

Metro TAC
(Technical Advisory Committee to Metro Commission/JPA)

ACTION MINUTES

DATE OF MEETING: June 19, 2013
TIME: 11:00 AM
LOCATION: MWWD, MOC II Auditorium

MEETING ATTENDANCE:

Greg Humora, La Mesa
Al Lau, Padre Dam MWD
Dennis Davies, El Cajon
Tom Howard, Poway
Kristen Crane, Poway
Leah Browder, Poway
Rita Bell, Otay WD
Roberto Yano, Chula Vista
Ed Walton, Coronado
Chris Helmer, Imperial Beach
Hamed Hashemian, La Mesa
Ann Sasaki, City of San Diego
Marsi Steirer, City of San Diego

Edgar Patino, City of San Diego
Lee Ann Jones-Santos, City of San Diego
Huy Nguyen, City of San Diego
Mike Faramarzi, City of San Diego
Pete Wong, City of San Diego
Monika Smoczyunski, City of San Diego
Amy Forman, City of San Diego
Jeffrey Pasek, City of San Diego
Amer Barhoumi, City of San Diego
Dawn Guendert, GHD
Karyn Keese, Atkins
Scott Tulloch, Atkins

1. **Review and Approve MetroTAC Action Minutes for the Meetings of May 15, 2013**
On a motion by Al Lau and seconded by Dennis Davies the minutes passed unanimously.
2. **Metro Commission/JPA Meeting Recap**
Chairman Humora reported that the Commission approved all items and received a presentation by Scott Tulloch on the Point Loma Wastewater Treatment Plant Waiver Overview. This presentation was similar in nature to the one that Scott had presented to Metro TAC at their May 2013 meeting.
3. **Water Demonstration Project Final Report**
Marsi Steirer gave a presentation (included as Attachment A to these minutes) on the water demonstration project final report. This is the same presentation that was given to the City Council in June. The study came in \$1.3 million under budget and those funds are being used for additional engineering projects such as additional alignments for the pipelines to save money and refining other costs. Discussions on cost sharing will start next year and an implementation task force will be convened. Marsi will be giving an update to NR&C on the San Diego City Council's directives (see slide 34) to NR&C on July 31, 2013, and to IROC on July 19, 2013. Marsi will give Metro TAC an update on the Directives at the August 2013 meeting.

Leah Browder asked where the IPR water will be used. Marsi referred to slide 24 and stated that the water would go to the Alvarado water treatment plant and then distributed to that treatment plants area. IPR water could however be used in other areas of the County in case of an emergency. Marsi will give Metro TAC an update on the implementation of the Directives at the August 2013 meeting.

4. Action Item: Operation Optimizations Consultant Services Agreement

Pete Wong handed out an updated staff report on this agreement (Attachment B to these minutes). The consultants scope includes review and evaluation of existing facilities, operations, and pertinent documents to determine if improvements in operational efficiencies and/or cost saving or revenue improvement can be made in the areas of energy utilization, water production and distribution, chemical usage, etc. This is follow-on to work already performed by PUD staff in the area of improvement of operational efficiencies. This contract will be split between water and wastewater, and further between Metro & Muni. The charges will be billed based on the work performed and the financial impact to the PAs is an estimate. This item will be going to San Diego City Council in July 2013 and the Metro Commission in August 2013. Upon a motion by Roberto Yano, seconded by Tom Howard, the Metro TAC unanimously approved the proposed agreement and moving it forward to the Metro Commission/JPA for their consideration and possible approval.

5. Action Item: Programmatic Wastewater Pipelines Condition Assessment Agreement

Monika Smoczynski handed out the staff report (Attachment C to these minutes). PUD staff is recommending a proactive condition assessment program to assess wastewater pipelines with the aim to reduce future costs and improve effectiveness of operation, maintenance, and replacement of the aging Metro and Muni wastewater conveyance systems. The PAs estimated cost is \$1.12 million. This item will be going to San Diego City Council in July 2013 and the Metro Commission in August 2013. Upon a motion by Greg Humora, seconded by Al Lau, the Metro TAC unanimously approved the proposed agreement and moving it forward to the Metro Commission/JPA for their consideration and possible approval. Chairman Humora requested that from now on all attachments be included with the agenda so that they can be reviewed prior to the meeting.

6. Cost of Service Study

Lee Ann Jones-Santos reviewed a presentation of the wastewater portion of the cost of service study (Included as Attachment D). The focus and considerations for the cost of service study (slide 13) are to match the costs of providing service to customer classes and to design rates to equitable recover the costs. The presentation included both muni and metro costs but as the study progresses Ms. Jones-Santos will carve out the Metro portion and present to Metro TAC/Commission/JPA. PUD staff is moving forward with the water cost of service study for adoption by City Council so that rates can go into effect in January 2014. However, preliminary results from the wastewater cost of service does not show any required rate increases for wastewater in the next two years and the wastewater cost of service study will continue to be vetted with IROC and Metro TAC/Commission/JPA over the next few months.

7. Use of Funds

Lee Ann Jones-Santos reviewed the selection process for the use of funds study and the report from MGO (Included as Attachment E). The use of funds study was required by the City Council as part of the last water and wastewater rate increases. Essentially the review found no red flags. PUD under collected projected revenues from their last rate case (due to economic factors and water conservation) but the same economic factors allowed for excellent bids and substantially lower construction costs than anticipated by the rate case and thus projected costs were considerably less. The report has been accepted by IROC and will go to the Finance Committee in July 2013 and the Commission/JPA in August.

8. Metro Wastewater Update

Karyn Keese asked Lee Ann Jones-Santos when Metro TAC would receive the Recycled Water Pricing Study as she had noticed that it was on the agenda for IROC for June 24, 2013. Lee Ann stated that the report had not been released by the Mayor's office and that Metro TAC would receive it as soon as it was released.

9. Metro Capital Improvement Program and Funding Sources

- a. **5-year CIP Update.** Guann Hwang reported that the CIP was down \$2 million per year from last month's handout. Discussion ensued that there needs to be continued attention given to project prioritization because of large spikes in CIP spending in FYE 2014 and 2015 which will be cash funded. Ann Sasaki will work with Guann to do an actual cash flow of when project dollars would actually be spent to see if the projected CIP could be smoothed out over the planning period.
- b. **CIP Prioritizations.** The shaded projects are new projects. Guann reviewed the City's prioritization process. He will provide the detailed scoring methodology to Metro TAC at their July meeting. The projects from the Recycled Water Study have been integrated with the wastewater master planned CIP.
- c. **CIP Quarterly Report.** The 3rd Quarter Report for Metro CIP was reviewed. The planned CIP was \$24.1 million. Through the 3rd quarter the cumulative expenditures have been \$13.5 million. There have not been any change orders to date this fiscal year.

10. 2013 Transportation Rate Update

Karyn Keese reported that the subcommittee (Dan Brogadir, Al Lau, and Ms. Keese) had met with PUD staff to review how the rate is calculated. Although the subcommittee understands how the rate is calculated and that it is calculated on the correct operational costs the rates structure itself needs further review. The subcommittee will continue to meet with PUD staff and come back with additional comments at the July meeting.

11. SCAP Collection System Questions Regarding Discharge from Fire Sprinklers

This item was postponed to the July meeting due to time constraints.

12. Metro TAC Work Plan (Standing Item)

This item was postponed to the July meeting due to time constraints.

13. Padre Dam Mass Balance Correction (Standing Item)

This item was postponed to the July meeting due to time constraints.

14. Metro Strength Based Billing Evaluation Draft Report (Standing Item)

This item was postponed to the July meeting due to time constraints. It will be moved to the front of the July agenda.

15. RWQCB Settlement Order

This item was postponed to the July meeting due to time constraints.

16. Financial Updates (Standing Item)

This item was postponed to the July meeting due to time constraints.

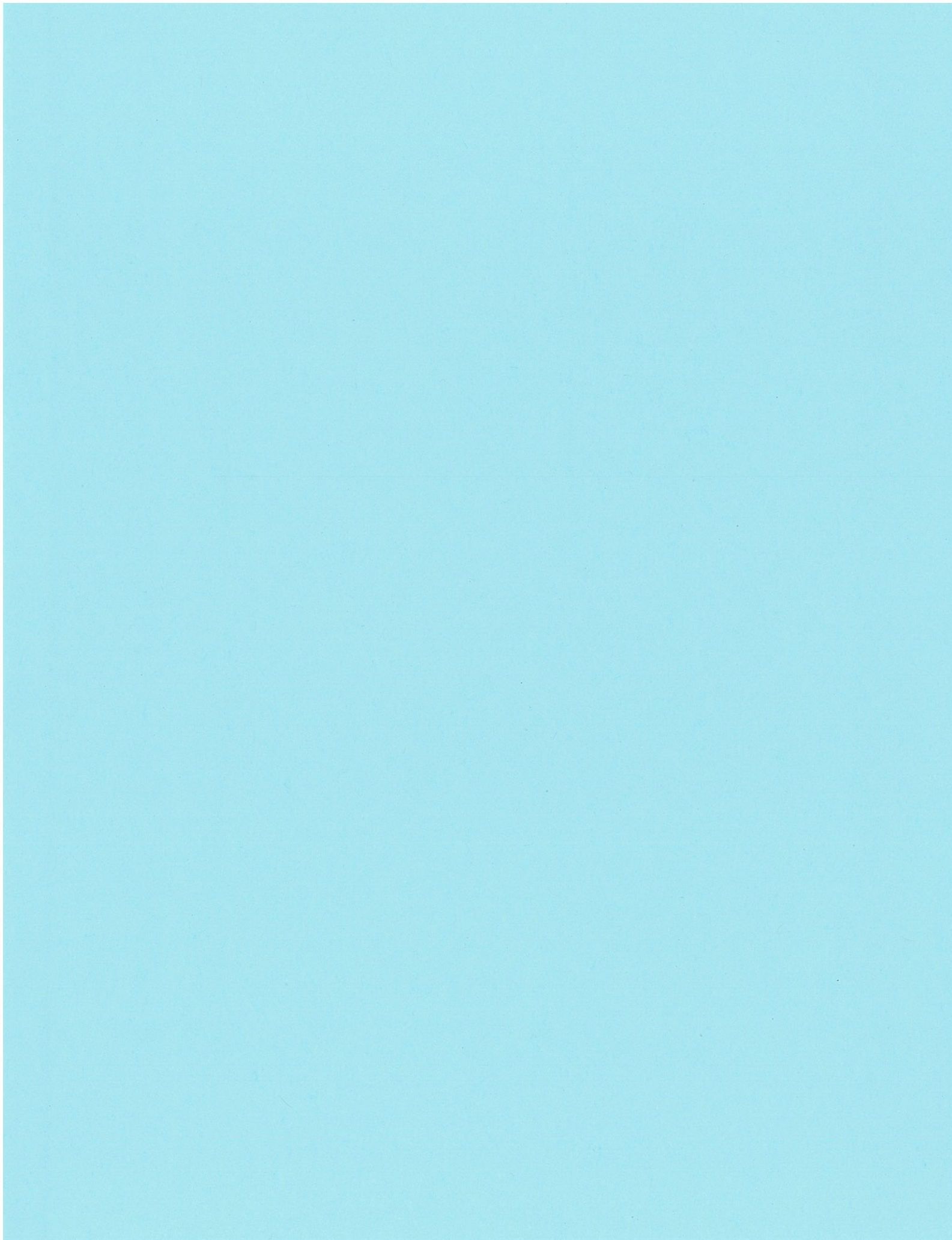
17. Review of Items to be brought forward to the next Metro Commission/Metro JPA Meeting August 1, 2013.

This item was postponed to the July meeting due to time constraints.

18. Other Business of Metro TAC.

There was no other business of Metro TAC.

19. Adjournment (To the next Regular Meeting, July 17, 2013)



Metro TAC
(Technical Advisory Committee to Metro Commission/JPA)

ACTION MINUTES

DATE OF MEETING: July 17, 2013
TIME: 11:00 AM
LOCATION: MWWD, MOC II Auditorium

MEETING ATTENDANCE:

Greg Humora, La Mesa
Al Lau, Padre Dam MWD
Dennis Davies, El Cajon
Tom Howard, Poway
Kristen Crane, Poway
Leah Browder, Poway
Rita Bell, Otay WD
Roberto Yano, Chula Vista
Ed Walton, Coronado
Eric Minicilli, Del Mar

Hamed Hashemian, La Mesa
Ann Sasaki, City of San Diego
Marsi Steirer, City of San Diego
Guann Hwang, City of San Diego
Edgar Patino, City of San Diego
Lee Ann Jones-Santos, City of San Diego
Huy Nguyen, City of San Diego
Pete Wong, City of San Diego
Don Billings, IROC
Scott Tulloch, Atkins

1. **Review and Approve MetroTAC Action Minutes for the Meetings of June 19, 2013**
Approval of the minutes was tabled until the next meeting because Metro TAC participants had difficulty accessing them on the JPA Website to review them.
2. **Metro Commission/JPA Board Meeting Recap (Standing Item)**
There was no meeting in July.
3. **Action: Pt Loma Permit and Regional Water Reuse Concept Update**
A special meeting of the JPA occurred on June 20th. A technical advisory committee and steering committee were formed to work on a water reuse plan for the region and to begin a dialogue with the City of San Diego because the permit process for PLWTP needs to begin in January 2014.

The PLWTP Permit Ad Hoc Technical Advisory Committee includes Greg Humora, Leah Browder, Scott Tulloch (Atkins) and Karyn Keese (Atrkins), Mark Watton, Rick Hopkins, and Jim Smyth (Sweetwater Authority).

The Steering Committee includes Chairperson Cox, and Commissioners' Spriggs, Denney, Peasley, and Mullin.

The group is working on strategy points, a PowerPoint presentation, speaking points, and a matrix of projects related to the concept of a regional water reuse plan. The plan is to create a water reuse program including IPR and other water reuse strategies to provide a local water source while offloading Point Loma so PLWTP and advocate for legislative change so that Point Loma does not need a waiver every five years. The emphasis is on rate-payers by minimizing the total amount of investment for water and wastewater projects while still developing a local water supply.

City Councils of National City, Chula Vista, and Poway have all received the PowerPoint

presentation regarding the regional water reuse plan and expressed support for this concept of a regional plan as a long-term approach for handling PLWTP and seeking federal legislation to secure permanent treatment standards.

A series of meetings are scheduled in the next few weeks with environmental organizations, San Diego City staff, and San Diego City Council Members prior to the San Diego City Council Natural Resources and Culture Committee meeting on July 31st.

4. Metro Strength Based Billing Evaluation Draft Report

Huy Nguyen reviewed recommendations from Brown and Caldwell. Staff recommendation was approved by TAC.

5. Recycled Water Pricing Study

Lee Ann Jones-Santos provided an update that the proposed rate recommendation for recycled water pricing will be postponed at this time. Based on discussion at July 15, 2013 IROC Finance Committee and IROC meetings, San Diego is adding to the Black and Veatch COSS contract to validate data from Raftelis' recycled water pricing study, meet and discuss their recommendations with stakeholders, consider a "ramp-up rate", evaluate a wholesale recycled water rate, and evaluate how the proposed zone pricing option would impact recycled water demand from North City. Separately, Lee Ann stated that they plan to bring back the recycled water revenue issue to TAC within 60 days.

6. Metro Wastewater Update

Ann Sasaki reported that Roger Bailey is leaving on August 2nd. Walt Eckard has been appointed by Mayor Filner to be the new Chief Operating Officer for the City.

7. Metro Capital Improvement Program and Funding Sources.

Guann Hwang presented a revised Metro Capital Improvement Program. Based on some timing changes for the PS 2 Power Supply Reliability project, they were able to spread out the CIP costs between the next three fiscal years to make the total cost more evenly balanced. Guann also shared that they plan to prepare the FY 15 CIP in October/November and bring it to TAC earlier in Fall 2013 as opposed to May (which happened for FY 14) to help PAs with financial planning.

Guann also reviewed the tools, worksheet, and process San Diego uses for CIP prioritization, in response to questions raised at a previous TAC meeting.

8. 2013 Transportation Rate Update

Edgar Patino updated that the Transportation Rate Workgroup will be meeting again within the next two weeks. PAs will be charged for first quarter FY 14 through September in October 2013.

9. SCAP Collection System Questions Regarding to Discharge from Fire Sprinkler

Tom Howard discussed this item and recapped what has been learned from San Diego – that no discharge permit is required for discharge from fire sprinklers.

10. RWQCB Settlement Order

11. Kristen Crane reviewed this item. Poway received an invoice from San Diego for \$64K as a portion of RWQCB settlement for the sewer spill at PS 64 during the September 2011 regional power failure. Kristen generally reviewed concerns and wanted TAC to be aware of the situation. Eric Minicilli from Del Mar also expressed concerns. Neither Del Mar or Poway was aware settlement negotiations were in progress between San Diego and the RWQCB that would affect them and they had not been consulted. City staff commented that given the region-wide, prolonged power outage, this was a situation that could have occurred anywhere in the Metro system. Concerns were raised about the appropriateness of the RWQCB in levying a fine for this

extenuating circumstance. PAs should be kept aware of the condition of the system regionally by San Diego.. Emergency communication, planning and coordination were discussed and the County of San Diego plans to make a presentation at the next TAC meeting on this subject.

12. MetroTAC Work Plan

Many of the TAC members were unable to access the agenda so they had not reviewed the work plan. Chairman Humora stated that improvements need to be made to the web site and this is a high priority. He asked PAs to share web site construction vendor names.

13. Financial Update

There was no update.

14. Review of Items to be Brought Forward to the next Metro Commission/Metro JPA Meeting (August 1, 2013)

The following items will be brought forward to the August Metro Commission meeting:

- Consideration and possible action to approve the water demonstration project final report
- Consideration and possible action to approve Point Loma Permit and Regional Reuse Concept
- Consideration and possible action to approve JPA Website update
- Consideration and possible action to approve operation optimizations consultant services agreement
- Consideration and possible action to approve programmatic wastewater pipelines condition assessment agreement
- Cost of service study update
- Use of funds final report
- Recycled water pricing study update

Chairman Humora will be on vacation for the August Metro Commission/JPA meeting. Vice-Chair Lau will give the Metro TAC update to the Commission.

15. Other Business of Metro TAC

15. Adjournment (To the next Regular Meeting, August 21, 2013)