the prior quarter.

3. ~~2.~~ Section 4 of the Agreement is amended to increase the estimated monthly hours Ms. Peoples will spend providing Administrative Services to Metro JPA and Metro TAC from ~~four (4) hours to~~ ten (10) hours to twelve (12) hours.

4. ~~3.~~ All other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, this ~~First~~Second Amendment to the Agreement for Administrative Support Services is executed by Metro JPA and by Ms. Peoples on the day and year first written above.

METRO WASTEWATER JPA:

LORI ANNE PEOPLES:

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

By: _____
Lori Anne Peoples

APPROVED AS TO FORM:

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

Summary report: Litéra® Change-Pro 7.5.0.135 Document comparison done on 5/17/2018 12:52:09 PM	
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Intelligent Table Comparison: Active	
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Delete	20
Move From	1
Move To	1
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	48

**AGREEMENT FOR ADMINISTRATIVE SUPPORT SERVICES
BY AND BETWEEN THE METRO WASTEWATER JOINT POWERS AUTHORITY AND
LORI ANNE PEOPLES**

THIS AGREEMENT FOR ADMINISTRATIVE SUPPORT SERVICES ("Agreement") is made and entered into this 11th day of April, 2014, ("Execution Date") by and between the Metro Wastewater Joint Powers Authority, existing and organized pursuant to the provisions of Government Code section 6500 *et seq.* ("Metro JPA") and Lori Anne Peoples ("Ms. Peoples"). Metro JPA and Ms. Peoples are sometimes individually referred to herein as the "Party" and collectively as the "Parties."

RECITALS

A. The City of Coronado, the City of Del Mar, the City of El Cajon, the City of Imperial Beach, the City of La Mesa, City of National City, the City of Chula Vista, the Lemon Grove Sanitation District, the City of Poway, Padre Dam Municipal Water District, Otay Water District and the County of San Diego (on behalf of: the Winter Gardens Sewer Maintenance District, a maintenance district established pursuant to California Streets & Hwys. Code section 5820 *et seq.*; the Lakeside/Alpine Sanitation District, a political subdivision of the State of California; and the Spring Valley Sanitation District, a political subdivision of the State of California) (the "Participating Agencies") entered into a Joint Exercise of Powers Agreement ("Joint Powers Agreement"), as amended, creating the Metro JPA for the purpose of taking responsibility, taking actions, and making decisions pertaining to the Regional Waste Water Disposal Agreement dated June 25, 1998 ("Metro Agreement"); and

B. The Participating Agencies appoint representatives to the Metro Commission, which is an advisory body to the City of San Diego created pursuant to the Metro Agreement; and

C. Public works directors and engineers from the Participating Agencies are members of the Metro Technical Advisory Committee ("Metro TAC"), which is an advisory body to the JPA and the Metro Commission, to provide authoritative recommendations to the Metro JPA and Metro Commission; and

D. The activities of the Metro JPA, the Metro Commission, and Metro TAC require administrative staff to prepare agendas, distribute mail, prepare minutes and perform other administrative activities to assure the Metro JPA, Metro Commission, and Metro TAC function within the legal requirements of State law and in a constructive and positive manner; and

E. The Metro JPA, Metro Commission, and Metro TAC do not currently employ staff to perform these administrative clerical services; and

F. Ms. Peoples desires to perform administrative services for the Metro JPA, Metro Commission, and Metro TAC; and

G. The Metro JPA intends to charge each Participating Agency a share of the cost of the administrative services provided by Ms. Peoples, based on each Participating Agency's proportionate flow in the Metropolitan Sewerage System as set during the Metro JPA annual budget process; and

H. The Metro JPA and City of San Diego intend to enter into an agreement under which the City of San Diego will reimburse the Metro JPA for administrative services performed by Ms. Peoples for the Metro Commission.

IN CONSIDERATION of the mutual promises set forth in this Agreement, the Parties agree as follows:

AGREEMENT

1. Services. Ms. Peoples agrees to provide clerical support and related services to facilitate monthly Metro JPA, Metro JPA Committees, Metro Commission, and Metro TAC meetings, and any special meetings that may be called, including: preparation of agendas and attachments; posting of agendas and notices in compliance with State laws; distribution via e-mail and mailing of agenda packages; attending meetings and taking action and summary minutes; distribution via e-mail of minutes; preparation of and e-mailing and mailing of all necessary correspondence; interfacing with the Chair and Commissioners by phone, e-mail and fax; facilitating and submitting monthly per diem forms for Commissioners; maintaining Metro rosters; maintaining files; preparation and tracking of Annual, Assuming and Leaving Office FPPC 700 Conflict of Interest forms; processing and tracking of all contracts and agreements entered into by the Metro JPA; providing informational updates and acting as liaison to the Webmaster; serving as a contact person for the Metro JPA, Metro JPA Committees, Metro Commission, and Metro TAC; and performance of other duties as assigned ("Administrative Services").
2. Term and Termination. The term of this Agreement shall commence on April 11, 2014 and terminate on June 30, 2016 ("Term"). This Term may be extended in a writing signed by both Parties. Either Party may terminate this Agreement upon thirty (30) calendar days written notice to the other Party.
3. Reimbursement/Payment. For the Term of this Agreement, as defined in Section 2 above, the Metro JPA agrees to pay Ms. Peoples at the rate of \$52.50 per hour plus mileage at the current IRS Rate/Mile and actual costs for postage and supplies. Metro JPA will, upon submission of proper documentation, reimburse Ms. Peoples up to \$450 per quarter, or pro rata portion thereof, for cell phone, internet access, and technology costs incurred by Ms. Peoples requisite to conduct the Administrative Services.
4. Monthly Hours. The Parties estimate that Ms. Peoples will spend approximately twenty (20) hours per month providing Administrative Services to Metro Commission during the Term of this Agreement, and approximately four (4) hours per month providing Administrative Services to Metro JPA and Metro TAC during the Term of this Agreement. Metro JPA, through direction of its Chairperson, hereby reserves the right, upon mutual agreement of the Parties, to extend or otherwise modify these estimated monthly hours to obtain increased or amended Administrative Services from Ms. Peoples as necessary.
5. Invoicing. Ms. Peoples shall submit quarterly invoices to the Metro JPA for reimbursement of the Administrative Services provided under this Agreement. The invoices shall contain documentation of the hours Ms. Peoples spent providing

Administrative Services for Metro JPA, Metro Commission, and Metro TAC. The Metro JPA shall endeavor to remit payment within thirty (30) calendar days of receipt of the invoice. Ms. Peoples acknowledges that the income thus derived from this agreement is taxable and will be reported to the Internal Revenue Service. Further, Ms. Peoples acknowledges that no income tax, or any other withholdings, will be withheld on this income and that, as an independent contractor, she is responsible for obtaining any required business licenses and permits.

6. Maintenance of Records. Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Ms. Peoples and made available for inspection by Metro JPA at all reasonable times during the Agreement period, and for four (4) years from the date of final payment under the Agreement.
7. Indemnification. Metro JPA and Ms. Peoples each agree to defend, indemnify, protect and hold harmless the other Party, officers, employees, and agents from all claims asserted, or liability established for damages or injuries to any person or property including to the indemnifying Party's officers, employees and agents, or judgments arising directly or indirectly out of obligations, work or services herein undertaken, which arise from, are connected with, are caused by or claimed to be caused by the acts or omissions of the indemnifying Party's officers, employees and agents. The indemnifying Party's duty to indemnify and hold harmless shall not include any claims or liabilities arising from the established active negligence, sole negligence or willful misconduct of the other Party, its agents, officers or employees.
8. 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:

MS. PEOPLES: Lori Anne Peoples C/O City of Chula Vista 276 Fourth Avenue Chula Vista, CA 91910 Attn: Lori Anne Peoples	METRO JPA: Metro Wastewater Joint Powers Authority C/O Paula de Sousa, General Counsel 655 West Broadway 15 th Floor San Diego CA 92101 Attn: General Counsel and Chair
--	--

9. Insurance. Ms. Peoples shall provide proof of commercial general liability and automobile insurance to the Metro JPA in amounts and with policies, endorsements, and conditions required by the Metro JPA for the Administrative Services.
10. General Terms.
 - a. Standard of Care. The Administrative 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.

- b. Assignment and Subconsultants. Ms. Peoples and Metro JPA shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the other Party, which may be withheld for any reason.
- c. Independent Contractor. Ms. Peoples is retained as an independent contractor and is not an employee of Metro JPA. No employee or agent of Ms. Peoples shall become an employee of Metro JPA.
- d. Laws, Venue, and Attorneys' Fees. This Agreement shall be interpreted in accordance with the laws of the State of California; any action to enforce the terms of this Agreement 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 from the losing Party all reasonable costs incurred, including reasonable attorneys' fees, as determined by the court.
- e. Amendment; Modification; Severability. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties. The unenforceability, invalidity, or illegality of any provision(s) of this Agreement shall not render the other provisions unenforceable, invalid, or illegal.
- f. Integration. This Agreement represents the entire understanding of the Parties 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.

[Signatures on following page]

**SIGNATURE PAGE TO
AGREEMENT FOR ADMINISTRATIVE SUPPORT SERVICES
BY AND BETWEEN THE METRO WASTEWATER JOINT POWERS AUTHORITY AND
LORI ANNE PEOPLES**

The Metro JPA and Ms. Peoples execute this Agreement dated as of the Execution Date above, indicating that they have read and understood the terms of this Agreement, and indicate their full and complete consent to its terms:

Dated: 3-6-2014

Lori Anne Peoples

By: Lori Anne Peoples

Dated: March 6, 2014

Metro Wastewater Joint Powers Authority

By: Cheryl Cox
Cheryl Cox, Chairperson

Approved as to form:

Paula C. P. de Sousa
Paula C. P. de Sousa
General Counsel
Metro Wastewater Joint Powers Authority

Attachment 6vi

Reimb. Agmt.
with City of San
Diego for Adm.
Supt. Svs. with
Lori Anne
Peoples
through
FY 2022

**REIMBURSEMENT AGREEMENT FOR ADMINISTRATIVE SUPPORT SERVICES
BY AND BETWEEN THE CITY OF SAN DIEGO AND
METRO WASTEWATER JOINT POWERS AUTHORITY**

THIS REIMBURSEMENT AGREEMENT FOR ADMINISTRATIVE SUPPORT SERVICES (“Agreement”) is made and entered into this ~~11th~~^{1st} day of ~~April~~^{July}, ~~2014~~²⁰¹⁸, by and between the Metro Wastewater Joint Powers Authority, existing and organized pursuant to the provisions of Government Code section 6500 *et seq.* (“Metro JPA”) and the City of San Diego, a municipal corporation (“City”). Metro JPA and the City are sometimes individually referred to herein as the “Party” and collectively as the “Parties.”

RECITALS

A. The City of Coronado, the City of Del Mar, the City of El Cajon, the City of Imperial Beach, the City of La Mesa, the City of National City, the City of Chula Vista, the Lemon Grove Sanitation District, the City of Poway, Padre Dam Municipal Water District, Otay Water District and the ~~County of~~ San Diego County Sanitation District (on behalf of: the Winter Gardens Sewer Maintenance District, a maintenance district established pursuant to California Streets & Hwys. Code section 5820 *et seq.*; the Lakeside/Alpine Sanitation District, a political subdivision of the State of California; and the Spring Valley Sanitation District, a political subdivision of the State of California) (the “Participating Agencies”) entered into a Joint Exercise of Powers Agreement ~~– (“Joint Powers Agreement”)~~ , as amended, creating the Metro JPA for the purpose of taking responsibility, taking actions, and making decisions pertaining to the Regional Wastewater Disposal Agreement dated June 25, 1998 (“Metro Agreement”); and

B. The Participating Agencies appoint representatives to the Metro Commission, which is an advisory body to the City of San Diego created pursuant to the Metro Agreement; and

C. The activities of the Metro Commission require administrative staff to prepare agendas, distribute mail, prepare minutes and perform other administrative activities to assure the Metro Commission functions within the legal requirements of State law and in a constructive and positive manner (“Administrative Services”); and

D. The Metro JPA entered into an agreement, as amended, with Lori Anne Peoples (“Ms. Peoples”), which ~~commences~~commenced on April 11, 2014 ~~and terminates on June 30, 2016,~~ for the performance of these Administrative Services by Ms. Peoples (“Administrative Services Agreement”), a copy of which is attached as Exhibit “A”; and

E. Metro JPA and Ms. Peoples have amended the Administrative Services Agreement to extend the term of said agreement, increase the hourly compensation to Ms. Peoples, and increase the estimated monthly hours Ms. Peoples will spend providing Administrative Services to Metro JPA, and for other purposes. A copy of the Second Amendment to the Administrative Services Agreement is attached hereto as Exhibit “B”; and

~~EF~~. The Administrative Services Agreement requires the Metro JPA to compensate Ms. Peoples at the rate of ~~\$52.50~~55.00 per hour plus mileage at the current IRS Rate/Mile and actual costs for postage and supplies; and

~~FG~~. The City desires to reimburse the Metro JPA for the cost of Administrative Services performed by Ms. Peoples for the Metro Commission pursuant to the Administrative Services Agreement.

IN CONSIDERATION of the mutual promises set forth in this Agreement, the Parties agree as follows:

AGREEMENT

1. Reimbursement to Metro JPA. The City agrees to reimburse Metro JPA at the rate of ~~\$52.50~~55.00 per hour plus mileage at the current IRS Rate/Mile and actual costs for postage and supplies for Administrative Services provided by Ms. Peoples for the Metro Commission. The City agrees to reimburse Metro JPA up to \$360.00 per quarter or pro rata portion thereof, with proper documentation for phone, internet access, and technology costs incurred by Ms. Peoples in the performance of the Administrative Services.:-

1.1 Maximum Reimbursement. The City's total reimbursement obligation under the term of the Agreement shall not exceed ~~sixty-five~~seventy-three thousand dollars (~~\$65,000.00~~73,000.00) for administrative services, which is inclusive of reimbursement for the phone, internet access, and technology costs identified in Section 1.0 above.

2. Monthly Hours. The Parties estimate that Ms. Peoples will spend approximately twenty (20) hours per month providing Administrative Services to the Metro Commission for the term of the Administrative Services Agreement. These estimated monthly hours may be extended or otherwise modified upon mutual agreement of the Parties to obtain increased or amended Administrative Services as necessary, consistent with the Administrative Support Services Agreement between Metro JPA and Ms. Peoples. Any increase in estimated hours shall not exceed the maximum reimbursement identified in Section 1.1 of the Agreement without written consent of the parties.

3. Invoicing. The Metro JPA shall submit quarterly invoices to the City for reimbursement of the Administrative Services provided to the Metro Commission under the Administrative Services Agreement. The invoices shall contain documentation of the hours Ms. Peoples spent providing Administrative Services for Metro Commission. The City shall remit payment within thirty (30) calendar days of receipt of the invoice.

4. Term and Termination. This Agreement shall begin on the date first set forth above and terminate upon the earlier of: (1) June 30, ~~2018~~2022; or (2) termination of the Administrative Services Agreement by the Metro JPA or Ms. Peoples. Upon termination of this Agreement, the City shall pay the Metro JPA for any outstanding Administrative Services performed by Ms. Peoples, and the obligation of the City to the Metro JPA shall thereupon cease and terminate and no further sums shall be payable or paid under this Agreement. The

term of this Agreement may be extended in a writing signed by both Parties.

5. Notice. Unless notified in writing of a change of address, all notices, payments or correspondence relating to this Agreement may be given by personal delivery or by mail as follows:

CITY:

METRO JPA:

City of San Diego ~~MWWD~~
Authority

Metro Wastewater Joint Powers

~~C/O Martin Kane, Agency Contracts~~ Public Utilities Department
Paula de Sousa Mills, General Counsel

C/O

~~9192 Topaz Way~~

C/O Edgar Patino, Agency Contracts

655 West Broadway, 15th Floor

~~San Diego, CA 92123~~ 9192 Topaz Way

San Diego CA 92101

San Diego, CA 92123

Attn: General Counsel and Chair

6. Laws, Venue, and Attorneys' Fees. This Agreement shall be interpreted in accordance with the laws of the State of California; any action to enforce the terms of this Agreement 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 from the losing Party all reasonable costs incurred, including reasonable attorneys' fees, as determined by the court.

7. Amendment; Modification; Severability. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties. The unenforceability, invalidity, or illegality of any provision(s) of this Agreement shall not render the other provisions unenforceable, invalid, or illegal.

8. Integration. This Agreement represents the entire understanding of the Parties 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.

[Signatures on following page]

**SIGNATURE PAGE TO
REIMBURSEMENT AGREEMENT FOR ADMINISTRATIVE SUPPORT SERVICES
BY AND BETWEEN THE CITY OF SAN DIEGO AND
METRO WASTEWATER JOINT POWERS AUTHORITY**

The Metro JPA and the City execute this Agreement as of the date above, indicating that they have read and understood the terms of this Agreement, and indicate their full and complete consent to its terms:

Dated: _____

City of San Diego

By: _____

Dated: _____

Metro Wastewater Joint Powers
Authority

By: _____

~~Cheryl Cox~~, Jerry Jones,
Chairperson

Approved as to form:

Paula C. P. de Sousa
General Counsel
Metro Wastewater Joint Powers Authority
Approved as to form:

Counsel
City of San Diego

Exhibit A
Administrative Services Agreement

Exhibit B

Second Amendment to Administrative Services Agreement

Summary report: Litéra® Change-Pro 7.5.0.135 Document comparison done on 5/17/2018 1:00:51 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: iw://iManage/iManage/8567884/7	
Modified DMS: iw://iManage/iManage/31080930/1	
Changes:	
Add	25
Delete	20
Move From	0
Move To	0
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	45

Attachment 6vii

FY 2019

Contract for
Engineering
Svs. with NV5

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

This agreement ("Agreement") is made and entered into as of July 1, ~~2017~~2018, by and between the METRO WASTEWATER JOINT POWERS AUTHORITY (hereinafter referred to as the "Metro JPA"), a joint powers authority organized and operating pursuant to California Government Code section 6500 *et seq.*, and NV5, Inc., a professional services firm (hereinafter referred to as "Consultant"). Metro JPA and Consultant are sometimes referred to individually as "Party" and collectively as "Parties."

RECITALS

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

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

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

AGREEMENT

NOW THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

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

2. Compensation.

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

b. In no event shall the total amount paid for Services rendered by Consultant pursuant to Exhibit "A-1" exceed ~~\$75,000.00~~50,000.00 without the written approval of Metro JPA. In no even shall the total amount paid for Additional Social Media Services rendered by Consultant pursuant to Exhibit "A-1" exceed \$6,600.00. Periodic payments shall be made within thirty (30) days of receipt of a statement for services rendered. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work.

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

4. Substitution of Key Personnel.

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

5. Maintenance of Records.

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

6. Time of Performance; Term.

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

7. Delays in Performance.

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

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

8. Compliance with Law.

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

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

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

9. Standard of Care.

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

10. Assignment and Subconsultant.

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

11. Independent Consultant.

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

12. Insurance.

a. Commercial General Liability.

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

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

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

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

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

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

(v) The policy shall give Metro JPA, the Board and each member of the Board, its officers, employees, agents and Metro JPA designated volunteers additional insured status using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

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

b. Automobile Liability.

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

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

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

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

c. Workers' Compensation/Employer's Liability.

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

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

d. Professional Liability (Errors and Omissions).

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

e. Minimum Policy Limits Required

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

Combined Single Limit

Commercial General Liability

\$1,000,000 per occurrence/

	\$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 per occurrence for bodily injury and property damage
Workers' Compensation	Statutory
Employer's Liability	\$1,000,000 per occurrence
Professional Liability	\$1,000,000 per claim and aggregate (errors and omissions)

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

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

f. Evidence Required.

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

g. Policy Provisions Required.

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

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

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

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

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

h. Qualifying Insurers.

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

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

i. Additional Insurance Provisions.

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

(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, Metro JPA has the right but not the duty to obtain the insurance it

deems necessary, and Metro JPA may cancel this Agreement if Consultant fails to comply with these specifications or cancels required insurance policies and fails to replace them.

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

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

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

13. Indemnification.

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

14. California Labor Code Requirements.

Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws, if applicable. Consultant shall defend, indemnify and hold Metro JPA, its member agencies, elected officials, officers, employees and

agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages, employment of apprentices, hours of labor and debarment of contractors and subcontractors.

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

15. Laws, Venue, and Attorneys’ Fees.

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

16. Termination or Abandonment.

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

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

17. Documents.

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

18. Organization.

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

19. Notice.

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

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

and shall be effective upon receipt thereof.

20. Third Party Rights.

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

21. Severability.

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

22. Integration.

This Agreement represents the entire understanding of Metro JPA and Consultant as to those matters contained herein, and supersedes and cancels any prior oral or written understanding, promises or representations with respect to those matters covered hereunder.

This Agreement may not be modified or altered except in writing signed by both Parties hereto.
This is an integrated Agreement.

[SIGNATURES ON FOLLOWING PAGE]

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

METRO WASTEWATER JPA:

NV5 Inc.:

By: _____
Jerry Jones
Chair

By: _____
Carmen Kasner
Regional Managing Director

APPROVED AS TO FORM:

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

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

EXHIBIT “A”

Scope of Services

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

I. Scope of Services

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

A. Routine Services

The routine services could include the following tasks:

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

- B. Metro TAC Engineering Support – This task includes engineering technical support as requested by Metro TAC and the Metro 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~~Services will also include representing the Metro JPA on the Water Reliability Coalition through the Friends of Infrastructure, Equinox Policy Committee Meetings, Pure Water Program Technical Advisory Committee Meetings, and any meetings as directed by the Metro TAC and/or the Metro JPA to facilitate the secondary equivalency alternative, Pure Water Program, ~~ete~~.

EXHIBIT "A" (cont.)

Scope of Services

II. Additional Services As Requested

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

EXHIBIT “A-1”

Additional Social Media Services

I. Additional Social Media Services

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

II. Optional Additional Social Media Services

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

EXHIBIT "B"

Schedule of Charges for Services

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

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

2018 Charge Rate Schedule: Southern California

OFFICE:

Technical Services

Engineering Aide/Planning Aide _____	\$70.00/hour
Project Assistant _____	\$96.00/hour
Project Administrator _____	\$120.00/hour
CADD Technician I _____	\$105.00/hour
CADD Technician II _____	\$130.00/hour
CADD Technician III _____	\$136.00/hour
Senior CADD Technician/Designer _____	\$145.00/hour
Design Supervisor _____	\$170.00/hour
Plan Check Services _____	\$150.00/hour
Conditions of Approval Development _____	\$170.00/hour

Professional

Junior Engineer/Planner/Surveyor _____	\$125.00/hour
Assistant Engineer/Planner/Surveyor _____	\$145.00/hour
Associate Engineer/Planner/Surveyor _____	\$165.00/hour
Senior Engineer/Planner/Surveyor _____	\$176.00/hour
Manager _____	\$190.00/hour
Structural Engineer _____	\$176.00/hour
Associate _____	\$195.00/hour
Principal _____	\$200.00/hour

EXPENSES:

Plotting and In-House Reproduction _____	1.10 x Cost
Subsistence _____	1.10 x Cost
Other Expenses - Including Subconsultants & Purchased Services through Subcontracts _____	1.10 x Cost
Mileage - Outside Local Area _____	Per Accepted IRS Rate

Rates will be effective through 12/31/2018 and will increase by 3% each subsequent year of the contract.

EXHIBIT “B-1”

Schedule of Charges for Additional Social Media Services

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

Social Media Monitoring - \$500/month

Meltwater - \$50/month

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

Gabriela Dow - \$136/hour

Rebecca Cole - \$136/hour

Teresa Leader-Anderson - \$101/hour

Meltwater - \$50/month

EXHIBIT “C”

Insurance Certificates

Insurance documentation is included on the following pages.

Summary report: Litéra® Change-Pro 7.5.0.135 Document comparison done on 5/10/2018 11:28:23 AM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: iw://iManage/iManage/29781068/1	
Modified DMS: iw://iManage/iManage/31049113/1	
Changes:	
Add	22
Delete	25
Move From	0
Move To	0
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	47

Attachment 6viii

FY 2019 Scope of
Work
and
FY 2019 Amdt. to
Reimb. Agmt. with
Lemon Grove
Sanitation District for
Wilson Engineering

**Scope of Work to be Performed by Dexter Wilson Engineering, Inc. for the DISTRICT
FY 2018-19**

Dexter Wilson Engineering, Inc. will perform the following tasks for the DISTRICT which will thereafter be reimbursed by Metro JPA:

1. Attend and prepare for subcommittee meetings as directed by TAC or JPA Chairperson.
2. Attend and prepare for other meetings as directed by TAC or JPA Chairperson.
3. Prepare cost estimates, cost sharing material, scope of works or other material as directed by TAC Chairperson.
4. Review pure water reports, plans and specifications and provide comments as directed by TAC Chairperson.
5. Assist with preparation of amendment to Wastewater Disposal Agreement.

Schedule of Charges – FY 2018-19

Work completed under this contract will be billed on a monthly basis. Fees will be calculated on an hourly rate basis by multiplying the actual hours worked on the job in each classification by the rates in the schedule below. These rates are subject to change in January of each year. All direct costs will be billed outside the proposed cost ceiling at cost plus 10 percent. Consultant invoices will be billed inside the cost ceiling at cost plus 5 percent.

Summary of Hours by Task:

Task 1 — Estimated 10 hours per month.

Task 5 — 50 hours total.

Task 2 — Estimated 5 hours per month.

Task 3 — Estimated 5 hour per month.

Task 4 — Estimated 10 hours per month.

Task	Professional	Technical	Clerical	Total
1	120	0	0	120
2	60	0	0	60
3	60	0	30	90
4	120	0	0	120
5	50	0	0	50
TOTAL	410	0	30	440

Summary of Costs by Task

	Task Cost
1	25,200
2	12,600
3	14,550
4	25,200
5	10,500
TOTAL	\$88,050

**SECOND AMENDMENT TO REIMBURSEMENT AGREEMENT BETWEEN THE
METRO WASTEWATER JOINT POWERS AUTHORITY AND THE
LEMON GROVE SANITATION DISTRICT**

THIS SECOND AMENDMENT (this "Amendment") is entered into this ____ day of _____, 2018, by and between the METRO WASTEWATER JOINT POWERS AUTHORITY, (hereinafter "Metro JPA"), a joint powers authority organized and operating pursuant to California Government Code section 6500 *et seq.*, and the LEMON GROVE SANITATION DISTRICT (hereinafter the "Lemon Grove"), a member agency of the joint powers authority. Metro JPA and Lemon Grove are sometimes individually referred to herein as the "Party" and collectively as the "Parties."

RECITALS

WHEREAS, the Parties entered into that certain Reimbursement Agreement Between the Metro Wastewater Joint Powers Authority and the Lemon Grove Sanitation District dated August 16, 2017 (the "Agreement"); and

WHEREAS, pursuant to the Agreement, Lemon Grove provides Engineering Services to Metro JPA through Lemon Grove's consultant, Dexter Wilson Engineering, Inc. ("Consultant"), and Metro JPA reimburses Lemon Grove for Consultant's services; and

WHEREAS, the Parties previously amended the Agreement on _____, 2018 for the purpose of increasing the maximum reimbursement amount payable to Lemon Grove for Consultant's services for the period ending June 30, 2018; and

WHEREAS, the Parties now desire to further amend the Agreement to extend the term of the Agreement, to set the maximum reimbursement amount payable to Lemon Grove for the period of July 1, 2018 to June 30, 2019, and for other purposes as set forth below.

NOW, THEREFORE, it is agreed by and between the parties as follows:

1. Recitals. The Recitals set forth above are true and correct and are incorporated into the body of this Amendment as though expressly set forth herein.

2. Amendments.

a. Section 2 of the Agreement is amended to set the not-to-exceed amount payable by Metro JPA to Lemon Grove for Consultant's services at \$88,050, which shall apply to the period from July 1, 2018 to June 30, 2019.

b. Section 3 of the Agreement is amended to delete the termination date of June 30, 2018, and replace it with the termination date of June 30, 2019.

3. Exhibits "A" and "B." Exhibits "A" and "B" of the Agreement, as previously amended, are replaced to read as shown in the attached Exhibit "A" and "B," which are incorporated into this Amendment.

4. Effect of Amendment. Except as expressly set forth in this Amendment, all other sections, provisions, exhibits and commitments of the Agreement remain unchanged and in full force and effect.

5. Counterparts. This Amendment may be executed in one or more counterparts, including facsimile counterparts, each of which shall, for all purposes, be deemed an original and all such counterparts, taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Second Amendment to the Reimbursement Agreement Between the Metro Wastewater Joint Powers Authority and the Lemon Grove Sanitation District as of the date first set forth above.

METRO WASTEWATER JPA

LEMON GROVE SANITATION DISTRICT

By: _____
James Peasley, Vice-Chair

By: _____
Lydia Romero, Executive Director

By: _____
Dexter Wilson, Consultant

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By: _____
Paula C. P. de Sousa Mills
General Counsel
Metro Wastewater JPA

By: _____
James P. Lough
General Counsel
Lemon Grove Sanitation District

EXHIBIT A

Scope of Work to be Performed by Dexter Wilson Engineering, Inc. for the DISTRICT

FY 2018-19

Dexter Wilson Engineering, Inc. will perform the following tasks for the DISTRICT which will thereafter be reimbursed by Metro JPA:

1. Attend and prepare for subcommittee meetings as directed by TAC or JPA Chairperson.
2. Attend and prepare for other meetings as directed by TAC or JPA Chairperson.
3. Prepare cost estimates, cost sharing material, scope of works or other material as directed by TAC Chairperson.
4. Review pure water reports, plans and specifications and provide comments as directed by TAC Chairperson.
5. Assist with preparation of amendment to Wastewater Disposal Agreement.

EXHIBIT B

Schedule of Charges – FY 2018-19

Work completed under this contract will be billed on a monthly basis. Fees will be calculated on an hourly rate basis by multiplying the actual hours worked on the job in each classification by the rates in the schedule below. These rates are subject to change in January of each year. All direct costs will be billed outside the proposed cost ceiling at cost plus 10 percent. Consultant invoices will be billed inside the cost ceiling at cost plus 5 percent.

Summary of Hours by Task:

Task 1— Estimated 10 hours per month.

Task 5 — 50 hours total.

Task 2 — Estimated 5 hours per month.

Task 3 — Estimated 5 hour per month.

Task 4 — Estimated 10 hours per month.

Task	Professional	Technical	Clerical	Total
1	120	0	0	120
2	60	0	0	60
3	60	0	30	90
4	120	0	0	120
5	50	0	0	50
TOTAL	410	0	30	440

Summary of Costs by Task

	Task Cost
1	25,200
2	12,600
3	14,550
4	25,200
5	10,500
TOTAL	\$88,050

**REIMBURSEMENT AGREEMENT BETWEEN THE
METRO WASTEWATER JOINT POWERS AUTHORITY AND THE
LEMON GROVE SANITATION DISTRICT**

THIS AGREEMENT is entered into this 16th day of August, 2017, by and between the METRO WASTEWATER JOINT POWERS AUTHORITY, (hereinafter "Metro JPA"), a joint powers authority organized and operating pursuant to California Government Code section 6500 *et seq.*, and the LEMON GROVE SANITATION DISTRICT (hereinafter the "Lemon Grove"), a member agency of the joint powers authority. Metro JPA and Lemon Grove are sometimes individually referred to herein as the "Party" and collectively as the "Parties."

RECITALS

WHEREAS, Metro JPA is a public agency of the State of California and is in need of professional technical services for the following project: Engineering Services (hereinafter the "Project"); and

WHEREAS, Lemon Grove is a participating member agency of Metro JPA and is a member of Metro JPA's Technical Advisory Committee ("TAC");

WHEREAS, the activities of Metro JPA and TAC require the use of the professional services of an engineer; and

WHEREAS, Lemon Grove is currently under contract with Dexter Wilson Engineering, Inc. ("Consultant") and Consultant can provide the engineering services for the Project required by Metro JPA and TAC; and

WHEREAS, the parties desire to memorialize and enter into an agreement for Metro JPA to reimburse Lemon Grove for the Project costs for services provided by Consultant.

NOW, THEREFORE, it is agreed by and between the parties as follows:

This Agreement shall be applicable to all work performed by Consultant and responsibility for costs thereof.

1. Engineering Services. Consultant shall provide the services required for the Project as more particularly described in the Scope of Work set out in Exhibit "A," attached hereto and by this reference incorporated herein. If changes in the work seem merited by Metro JPA, TAC or Consultant and informal consultations indicate that a change is warranted, it shall be processed by the JPA in the following manner: A letter outlining the changes shall be forwarded to the Metro JPA by Consultant with a statement of the estimated changes in fee or time schedule. An amendment to the Scope of Work set to this Agreement shall be prepared by the Metro JPA and executed by both Metro JPA and Lemon Grove before performance of such services shall be performed.

2. Compensation The Metro JPA shall reimburse Lemon Grove for the services provided by Consultant to the Metro JPA and TAC pursuant to the Scope of Work, in accordance with the Summary of Costs set forth in Exhibit "B," and the corresponding Rate Schedule set forth in Exhibit "C," both of which are attached hereto and by this reference incorporated herein. In no event shall reimbursement by Metro JPA to Lemon Grove for Consultant's services exceed \$77,550, unless otherwise agreed to in writing by the parties. Periodic reimbursement payments by Metro JPA to Lemon Grove shall be made within thirty (30) days of receipt of a statement for services rendered. Reimbursement payments to Lemon Grove for work performed by Consultant will be made on a monthly billing basis.

3. Time of Performance; Term; Delays in Performance. Consultant shall commence and perform the Services in a prompt and timely manner and shall commence performance beginning July 1, 2017. This Agreement shall terminate on June 30, 2018, unless otherwise extended by a written amendment signed by both Parties or otherwise earlier terminated in writing by either Party with 10 days advanced notice. In such an event Metro JPA shall immediately be given title and possession to all work product prepared by Consultant for Metro JPA and TAC including original notes, written reports and other documents produced or developed for the Project. 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.

4. Acceptance of Work; Warranty. By entering into this Agreement, Lemon Grove understands and agrees that all right, title, ownership, and interest in any work product produced for Metro JPA and TAC, under this Agreement are granted, conveyed, transferred, assigned, and delivered to the Metro JPA, its successors and assigns for the benefit of all Metro JPA members. Any warranty obligations of Consultant pertaining to the provision of services for the Project under this Agreement shall be for the benefit of Metro JPA to the same extent as set forth in the warranty terms and conditions set forth in Lemon Grove's contract with Consultant.

5. Insurance Certificate. Lemon Grove shall contractually obligate its Consultant to give Metro JPA, the Board and each member of the Board, its officers, employees, agents and Metro JPA designated volunteers additional insured status on Consultant's Commercial General Liability policy, using ISO endorsement form CG 20 38, or an endorsement providing the exact same coverage, and Commercial Automobile Liability policy. Evidence of Consultant's compliance with this Section 5 must be provided to Metro JPA by Lemon Grove in advance of commencement of any work by Consultant under this Agreement.

6. Indemnification and Hold Harmless. Each party agrees to defend, at its own expense, including attorneys' fees, indemnify and hold harmless the other party, their directors, agents, officers and employees from all costs, penalties, damages, liability and claims of any nature whatsoever including, but not limited to, liability for bodily injury, sickness, disease or death, property damage (including loss of use) for violation of law, caused by or arising out of or relating to any negligent act, error or omission, or willful misconduct of that party, its directors, officers, employees or any other agent acting pursuant to its control in performing under this Agreement. To the extent that more than one party is determined to have been negligent or at fault, the parties agree that each party shall bear its own portion or percentage of liability and to indemnify and hold harmless the other party from that share. Work performed under this Agreement conducted at the direction and control of officers, employees or representatives of Metro JPA shall not be considered to be conducted by Lemon Grove, its officers, employees or representatives.

7. Laws, Venue, and Attorneys' Fees. This Agreement shall be interpreted in accordance with the laws of the State of California. In the event of any controversy, claim or dispute between the parties hereto arising out of this Agreement or the breach thereof, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorneys' fees, and costs. Venue for any such action shall be in a court of competent jurisdiction in San Diego County, California.

8. Successors in Interest. The terms and conditions of this Agreement are binding upon, and for the benefit of, the successors in interest of Metro JPA and Lemon Grove..

9. Acknowledgements. Each of the parties hereto acknowledges that it has read this Agreement and understands all of its terms, and this Agreement is executed voluntarily and with full knowledge of its significance. Therefore, this Agreement shall not be construed against any party because that party's representative drafted the Agreement or any portion of it.

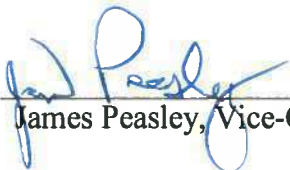
10. Notices. Any notice required or permitted under this Agreement may be personally served on the other party by the party giving notice or may be served by certified mail, return receipt requested, to the following addresses.

Metro Wastewater JPA
c/o: La Mesa City Hall
Attn: Greg Humora, City of La Mesa
8130 Allison Ave., La Mesa, CA 91942

Lemon Grove Sanitation District
Attn: Executive Director
3232 Main Street
Lemon Grove, CA 91945

IN WITNESS WHEREOF, the parties hereto have executed this Reimbursement Agreement Between the Metro Wastewater Joint Powers Authority and the Lemon Grove Sanitation District as of the date first written above.

METRO WASTEWATER JPA


By: 
James Peasley, Vice-Chair

LEMON GROVE SANITATION DISTRICT

By: 
Lydia Romero, Executive Director

By: 
Dexter Wilson, Consultant

APPROVED AS TO FORM:

By: 
Paula C. P. de Sousa Mills
General Counsel
Metro Wastewater JPA

APPROVED AS TO FORM:

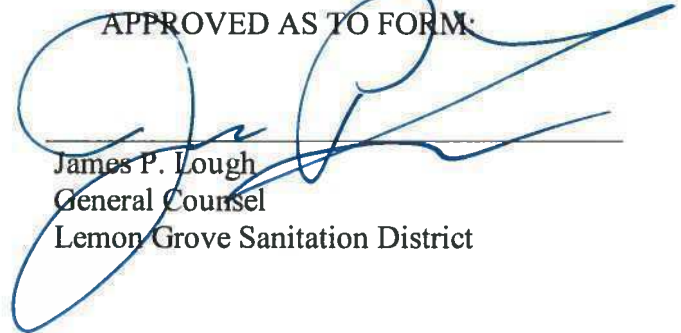
By: 
James P. Lough
General Counsel
Lemon Grove Sanitation District

EXHIBIT A

Scope of Work to be Performed by Dexter Wilson Engineering, Inc. for the DISTRICT

Dexter Wilson Engineering, Inc. will perform the following tasks for the DISTRICT which will thereafter be reimbursed by Metro JPA:

1. Attend and prepare for subcommittee meetings as directed by TAC or JPA Chairperson.
2. Attend and prepare for other meetings as directed by TAC or JPA Chairperson.
3. Prepare cost estimates, cost sharing material, scope of works or other material as directed by TAC Chairperson.
4. Review pure water reports, plans and specifications and provide comments as directed by TAC Chairperson.

EXHIBIT B

Schedule of Charges

Work completed under this contract will be billed on a monthly basis. Fees will be calculated on an hourly rate basis by multiplying the actual hours worked on the job in each classification by the rates in the schedule below. These rates are subject to change in January of each year. All direct costs will be billed outside the proposed cost ceiling at cost plus 10 percent. Consultant invoices will be billed inside the cost ceiling at cost plus 5 percent.

Summary of Hours by Task:

Task 1 — Estimated 10 hours per month.

Task 2 — Estimated 5 hours per month.

Task 3 — Estimated 5 hour per month.

Task 4 — Estimated 10 hours per month.

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

Summary of Costs by Task

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

EXHIBIT C

Rate Schedule of DISTRICT's Consultant Dexter Wilson Engineering, Inc. Effective January 1, 2017

CLASSIFICATION: PLANNING AND DESIGN	HOURLY RATE
Principal Engineer (RCE)	\$210.00
Managing Engineer (RCE)	\$200.00
Project Engineer (RCE)	\$180.00
Senior Engineer (RCE)	\$140.00
Design Engineer (RCE)	\$130.00
Associate Engineer II	\$120.00
Associate Engineer I	\$110.00
Engineering Aide II	\$110.00
Engineering Aide I	\$95.00

CLASSIFICATION: DRAFTING/DESIGN	HOURLY RATE
Senior Designer	\$115.00
Senior Drafter	\$105.00
Drafter II	\$90.00
Drafter I	\$80.00

CLASSIFICATION: OFFICE PERSONNEL	HOURLY RATE
Clerical	\$65.00

Attachment 7

MetroTAC Work Plan

**Metro TAC Work Plan
Active & Pending Items
March 2018**
Updated Items in Red Italics

Active Items	Description	Member(s)
Muni Transportation Rate Study Working Group	San Diego has hired Carollo Engineers to review the existing transportation rate structure. A work group has been formed to review and give input. First meeting will be in December 2017. Although this is a muni issue it is included on the work plan due to its significance and potential effect on all Metro TAC members. <i>3/18: Technical consultants to meet with PUD staff and Carollo on 3/22/18 to review model in detail</i>	Roberto Yano Dan Brogadir Erin Bullers Mark Niemiec Yazmin Arellano Dexter Wilson Karyn Keese Carmen Kasner SD staff
Point Loma Permit Ad Hoc TAC	Metro Commission/JPA Ad Hoc established 9/17. GOAL: Create regional water reuse plan so that both a new, local, diversified water supply is created AND maximum offload at Point Loma is achieved to support legislation for permanent acceptance of Point Loma as a smaller advanced primary plant. Minimize ultimate Point Loma treatment costs and most effectively spend ratepayer dollars through successful coordination between water and wastewater agencies. 10/17: Group has met several times. Discussions are ongoing. <i>3/18: Group continues to meet at least monthly.</i>	Jerry Jones Jim Peasley Ed Spriggs Bill Baber Steve Padilla Metro TAC staff & JPA consultants
Pure Water EIR Comment Ad Hoc Sub Committee	Created at September 2017 Metro TAC meeting. Purpose to provide technical review of the Pure Water Program EIR and provide draft comments for Metro TAC/JPA review. 10/17: Dexter Wilson & Carmen Kasner reviewed their comments w/Metro TAC. They will forward comments to Chair Humora & he will forward to San Diego. <i>3/18: Comments submitted to EIR staff. Response from San Diego does not address all issues. Technical consultants and Ad Hoc working with City staff on issues.</i>	Roberto Yano Dexter Wilson Carmen Kasner Lisa Coburn-Boyd Paula de Sousa Mills
Pure Water Facilities Working Group	This subcommittee was formed by Metro TAC and is a technical group of engineers and supporting financial staff to work with San Diego staff and consultants on cost allocations for proposed Pure Water facilities. This group meets at least monthly. Current projects include North City and MBC expansions. First meeting was 3/24/17. Roberto Yano is the chair. 5/17: Group continues to meet monthly with PUD and PWP consultants. Reviewed and accepted cost allocation for MBC. 7/17: Facilities WG has submitted their comments to the City of SD on the 30% design of the North City Expansion Project. They are working cooperatively with PUD staff and consultants in the review of the design and their comments. 9/17: Positive progress, reviewed Construction package 1 and 3 and provided comments 10/17: Continued work w/SD on cost allocation of major PWP facilities. Projected draft cost allocation document in November/December 2017. <i>3/18: Working group have reviewed all four construction design packages and has turned in comments & questions to PUD staff. Work on cost allocation continues.</i>	Yazmin Arellano Dan Brogadir Steve Beppler Al Lau Scott Tulloch Dexter Wilson Roberto Yano SD staff & consultants

**Metro TAC Work Plan
Active & Pending Items
March 2018**
Updated Items in Red Italics

Active Items	Description	Member(s)
Sample Rejection Protocol Working Group	7/16: The sample rejection protocol from the B&C 2013 report has been under discussion between PUD staff and Metro TAC. A working group was formed to deal with this highly technical issue and prepare draft recommendations on any changes to current sampling procedures. The existing protocol is to be used through FY17. If changes are approved to the protocol they will be implemented in FY18. 1/17: Work group continues to meet monthly. 6/17: Working Group has complete their review. Three work items to be brought forward at June Metro TAC and during the next fiscal year quarter: 1) Edgar Patino will write memo to support decisions of working group. 2) PUD financial staff to provide workshop for PAs during next fiscal year quarter to go over strength based billing and how to understand sampling data and quarterly billings. Training session to be videotaped and uploaded to the JPA website 3) Dexter Wilson to provide draft protocol on how to read and validate quarterly billings. <i>March 2018: PUD staff has prepared the draft memo and has distributed it to the working group</i>	Dennis Davies Dan Brogadir Al Lau Dexter Wilson Erin Bullers SD staff
PLWTP Permit Ad Hoc Working Group	1/17: Greg Humora and Scott Tulloch continue to meet with stakeholders. . Milestones are included in each month Metro TAC and Commission agenda packet.	Greg Humora Scott Tulloch SD staff & consultants Enviro members
Flow Commitment Working Group	6/16: Upon the request of Metro Com Chair Jim Peasley Chairman Humora created a working group to review the Flow Commitment section of the Regional Agreement and make recommendations on the fiscal responsibilities of members who might withdraw their flow from the Metro System. The Work Group held their first meeting June 24, 2016. Yazmin Arellano chairs the work group. 1/17: Work group continues to meet monthly. 4/17: Group has prepared draft RFP to hire engineering consultant to update Pt. Loma capacities. 7/17: Working Group is waiting for additional data from PUD staff and is finalizing the scope and selection of a consultant for the Pt. Loma Cost Capacity Study 10/17: Metro System Sewage Generated Flow projections worksheet handed out. Copy attached. <i>3/18: Working group continues to meet monthly; presentation made at March Metro TAC meeting. Agencies to review draft capacity numbers and provide comments by April Metro TAC meeting.</i>	Yazmin Arellano Roberto Yano Erin Bullers Eric Minicilli Al Lau Dexter Wilson Karyn Keese SD staff
Secondary Equivalency	5/14: Definition of secondary equivalency for Point Loma agreed to be enviros 12/14: Cooperative agreement signed between San Diego and enviros to work together to pass legislation for secondary equivalency (until 8/1/19) San Diego indicated that passage of Federal legislation is not possible under the current political environment. San Diego is exploring options for State legislation 9/15: Letter received from EPA endorsing modified permit for Point Loma 6/16: Pursuit of Federal Legislation will be held off until after the November 2016 election. City of San Diego to consult with DC lobbyists on 2/4/17 6/17: Mayor Faulconer to meet with EPA Washington re: proceeding with Admin Fix. JPA to send letter stating that they do not support Admin Fix and request pursuit of permanent legislation instead. 10/17: SD is pursuing both Admin Fix and Secondary Equivalency legislation in Washington; Ad Hoc to monitor efforts. Updates to be provided by SD staff/consultants at each Metro Commission meeting.	Greg Humora Scott Tulloch

**Metro TAC Work Plan
Active & Pending Items
March 2018**
Updated Items in Red Italics

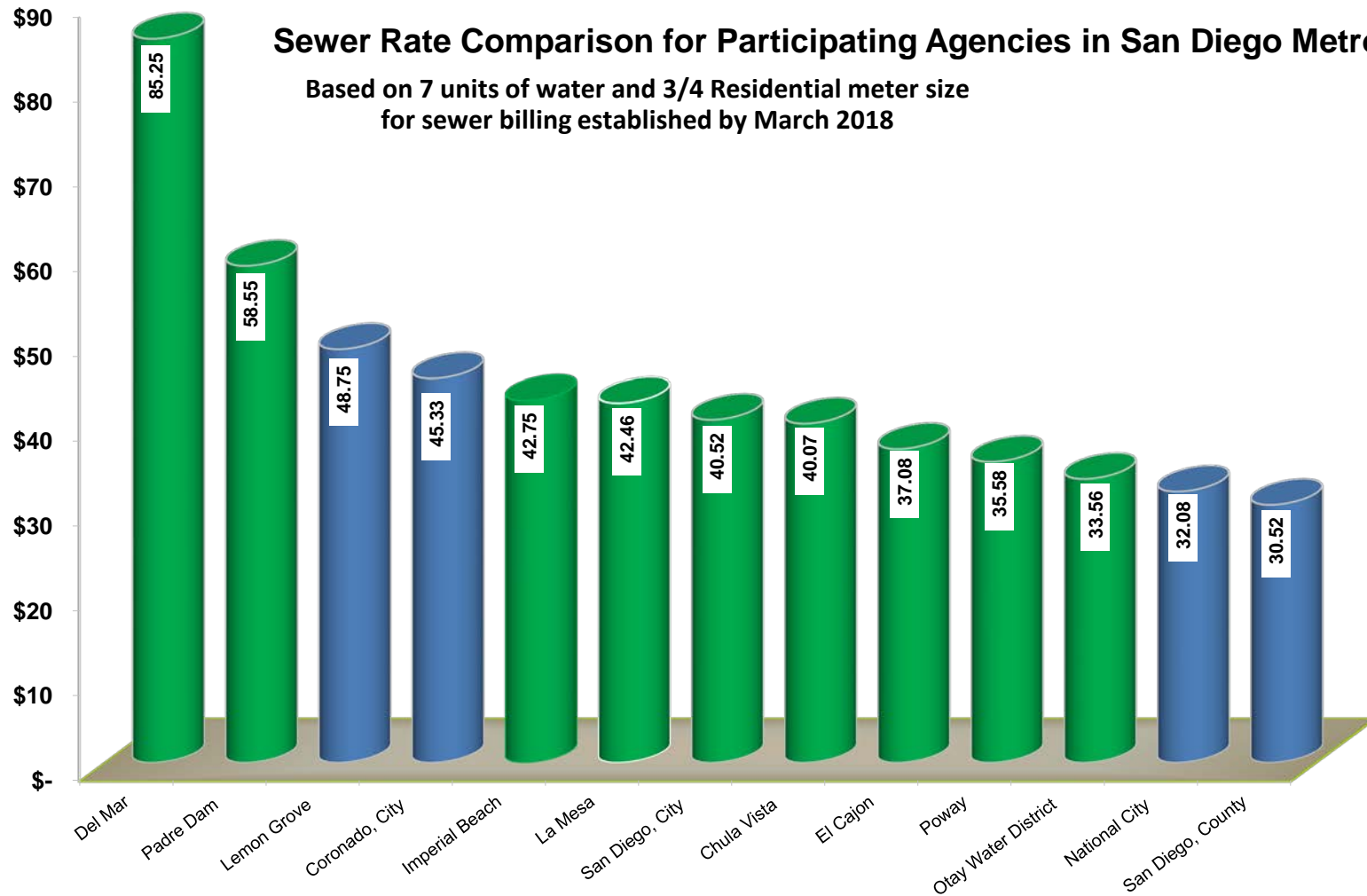
Active Items	Description	Member(s)
Pure Water Program Cost Allocation Working Group	A working group was formed to discuss Pure Water program cost allocation policies. 9/16: Concepts to be refined by Metro TAC and San Diego staff for presentation to Commission 1/17. 4/17: This group is currently being supported on a technical level by the Pure Water Facilities Subcommittee. 7/17: Working group is reviewing full PWP components list with PUD staff. <i>3/18: Cost allocation continues. Phase I cost allocation to be set based on outcome of bids for 13 PWP construction packages due to be bid in the fall of 2018.</i>	Greg Humora Scott Tulloch Roberto Yano Karyn Keese SD staff & consultants
Pure Water Program Cost Allocation Metro TAC Working Group	5/14: Draft facility plan and cost allocation table provided to Metro TAC working group 3/15: Draft cost allocation presentation provided to Metro TAC	Greg Humora Scott Tulloch Rick Hopkins Roberto Yano Al Lau Bob Kennedy Karyn Keese
Exhibit E Audit	6/16: FY 2013 audit accepted by Metro Commission; 9/16: FYE 2014 audit accepted by Metro Commission. FYE 2015 audit report to be issued by end of 2016 and then all audits will be caught up. 1/17: FYE 2015 to be issued in February 2017. FYE 2016 fieldwork is underway with anticipated draft 7/17. 3/17: FYE 2015 audit report issued. Acceptance pending resolution of PWP cost allocation for cost incurred in that fiscal year. 5/17: FYE 2015 audit to move forward as requested costs have been received. FYE 2016 audit field work complete. 6/17: FYE 2015 audit accepted by JPA with assurances that once the PWP cost allocation is complete and approved by all parties that incurred costs will be adjusted as necessary to approved split of shared costs between water and wastewater. FYE 2016 audit field work complete. Completion anticipated in October 2017. 10/17: FYE 2017 Exhibit E Audit has begun. <i>3/18: FYE 2016 audit completion date moved to 4/18. FYE 2017 preliminary draft number prior to fieldwork is showing an increase from \$65 million PA share to \$70 million.</i>	Karyn Keese Karen Jassoy
Amend Regional Wastewater Disposal Agreement	The addition of Pure Water facilities and costs will likely require the amendment of the 1998 Regional Wastewater Disposal Agreement. The Padre Dam billing errors have led to a need to either amend the Agreement and/or develop administrative protocols to help resolve potential future billing errors. After Pure Water cost allocation had been agreed to this effort will begin.	Greg Humora Roberto Yano Dan Brogadir Karyn Keese Paula de Sousa Mills
<i>Debt Allocation Working Group</i>	<i>3/18: Working group has been preparing an MOU and draft Amendment to the Regional Disposal Agreement to incorporate cost allocation "deal points" into a formal document. Draft MOU and Agreement has been reviewed by Ad Hoc and will go to Metro TAC at their March meeting.</i>	<i>Greg Humora Roberto Yano Scott Tulloch Dexter Wilson Karyn Keese Paula de Sousa Mills Nicholas Norvell</i>

**Metro TAC Work Plan
Active & Pending Items
March 2018**
Updated Items in Red Italics

Active Items	Description	Member(s)
IRWMP	8/15 RAC minutes included in August Metro TAC agenda. Padre Dam received a \$6 million grant for their project. 9/16: June 2, 2016 and August 3, 2016 minutes presented to Metro TAC. 12/16: Roberto Yano and Yazmin Arellano appointed to IRWMP. 5/17: Roberto Yano providing monthly updates as well as grant funding opportunities 6/17: Robert Yano urged Metro TAC members to visit the IRWMP website to keep on top of funding opportunities: http://www.sdirwmp.org ; Yazmin to attend June meeting. 10/17: Roberto Yano requested comments from TAC on storm water presentation to be provided to IRWMP 10/17: Yazmin gave update on Prop 1 and other funding sources. Members should monitor funding opportunities at: http://www.sdirwmp.org	Roberto Yano Yazmin Arellano
Strength Based Billing Evaluation	San Diego will hire a consultant every three years to audit the Metro metered system to insure against billing errors.	Al Lau Dan Brogadir Karyn Keese
Changes in water legislation	Metro TAC and the Board should monitor and report on proposed and new legislation or changes in existing legislation that impact wastewater conveyance, treatment, and disposal, including recycled water issues	Paula de Sousa Mills

Sewer Rate Comparison for Participating Agencies in San Diego Metro System

Based on 7 units of water and 3/4 Residential meter size
for sewer billing established by March 2018



- Flat Sewer Rate
- Water consumption based sewer rate

Metro TAC Participating Agencies Selection Panel Rotation

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

Lemon Grove	Mike James	MBC Dewatering Centrifuges Replacement (Passed)	01/2012
National City	Joe Smith	MBC Dewatering Centrifuges Replacement (Passed)	01/2012
Coronado	Godby, Kim	MBC Dewatering Centrifuges Replacement (Passed)	01/2012
Otay Water District	Bob Kennedy	MBC Dewatering Centrifuges Replacement (Accepted)/Strategic Planning Rep	01/2012
Del Mar	Eric Minicilli	New As Need Engineering Contract	02/2012
Padre Dam	Al Lau	PA Rep. for RFQ for As Needed Design Build Services (Passed)	05/2012
County of San Diego	Dan Brogadir	PA Rep. for RFQ for As Needed Design Build Services (Cancelled project)	05/2012
Chula Vista	Roberto Yano	As-Needed Condition Assessment Contract (Accepted)	06/2012
La Mesa	Greg Humora	New programmatic wastewater facilities condition (Awaiting Response)	11/2012
Poway	Tom Howard	Optimization Review Study	01/2013
El Cajon	Dennis Davies	PUD 2015 Annual Strategic Plan	1/15/14
Lemon Grove	Mike James	As-Needed Engineering Services (Passed)	7/25/14
National City	Kuna Muthusamy	As-Needed Engineering Services	7/25/14
Coronado	Ed Walton	Strategic Planning	01/2014
Otay Water District	Bob Kennedy	Strategic Planning (Volunteered, participated last year)	01/2014
Del Mar	Eric Minicilli	Pure Water Program Manager Services	9/1/14
Padre Dam	Al Lau	Pure Water Program Manager Services	9/1/14
County of San Diego	Dan Brogadir	As-Needed Condition Assessment Contract	3/24/2015
Chula Vista	Roberto Yano	Out on Leave	6/10/15
La Mesa	Greg Humora	North City to San Vicente Advanced Water Purification Conveyance System	6/10/15
Poway	Mike Obermiller	Real Property Appraisal, Acquisition, and Relocation Assistance for the Public Utilities Department	11/30/15
El Cajon	Dennis Davies	PURE WATER RFP for Engineering Design Services	12/22/15
Lemon Grove	Mike James	PURE WATER RFP Engineering services to design the North City Water reclamation Plant and Influence conveyance project	03/16/15
National City	Kuna Muthusamy	Passes	04/04/2016
Coronado	Ed Walton	As-Needed Environmental Services - 2 Contracts	04/04/2016
Otay Water District	Bob Kennedy	As Needed Engineering Services Contract 1 & 2	04/11/2016
Del Mar	Eric Minicilli	Pure Water North City Public Art Project	08/05/2016
Padre Dam	Al Lau	Biosolids/Cogeneration Facility solicitation for Pure Water	08/24/2016
County of San Diego	Dan Brogadir	Pure Water North City Public Art Project	08/10/2016
Chula Vista	Roberto Yano	Design Metropolitan Biosolids Center (MBC) Improvements Pure Water Program	9/10/2016
La Mesa	Greg Humora	Design of Metropolitan Biosolids Center (MBC) Improvements	9/22/16
Poway	Mike Obermiller	Electrodialysis Reversal (EDR) System Maintenance	12/7/16
El Cajon	Yazmin Arellano	As-Needed Construction Management Services for Pure Water	3/13/17

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

Attachment 9

Pure Water Cost
Allocation/Proposed
Current Draft of the
Regional Wastewater
Disposal Agreement

AMENDED AND RESTATED

REGIONAL WASTEWATER DISPOSAL AGREEMENT

BETWEEN

THE CITY OF SAN DIEGO

AND

THE PARTICIPATING AGENCIES

IN

THE METROPOLITAN SEWERAGE SYSTEM

AMENDED AND RESTATED

REGIONAL WASTEWATER DISPOSAL AGREEMENT

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Exhibits

- A. Metro Facilities
- B. Contract Capacities
- C. ~~Existing Capacity Charge Listing~~ Allocation of Operating Reserves and Debt Service Coverage to Participating Agencies
- D. Notice Listing
- E. Reclaimed Water Distribution System
- F. Pure Water Cost Allocation and Commodity Rate
- G. Metro System Capacity Pool Allocation

**AMENDED AND RESTATED REGIONAL WASTEWATER DISPOSAL
AGREEMENT**

THIS AMENDED AND RESTATED REGIONAL WASTEWATER DISPOSAL AGREEMENT is made and entered into this ____ day of _____, ~~1998~~2018, by and between the CITY OF SAN DIEGO, a municipal corporation (“the City”); and the CITY OF CHULA VISTA, a municipal corporation; the CITY OF CORONADO, a municipal corporation; the CITY OF DEL MAR, a municipal corporation; the CITY OF EL CAJON, a municipal corporation; the CITY OF IMPERIAL BEACH, a municipal corporation; the CITY OF LA MESA, a municipal corporation; the LEMON GROVE SANITATION DISTRICT, a political subdivision of the State of California; the CITY OF NATIONAL CITY, a municipal corporation; the CITY OF POWAY, a municipal corporation; the ~~WINTER GARDENS SEWER MAINTENANCE DISTRICT, a maintenance district established pursuant to California Streets & Hwys. Code section 5820 et seq.; the ALPINE SANITATION DISTRICT, a political subdivision of the State of California; the LAKESIDE SANITATION DISTRICT, a political subdivision of the State of California; the SPRING VALLEY SANITATION DISTRICT, a political subdivision of the State of California; the OTAY WATER DISTRICT, a political subdivision of the State of California; and the PADRE DAM MUNICIPAL WATER DISTRICT, a political subdivision of the State of California; and the~~ SAN DIEGO COUNTY SANITATION DISTRICT, a political subdivision of the State of California (the “Participating Agencies”).

RECITALS

WHEREAS, the City and the Participating Agencies are autonomous entities each having the authority to provide and to contract for the conveyance, treatment and disposal of wastewater; ~~and~~

WHEREAS, the City and the Participating Agencies (or their predecessors in interest) entered into that certain Regional Wastewater Disposal Agreement dated May 18, 1998 (the “1998 Agreement”), which provided, among other things, for certain contract rights to capacity in the Metropolitan Sewerage System, a system of wastewater conveyance, treatment, and disposal facilities (“Metro System”) and the establishment of a mechanism to fund the planning, design, construction, operation, and maintenance of the Metro System by the City and the Participating Agencies; and

~~WHEREAS, each Participating Agency currently has a contract with the City to provide wastewater conveyance, treatment and disposal services through the Metropolitan Sewerage System (Metro System), a system of wastewater conveyance, treatment and disposal facilities;~~

~~WHEREAS, each of the Participating Agencies has specified capacity service rights in the existing Metro System pursuant to pre-existing agreements with the City;~~

WHEREAS, the purposes of ~~this~~the 1998 Agreement ~~are~~were: (1) to replace the ~~existing~~prior-existing sewage disposal agreements between the City and the Participating Agencies; (2) to provide certain contract rights to capacity in the Metro System to the Participating Agencies; (3) to establish a mechanism to fund the planning, design, construction,

operation and maintenance of the Metro System by the City and the Participating Agencies as necessary to provide hydraulic capacity, and to comply with applicable law and with generally accepted engineering practices; and (4) to establish a system of charges which allocates the costs of the planning, design and construction of such new wastewater conveyance, treatment and disposal facilities as are necessary solely to provide for new capacity on a fair and equitable basis; and

WHEREAS, on April 29, 2014 the San Diego City Council gave its approval and support for the Pure Water San Diego program by adoption of Resolution No. R308906. The Resolution approved and supported the City's efforts to develop an implementation strategy to accomplish secondary equivalency at the Point Loma Wastewater Treatment Plant through implementation of potable reuse; and

WHEREAS, the City intends to implement a phased, multi-year program to produce up to 83 million gallons per day of safe, reliable potable water for the City using the new, expanded, or modified facilities, some of which will include Metro System facilities, in order to achieve secondary equivalency under the Clean Water Act at the Point Loma Wastewater Treatment Plant by offloading wastewater from the Point Loma plant; and

WHEREAS, if secondary equivalency is recognized through federal legislation amending the Clean Water Act, the Pure Water Program will not only benefit the City by producing repurified water, but also the Participating Agencies and their wastewater customers. Specifically, implementation of the Pure Water Program will reduce wastewater discharges to the Point Loma Wastewater Treatment Plant, part of the Metro System where a large portion of the Participating Agencies' wastewater is currently treated and disposed by discharging it into the Pacific Ocean. By diverting wastewater from the Point Loma Wastewater Treatment Plant, the City and the Participating Agencies will potentially avoid billions of dollars in unnecessary capital, financing, energy, and operating costs to upgrade the Point Loma plant to secondary treatment at full capacity. Avoiding such costs would result in significant savings for regional wastewater customers; and

WHEREAS, Section XIV, subsection B, of the 1998 Agreement provided that the Parties may amend the Agreement by a written agreement between the City and all Participating Agencies stating the parties' intent to amend the Agreement; and

WHEREAS, in order to comprehensively and equitably address the costs and revenues associated with the Pure Water Program and the related construction, expansion, and/or modification of Metro System facilities, the City and Participating Agencies wish to amend and restate the Regional Wastewater Disposal Agreement as provided herein.

THEREFORE, in consideration of the mutual promises set forth herein, the City and the Participating Agencies agree as follows:

I. DEFINITIONS

- A. **Annual Average Daily Flow** is the number, in millions of gallons of wastewater per day ("MGD"), calculated by dividing total Flow on a fiscal year basis by 365 days.
- B. **Capital Improvement Costs** are costs associated with the planning, design, financing, construction, or reconstruction of facilities.
- C. **Chemical Oxygen Demand or "COD"** means the measure of the chemically decomposable material in wastewater, as determined by the procedures specified in the most current edition of "Standard Methods for the Examination for Water and Wastewater," or any successor publication which establishes the industry standard.
- D. City Water Utility PW Costs are those Pure Water Program costs which are excluded as Metro System costs under Exhibit F and are the responsibility of City's water utility.
- E. ~~D~~-**Contract Capacity** is the contractual right possessed by each Participating Agency to discharge wastewater into the Metro System pursuant to this Agreement up to the limit set forth in Exhibit B attached hereto. Contract Capacity is stated in terms of Annual Average Daily Flow.
- F. ~~E~~-**Flow** is the amount of wastewater discharged by the City and each Participating Agency.
- G. ~~F~~-**Functional-Design Methodology** shall mean the process of allocating Operation and Maintenance Costs and Capital Improvement Costs to Flow and Strength parameters recognizing the benefits of both the design criteria and the primary function of a unit process.
- H. ~~G~~-**Metro System Costs** are those costs set forth in Section V.B.1.
- I. ~~H~~-**Metro System Revenues** are those revenues set forth in Section V.B.2.
- J. ~~I~~-**Metropolitan Sewerage System or Metro System** shall mean and consist of those facilities and contract rights to facilities which are shown and/or described in Exhibit A attached hereto and incorporated by this reference, including any amendments thereto authorized by this Agreement.
- K. ~~J~~-**Municipal System** shall mean the City's wastewater collection system, which consists of pipelines and pump stations, that collects wastewater within the City of San Diego and conveys it to the Metropolitan Sewerage System for treatment and disposal.
- L. ~~K~~-**New Capacity** is the capacity to discharge wastewater outside the Metro

System, above the Contract Capacity set forth in Exhibit B attached hereto.

- M. ~~L.~~ **New Contract Capacity** is the capacity to discharge wastewater into the Metro System, above the Contract Capacity set forth in Exhibit B attached hereto.
- N. ~~M.~~ **North City Water Reclamation Plant** is the 30 million gallons per day (as of the date of this Agreement) wastewater treatment facility which includes four major processes: primary treatment, secondary treatment, tertiary treatment, and disinfection.
- O. ~~N.~~ **Operation and Maintenance Costs** are the costs of those items and activities required by sound engineering and management practices to keep the conveyance, disposal, treatment, and reuse facilities functioning in accordance with all applicable laws, rules, and regulations.
- P. ~~Q.~~ **Point Loma Wastewater Treatment Plant or Point Loma WTP** is the 240 million gallons per day (as of the date of this Agreement) advanced primary treatment plant which includes four major processes: screening, grit removal, sedimentation, and digestion.
- Q. **Pure Water Program** is the City's phased, multi-year program to produce up to 83 million gallons per day of Repurified Water using new, expanded, or modified facilities, some of which will include Metro System facilities.
- R. ~~P.~~ **Reclaimed Water (or Recycled Water)** shall have the definition set forth in Title 22, Division 4 of the California Code of Regulations and shall mean water which, as a result of treatment of wastewater, is suitable for a direct beneficial use or a controlled use that otherwise could not occur.
- S. ~~Q.~~ **Reclaimed Water (or Recycled Water) Distribution System** shall mean and consist of those eight (8) reclaimed water projects listed in Attachment B of the Stipulated Final Order for Injunctive Relief approved by the U.S. District Court on June 6, 1997 in U.S.A. v. City of San Diego, Case No. 88-1101-B, and attached hereto as Exhibit E.
- T. ~~R.~~ **Repurified Water** shall mean water which, as a result of advanced treatment of reclaimed water, is suitable for use as a source of domestic (or potable) water supply.
- U. ~~S.~~ **Return Flow** shall mean the effluent created by the dewatering of digested biosolids, which includes centrate.
- V. ~~T.~~ **Reuse** shall mean to use again, such as water which has been reclaimed or repurified, or sludge that has been converted to biosolids for beneficial use.
- W. ~~U.~~ **South Bay Land/Ocean Outfall** is the facility that is jointly owned by the International Boundary & Water Commission (U.S. Section IBWC) and the City

of San Diego. The Outfall is planned to convey and discharge treated effluent from the IBWC's International Wastewater Treatment Plant and treated effluent from the City's South Bay Water Reclamation Plant and the South Bay Secondary Treatment Plant. As of the date of this Agreement, the Outfall has a current Average Daily Flow Capacity of 174 million gallons per day. As of the date of this Agreement, the City owns 39.94% of the capacity of the Outfall and the balance of the capacity is owned by the IBWC.

X. ~~V.~~ **Strength** means the measurement of Suspended Solids (SS) and Chemical Oxygen Demand (COD) within the wastewater Flow and any other measurement required by law after the date of this Agreement.

Y. ~~W.~~ **“Suspended Solids” or “SS”** means the insoluble solid matter in wastewater that is separable by laboratory filtration, as determined by the procedures specified in the most current edition of “Standard Methods for the Examination of Water and Wastewater,” or any successor publication which establishes the industry standard.

Z. ~~X.~~ **Tertiary Component** is that portion of the wastewater treatment process that currently filters the secondary treated wastewater effluent through fine sand and/or anthracite coal to remove fine Suspended Solids and disinfects it to meet the requirements of the California Administrative Code, Title 22, or its successor for filtered and disinfected wastewater.

~~Y. **Water Repurification System** includes the Advanced Water Treatment (AWT) Facility located at or near the North City Water Reclamation Plant site and the Repurified Water Conveyance System which will transport repurified water from the AWT Facility to the San Vicente Reservoir. The major processes of the AWT Facility include: ultra or micro filtration, reverse osmosis, and ozonation.~~

AA. **Water Repurification System** shall mean any facilities, including treatment and conveyance facilities, the purpose of which is the production or conveyance of Repurified Water. Water Repurification System includes, but is not limited to: the Tertiary Component of the North City Water Reclamation Plant, the North City Advanced Water Purification Facility located across the street from the North City Water Reclamation Plant (“North City AWP Facility”); the Repurified Water conveyance system, which will transport Repurified Water from the North City AWP Facility and/or other facilities to the Miramar Reservoir or other alternative location(s) as determined by the City; and any other Repurified Water treatment or conveyance facilities which are part of the City’s 83 million gallons per day Pure Water Program.

II. OWNERSHIP AND OPERATION OF THE METRO SYSTEM

A. Rights of the Parties.

The City is the owner of the Metro System, and of any additions to the Metro System or other facilities constructed pursuant to this Agreement. All decisions with respect to the planning, design, construction, operation and maintenance of the Metro System shall rest with the City, in consultation with the Metro Commission. The Participating Agencies shall have a contractual right to use the Metro System and to participate in its operation as set forth in this Agreement. Subject to the terms of this Agreement, and in conformance with all applicable laws, the City may transfer ownership of all or part of the Metro System at any time. In the event of a transfer, the City's successor shall be bound by the terms of this Agreement. Subject to the terms of this Agreement, any Participating Agency may transfer or assign its rights and obligations under this Agreement. Any transfer shall first be approved by the City. No transfer may occur if the City determines, after consultation with the Participating Agencies involved, that the proposed transfer will imbalance, or will otherwise adversely impact the City's ability to operate the Metro System.

B. Metro System Services.

1. The City shall provide wastewater conveyance, treatment and disposal services to the Participating Agencies through the Metro System, under the terms set forth in this Agreement.

2. The City shall operate the Metro System in an efficient and economical manner, maintaining it in good repair and working order, all in accordance with recognized sound engineering and management practices.

3. The City shall convey, treat, and dispose of or reuse all wastewater received under this Agreement in such a manner as to comply with all applicable laws, rules and regulations.

C. Flow Commitment.

1. Absent agreement of the parties, all Flow from the Participating Agencies and the City, up to the capacity limits set forth in Exhibit B or any amendments thereto, shall remain in the Metro System.

2. This Agreement shall not preclude any Participating Agency from diverting Flow from the Metro System as a result of the construction of reclamation facilities or New Capacity outside of the Metro System.

3. Any Participating Agency may negotiate an agreement with the City to withdraw all Flow from the Metro System, which at a minimum requires the Agency to pay its proportionate share of Capital Improvement Costs.

D. Funding Obligations.

Nothing in this Section or in this Agreement shall obligate the City to make any payment for the acquisition, construction, maintenance or operation of the Metro System from moneys derived from taxes or from any income and revenue of the City other than moneys in

or sewer revenues which go into the Sewer Revenue Fund for the Metro System and from construction funds derived from the sale of such sewer revenue bonds for the Metro System as are duly authorized. Nothing in this contract shall be construed to obligate the City to pay from its annual income and revenues any sum which would create an indebtedness, obligation or liability within the meaning of the provisions of Section 18 of Article XVI of the Constitution of the State of California. Nothing in this Section, however, or in this Agreement shall prevent the City, in its discretion, from using tax revenues or any other available revenues or funds of the City for any purpose for which the City is empowered to expend moneys under this Agreement. Nothing herein shall relieve the City from its obligations to fund and carry out this Agreement. Nothing in this Section or in this Agreement shall obligate any Participating Agency to make any payment which would create an indebtedness, obligation or liability within the meaning of the provisions of Section 18 of Article XVI of the Constitution of the State of California, or which is not authorized by law.

E. Financial Statements.

1. The City shall keep appropriate records and accounts of all costs and expenses relating to conveyance, treatment, disposal, and reuse of wastewater, and the acquisition, planning, design, construction, administration, monitoring, operation and maintenance of the Metro System.

2. Said records and accounts shall be subject to reasonable inspection by any authorized representative of any Participating Agency at its expense. Further, said accounts and records shall be audited annually by an independent certified public accounting firm appointed by the City pursuant to generally accepted accounting principles. A copy of said report shall be available to any Participating Agency.

F. Limitations on Types and Condition of Wastewater.

1. Each Participating Agency will comply with all applicable laws, rules and regulations including its regulatory obligations associated with the discharge of wastewater into its respective system and from such system into the Metro System.

2. Each Participating Agency will minimize to the maximum extent practicable, the infiltration and inflow of surface, ground or stormwaters into its respective wastewater systems.

3. Each Participating Agency will insure that all industrial users of its wastewater system are regulated by an effective industrial pretreatment program that conforms to all to all applicable laws, rules and regulations and that is acceptable to the City. Provided, however, that the City shall not require the Participating Agencies to take any actions beyond that which is required under applicable laws, rules and regulations that can be taken but are not being taken by the City.

4. The City and the Participating Agencies agree that nothing in this Agreement, including the termination of the existing sewage disposal agreements, shall affect the validity of the Interjurisdictional Pretreatment Agreements, or the separate transportation

agreements that are currently in effect between or among the City and the Participating Agencies.

5. Each Participating Agency will not discharge a substantial amount of sewage originating outside its respective boundaries into the Metro System without the approval of the City.

6. Each Participating Agency shall be responsible for the violation of any applicable laws, rules or regulations associated with its respective discharge of wastewater into the Metro System.

7. In the event a regulatory agency imposes any penalty or takes other enforcement action relating to the conveyance, treatment, disposal or reuse of wastewater in or from the Metro System, the City shall determine whether the City or a Participating Agency or Agencies caused or contributed to such penalty or enforcement actions. The City shall allocate the penalty or other relief, including the costs of defense, to the party or parties responsible. Each responsible party, whether a Participating Agency or the City, shall be obligated to pay its share of such penalty or other relief, and any costs of defense. In the event that the City cannot make such an allocation, the cost of such penalty or other relief shall be shared by the Participating Agencies and the City proportionately based on Flow and Strength.

G. Right of First Refusal.

1. The City shall not sell or agree to sell the Metro System without first offering it to the Participating Agencies. For the purposes of this section, "Participating Agencies" shall mean a Participating Agency, a group of Participating Agencies, or a third party representing one or more Participating Agencies. The term "sell" shall include any transfer or conveyance of the Metro System or of any individual treatment or reclamation facility or outfall within the Metro System.

2. The City and the Participating Agencies recognize that transfer of ownership of the Metro System is currently restricted by Sections 6.04 and 6.20 of the Installment Purchase Agreement between the City and the Public Facilities Financing Authority of the City, which inter alia restricts the transfer of ownership to the Metropolitan Wastewater Sewage District or other governmental agency whose primary purpose is to provide wastewater treatment. The City shall not seek to impose on bond holders a waiver of Section 6.04 or 6.20. Absent such a restriction, before the City sells or agrees to sell the Metro System, or any portion of it, the City shall offer to sell the Metro System to the Participating Agencies ("the Offer") on the terms and at a price equal to that proposed for the sale of the Metro System to a third party. The Participating Agencies shall have thirty days from receipt of the Offer ("the Intent to Respond Period") in which to notify the City of their intent to respond to the Offer. The Participating Agencies shall have five months from the expiration of the Intent to Respond Period in which to accept or reject the Offer. The Offer shall contain the name of the proposed purchaser, the proposed sale price, the terms of payment, the required deposit, the time and place for the close of escrow, and any other material terms and conditions on which the sale is to be consummated.

3. If the Participating Agencies give timely notice of their intent to respond and timely notice of their acceptance of the Offer, then the City shall be obligated to sell and the Participating Agencies shall be obligated to purchase the Metro System or any individual treatment or reclamation facility or outfall within the Metro System, as applicable, at the price and on the terms and conditions of the Offer. If the Participating Agencies do not give timely notice of their intent to respond or their acceptance of the Offer, or do not submit an offer on the same terms and conditions as the Offer, the City may, following the end of the Offer period, sell the Metro System, or any portion of it, at a price and on terms and conditions no less favorable to the City than those in the Offer. The City shall not sell the Metro System to any third party on terms or at a price less favorable to the City from the terms and price contained in the Offer absent compliance with the terms of this Section.

4. Nothing herein shall prevent the City from entering into a financing agreement which may impose limits on the City's power to sell the Metro System to the Participating Agencies pursuant to Section H.1. if the City believes that such a financing agreement is in the City's best interest. Neither the entry into such a financing agreement by the City nor the performance thereof by the City shall constitute a breach or default by the City hereunder.

H. Pure Water San Diego Program.

1. Each new, expanded, or modified Metro System facility which is used in relation to the production of Repurified Water (in addition to the modification and expansion of the North City Water Reclamation Facility) shall be governed by this Agreement and Exhibit F, attached hereto and incorporated herein. The parties acknowledge and agree that additional amendments to Exhibit F will be necessary based on the actual Repurified Water processes selected and the nature of specific facilities. Therefore, notwithstanding Section XIV, subsection B (Amendment of Agreement), the City's Mayor and the chief executive officer of each of the Participating Agencies shall have the authority to execute ministerial amendments to Exhibit F. For purposes of this provision, a "ministerial amendment" is a written amendment that: (1) allocates costs related to new, expanded, or modified Metro System facilities in connection with the production of Repurified Water, and (2) is generally consistent with the cost allocation principles set forth in the original Exhibit F, which is attached to this Agreement.

2. Nothing in this Agreement or Exhibit F limits or restricts the right of the City or the Participating Agencies to enter into separate agreements the purchase or sale of Repurified Water produced by the Water Repurification System or sharing in City Water Utility's associated capital, debt, operation, and maintenance costs. Under such circumstances, the cost allocation and commodity rate delineated in Exhibit F will remain unchanged.

This is intended to allow the City and Participating Agencies to agree on cost allocation for Phase 2 of Pure Water without a formal amendment approved by each of the governing bodies of the agencies. Instead, the City Manager/General Manager of each PA, and the Mayor of the City of SD would be able to approve a new version of Exhibit F that allocates costs in a similar manner as for Phase 1. Of course, the head of each PA could still bring the proposed document to the governing body before signing it, if he or she chose to do so.

This is to clarify that PAs can contract with the City to purchase water from the Pure Water program, if desired, but that would be done by a separate agreement and would not impact cost allocation for Pure Water under this Agreement.

III. PAYMENT AND MONITORING PROVISIONS

A. Payment for Metro System Facilities.

Through the system of charges set forth in Section V of this Agreement, each Participating Agency shall pay its share of the costs of planning, design and construction of all of the Metro System facilities which are identified in Exhibit A hereto, which is incorporated herein by reference.

B. Payment for Additional Metro System Facilities.

Through the system of charges set forth in Section V of this Agreement, each Participating Agency shall pay its share of the costs of acquisition, or planning, design and construction of such facilities in addition to those set forth on Exhibit A as are necessary for the Metro System to maintain compliance with applicable laws, rules and regulations, including the Ocean Pollution Reduction Act of 1994 and its successor(s), present and future waivers of applicable treatment standards at any Metro System treatment facility, and all facilities as are necessary to convey, treat, dispose, and reuse wastewater in the Metro System to provide the Contract Capacity set forth in Exhibit B, to maintain hydraulic capacity and as otherwise required by sound engineering principles. As a ministerial matter, the City shall amend Exhibit A from time to time to reflect such additional facilities and shall give notice of any amendments to the Participating Agencies. The City shall keep an updated version of Exhibit A on file with the City Clerk. Exhibit A may be amended to reflect other changes to the Metro System only as expressly provided in this Agreement.

C. Payment for Operation and Maintenance.

Through the system of charges set forth in Section V of this Agreement, each Participating Agency shall pay its share of the Operation and Maintenance Costs of all Metro System facilities. ~~Provided however, that the~~ The Participating Agencies shall not pay for the Operation and Maintenance Costs of ~~the Tertiary Component of the North City Water Reclamation Plant that can be allocated solely to the production of Repurified Water~~ Water Repurification System.

D. (Charges Based on Flow and Strength; Exception.)

1. ~~A~~ Except as otherwise described in this subsection D, a Participating Agency's share of the charges in this Section III shall be assessed pursuant to Section V of this Agreement based on its proportionate Flow in the Metro System and the Strength of its wastewater.

2. Notwithstanding the above, or any other provision of this Agreement, a Participating Agency's share of Pure Water Program Capital Improvement Costs and Pure Water Program revenues attributable to the Metro System under Exhibit F shall be assessed or credited based on the parties' "Metro Capacity Rights," which are based on projections of each party's 2050 Flow. Metro Capacity Rights are set forth in Exhibit G, which is attached hereto and incorporated herein. The City shall annually determine the estimated and actual costs and

Subsections 2 and 3(a)-(e) below concern cost allocation for Pure Water Capital Improvement Costs, and are based on projections of 2050 Flow. The allocation of costs among PAs takes into account Padre's potential AWP project and participation by the other agencies. This will be further discussed during the meeting.

Operation and maintenance costs for Pure Water, like all other costs for the Metro System, would be based on each PA's Strength and Flow.

revenues which are attributable to the Metro System under Exhibit F and take into account the above assessment method when estimating quarterly payments and conducting year-end adjustments under Section V.

3. Each party recognizes that operation within respective Metro Capacity Rights is essential to the accurate allocation of costs and revenues under the Pure Water Program. In recognition of same, the parties agree as follows:

a. If any party's Flow exceeds the sum of its Metro Capacity Rights and its portion of the Reserve Capacity Pool (as shown in Exhibit G) for any continuous three (3) month period, such party shall pay for the use of such capacity from the Reserve Capacity Pool. Payment for such use of the Reserve Capacity Pool shall be made as part of the yearly billing adjustments under Section V.B.4 and shall be credited to offset the other parties' Pure Water Program Capital Improvement Costs. Such payments shall be based on the following amounts, which shall be annually adjusted each July 1 (starting on July 1, 2018) to reflect the annual percentage change in the Engineering News Record – Los Angeles construction cost index:

(1) \$_____ per MGD (for use of any portion of the Reserve Capacity Pool up to four (4) times such party's share of the Reserve Capacity Pool)

(2) \$_____ per MGD (for use of any portion of the Reserve Capacity Pool over four (4) times such party's share of the Reserve Capacity Pool)

b. Notwithstanding the amounts set forth in Exhibit G, the following parties will have the following Metro Capacity Rights until July 1, 2023:

(1) Padre Dam: 2.48 MGD

(2) San Diego County Sanitation District: 10.959 MGD

(3) El Cajon: 7.8 MGD

c. Notwithstanding the amounts set forth in Exhibit G, the following parties will have the following Metro Capacity Rights until July 1, 2028:

(1) San Diego County Sanitation District: 5.739 MGD

(2) El Cajon: 7.8 MGD

d. If any party's Flow exceeds the sum of its Metro Capacity Rights and its portion of the Reserve Capacity Pool (as shown in Exhibit G) for any continuous six (6) month period, the City shall contract with an independent consultant (who shall be approved by a majority of the Metro Commission) to prepare an amendment to Exhibit G that accurately reflects projections of 2050 Flow. The revised Exhibit G prepared by the consultant shall, as a ministerial matter, be adopted by the City within 180 days of such exceedance. The City shall give notice of the amendment of Exhibit G to each Participating Agency, and shall

provide copies of the amendment with the notice. The City shall keep an updated version of Exhibit G on file with the City Clerk.

e. If Exhibit G is amended to update one or more parties' Metro Capacity Rights, the change in Metro Capacity Rights shall be retroactive in effect, and the City shall use the updated amounts in estimating quarterly payments and conducting year-end adjustments for Pure Water Program costs and revenues. Therefore, any party that underpaid based on previous Metro Capacity Rights (which were based on prior projections of 2050 Flow) shall pay the difference in its quarterly payments the following fiscal year; any party that overpaid based on previous Metro Capacity Rights shall receive a credit in its quarterly payments the following fiscal year.

E. Monitoring Flow and Strength.

1. The City shall monitor wastewater that is discharged into the Metro System for Flow and Strength. The City shall own and operate as part of the Metro System monitoring devices which will measure the amount of daily wastewater discharged into the Metro System. These devices shall be installed at locations appropriate to accurately monitor Flow and Strength. The City may also monitor wastewater Flow and Strength at other locations as it deems appropriate.

2. In measuring Strength, the frequency and nature of the monitoring shall not be more stringent for the Participating Agencies than it is for the City.

3. The City shall provide its plans for the monitoring system and for the procedures it will use to determine Strength to the Participating Agencies for review and comment prior to implementation.

4. The City shall report Flow and Strength data to the Participating Agencies at least quarterly.

IV. CAPACITY RIGHTS

A. Contract Capacity.

In consideration of the obligations in this Agreement, each Participating Agency shall have a contractual right to discharge wastewater to the Metro System up to the Contract Capacity set forth in Exhibit B.

B. Transfers of Contract Capacity.

The Participating Agencies and the City may buy, sell or exchange all or part of their Contract Capacity among themselves on such terms as they may agree upon. The City shall be notified prior to any transfer. Any transfer shall be first approved by the City. No Contract Capacity may be transferred if the City determines, after consultation with the Participating Agencies involved in the transaction, that said transfer will unbalance, or will otherwise adversely impact the City's ability to operate the Metro System. Provided, however, that the Participating Agency seeking the transfer may offer to cure such imbalance at its own

expense. Following the City's consent, as a ministerial matter, the Contract Capacity set forth in Exhibit B shall be adjusted to reflect the approved transfer.

C. Allocation of Additional Capacity.

The parties recognize that the City's applicable permits for the Metro System may be modified to create capacity in the Metro System beyond that set forth in Exhibit B as a result of the construction of additional facilities or as a result of regulatory action. This additional capacity shall be allocated as follows:

1. Except as provided in subsection 2 below, in the event that the Metro System is rerated so that additional permitted capacity is created, said capacity shall be allocated proportionately based upon the Metro System charges that have been paid since July 1, 1995 to the date of rerating.

2. In the event that the additional permitted capacity is created as the result of the construction of non-Metro System facilities, or as the result of the construction of facilities pursuant to Section VII, such additional capacity shall be allocated proportionately based on the payments made to plan, design and construct such facilities.

D. Deductions in Contract Capacity.

The parties further recognize that the Contract Capacity in Exhibit B may be modified to comply with, or in response to, applicable permit conditions, or related regulatory action, or sound engineering principles. In the event that the capacity of the Metro System is rerated to a level below the total capacity set forth in Exhibit B, the Contract Capacity in Exhibit B shall be reallocated proportionately pending the acquisition or construction of new facilities. The City shall acquire or construct such facilities as necessary to provide the Contract Capacity rights set forth in Exhibit B, as planning and capacity needs require. The costs of such facilities shall be assessed pursuant to Section III.B. above.

E. Amendments to Exhibits B and C.

As a ministerial matter, the City shall prepare amendments to Exhibits B and C to reflect any adjustment in Contract Capacity pursuant to this Section within ninety (90) days after the adjustment is made. The City shall give notice of the amendments to each Participating Agency, and shall provide copies of the amendments with the notice. The City shall keep an updated version of Exhibits B and C on file with the City Clerk.

F. The South Bay Land/Ocean Outfall.

Nothing in this Section shall limit the City's right to transfer capacity service rights in that portion of the South Bay Land/Ocean Outfall which is not part of the Metro System.

V. SYSTEM OF CHARGES

A. Charges Authorized.

The City agrees to implement and the Participating Agencies agree to abide by a new system of charges. This new system allows the City to equitably recover from all Participating Agencies their proportional share of the net Metro System Costs through the imposition of the following charges:

1. SSC (Sewer System Charge);

~~2. ECC (Existing Capacity Charge);~~

~~3. NCCC (New Contract Capacity Charge).~~

B. SSC (Sewer System Charge).

The City shall determine the SSC based on the projected Metro System Costs (as defined below) for the forthcoming fiscal year, less all Metro System Revenues (as defined below).

1. Metro System Costs

a. The following shall at a minimum be considered Metro System Costs for purposes of calculating the annual SSC:

(1) ~~(i)~~ Except as provided in Excluded Costs, subsection b. below, the annual costs associated with administration, operation, maintenance, replacement, annual debt service costs and other periodic financing costs and charges, capital improvement, insurance premiums, claims payments and claims administration costs of the Metro System, including projected overhead. Overhead shall be calculated using accepted accounting practices to reflect the overhead costs of the Metro System.

(2) ~~(ii)~~ Fines or penalties imposed on the City as a result of the operation of the Metro System, unless the fine/penalty is allocated to the City or a Participating Agency as provided in Section II.F.7.

(3) ~~(iii)~~ Costs incurred by the City, including attorneys' fees, necessary to implement the terms of this Agreement.

b. ~~Excluded Costs~~

Excluded Costs. The following items shall not be considered Metro System Costs for purposes of calculating the annual SSC:

(1) ~~(i)~~ Costs related to the City of San Diego's Municipal System as determined by reasonable calculations;

References to the Existing Capacity Charge have been removed because all payments for existing capacity were completed in 2003 as provided under the original Agreement.

(2) ~~(ii)~~ Costs related to the treatment of sewage from any agency which is not a party to this Agreement;

(3) ~~(iii)~~ Costs related to the inspection and monitoring program for the industrial dischargers located in San Diego, including associated administrative and laboratory services;

(4) ~~(iv)~~ Right-of-way charges for the use of public streets of the City or any Participating Agency. The City and the Participating Agencies agree not to impose a right-of-way charge for the use of its public rights-of-way for Metro System purposes.

(5) ~~(v)~~ Capital Improvement Costs of any non-Metro System facility.

(6) ~~(vi)~~ Capital Improvement Costs for which an NCCC is paid.

(7) ~~(vii) Excluded Operation and Maintenance Costs set forth in Section III.C City Water Utility PW Costs as defined in Exhibit F.~~

2. Metro System Revenues.

a. The following revenues shall be at a minimum considered Metro System Revenues for purposes of determining the annual SSC:

(1) ~~(i)~~ Any grant or loan receipts or any other receipts that are attributable to the Metro System, including, but not limited to, all compensation or receipts from the sale, lease, or other conveyance or transfer of any asset of the Metro System, and any grant, loan, or other receipts attributable to the Metro System components of the Pure Water Program.

(2) ~~(ii)~~ All compensation or receipts from the sale or other conveyance or transfer of any Metro System by-products, including, but not limited to gas, electrical energy, sludge products, and Reclaimed Water (excepting therefrom any receipts allocated pursuant to subsection 2.a.(3) below); provided however, that this shall not include the Secondary Effluent Commodity Rate, which is specifically addressed in subsection 2.a.(6) below.

(3) ~~(iii)~~ The distribution of revenue from the sale of Reclaimed Water from the North City Water Reclamation Plant, including incentives for the sale of Reclaimed Water, shall first be used to pay for the cost of the Reclaimed Water Distribution System, then the cost of the Operation and Maintenance of the Tertiary Component of the North City Water Reclamation Plant that can be allocated to the production of Reclaimed Water, and then to the Metro System.

(4) ~~(iv)~~—Any portion of an NCCC that constitutes reimbursement of costs pursuant to Section VII.A.4.

(5) ~~(v)~~—Any penalties paid under Section VII.C.

(6) Proceeds from the Secondary Effluent Commodity Rate, as calculated under Exhibit F and allocated among the Participating Agencies in the proportions set forth in Exhibit G.

b. Excluded Revenue

(1) ~~(i)~~—Capital Improvement Costs for which an NCCC is paid;

(2) ~~(ii)~~—Proceeds from the issuance of debt for Metro system projects.

(3) ~~(iii)~~—Proceeds from the sale of Reclaimed Water used to pay for the Reclaimed Water Distribution System pursuant to subsection 2.a.(3) above.

~~(iv) All revenues, including incentives, attributable to Repurified Water from the Water Repurification System.~~

3. Calculation of SSC Rates.

a. Prior to the initial implementation of the new system of charges, the City shall prepare a sample fiscal year estimate setting forth the methodology and sampling data used as a base for Strength based billing (SBB) which includes Flow and Strength (Chemical Oxygen Demand (COD) and Suspended Solids (SS)). The analysis shall be submitted to each Participating Agency.

b. The City shall determine the unit SSC rates by allocating net costs (Metro System Costs less Metro System Revenues) between parameters of Flow, COD and SS. This allocation is based on the approved Functional-Design Methodology analyses for individual Capital Improvement Projects (CIPs) and estimated Operation and Maintenance (O&M) Costs allocated to the three parameters. The City may revise the calculations to include any other measurement required by law after the effective date of this Agreement.

c. The net cost allocated to each of the three parameters (Flow, COD and SS) shall be divided by the total Metro System quantity for that parameter to determine the unit rates for Flow, COD and SS. These unit rates shall apply uniformly to all Participating Agencies.

4. Estimate and Billing Schedule and Year End Adjustment

a. Estimate - The City shall estimate the SSC rates on an annual basis prior to January 15. The City shall quantify the SSC rates by estimating the quantity of Flow, COD and SS for each party, based on that party's actual flow and the cumulative data

of sampling for COD and SS over the preceding years. If cumulative data is no longer indicative of discharge from a Participating Agency due to the implementation of methods to reduce Strength, previous higher readings may be eliminated.

b. Costs of treating Return Flow for solids handling will be allocated to the Participating Agencies in proportion to their Flow and Strength. Return Flow will not be counted against the Participating Agencies' Contract Capacity as shown in Exhibit B.

c. SSC Billing Schedule - The City shall bill the Participating Agencies quarterly, invoicing on August 1, November 1, February 1 and May 1. Each bill shall be paid within thirty (30) days of mailing. Quarterly payments will consist of the total estimated cost for each Participating Agency, based on their estimated Flow, COD and SS, divided by four.

d. Year-End Adjustments - At the end of each fiscal year, the City shall determine the actual Metro System. Costs and the actual Flow as well as the cumulative Strength data for the City and each of the Participating Agencies. The City shall make any necessary adjustments to the unit rates for Flow, COD and SS based on actual costs for the year. The City shall then recalculate the SSC for the year using actual costs for the year, actual Flow, and cumulative Strength factors (COD, SS and Return Flow) for the City and for each Participating Agency. The City shall credit any future charges or bill for any additional amounts due, the quarter after the prior year costs have been audited.

~~C. ECC (Existing Capacity Charge).~~

~~In addition to paying an SSC, each Participating Agency shall pay an ECC. The ECC shall be paid only for the period specified in Exhibit C. The amount and nature of each Participating Agency's obligation, and the date on which the obligation shall expire, are set forth in Exhibit C. The ECC is billed annually, invoiced by January 2, due February 1.~~

~~D. NCCC (New Contract Capacity Charge).~~

If New Contract Capacity is required or requested by a Participating Agency, pursuant to Section VII, the Metro System shall provide the needed or requested capacity, provided that the Participating Agency agrees to pay an NCCC in the amount required to provide the New Contract Capacity. New Contract Capacity shall be provided pursuant to Section VII.

~~D. E. Debt Financing.~~

The City retains the sole right to determine the timing and amount of debt financing required to provide Metro System Facilities.

E. (Allocation of Operating Reserves and Debt Service Coverage)

The parties shall continue to comply with the 2010 Administrative Protocol on Allocation of Operating Reserves and Debt Service Coverage to Participating Agencies, attached hereto and incorporated herein as Exhibit C.

In 2010, the City and Metro JPA agreed to a protocol related to operating reserves and debt service under the agreement and have been operating in accordance with the protocol since that time. This will add the protocol as a formal part of the Agreement.

VI. PLANNING

A. Projected Flow and Capacity Report.

Commencing on July 1, 1999, each Participating Agency shall provide the City and the Metro Commission with a ten-year projection of its Flow and capacity requirements from the Metro System. The Agencies shall disclose any plans to acquire New Capacity outside the Metro System. This "Projected Flow and Capacity Report" shall be updated annually.

B. Other Planning Information.

Each Participating Agency shall provide the City with such additional information as requested by the City as necessary for Metro System planning purposes.

C. Ten-Year Capital Improvement Plan.

The City shall prepare a Ten-Year Capital Improvement Plan for the Metro System that describes the facilities necessary to convey, treat, and dispose of, or reuse all Flow in the Metro System in compliance with all applicable rules, laws and regulations. The plan shall be updated annually.

D. Notice to Metro Commission.

In the event that the City is not able to include a facility in the Ten-Year Capital Improvement Plan, the City shall notify the Metro Commission as soon as possible before the detailed design or construction of such facility provided that the facility will significantly impact the Metro System.

VII. FACILITIES SOLELY FOR NEW CONTRACT CAPACITY

The Participating Agencies and City are obligated to pay for the acquisition or planning, design, and construction of new facilities in the Metro System that are needed solely to provide New Contract Capacity only under the terms provided below.

A. Determination of Need for New Contract Capacity.

1. As part of its planning efforts, and considering the planning information provided to the City by the Participating Agencies, the City shall determine when additional facilities beyond those acquired or constructed pursuant to Section III above will be necessary solely to accommodate a need for New Contract Capacity in the Metro System, whether by the City or by the Participating Agencies. The City shall determine: (1) the amount of New Contract Capacity needed; (2) the Participating Agency or Agencies, or the City, as the case may be, in need of the New Contract Capacity; (3) the type and location of any capital improvements necessary to provide the New Contract Capacity; (4) the projected costs of any

necessary capital improvements; and, (5) the allocation of the cost of any such facilities to the Participating Agency and/or the City for which any New Contract Capacity is being developed. The City shall notify the Participating Agencies of its determination within sixty days of making such determination.

2. The City or Participating Agency or Agencies in need of New Contract Capacity as determined by the City pursuant to Paragraph 1 above, may choose, in their sole discretion, to obtain New Capacity outside of the Metro System in lieu of New Contract Capacity. Under such circumstances, the Participating Agency or Agencies shall commit to the City in writing their intent to obtain such New Capacity. Upon such commitment, the City shall not be required to provide New Contract Capacity to such Agency or Agencies as otherwise required under this Agreement.

3. The Participating Agencies shall have six months from the date of notice of the determination within which to comment on or challenge all or part of the City's determination regarding New Contract Capacity, or to agree thereto or to commit, in writing, to obtain New Capacity outside of the Metro System. Any Participating Agency objecting to the City's determination shall have the burden to commence and diligently pursue the formal dispute resolution procedures of this Agreement within said six month period. The City's determination shall become final at the close of the six month comment and objection period. The City's determination shall remain valid notwithstanding commencement of dispute resolution unless and until set aside by a final, binding, determination of an arbitrator pursuant to the dispute resolution process set forth in this Agreement.

4. The City and the Participating Agency or Agencies which need New Contract Capacity shall thereafter enter into an agreement specifying the terms and conditions pursuant to which the New Contract Capacity will be provided, including the amount of capacity and the New Contract Capacity. Each party obtaining New Contract Capacity shall reimburse the Metro System for the costs of acquisition, planning, design, and construction of facilities necessary to provide the New Contract Capacity that have been paid by other parties under Section VII.B.3.

5. The parties recognize that the City may acquire and plan, design and construct facilities that are authorized pursuant to both Section III and Section VII of this Agreement. Under such circumstances, the City shall allocate the costs and capacity of such facilities pursuant to Section III and Section VII.A.1 as applicable.

B. Charges for Facilities Providing New Contract Capacity

1. The expense of acquisition, planning, design, and construction of New Contract Capacity shall be borne by the City or the Participating Agency or Agencies in need of such New Contract Capacity.

2. Notwithstanding any provision in this Agreement, the City and the Participating Agencies shall pay for the Operation and Maintenance Costs of all facilities

pursuant to the payment provisions of Section III, including those facilities acquired and constructed to provide New Contract Capacity in the Metro System.

3. Charges for the acquisition, planning, design and construction of facilities solely to provide New Contract Capacity shall be paid for by the Participating Agencies and the City pursuant to the payment provisions in Section III of this Agreement until an agreement is reached under Section VII.A.4. or pending the resolution of any dispute relating to the City's determination with respect to New Contract Capacity.

4. As a ministerial matter, the City shall prepare amendments to Exhibits A and B to reflect the acquisition or construction of facilities to provide New Contract Capacity pursuant to this Section. The City shall give notice of the Amendments to the Participating Agencies, and shall provide copies of the Amendments with the notice.

C. Penalty for Failure to Pay.

1. The parties recognize that appropriate capacity and long term planning for same are essential to the proper provision of sewerage service. In recognition of same, the parties agree that discharge beyond Contract Capacity should be penalized. Therefore, in the event that a Participating Agency exceeds its Contract Capacity after the City has given notice that New Capacity is required, said Participating Agency shall be assessed and pay a quarterly penalty until such time as the Participating Agency obtains the required New Capacity. The penalty shall be fifteen percent (15%) of the quarterly charges authorized pursuant to this Agreement times the amount of Flow which exceeds the Participating Agency's Contract Capacity for the first quarter, twenty-five percent (25%) of such amount for the second quarter, thirty percent (30%) of such amount for the third quarter, and thirty-five percent (35%) of such amount for every quarter thereafter.

2. In the event that a Participating Agency fails to pay the charges imposed under this Article after the City has given notice that payment is required, said Participating Agency shall be assessed and shall pay a penalty of fifteen percent (15%) of the total outstanding charges each quarter until said charges are paid in full.

VIII. THE METRO COMMISSION

A. Membership.

The Metro Commission shall consist of one representative from each Participating Agency. Each Participating Agency shall have the right to appoint a representative of its choice to the Metro Commission. If a Participating Agency is a dependent district whose governing body is that of another independent public agency that Participating Agency shall be represented on the Metro Commission by a representative appointed by the governing body which shall have no more than one representative no matter how many Participating Agencies it governs. Each member has one vote in any matter considered by the Metro Commission. The

Metro Commission shall establish its own meeting schedule and rules of conduct. The City may participate in the Metro Commission on an ex officio, non-voting, basis.

B. Advisory Responsibilities of Metro Commission.

1. The Metro Commission shall act as an advisory body, advising the City on matters affecting the Metro System. The City shall present the position of the majority of the Metro Commission to the City's governing body in written staff reports. The Metro Commission may prepare and submit materials in advance and may appear at any hearings on Metro System matters and present its majority position to the governing body of the City.

2. The Metro Commission may advise the City of its position on any issue relevant to the Metro System.

IX. DISPUTE RESOLUTION

This Section governs all disputes arising out of this Agreement.

A. Voluntary Mediation.

Upon notice to all of the parties involved, any dispute may be submitted to a mutually-acceptable mediator, including a consultant specializing in the subject matter of the dispute, for determination of the issue(s) raised. Unless the parties involved agree in writing otherwise, the decision of the mediator or consultant shall not be final and binding. In the event that there is no agreement to mediate the dispute, any party may proceed directly to Arbitration.

B. Arbitration.

Arbitration shall be commenced by sending a Notice of Demand for Arbitration to the other party or parties to the dispute. A copy of the notice shall be sent to the City, all other Participating Agencies, and the Metro Commission. Notice shall be given in accordance with Section XII. After such notice, any party that fails to timely participate by giving notice within forty-five (45) days thereafter, shall be barred from the noticed action. The scope of the arbitrator's jurisdiction shall not include the authority to amend the terms of this Agreement.

1. The arbitration shall be conducted by a mutually-acceptable dispute resolution entity which utilizes retired judges as arbitrators or arbitrators agreed to by the parties. If the parties cannot agree on such an entity, then the American Arbitration Association shall be used.

2. All arbitrations shall be conducted in accordance within California Code of Civil Procedure Sections 1282 et seq., provided, however, that in the event of a conflict between the Code of Civil Procedure arbitration provisions and the provisions of this Agreement, the provisions of this Agreement control.

3. Discovery regarding the subject matter of the arbitration shall be allowed as provided in Code of Civil Procedure Section 1283.05 (or its successors), except that

depositions may be taken without first obtaining permission from the arbitrator. The arbitrator's fee shall be paid in equal shares by the parties who participate in the arbitration. The arbitrator may award costs to the prevailing party, except, however, all costs incurred by the City for arbitration arising under Section VII shall be a Metro System cost and charged accordingly. The decision of the arbitrator shall be final and binding.

C. Performance Required During Dispute.

Nothing in this Section shall relieve the City and the Participating Agencies from performing their obligations under this Agreement. The City and the Participating Agencies shall be required to comply with this Agreement, including the performance of all disputed activity and disputed payments, pending the resolution of any dispute under this Agreement.

X. INSURANCE AND INDEMNITY

A. City Shall Maintain All Required Insurance.

1. The City shall maintain all insurance required by law, including workers' compensation insurance, associated with the operation of the Metro System.

2. Throughout the term of this Agreement the City shall procure and maintain in effect liability insurance covering, to the extent reasonably available, any and all liability of the City, the Metro System and the Participating Agencies, including their respective officers, directors, agents, and employees, if any, with respect to or arising out of the ownership, maintenance, operation, use and/or occupancy of the Metro System and all operations incidental thereto, including but not limited to structural alterations, new construction and demolition, including coverage for those hazards generally known in the insurance industry as exploding, collapse and underground property damage.

3. Said insurance shall name the City, and its respective officers, employees, and agents, and shall have a limit of not less than \$24,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage suffered by any person. Said insurance may provide for a deduction from coverage, which deductible shall not be more than \$1,000,000. Said limits and/or deductible may be adjusted from time to time. Said insurance may be evidenced by a policy or policies covering only the Metro System or by endorsement to bring the same within a blanket policy or policies held by the City covering other properties in which the City has an interest provided the policy or policies have a location aggregate provision. The City may satisfy the first \$1,000,000 per occurrence with a self-insurance retention program for public liability claims. The policy or policies shall name the Participating Agencies as additional insureds with evidence of same supplied to each. Insurance premiums, claims payments and claims administration costs shall be included in the computation of the SSC.

B. Substantially Equivalent Coverage.

In the event of a transfer of the Metro System to a nonpublic entity pursuant to Section II, coverage substantially equivalent to all the above provisions shall be maintained by any successor in interest.

XI. INTERRUPTION OF SERVICE

Should the Metro System services to the Participating Agencies be interrupted as a result of a major disaster, by operation of federal or state law, or other causes beyond the City's control, the Participating Agencies shall continue all payments required under this Agreement during the period of the interruption.

XII. NOTICES REQUIRED UNDER AGREEMENT

The City and each Participating Agency shall give notice when required by this Agreement. All notices must be in writing and either served personally, or mailed by certified mail. The notices shall be sent to the officer listed for each party, at the address listed for each party in Exhibit D in accordance with this Section. If a party wishes to change the officer and/or address to which notices are given, the party shall notify all other parties in accordance with this Section. Upon such notice, as a ministerial matter, the City shall amend Exhibit D to reflect the changes. The amendment shall be made within thirty (30) days after the change occurs. The City shall keep an updated version of Exhibit D on file with the City Clerk. The City shall provide a copy of the amended Exhibit D to all parties.

XIII. EFFECTIVE DATE AND TERMINATION

A. Effective Date.

(This Agreement shall be effective thirty (30) days after execution by the City and ~~at least fifty percent (50%) all~~ of the Participating Agencies. ~~Participating Agencies which have not executed the Agreement on, and shall be dated as of the signature date of the last executing party. Upon~~ the effective date ~~will not be Participating Agencies under~~ of this Agreement ~~until the Agreement is amended pursuant to paragraph XIV(B) hereof. Nothing in this paragraph shall limit the City's discretion in determining whether to execute this Agreement, the 1998 Agreement shall be of no further force and effect.~~)

The Agreement requires approval of the City and all PAs in order to be amended. These changes reflect that requirement.

B. Preferences.

In the event one or more agencies which are subject to Wastewater Agreements with the City before the effective date of this Agreement do not execute this Agreement, the City agrees not to enter into any new agreements with said agency or agencies without first offering the Participating Agencies agreements under substantially the same terms and conditions for any proposed agreement covering the same subject matter and issues.

C. Termination.

Subject to the rights and obligations set forth in Section XIII.C. below, this Agreement shall terminate on December 31, ~~2050~~2065. This Agreement is subject to extension by agreement of the parties. The parties shall commence discussions on an agreement to

The term of the Agreement would be extended 15 years to allow for cost recovery by wastewater if the wastewater costs of the Pure Water Program exceed the costs of converting the Point Loma WTP to full secondary at 165 MGD capacity.

provide wastewater treatment services beyond the year ~~2050~~2065 on or before December 31, ~~2040~~2055.

D. Contract Capacity Rights Survive Termination.

The Participating Agencies' right to obtain wastewater treatment services from the facilities referred to in, or constructed pursuant to this Agreement shall survive the termination of the Agreement. Provided however, upon expiration of this Agreement, the Participating Agencies shall be required to pay their proportional share based on Flow and Strength of all Metro System Costs (Capital Improvement Costs and Operation and Maintenance) to maintain their right to such treatment services. Provided further, that in the event that the Participating Agencies exercise their rights to treatment upon expiration of this Agreement, the City shall have the absolute right, without consultation, to manage, operate and expand the Metro System in its discretion.

E. Abandonment.

After December 31, ~~2050~~2065, the City may abandon the Metro System upon delivery of notice to the Participating Agencies ten (10) years in advance of said abandonment. Upon notice by the City to abandon the Metro System, the parties shall meet and confer over the nature and conditions of such abandonment. In the event the parties cannot reach agreement, the matter shall be submitted to arbitration under the provisions of Section IX. In the event of abandonment, the City shall retain ownership of all Metro System assets free of any claim of the Participating Agencies.

XIV. GENERAL

A. Exhibits.

1. This Agreement references Exhibits A through ~~E~~G. Each exhibit is attached to this Agreement, and is incorporated herein by reference. The exhibits are as follows:

Exhibit A	Metro Facilities;
Exhibit B	Contract Capacities;
Exhibit C	Existing Capacity Charge Listing <u>Allocation of Operating Reserves and Debt Service Coverage to Participating Agencies;</u>
Exhibit D	Notice Listing; and
Exhibit E	Map of Reclaimed Water Projects;
<u>Exhibit F</u>	<u>Pure Water Cost Allocation and Commodity Rate; and</u>

B. Amendment of Agreement.

Except as provided in this Agreement, and recognizing that certain amendments are ministerial and preapproved, this Agreement may be amended or supplemented only by a written agreement between the City and the Participating Agencies stating the parties' intent to amend or supplement the Agreement.

C. Construction of Agreement.

1. Drafting of Agreement

It is acknowledged that the City and the Participating Agencies, with the assistance of competent counsel, have participated in the drafting of this Agreement and that any ambiguity should not be construed for or against the City or any Participating Agency on account of such drafting.

2. Entire Agreement

The City and each Participating Agency represent, warrant and agree that no promise or agreement not expressed herein has been made to them, that this Agreement contains the entire agreement between the parties, that this Agreement supersedes any and all prior agreements or understandings between the parties unless otherwise provided herein, and that the terms of this Agreement are contractual and not a mere recital; that in executing this Agreement, no party is relying on any statement or representation made by the other party, or the other party's representatives concerning the subject matter, basis or effect of this Agreement other than as set forth herein; and that each party is relying solely on its own judgement and knowledge.

3. Agreement Binding on All

This Agreement shall be binding upon and shall inure to the benefit of each of the parties, and each of their respective successors, assigns, trustees or receivers. All the covenants contained in this Agreement are for the express benefit of each and all such parties. This Agreement is not intended to benefit any third parties.

4. Severability

Should any provision of this Agreement be held invalid or illegal, such invalidity or illegality shall not invalidate the whole of this Agreement, but, rather, the Agreement shall be construed as if it did not contain the invalid or illegal part, and the rights and obligations of the parties shall be construed and enforced accordingly.

5. Choice of Law

This Agreement shall be construed and enforced pursuant to the laws of the State of California.

6. Recognition of San Diego Sanitation District as Successor to Certain Parties.

The parties hereby acknowledge and agree that the San Diego County Sanitation District is a Participating Agency under this Agreement as the successor in interest to the Alpine Sanitation District, East Otay Mesa Sewer Maintenance District, Lakeside Sanitation District, Spring Valley Sanitation District, and Winter Gardens Sewer Maintenance District.

D. Declarations Re: Agreement.

1. Understanding of Intent and Effect of Agreement

The parties expressly declare and represent that they have read the Agreement and that they have consulted with their respective counsel regarding the meaning of the terms and conditions contained herein. The parties further expressly declare and represent that they fully understand the content and effect of this Agreement and they approve and accept the terms and conditions contained herein, and that this Agreement is executed freely and voluntarily.

2. Warranty Regarding Obligation and Authority to Enter Into This Agreement

Each party represents and warrants that its respective obligations herein are legal and binding obligations of such party, that each party is fully authorized to enter into this Agreement, and that the person signing this Agreement hereinafter for each party has been duly authorized to sign this Agreement on behalf of said party.

3. Restrictions on Veto of Transfers and Acquisitions of Capacity

Each party understands and agrees that this Agreement governs its respective rights and responsibilities with respect to the subject matter hereto and specifically recognizes that with respect to the transfer and acquisition of Contract Capacity (Section IV.B) or the creation of New Contract Capacity for any Participating Agency (Section VII), no Participating Agency has a right to veto or prevent the transfer of capacity by and among other Participating Agencies or with the City, or to veto or prevent the creation or acquisition capacity for another Participating Agency or Agencies, recognizing that by signing this Agreement each Participating Agency has expressly preapproved such actions. The sole right of a Participating Agency to object to any of the foregoing shall be through expression of its opinion to the Metro Commission and, where applicable, through exercise of its rights under the dispute resolution provisions of this Agreement.

4. Right to Make Other Agreements

Nothing in this Agreement limits or restricts the right of the City or the Participating Agencies to make separate agreements among themselves without the need to amend this Agreement, provided that such agreements are consistent with this Agreement.

5. Counterparts

This Agreement may be executed in counterparts. This Agreement shall become operative as soon as one counterpart hereof has been executed by each party. The counterparts so executed shall constitute one Agreement notwithstanding that the signatures of all parties do not appear on the same page.

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EXHIBIT A
METRO FACILITIES

| **INSERT CURRENT VERSION OF EXHIBIT A ON FILE WITH CITY CLERK**

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EXHIBIT A

EXHIBIT B

CONTRACT CAPACITIES

~~CITY OF SAN DIEGO
Metropolitan Sewerage System
Contract Capacities
Annual Average Daily Flow
in
Millions of Gallons Per Day~~

INSERT CURRENT VERSION OF EXHIBIT B ON FILE WITH CITY CLERK, IF
DIFFERENT FROM 1998 VERSION

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EXHIBIT B

EXHIBIT C

ADMINISTRATIVE PROTOCOL ON ALLOCATION OF OPERATING RESERVES
AND DEBT SERVICE COVERAGE TO PARTICIPATING AGENCIES

~~CITY OF SAN DIEGO
METROPOLITAN SEWERAGE SYSTEM~~

~~EXISTING CAPACITY CHARGE LISTING~~

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EXHIBIT C

CITY OF SAN DIEGO
metropolitan sewerage system **exhibit d**

NOTICE LISTING

Each agency: Please review and
update contact information as
appropriate.

City Manager
City of Chula Vista
276 Fourth Avenue
Chula Vista, CA 91919
Phone: 691-5031
Fax: 585-5612

City Manager
City of La Mesa
8130 Allison Avenue
La Mesa, CA ~~91941~~91942
Phone: 667-1101
Fax: 462-7528

City Manager
City of San Diego
202 "C" Street
San Diego, CA 92101
Phone: 236-5949
Fax: 236-6067

City Manager
City of Coronado
1825 Strand Way
Coronado, CA 92113
Phone: 522-7335
Fax: 522-7846

City Manager
City of Lemon Grove
3232 Main Street
Lemon Grove, CA 91945
Phone: 464-6934
Fax: 460-3716

Chief Administrative Officer
County of San Diego
1600 Pacific Highway, Rm. 209
San Diego, CA 92101
Phone: 531-5250
Fax: 557-4060

City Manager
City of Del Mar
1050 Camino Del Mar
Del Mar, CA 92014
Phone: 755-9313 ext. 25
Fax: 755-2794

City Manager
City of National City
1243 National City Blvd.
National City, CA 91950
Phone: 336-4240
Fax: 336-4327

General Manager
Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91977
Phone: 670-2210
Fax: 670-2258

City Manager
City of El Cajon
200 E. Main Street
El Cajon, CA 92020
Phone: 441-1716
Fax: 441-1770

City Manager
City of Poway
13325 Civic Center Drive
Poway, CA 92064
Phone: 679-4200
Fax: 679-4226

General Manager
Padre Dam Municipal Water
District
10887 Woodside Avenue
Santee, CA 92071
Phone: 258-4610
Fax: 258-4794

City Manager
City of Imperial Beach
825 Imperial Beach Blvd.
Imperial Beach, CA 91932
Phone: 423-8300 ext. 7
Fax: 429-9770

EXHIBIT D

EXHIBIT E

MAP OF RECLAIMED WATER PROJECTS

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EXHIBIT E

EXHIBIT F

PURE WATER COST ALLOCATION AND COMMODITY RATE

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EXHIBIT F

EXHIBIT G

METRO SYSTEM CAPACITY POOL ALLOCATION

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EXHIBIT G

Summary report: Litéra® Change-Pro 7.5.0.135 Document comparison done on 5/14/2018 3:25:02 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original filename: Metro JPA_ Regional Wastewater Disposal Agreement (Word Version of 1998 Text).DOCX	
Modified DMS: iw:///iManage/iManage/30914102/3	
Changes:	
Add	170
Delete	95
Move From	5
Move To	5
Table Insert	2
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	277

EXHIBIT F

PURE WATER PROGRAM COST ALLOCATION AND COMMODITY RATE

The City intends to implement the phased, multi-year Pure Water Program to produce up to 83 mgd of safe, reliable potable water for the City using new or modified facilities. As part of the Pure Water Program, the City intends to modify the North City Water Reclamation Plant (a Metro System facility) and expand its capacity to 52 mgd. In addition, the City intends to construct the North City Advanced Water Purification Facility on a nearby site to produce Repurified Water. In the future, the Parties anticipate that the City may construct, modify, or expand other Metro System facilities in connection with the production of Repurified Water and the Pure Water Program.

This Exhibit F sets forth the costs and revenues associated with the Pure Water Program which are, or are not, attributable to the Metro System.

A. Costs Excluded from Metro System Costs

All of the following Pure Water Program costs, including Capital Improvement Costs, Operation and Maintenance Costs, and other related costs (including administration, insurance, claims, and overhead) are excluded as Metro System Costs for purposes of calculating the annual Sewer System Charge, and shall be the responsibility of City's water utility ("City Water Utility PW Costs"):

1. General Exclusions.

a. Costs of the Water Repurification System and any Metro System facilities to the extent constructed, modified, expanded, or used for the purpose of treating water beyond secondary treatment (ocean discharge standard under current law).

b. Costs for fail-safe disposal, if necessary, for design capacity for Repurified Water, including, but not limited to, any costs associated with the reservation of capacity at the Point Loma Wastewater Treatment Plant.

c. Costs for preliminary treatment, primary treatment, and secondary treatment to the extent such costs are higher than they would otherwise be due to the production of Repurified Water.

d. Costs for the demolition or replacement of existing Metro System facilities with similar facilities for the purpose of making space available for Water Repurification System facilities.

2. Cost Exclusions Specific to North City Water Reclamation Plant Improvements.

a. Costs for increased aeration tank volume to the extent the new volume exceeds the amount necessary to provide 52 mgd capacity. Determination of sizing to provide

Comment [NN1]: Provisions subject to further discussions between City and Metro JPA.

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52 mgd capacity shall be based on the current tank volume necessary to provide 30 mgd capacity.

b. Costs for the methanol feed system.

Comment [NN2]: Provision subject to further discussions between City and Metro JPA.

c. Costs for brine disposal, including, but not limited to, pump stations, pipelines, retreatment, ocean outfall, and monitoring.

d. Costs for the use of existing of tertiary water filters for Repurified Water purposes. (Such costs shall be reimbursed or credited by City's water utility to the Metro System).

Comment [NN3]: Provision subject to further discussions between City and Metro JPA.

B. North City Water Reclamation Plant Improvement Costs Included as Metro System Costs

Notwithstanding the above exclusions, the City and the Participating Agencies have specifically agreed that the following Capital Improvement Costs and Operation and Maintenance Costs related to North City Water Reclamation Plant improvements shall be included as Metro System Costs for purposes of calculating the annual Sewer System Charge (and therefore not qualify as City Water Utility PW Costs):

1. Costs for chemically enhanced primary treatment for up to 52 mgd capacity.
2. Costs for primary effluent equalization for up to 52 mgd capacity.
3. Costs for increased volume of aeration tanks that will provide up to, but not exceeding, 52 mgd capacity. Determination of sizing to provide 52 mgd capacity shall be based on the current tank volume necessary to provide 30 mgd capacity.
4. Costs to add secondary clarifier tanks sufficient for up to 52 mgd capacity.
5. Costs for wastewater conveyance facilities to provide wastewater for replacement of centrate flows that cannot be treated at the North City Water Reclamation Plant due to the production of Repurified Water.
6. Costs for treatment and conveyance of all return flows (micro-filtration and tertiary backwash) based on Flow, COD, and SS.

C. Cost Allocation Example

Attachment 1 is an example of costs relating to the City's budget for [REDACTED], and indicates which costs are City Water Utility PW Costs and which costs are attributable to the Metro System. The Parties agree that Attachment 1 is an illustrative document to assist the Parties in the future and is not a comprehensive list of all such costs. If there is any conflict between this Exhibit F and Attachment 1, or if a specific cost is not addressed in Attachment 1, this Exhibit F shall control.

D. Metro System Revenue – Secondary Effluent Commodity Rate

City's Water Utility shall pay a commodity rate ("Secondary Effluent Commodity Rate") for each acre-foot of secondary treated effluent produced by Metro System facilities for the production of Repurified Water.

a. Basic Rate

The Secondary Effluent Commodity Rate shall equal \$178.80 per acre foot of secondary effluent, which amount shall be adjusted annually starting on July 1, 2018 to equal twenty percent (20%) of the San Diego County Water Authority's melded untreated M&I supply rate (the "Basic Rate"). The Basic Rate shall begin in the fiscal year in which Pure Water Program costs are first allocated to the Metro System, and shall continue until termination of the Agreement.

Comment [NN4]: The basis for setting the rate is subject to further discussion among the PAs and with the City of San Diego.

Comment [NN5]: The Metro TAC Ad Hoc Committee is in discussions with the City of San Diego about a Commodity Rate that would begin as soon as Pure Water costs are incurred by wastewater.

Details about the Basic Rate are the subject of further discussion among the PAs and with the City.

b. Contingent Rate

In addition to the Basic Rate, City's Water Utility shall also pay an additional amount (the "Contingent Rate") if:

(a) the Point Loma Wastewater Treatment Plant is fully or partially upgraded to secondary treatment due to (i) the failure to receive an NPDES permit modified under section 301(h) & (j)(5) of the Clean Water Act for the Point Loma WTP, or (ii) a discretionary decision of the City (except to the extent such secondary treatment upgrade is part of the Pure Water program); and

(b) the sum of all Capital Improvement Costs and associated debt attributable to (i) the Metro System components of the Pure Water Program under this Exhibit F and (ii) the upgrading of the Point Loma WTP to secondary treatment exceeds \$ [REDACTED] (which amount shall be adjusted for inflation).

Notwithstanding, the Contingent Rate shall not apply if the upgrading of the Point Loma WTP to secondary treatment (or beyond) is caused by: (a) a change in federal or state statutory law making it necessary to upgrade the Point Loma WTP to comply with such new discharge standard; or (b) a final decision by a state or federal court or a federal administrative agency of competent jurisdiction that an NPDES permit modified under section 301(h) & (j)(5) of the Clean Water Act is thereby revoked or denied renewal due to a finding that the discharge from the Point Loma WTP violates 40 C.F.R. 131.12, State Water Resources Control Board Resolution 68-16, and State Water Resources Control Board Administrative Procedures Update No. 90-004.

Comment [NN6]: These are the federal and state regulations that implement the anti-degradation policies of the Clean Water Act.

c. Calculation of Contingent Rate

At the end of each fiscal year during the term of the Agreement, there shall be a reasonable determination by the City, in consultation with the Participating Agencies, of whether or not the Contingent Rate shall be added to the Basic Rate as described above. In calculating the sum of all Capital Improvement Costs and associated debt attributable to the Metro System components of the Pure Water Program under this Exhibit F and the upgrading of the Point

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Loma WTP to secondary treatment, the City shall take into account all costs incurred to date, including any debt issued for such costs.

The amount per acre-foot of the Contingent Rate shall be determined as follows:

The sum of all Capital Improvement Costs and associated debt attributable to (i) the Metro System components of the Pure Water Program under this Exhibit F and (ii) any upgrading of the Point Loma WTP to secondary treatment

less

\$_____, [the estimated cost to upgrade the Point Loma Wastewater Treatment Plant to full secondary at 165 mgd which will be identified by the City's consultant], as adjusted for inflation each July 1 (starting on July 1, 2019) to reflect the annual percentage change in the Engineering News Record – Los Angeles construction cost index

multiplied by

1.42 (which estimates the total interest on a 30-year State Revolving Fund loan with an interest rate of 2.5%)

and divided by

The total number of acre feet per year of secondary treated effluent that is expected to be produced by Metro System facilities for the production of Repurified Water over a period of thirty (30) years, or the number of years remaining in the term of the Agreement, whichever is shorter.

d. Year-End Adjustment

At the end of each fiscal year during which the City's Water Utility pays the Contingent Rate, the City shall determine the actual Capital Improvement Costs and associated debt attributable to the Metro System components of the Pure Water Program under this Exhibit F and any upgrading of the Point Loma WTP to secondary treatment if different from the amounts determined in the first year the Contingent Rate went into effect. In addition, the City shall determine the then-applicable interest amount for outstanding loans for the Metro System components of the Pure Water Program and Point Loma WTP upgrades, and will update the interest multiplier accordingly for that fiscal year.

Based on the above, the Contingent Rate will then be recalculated for secondary effluent purchased during the prior fiscal year and allocated in the proportions set forth in Exhibit G. The City will credit any future charges or bill for any additional amounts due the quarter after the prior year costs have been audited.

e. Duration; Expiration

The Contingent Rate shall continue until the cost difference between (a) the actual sum of the Capital Improvement Costs and associated debt attributable to the Metro System under this Exhibit F and the costs to upgrade the Point Loma WTP and (b) \$ [REDACTED] (which amount shall be adjusted for inflation) has been fully repaid.

D. Audit Procedures

For the clarity of the Parties, and without limiting the generality of the City's obligations under the Agreement, the City agrees as follows:

1. The City shall, keep appropriate records and accounts of all costs, expenses, and revenues relating to conveyance, treatment, disposal, and reuse of wastewater, and production of Repurified Water; the acquisition, planning, design, construction, administration, monitoring, operation and maintenance of the Metro System and Water Repurification System; and any grants, loans, or other revenue received therefor. The City shall keep such records and accounts for at least four (4) years, or for any longer period required by law or outside funding sources.

2. Said accounts and records shall be subject to reasonable inspection by any authorized representative of any Participating Agency at its expense and shall be audited annually by an independent certified public accounting firm appointed by the City pursuant to generally accepted accounting principles, and a copy of said report shall be available to any Participating Agency.

3. As part of said audit, the actual amount of City Water Utility's PW Costs, Pure Water Program costs attributable to the Metro System, and Secondary Effluent Commodity Rate shall be determined and audited by the City's external auditors and Participating Agency representatives, and a summary of such amounts shall be included as a footnote or attachment to the audit of the Metro System.

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ATTACHMENT 1 – EXAMPLE OF PURE WATER BUDGET

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ATTACHMENT 2 – EXAMPLE OF CWA BILL

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METRO SYSTEM CAPACITY POOL ALLOCATION

Agency	Metro Capacity Rights (Assume 15 MGD Padre Dam Pure Water Project 18 MGD Off Load)	Metro Capacity Rights %	Reserved Pool Capacity
Chula Vista	20.864	13.269%	2.091
Coronado	2.431	1.546%	0.244
Del Mar	0.031	0.020%	0.003
East Otay Mesa (County)	1.788	1.137%	0.179
El Cajon	2.739	1.742%	0.274
Imperial Beach	2.473	1.573%	0.248
La Mesa	5.03	3.199%	0.504
Lakeside/Alpine (County)	0	0.000%	0.000
Lemon Grove	2.4	1.526%	0.240
National City	4.65	2.957%	0.466
Otay Water District	0.381	0.242%	0.038
Otay Ranch (County)	1.00	0.636%	0.100
Padre Dam	0.5	0.318%	0.050
Poway	3.101	1.972%	0.311
Spring Valley (County)	0	0.000%	0.000
Wintergardens (County)	0	0.000%	0.000
San Diego	109.855	69.863%	11.009
Total	157.243	100.000%	15.757