



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

AGENDA

**Thursday, JANUARY 5, 2012
12:00 p.m.**

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

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

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

Documentation
Included

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE TO THE FLAG
3. PUBLIC COMMENT
Persons speaking during Public Comment may address the Metro Commission/ Metro Wastewater JPA on any subject matter within the jurisdiction of the Metro Commission and/or Metro Wastewater JPA that is not listed as an agenda item. Comments are limited to three (3) minutes. Please complete a Speaker Slip and submit it prior to the start of the meeting.
- X 4. **ACTION** – CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE MINUTES OF THE REGULAR MEETING OF NOVEMBER 3, 2011 (**Attachment**)
- X 5. **ACTION** - CONSIDERATION AND POSSIBLE ACTION TO APPROVE 2012 MEETING CALENDAR (**Attachment**)
6. **ACTION** - CONSIDERATION AND POSSIBLE ACTION TO APPROVE ELECTION OF VICE CHAIR (previously Mark Robak-Otay Water):
 - A. Nominations
 - B. Election
- X 7. **ACTION** - CONSIDERATION AND POSSIBLE ACTION TO APPROVE DESIGN CONTRACT FOR PUMP STATION #2 POWER RELIABILITY AND SURGE PROTECTION PROJECT (**Attachment**)

Documentation
Included

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|---|-----|---|
| X | 8. | <u>ACTION</u> - CONSIDERATION AND POSSIBLE ACTION TO APPROVE METRO CIP FY 2012 – FY 2016 (Attachment) |
| X | 9. | <u>ACTION</u> - CONSIDERATION AND POSSIBLE ACTION TO APPROVE REVISIONS TO 2010 EXHIBIT E AUDIT AGREED UPON PROCEDURES (Attachments) |
| X | 10. | <u>ACTION</u> - CONSIDERATION AND POSSIBLE ACTION TO APPROVE JUNE 30, 2011 METRO WASTEWATER JPA FINANCIAL STATEMENTS (Attachment) |
| X | 11. | <u>ACTION</u> - CONSIDERATION AND POSSIBLE ACTION TO APPROVE OF LETTER OF AGREEMENT WITH MIKE UHRHAMMER FOR FINALIZATION OF STRATEGIC PLAN (IN AN AMOUNT NOT TO EXCEED \$1,500) (Attachment to be provided) |
| X | 12. | DISCUSSION AND REVIEW OF PROPOSED REVISIONS TO DRAFT REVISED STRATEGIC PLAN (Mike Uhrhammer) |
| | 13. | INFORMATION - CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT MANAGEMENT UPDATED ORGANIZATION CHART (Attachment) |
| X | 14. | KEY RELATED ITEMS WE SHOULD BE TRACKING/GETTING UP TO SPEED ON (Attachment) |
| | 15. | METRO TAC UPDATE |
| | 16. | IROC UPDATE |
| | | a. Report from IROC Representative |
| | 17. | FINANCE COMMITTEE |
| | | a. Report from Finance Committee |
| X | | b. Approval of Minutes from the June 29, 2011 Finance Committee Meeting (Attached) |
| | 18. | REPORT OF GENERAL COUNSEL |
| | 19. | PROPOSED AGENDA ITEMS FOR THE NEXT METRO COMMISSION/METRO WASTEWATER JPA MEETING March 1, 2012 |
| | 20. | METRO COMMISSIONERS' AND JPA BOARD MEMBERS' COMMENTS |
| | 21. | 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.

AGENDA ITEM 4

Attachment



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

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

November 3, 2011

DRAFT Minutes

Brian Green, Safety Manager, City of San Diego Public Utilities, provided an auditorium safety briefing due to the current lobby construction at the eastern entrance of the building, providing an evacuation plan in case of emergency.

Chairman Ewin called the meeting to order at 12:03 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	Cheryl Cox	X	Scott Tulloch
City of Coronado	Al Ovrom	X	Scott Huth
City of Del Mar	Donald Mosier	X	
City of El Cajon	Bill Wells		Dennis Davies
City of Imperial Beach	Ed Spriggs		(Arrived 12:20 p.m.)
City of La Mesa	Ernie Ewin	X	
Lemon Grove Sanitation District	Jerry Jones		Mike James
City of National City	Louis Natividad	X	Joe Smith
City of Poway	Merrilee Boyack	X	Leah Browder
City of San Diego	Jerry Sanders		Roger Bailey
County of San Diego	Dianne Jacob		Daniel Brogadir
Otay Water District	Jose Lopez	X	David Gonzalez
Padre Dam MWD	Augie Caires		Augie Scalzitti
Metro TAC Chair	Scott Huth	X	Greg Humora
IROC	Jim Peugh		(No representative)

Others present: Metro JPA General Counsel Paula de Sousa; Metro JPA Secretary Lori Anne Peoples; Doug Wilson – Padre Dam Municipal Water District; Lee Ann Jones-Santos and Ann Sasaki - City of San Diego Public Utilities; Karyn Keese of Atkins Global; Tom Zeleny – General Counsel City of San Diego

2. PLEDGE OF ALLEGIANCE TO THE FLAG

Chairman Ewin led the Pledge.

3. PUBLIC COMMENT

There was no public comment.

4. ANNOUNCEMENT – APPOINTMENT OF LEE ANN JONES-SANTOS AS NEW DEPUTY DIRECTOR OF FINANCE AND INFORMATION TECHNOLOGY

Karyn Keese of Atkins Global provided a background on the assistance provided by Lee Ann Jones-Santos and Chairman Ewin presented her with flowers and hearty congratulations on behalf of the Metro JPA.

Chairman Ewin announced that the Otay Water District had changed their representation and introduced new Commissioner Jose Lopez and Alternate David Gonzalez.

5. ACTION - CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE MINUTES OF THE REGULAR MEETING OF SEPTEMBER 1, 2011

ACTION: Upon motion by Commissioner Natividad, seconded by Commissioner Ovrom, the September 1, 2011 Minutes were approved unanimously.

6. PRESENTATION ON POINT LOMA SEDIMENTARY BASIN

Gabriel Torres, Project Engineer provided a brief presentation. Commissioner Natividad requested an opportunity to visit the plant. MetroTAC Chair Huth stated that TAC had reviewed the report and recommended approval of the design concept and liked the idea of standardization in the sedimentary basins. MetroTAC did have a concern focusing on the cost and administrative cost and wanted to gain a better understanding and they have held dialogue with the City of San Diego on that.

ACTION: Motion by Commissioner Ovrom, seconded by Commissioner Jones for approval of the design concept of the project. Motion carried unanimously.

7. PURCHASE OF ADDITIONAL FERROUS CHLORIDE FOR SULFIDE CONTROL IN WASTEWATER SLUDGE PIPELINES

Chris McKinney, Deputy Director of the Wastewater Treatment & Disposal Division at the Point Loma Treatment Plant, provided a brief overview of the requested amendment to the contract to increase the amount of chemical the City of San Diego would be purchasing in the amount of approximately \$1M.

ACTION: Motion by Commissioner Jones, seconded by Commissioner Wells for approval of the amendment to the contract. Motion carried unanimously.

8. LANDFILL GAS FUELED ENGINE GENERATOR FOR NORTH CITY COGEN FACILITY

Tom Ashplaugh, Senior Energy Engineer, Public Utilities Department made a brief verbal presentation. The addition of a fourth generator is necessary due to the increased reclaimed water demand. This facility will be owned and operated by the City of San Diego and the total project cost is expected to be \$3.6M with revenues and savings at North City \$360K a year with a payback in 10 years and a return on investment at close to 12%. The life expectancy of the equipment is 20-40 years.

ACTION: Motion by Commissioner Jones, seconded by Alternate Scalzitti, for approval of the project. Motion carried unanimously.

9. PUMP STATION #2 POWER RELIABILITY AND SURGE PROTECTION PROJECT

Chisti Dadachanji, Project Engineer, Engineering and Capital Departments, and Project Manager on this project, provided a brief overview of the project. MetroTAC Chair Huth stated the TAC had reviewed the project as had the Metro JPA Finance Committee and had recommended approval of this project. Chairman Ewin requested a spreadsheet with the monetary terms of the total financial impact to the Metro JPA as well as a timeline for review of the various stages that will take place.

ACTION: Motion by Commissioner Jones, seconded by Commissioner Natividad, for approval in concept and referral to the Metro JPA Finance Committee for review and MetroTAC for additional details. Motion carried unanimously.

10. PRESENTATION OF REVISED JPA STRATEGIC PLAN

Mike Uhrhammer provided a brief Power Point presentation on the 2011-2013 Strategic Plan and recommended the JPA take a closer look and bring this back for further discussion and proposed revisions at the January 2012 Meeting, prepare a final document, work on an implementation plan and provide progress reports to the media and potential partners that an alternative plan is being worked on if that is decision to do so and milestones that are reached over the next 4 years, report them publically and the document has been put together so it can be provided publically.

Chairman Ewin requested the Commissioners review the plan and start sending questions in and be prepared to discuss this further in January. This will be a working document complete with an implementation plan.

11. KEY RELATED ITEMS WE SHOULD BE TRACKING/GETTING UP TO SPEED ON

MetroTAC Chair Huth stated that a change had been made on their list to show which items were being updated on the project list. These items are now listed in red for ease of review.

12. METRO TAC UPDATE

MetroTAC Chair Huth stated that since the last meeting the Recycled Water Study had come out in Final Draft and TAC had provided a white paper revised to them and circulated it to all PA's so everyone has latest comments. There is one other dialogue being held with the City of San Diego on some aspects of the technical part of Point Loma and what it can do in terms of a plant and Scott Tulloch is working with TAC on that. In terms of the Recycled Water Study at this point is wait and see as City of San Diego is refining the last parts. The other item that TAC is taking up in a sub group is to work on developing the Board Policy and Legislative Policy information based on actions taken historically on items and these will be memorialized in a book and should come to the JPA in March for presentation and feedback.

13. IROC UPDATE

- a. Appointment to IROC of Alternate

General Counsel de Sousa explained that due to the change in Otay Water District Representatives, a new IROC Alternate member was needed to replace Mark Robak.

ACTION - Motion by Commissioner Jones, seconded by Commissioner Boyack, to appoint Commissioner Natividad as IROC Alternate. Motion carried unanimously.

14. FINANCE COMMITTEE

- a. Report from Finance Committee

Finance Committee Chair Ovrom stated the Finance Committee had not met, but Karyn Keese of Atkins Global was working on the Fiscal Year 2010 Exhibit E Audit Calendar which should be ready for review in May 2012, and that the committee will review the Pump Station #2 financials item at their November 30th meeting.

15. REPORT OF GENERAL COUNSEL

General Counsel de Sousa stated that a memo had been provided regarding the SDG&E Rate Case filed with the PUC regarding how it charges solar customers. She noted that the SDG&E rates are structured in extremely complicated way making it very difficult to figure out the impact of SDG&E rate modifications proposals; SDG&E cannot make a profit on the sale of energy so it is attempting to make a profit through other means; SDG&E is in the process and wants to develop solar banks themselves – huge, vast, solar projects which will disproportionately effect customers and public agencies, water and sewer, who have invested in solar projects in order to offset the costs of their electricity which is very expensive. SDG&E is trying to impose a rate for

the energy a solar customer puts into the grid and also when a solar customer takes back energy that from the grid which could result in a 400% plus increase in electricity bills. BB&K has formed a coalition of a consortium of water districts and school districts including Padre Dam Municipal Water District, Helix Water District, San Diego County Water Authority, Lemon Grove School District to name a few. The City of Chula Vista is evaluating joining the coalition as well (Mayor Cox stated just for the City entity the impact of revised rates would be \$300K/yr after massive solar installations). The deadline for comments was November 2nd but General Counsel de Sousa still feels there is an opportunity to become a party to the proceedings with the PUC. All PA staff were briefed at the October MetroTAC meeting. General Counsel de Sousa will continue to track this item and provide updates at future meetings.

16. PROPOSED AGENDA ITEMS FOR THE NEXT METRO COMMISSION/METRO WASTEWATER JPA MEETING December 1, 2011

Chair Ewin noted that unless there were items that could not wait until January, the December 1, 2011 meeting would be cancelled.

17. METRO COMMISSIONERS' AND JPA BOARD MEMBERS' COMMENTS

Chairman Ewin wished everyone a safe and happy holiday season.

18. ADJOURNMENT

At 1:18 p.m., there being no further business, Chairman Ewin declared the meeting adjourned.

Recording Secretary

AGENDA ITEM 5

Attachment

**Metro Commission/Metro JPA
and
MetroTAC Committee**

2012 Meeting Schedules

METRO COMM/METROJPA 1st Thursday of the month		METRO TAC 3rd Wednesday of the month	
December 1, 2011	12:00 – 1:00	December 21, 2011	11:00 – 1:30
January 5, 2012	12:00 – 1:00	January 18, 2012	11:00 – 1:30
February 2, 2012	12:00 – 1:00	February 15, 2012	11:00 – 1:30
March 1, 2012	12:00 – 1:00	March 21, 2012	11:00 – 1:30
April 5, 2012	12:00 – 1:00	April 18, 2012	11:00 – 1:30
May 3, 2012	12:00 – 1:00 (SANDIST meeting immediately following)	May 16, 2012	11:00 – 1:30
June 7, 2012	12:00 – 1:00	June 20, 2012	11:00 – 1:30
July 5, 2012	12:00 – 1:00	July 18, 2012	11:00 – 1:30
August 2, 2012	12:00 – 1:00	August 15, 2012	11:00 – 1:30
September 6, 2012	12:00 – 1:00	September 19, 2012	11:00 – 1:30
October 4, 2012	12:00 – 1:00	October 17, 2012	11:00 – 1:30
November 1, 2012	12:00 – 1:00	November 21, 2012	11:00 – 1:30
December 6, 2012	12:00 – 1:00	December 19, 2011	11:00 – 1:30

NOTE: Every other month for Metro JPA is proposed to be DARK *unless* an item requires action. The dates have been provided for tentative calendaring due to your busy schedules.

Meetings are held at
MWWD MOC II Auditorium, 9192 Topaz Way, SD, CA 92023
(*unless otherwise noted on the agenda*)

AGENDA ITEM 7

Attachment

Presentation to Metro Commission/Metro JPA

Pump Station 2 Power Reliability and Surge Protection Project

General:

Pump Station 2 (PS 2) is the largest pump station in the Metropolitan Sewerage System and is an integral component to the successful operation of the System. The pump station has a peak capacity of 432 million gallons per day (mgd) and houses a total of eight (8) pumps, six (6) electric pumps and two (2) natural gas engine driven pumps. This facility receives and conveys wastewater flows to the Point Loma Wastewater Treatment Plant. Therefore, the reliability of PS 2 is of utmost importance to the operation of the Metropolitan Sewerage System.

Background:

Past improvements and upgrades for PS 2 have not addressed the backup power for the facility since it was commissioned in 1963. The PS 2 facility currently has three feeds from San Diego Gas and Electric (SDG&E). Two of the feeds are fed from the same substation. An existing agreement between the Public Utilities Department and SDG&E limits a maximum of two pumps per utility feed under normal conditions and three pumps per utility feed under emergency conditions, in the event that one or two feeds have failed. Therefore, by losing two of the three utility feeds the pump station has five (5) pumps available - three electric pumps and two engine driven pumps. To provide safe and reliable operation of PS 2, this facility frequently requires the use of six (6) pumps during the rainy season to convey flows to the Point Loma Wastewater Treatment Plant. On some occasions, the pump station has gone up to a seven (7) pump operation. Therefore, losing two of the three utility feeds will not sustain the power requirements during peak wet weather flows. Because of this pump station's critical function, Environmental Protection Agency (EPA) guidelines recommend that facilities like PS 2 be equipped with two separate and independent sources of electrical power either from two separate utility substations or from a single substation and a plant based generator. Each of the two power sources must provide 100% of the power requirement. The power supply of the pump station does not comply with the EPA guidelines.

Besides satisfying the EPA guidelines, it is also required that forcemain surge protection be provided during high flows. At least, one of the engine driven pumps is needed to protect the forcemains from water hammer phenomenon in the event of a total power failure during high flows (High flow is defined as three (3) pumps in operation on a single force main or five pumps in operation on two (2) force mains.). The existing engine driven pumps are aging and not reliable. The maintenance costs are very high and equipment spare parts are not readily available.

Project Description:

This project will provide:

1. Power reliability - By providing two separate and independent power sources as recommended by the Environmental Protection Agency guidelines.
2. Surge Protection - At least one pump during high flows must continue to operate to prevent water-hammer phenomenon, which can cause breakage of the forcemains. This project will provide flexibility for any pump to provide surge protection by converting the engine driven pumps to electrical pumps.
3. Reduction of dependence on SDG&E power - The unforeseen SDG&E blackout on September 8, 2011 highlighted the importance of an independent power source, i.e. City owned generators.

Project Scope:

The project consists of two separate phases:

Design Phase – Current Request

- The Consultant will conduct an evaluation of the electrical system at PS 2. The Consultant will also conduct an independent analysis of all the feasible alternatives, including those identified in a previous Business Case Evaluation, and identify the most optimal alternative for implementation. Based on this information, the Consultant will prepare a Technical Memorandum documenting all findings and recommendations.
- The Consultant will prepare construction plans and specifications for the selected alternative recommended in the TM.
- The City, per Council Policy 300-07, has selected Lee & Ro, Inc. as design consultant for this project.

Construction Phase – Future Request

- Prior to construction, City staff will present construction plans and specifications to the Metro TAC and Metro Commission for approval of construction funds.

Schedule:

Issue Notice to Proceed to the Designer: April 2012

Complete Technical Memorandum: July 2012

Start Design: August 2012

Complete Design Plans and Specification: June 2013

Bid & Award (including Metro Commission and Council Approvals): December 2013

Start Construction: January 2014

End Construction: June 2015

Costs:

The preliminary total project cost estimate for this project is \$31.2 Million.

Consultant Design Fee \$1,750,000 (Current Request)

Construction Cost \$25,200,000 (Future Request, dependent on alternative selected)

Contingency \$2,000,000 (Future Request)

Administrative Costs \$2,250,000 (Approximately \$500,000 included in current request)

- Project Management: Project Manager (PM), Planning, Plan Review, Constructability Review, Purchasing & Contract (P&C), EOCP, Environmental, DSD Plan Check (DSD), and Permit.
- Construction Management: Survey, Testing Lab, Residence Engineer, Construction Manager (CM), and Inspector.

Projected Budget:

FY11	\$878,281	(PM, Planning, and P&C)
FY12	\$250,000	(TM, Design, PM, P&C, DSD, Environmental, and EOCP)
FY13	\$1,750,000	(Design, Plan Review, Constructability Review, DSD, PM, P&C, and Permit)
FY14	\$14,351,719	(Construction, PM, Survey, Testing Lab, Residence Engineer, CM, and Inspector)
FY15	\$14,000,000	(Construction, PM, Testing Lab, Residence Engineer, CM, and Inspector)
Total	\$31,230,000	

Requested Action:

This request is for approval to award a design contract to Lee & Ro, Inc., in the amount of \$1.75 million and \$500,000 for administrative cost. The Metro share of this cost is 33.5% of the total or \$753,750. Approval of construction funding will be requested in a future action.

AGENDA ITEM 8

Attachment

PUBLIC UTILITIES DEPARTMENT
Metro CIP Projects FY2012 - 2016
Expenditure Projection as of December 2011

Parent WBS PUD	PROJECT TITLE	STATUS	Start Construction	Finish Construction	Total Project Cost	FY12	FY13	FY14	FY15	FY16
ABO00001	Annual Allocation Metro Treatment Plants This annual allocation provides for improvements and modifications to the existing Metro facilities to implement operating efficiencies, optimization of existing facilities and compliance with revised regulatory and operation plan requirements.					\$4,461,398	\$7,350,900	\$4,050,000	\$500,000	\$2,000,000
	MBC Access Road Drainage Improvements Improvements to the road drainage system including installation of 6" perforated PVC (french drains), installation of 6" PVC pipe, modifications to existing catch basin, repair existing brow ditch, and regrade affected area.	Awaiting Contract Award	Jan-12	May-12	\$270,200					
	MBC Water Systems Improvements (D/B) This project will improve the reliability of the process water system at the Metro Biosolids Center Facility.	Under construction	Aug-10	Dec-11	\$1,179,355					
	MBC Chemical System Imp. - Phase 2 This project provides improvements to the chemical handling/feed systems at MBC, including the relocation and reroute of electrical wiring and conduits, relocation of valve actuators and installation of platforms to access valve actuators.	Procure Designer	Jan-14	Sep-14	\$4,200,000					
	North City Cogeneration Facility (D/B) ** This project is for the purchase and installation of a 1.6 MegaWatt engine generator at the North City Water Reclamation Plant.	Design/Build Selection	Mar-12	Jul-12	\$4,150,900					
	PLWTP PC 6 Transformer Cabinet & Switchboard (GRC) This project is to replace the transformer cabinet and switchboard for Power Center 6.	Awaiting Proposal	Dec-11	Mar-12	\$300,000					
	PTL Sedimentation Basins Equip Refurbish (D/B) This project is to replace the mechanical equipment and electrical equipment in all twelve sedimentation basins at the Point Loma Wastewater Treatment Plant.	Awaiting Contract Award	Dec-11	Apr-13	\$7,954,500					
	PLWTP Hydroelectric Generator Isolation Valve & Penstock Restoration This project is to replace the 84-inch butterfly valve with an 84-inch gate valve and upgrade the penstock.	Planning	Dec-15	Dec-16	\$2,500,000					
ABP00002	Annual Allocation Metropolitan System PS This annual allocation provides for comprehensive upgrades, design modifications, and renovations or replacement of equipment such as pumps, valves, tanks, controls, odor control systems, etc. at Metropolitan System Pump Stations (Pump Stations 1, 2, Otay River and Grove Avenue).					\$2,000,000	\$0	\$0	\$0	\$0
	PS1 & 2 Elect Upgrade & New Building at PS2 This project is to upgrade the electrical systems at Pump Stations 1 and 2 and construct a new building at Pump Station 2.	Under construction	Jan-09	Feb-12	\$9,935,000					
	PS 1 Emergency Power Generator This project is to install an emergency power generator at Pump Station 1.	Planning	TBD	TBD	TBD					
AJB00001	Annual Allocation MWWDD Trunk Sewers					\$50,000	\$150,000	\$4,250,000	\$3,711,500	\$0
	PS-2 Force Main 1 Siphon & WPLIS Repair This project consist of two phases: Phase A will repair the damaged liner on the Pump Station 2 Rosecrans Force Main Siphon. Phase B consists of repairing the damaged liner and underlying reinforced concrete pipe (RCP) on the West Point Loma Interceptor Sewer (WPLIS).	Planning	Jan-14	Jul-14	\$1,500,000					
	Rose Canyon Trunk Sewer (RCTS) Joint Repair This project is to repair 1,281 PVC welded pipe joints for pipe diameters ranging from 54-inch to 72-inch.	Planning	Feb-13	Feb-14	\$6,233,000					
	Sewer Junction/Diversion Structure Rehab This project involves installation of PVC liner in Rose Canyon Junction Structure 169, 84-inch pipeline, and repair the stop log tracks and guide rails for the 96-inch pipe at Diversion Structure on Barnett Avenue.	Planning	Nov-12	Jul-13	\$700,000					

Parent WBS PUD	PROJECT TITLE	STATUS	Start Construction	Finish Construction	Total Project Cost	FY12	FY13	FY14	FY15	FY16
Standalone Projects										
S00319	EM&TS Esplanade & Steam line Relocation This project provides for the design and construction of a boat dock, an esplanade (park) within an approximately 1.25 acre parcel located between the existing Public Utilities laboratory and adjacent boat channel, as well as under-grounding approximately 600 feet of an above ground steam line situated along the boat channel.	Planning	Mar-14	Mar-15	\$2,000,000	\$0	\$100,000	\$1,497,884	\$286,398	\$0
S00322	MBC - Biosolids Storage Silos This project provides for two additional biosolid storage silos (numbers 9 and 10).	Design	Jul-13	Sep-14	\$7,353,500	\$100,000	\$100,000	\$5,000,000	\$800,000	\$0
S00321	MBC - Centrate Collections Upgrades This project provides for converting the existing foul air ducting into dual-use headers for centrate and foul air collection and will increase the size of the existing centrate collection headers.	Completed	Sep-10	Jun-11	\$2,311,159	\$27,061	\$0	\$0	\$0	\$0
S00339	MBC Dewatering Centrifuges Replacement (D/B) This project provides for the replacement of six of the eight existing dewatering centrifuges with six larger capacity units to handle larger future biosolids flows. The existing units are also near the end of their useful life.	Design/Build Procurement	Oct-12	Jul-15	\$12,000,000	\$500,000	\$1,000,000	\$3,500,000	\$5,200,000	\$1,800,000
S00323	MBC Odor Control Upgrade This project provides for upgrading the odor control system fans and ducting to reduce system headlosses and improve overall foul air collection efficiency at the various process areas. Access platforms will also be installed at monitoring instruments and damper locations. This project will be implemented in three phases.	Design Procurement	Jul-13	Oct-14	\$5,200,000	\$500,000	\$500,000	\$2,800,000	\$1,500,000	\$0
S00309	NCWRP Sludge PS Upgrade This project will entail a study to determine the source of the vibration and to implement a remediation plan to eliminate the vibration and thus reduce maintenance, and increase equipment life.	Design	Sep-12	Feb-13	\$457,600	\$283,000	\$232,845	\$0	\$0	\$0
L10000	Ovation Upgrades (Metro Facilities Control System) This project provides for replacement and upgrade of existing control systems at various Metropolitan Wastewater treatment and pump station facilities. These include the Point Loma Treatment Plant (PLWTP) and North City Water Reclamation Plant (NCWRP).	Under construction	Aug-11	Oct-14	\$7,250,000	\$3,200,000	\$1,470,000	\$2,580,000	\$0	\$0
S00315	PLWWTP Grit Processing (GIP) The Grit Processing Improvements project will include reconstruction of the old south grit tanks and their adjacent pump gallery, replacement of the headworks building that was constructed in 1962 with a new drive-through facility, expansion of an existing odor removal system and replacement of auxiliary equipment.	Under Construction	Mar-11	Dec-13	\$32,922,630	\$8,000,000	\$8,000,000	\$4,500,000	\$0	\$0
S00312	PS2 Power Reliability & Surge Protection This project will remove two existing natural gas reciprocating engines and install of two 4.6 megawatt (MW) natural gas turbine generators and one 206 kilowatt (kW) diesel startup generator at Pump Station 2. The two existing engine drives will be replaced with new electric motors. This new configuration will provide the required surge protection against an electrical utility outage and comply with Environmental Protection Agency (EPA) recommendation of standby power for essential facilities.	Consultant Procurement	Jan-14	Jun-15	\$31,230,000	\$150,000	\$1,850,000	\$14,000,000	\$14,000,000	\$1,000,000
S00317	South Metro Sewer Rehabilitation Phase 3B This project will rehabilitate the remaining 5,000 feet of the 108 inch pipeline from Winship Lane to Pump Station 2.	Planning	TBD	TBD	\$9,214,957	\$0	\$0	\$0	\$0	\$200,000
S00310	SBWRP Plant Demineralization Facility This project provides for demineralization of reclaimed water. Phase I will construct a demineralization facility to provide 7.5 million gallons a day (mgd) of reclaimed water for conveyance to the users. Phase II will expand the facility to provide 15 mgd of reclaimed water.	Planning	TBD	TBD	TBD	\$0	\$0	\$0	\$0	\$0
S00314	Wet Weather Storage Facilities This project includes the implementation of the Live Stream Discharge of reclaimed water from the North City Reclamation Plant during heavy rain events to reduce the capacity demand on the downstream sewer system and facilities. This project also includes constructing a seven million gallon Underground Storage Tank at Liberty Station (vacated Naval Training Center) to provide hydraulic relief to Pump Station 2, the South and North Metro Interceptors, and the major trunk sewers.	Planning	Jul-15	Dec-16	\$112,001,859	\$50,000	\$100,000	\$200,000	\$500,000	\$3,000,000
Grand Total					\$260,864,660	\$19,321,459	\$20,853,745	\$42,377,884	\$26,497,898	\$8,000,000

** The estimated project cost of \$4,150,900 for the North City Cogeneration Facility project includes the compressor upgrade. However, this cost could increase if the compressor is to be replaced.

AGENDA ITEM 9

Attachment

FY10 Exhibit E Audit Calendar

Purpose: To map out the completion of the FY10 Exhibit E Audit
As of 10/26/11

Beginning Date	Ending Date	Task	Responsible
8/15/2011	8/16/11 Done	Request MGO to choose week to audit for SDDPC expenditures	Miyuki Freeman
10/25/2011	11/1/2011	Set-up Kickoff meeting with MGO and PA's	Debra Campbell
11/1/2011	11/30/2011	Provide individual sewer flow schedules for each PA & the City	Peggy Merino
11/1/2011	11/30/2011	Provide strength based billing schedule of percentages for PA's & City	Peggy Merino
11/1/2011	11/30/2011	Provide sample data for each PA and the City	Peggy Merino
11/1/2011	11/30/2011	Provide Mass Balance of the system	Peggy Merino/Huy Nguyen
11/1/2011	11/30/2011	Provide summary spreadsheet of allocation of expenses to PA's & City	Peggy Merino
11/1/2011	11/7/2011	Request Comptroller to provide listing that Sample will be chosen from	Debra Campbell
11/7/2011	11/7/2011	Provide listing to PUD that Sample will be chosen from	Sally Rubi
11/7/2011	11/8/2011	Provide listing to MGO so the Sample can be chosen	Debra Campbell
11/8/2011	11/10/2011	Return listing, with Sample items highlighted, to PUD	Miyuki Freeman
11/10/2011	11/10/2011	Provide listing to PA so the Sample can be chosen	Debra Campbell
11/10/2011	11/14/2011	Return listing, with Sample items highlighted, to PUD	Karyn Keese
11/14/2011	1/12/2012	Prepare Sample for review	Debra Campbell
1/12/2012	1/12/2012	Provide Excel file to MGO with all Sample items	Debra Campbell
1/17/2012	2/17/2012	MGO Review Sample	Miyuki Freeman / Sophia Zhang
1/17/2012	2/17/2012	Respond to any questions from MGO	Debra Campbell
2/17/2012	2/24/2012	Meet with MGO for any unresolved questions regarding audit	Miyuki Freeman / Sophia Zhang / Debra Campbell
2/27/2012	2/29/2012	Return Excel file to PUD of Sample, questions, and responses	Miyuki Freeman
TBD	TBD	Submit FY10 Exhibit E Schedule (draft) to MGO	Sally Rubi
2/29/2012	3/5/2012	Forward Excel file to PA of Sample, questions, and responses	Debra Campbell
3/12/2012	3/16/2012	PA Review Sample	Karyn Keese / Karen Jassoy
3/12/2012	3/30/2012	Respond to any questions from PA's	Debra Campbell
4/2/2012	4/5/2012	Meet with PA's for any unresolved questions regarding audit	Karyn Keese / Debra Campbell / Sue LaNier
4/5/2012	4/10/2012	Return Excel file to PUD of Sample, questions, and responses	Karyn Keese
4/10/2012	4/11/2012	Prepare Findings Schedule	Debra Campbell

FY10 Exhibit E Audit Calendar

Purpose: To map out the completion of the FY10 Exhibit E Audit
As of 10/26/11

Beginning Date	Ending Date	Task	Responsible
4/11/2012	4/11/2012	Submit Draft Findings Schedule to MGO	Debra Campbell
TBD	TBD	Submit revised FY10 Exhibit E Schedule (draft) to MGO	Sally Rubi
4/11/2012	4/16/2012	Provide Variance Analysis spreadsheet	MGO
4/16/2012	4/30/2012	Submit responses to Variance Analysis	Sally Rubi / Debra Campbell
4/30/2012	5/11/2012	Provide finalized FY10 Exhibit E Schedules	Sally Rubi / Debra Campbell
TBD	TBD	Present FY10 Exhibit E Report to TAC/Metro Commission (PAs)	PUD / MGO

**CITY OF SAN DIEGO
METROPOLITAN WASTEWATER UTILITY
JUNE 30, 2010**

SOURCE> Exhibit E Work Plan

PURPOSE> To document the procedures performed.

1. Determine and document any changes in the Regional Wastewater Disposal Agreement filed on May 18, 1998, at the Office of the Clerk, San Diego, California.
2. Determine and document any changes in the Exhibit E billing process.
3. Determine and document reasons for variances in Exhibit E line items greater than 10% over the prior year.
4. Determine and document any changes in sewer flow monitoring and reporting.
5. Obtain individual sewer flow schedules for each Participating Agency (PA) and the City of San Diego (City) and verify the mathematical accuracy.~~verify.~~
6. Obtain strength based billing schedule of percentages for each PA and the City and verify the mathematical accuracy.~~verify.~~
7. ~~A Trace and agree the~~ individual sewer flow schedules for each PA and the City and strength based billing schedule of percentages for each PA and the City, to summary schedule prepared to aggregate all PA's and City flows. Verify the mathematical accuracy of the~~verify~~ schedule and ~~agree trace~~ 100% of PA's and City flow totals to the respective individual flow schedules.
8. Verify the mathematical accuracy of the~~verify~~ amount billed to each PA. ~~Agree Trace~~ each PA's final adjustment to supporting documentation.
9. Verify that AMRIS the reports generated from the City's SAP system utilized to compile and prepare the City's FY 2009/10 Comprehensive Annual Financial Report (CAFR), reports generated from SAP system reconciles to the Exhibit E schedule and substantiate the verify completeness of the population of expenses, completeness by verifying that, whether include the total Exhibit E expense sample, population is included in the total reported expenses reported in the City's FY 2009/10-current year CAFR.
- 9.10. The City will generate a transaction report extracting a listing of all transactions in excess of \$1,000 in Funds 70000141508 and 41509 through the end of the fiscal year. MGO will judgmentally select a sample of 250 transactions, with no more than 5025 of the transactions being payroll related. Additional 25 of the 50 of the payroll related transactions being payroll

~~related~~ will be selected from the City's previous ~~City's general ledger~~ GL system (AMRIS) ~~related to for the fiscal year~~ FY 2009/10-2010. Invoices from the ~~Also, San Diego Data Processing Corporation~~ (SDDPC) ~~invoices~~ will be excluded from the ~~MGO~~ sample of expenses. The ~~expense~~ samples will be tested for allowability and reasonableness, and ~~agreed~~ ~~be traced back~~ to original source documentation and ~~inclusion in the forward to~~ Exhibit E ~~schedule~~. In addition, the sample will be reviewed for compliance with the City and PA's contractual agreements that may affect the financial statements.

~~10.~~11. The City will generate a transaction report of Muni-only expenses, listing all transactions in excess of \$1,000 in Funds ~~41508 and 41509~~ 700000 for the period July 1, 2009 through June 30, 2010, ~~through the end of the fiscal year.~~ MGO will judgmentally select a sample of ~~6040 nonpayroll related~~ transactions. The samples selected will be tested for ~~un-non~~ allowability and ~~reasonableness for exclusion non-inclusion in schedule~~ ~~from the Exhibit E schedule~~.

~~11.~~12. Obtain ~~the~~ Metro Commission ~~and~~ MetroTAC representatives' sample of ~~100-200~~ transactions. The samples will be tested for allowability and reasonableness and ~~be traced~~ ~~agreed back~~ to original source documentation and ~~inclusion forward to in the~~ Exhibit E ~~schedule~~. In addition, ~~the~~ samples will be reviewed for compliance with the City and PA's contractual agreements that may effect the financial statements.

~~12. Metro Commission / MetroTAC representatives will select a week during the year for MGO to inspect the SDPPC billings. This week of transactions will be tested for allowability and reasonableness and traced back to the allocation and forward to Exhibit E. (week 26 selected).~~

~~13.~~

~~14.~~

~~15.~~13. Verify that direct charges are ~~reversed~~ ~~backed out of~~ ~~from the~~ general government services cost allocation and that the total allocations for all services are uniformly applied to all City departments. ~~and are reasonable.~~

~~16.~~14. The City will provide Metro Commission ~~and~~ MetroTAC representatives with the detailed capital projects report that rolls up ~~into the~~ MWWD schedule for capital project and debt allocation. ~~We will~~ ~~Agree the~~ final detailed capital project summaries to ~~the~~ MWWD schedule included in the "Retro Adjustment."

~~17.~~15. Obtain ~~the~~ Metro Commission ~~and~~ MetroTAC representatives' ~~s~~ sample of 25 ~~transactions.~~ (10 related to capital project and 15 related to income credits and other fund contributions) ~~and agree the transactions from the to be traced from~~ Revenue Ledger to ~~the~~ Exhibit E ~~schedule~~.

~~18.~~16. Agree ~~the~~ debt service allocation to supporting documentation. Ascertain that benefits and credits associated with bond financing have been equitably allocated and that the methodology used in billing the PA's ~~s~~ for debt services payments ~~is reasonable~~ ~~are appropriate~~.

~~19.~~17. Review the City's schedule calculating the Actuarial Required Contribution (ARC), Net Pension Obligation (NPO) and Annual Pension Cost (APC) for the ~~current~~ year ended June 30, ~~2010~~ 2009. Determine that ~~the City's~~ ~~this~~ schedule is prepared in accordance with ~~general accepted accounting principles applicable standards~~ (GAAP) and confirm that ~~the~~ ~~this~~ schedule

utilizes the full actuarial rates as presented in the June 30, ~~2008~~2007 actuarial report (study) and that the allocation of the NPO to the Sewer Fund is reasonable. Make available to the MetroTAC /-Metro Commission representatives a copy of the June 30, ~~2008~~2007 actuarial report and the City's ~~2010~~2009 schedule for their review.

~~20.~~18. ~~Obtain the Review~~ listing of legal costs provided by ~~the City's~~ Risk Management department and detailed allocation listing provided by the Auditor's Comptroller's Office, and review to determine whether ~~for~~ any expenses charged to member agencies ~~for the period July 1, 2009 through June 30, 2010, were in FY201009~~ related to the pension fund and disclosure reviews and investigations.

~~21.~~ Include a footnote regarding the City's /-MWWD's plan in relation to GASB Statement No. 45 #45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.

~~22.~~

~~23.~~19. _____

AGENDA ITEM 10

Attachment



Metro Wastewater JPA
Treasurer's Report
Year ending June 30, 2011

Metro Wastewater JPA
Treasurer's Report
Twelve months ending June 30, 2011
Unaudited

<u>Beginning Cash Balance at July 1, 2010</u>	\$ 92,839
--	-----------

Operating Results

Membership dues & Interest income	210,131	
Expenses	<u>(217,803)</u>	
Net Income (Loss)	(7,672)	
Net change in receivables & payables (from cash flow)	<u>22,912</u>	
Cash provided (used) from operating activities		15,240
<u>Ending Cash Balance at June 30, 2011</u>		<u><u>\$ 108,079</u></u>

Submitted by:

Karen Jasson, Treasurer
11/23/2011

Metro Wastewater JPA - c/o Padre Dam MWD

Balance Sheet

As of June 30

	<u>2011</u>	<u>2010</u>	<u>\$ Change</u>
ASSETS			
Checking/Savings			
California Bank & Trust Savings	\$ 103,951	\$ 89,428	\$ 14,523
California Bank & Trust Checking	<u>4,128</u>	<u>3,411</u>	<u>717</u>
Total Checking/Savings	108,079	92,839	15,240
Accounts Receivable	2,113	2,111	2
Other Current Assets	<u>150</u>	<u>-</u>	<u>150</u>
TOTAL ASSETS	<u><u>\$ 110,342</u></u>	<u><u>\$ 94,950</u></u>	<u><u>\$ 15,392</u></u>
 LIABILITIES & EQUITY			
Liabilities			
Total Accounts Payable	43,298	20,234	23,064
Unearned Membership Billings	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	43,298	20,234	23,064
Equity			
Retained Equity	74,716	61,141	13,575
Net Income	<u>(7,672)</u>	<u>13,575</u>	<u>(21,247)</u>
Total Equity	<u>67,044</u>	<u>74,716</u>	<u>(7,672)</u>
TOTAL LIABILITIES & EQUITY	<u><u>\$ 110,342</u></u>	<u><u>\$ 94,950</u></u>	<u><u>\$ 15,392</u></u>

Profit & Loss Budget vs. Actual

For the Year Ending June 30, 2011

	Actual	Budget	\$ Over (Under) Budget
Income			
Membership Dues	\$ 210,000	\$ 210,000	\$ -
Interest Income	131	1,500	(1,369)
	<u>\$ 210,131</u>	<u>\$ 211,500</u>	<u>\$ (1,369)</u>
Expense			
PBS&J	\$ 139,448	\$ 106,000	\$ 33,448
Legal	32,907	38,500	(5,593)
Per Diem - Agency	17,400	24,750	(7,350)
Administrative Support - Padre	14,000	14,000	-
Administrative Assistant	4,800	3,600	1,200
Metro/JPA/TAC meeting expenses	4,453	5,500	(1,047)
Automobile Expense	1,594	3,000	(1,406)
Telephone	1,073	750	323
Public Information	759	2,000	(1,241)
Office Supplies	583	900	(317)
Dues & Subscriptions	538	600	(62)
Bank charges	198	-	198
Business Meals	50	-	50
Supplies	-	750	(750)
Annual Retreat - Strategic Plan	-	3,000	(3,000)
Contingencies	-	10,000	(10,000)
Total Expense	<u>\$ 217,803</u>	<u>\$ 213,350</u>	<u>\$ 4,453</u>
Net Income	<u><u>\$ (7,672)</u></u>	<u><u>\$ (1,850)</u></u>	<u><u>\$ (5,822)</u></u>

Statement of Cash Flows

July through June 30, 2011

Operating Activities

Net Income	\$ (7,672)
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	(2)
Prepaid Meeting Expense	(150)
Accounts Payable	<u>23,064</u>
Net cash provided by Operating Activities	<u>15,240</u>

Cash at beginning of period	<u>92,839</u>
Cash at end of period	<u><u>\$ 108,079</u></u>

Metro Wastewater JPA - C/O Padre Dam MWD

A/R Aging Summary

As of June 30, 2011

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>> 90</u>	<u>TOTAL</u>
City of San Diego - Metro Wastewater Dept	<u>\$ 2,113</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,113</u>
TOTAL	<u>\$ 2,113</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,113</u>

Metro Wastewater JPA - C/O Padre Dam MWD

Vendor Balance Summary

As of June 30, 2011

Abel R. Rodriguez	\$	440.00
Atkins North America, Inc		26,381.95
Augie Caires		547.92
Best Best & Krieger		4,781.00
Cheryl S. Cox		150.00
Edward Spriggs		450.00
Lori Anne Peoples		4,958.58
Luis Natividad		150.00
Padre Dam		5,438.60
TOTAL	\$	<u>43,298.05</u>

AGENDA ITEM 11

Attachment

AGENDA ITEM 14

Attachment

MetroTAC
2010/2011 Work Plan

MetroTAC Items	Description	Subcommittee Member(s)
Advanced Water Purification Demonstration Project	San Diego engaged CDM to design/build/operate the project for the water repurification pilot program. <i>2/8/11: Equipment arrived 3/2011; tours will be held when operational (June/July 2011 timeframe)</i>	Al Lau
Fiscal Items	The Finance committee will continue to monitor and report on the financial issues affecting the Metro System and the charges to the PAs. The debt finance and reserve coverage issues have been resolved. Refunds totaling \$12.3 million were sent to most of the PA's. 10/26/11: 2010 will be the first year where the PAs will be credited with interest on the debt service reserve and operational fund balances. Interest will be applied as an income credit to Exhibit E when that audit is complete.	Greg Humora Scott Huth Karen Jassoy Karyn Keese
Recycled Water Revenue Issue	Per our Regional wastewater Agreement revenues from SBWTP are to be shared with PA's. 4/11: City has agreed to pay out revenue to Wastewater Section and PA's credit will be on the Exhibit E adjustments at year end Open issues: Capacity reservation lease payments and North City Optimized System Debt service status.	Scott Huth Scott Tulloch Karyn Keese
Water Reduction - Impacts on Sewer Rates	The MetroTAC wants to evaluate the possible impact to sewer rates and options as water use goes down, and consequently the sewer flows go down, reducing sewer revenues. Sewer strengths are also increasing because of less water to dilute the waste. We are currently monitoring the effects of this. <i>2/2011: wastewater revenues are declining due to conservation and flow reductions and agencies are re-prioritizing projects to be able to cover annual operations costs</i>	Eric Minicilli Manny Magaña Karyn Keese
"No Drugs Down the Drain"	The state has initiated a program to reduce pharmaceuticals entering the wastewater flows. There have been a number of collection events within the region. The MetroTAC, working in association with the Southern California Alliance of Publicly-owned Treatment Works (SCAP), will continue to monitor proposed legislation and develop educational tools to be used to further reduce the amount of drugs disposed of into the sanitary sewer system. 8/2010: County Sheriff and Chula Vista have set up locations for people to drop off unwanted medications and drugs. 4/11: <i>Local law enforcement has taken a proactive role and is sponsoring drug take back events. 3/11: TAC to prepare a position for the board to adopt; look for a regional solution; watch requirements to test/control drugs in wastewater. 10/26/11: A prescription drug take back day is scheduled for 10/29/11. Goto www.dea.gov to find your nearest location.</i>	Greg Humora
Flushable Items that do not Degrade	Several PAs have problems with flushable products, such as personal wipes, that do not degrade and cause blockages. MetroTAC is investigating solutions by other agencies, and a public affairs campaign to raise awareness of the problems caused by flushable products. We are also working with SCAP in their efforts to help formulate state legislation to require manufacturers of products to meet certain criteria prior to labeling them as "flushable." Follow AB2256 and offer support.	Eric Minicilli
Grease Recycling	To reduce fats, oils, and grease (FOG) in the sewer systems, more and more restaurants are being required to collect and dispose of cooking grease. Companies exist that will collect the grease and turn it into energy. MetroTAC is exploring if a regional facility offers cost savings for the PAs. The PAs are also sharing information amongst each other for use in our individual programs. <i>3/11: get update on local progress and status of grease rendering plant near Coronado bridge</i>	Eric Minicilli

MetroTAC Items	Description	Subcommittee Member(s)
"Power Tariff"	Power companies are moving to a peak demand pricing scheme which negatively impacts PAs with pump stations and other high energy uses. MetroTAC wants to evaluate the new legislation and regulations, and to identify and implement cost savings efforts for the PAs. (8/2010): John Helminski at the City of San Diego is working on a sustainability project for CoSD 3/11: <i>Prepare a position paper for the JPA board to consider 4/11: John Helminski no longer works for the City. Request update from Paula.5/31/11: Roberto Yano met with SCAP representatives. Each agency should meet with their SDG&E representative to determine if there are special programs or incentives they can qualify for .Per SCAP there is no new legislation. 10/26/11: We will continue to track this item through SCAP and report back when the issue is active again.</i>	Tom Howard Paula de Sousa Roberto Yano Suggest closing this item.
Recycled Water Study	As part of the secondary waiver process, San Diego agreed to perform a recycled water study within the Metro service area. That study is currently underway, and MetroTAC has representatives participating in the working groups. TM #8 Costs estimates are out and PAs provided comments on TM#8 and have asked for a technical briefing. 10/16/11: Final draft of report is due out in November 2011.	Scott Huth Al Lau Karyn Keese Jennifer Duffy
Recycled Water Rate Study	San Diego is working on a rate study for pricing recycled water from the South Bay plant and the North City plant. MetroTAC, in addition to individual PAs, have been engaged in this process and have provided comments on drafts San Diego has produced. We are currently waiting for San Diego to promulgate a new draft which addresses the changes we have requested. 10/26/11: draft study still not issued	Karyn Keese Scott Huth Rita Bell
Metro JPA Strategic Initiatives	MetroTAC to develop success measures for the JPA strategic initiatives and suggest a schedule to complete certain items.	Scott Huth Dan Brogadir Karyn Keese
Salt Creek Diversion	9/2010: OWD, Chula Vista and San Diego met to discuss options and who will pay for project; Chula Vista and OWD are reviewing options. 2/2011: OWD and PBS&J reviewed calculations with PUD staff; San Diego to provide backup data for TAC to review. This option is also covered in the Recycle Water Study. 10/26/11: Back-up information has still not been received from staff.	Roberto Yano Manny Magaña Karyn Keese Rita Bell
Recycled Water Study Cost Allocation	A small working group was formed to discuss options to allocate PLWTP offset project costs among the water and wastewater rate payers; Concepts will be discussed at TAC and JPA Board in near future.	Scott Huth Roberto Yano Al Lau Karyn Keese
Board Members' Items		
Metro JPA Strategic Plan	2/2011: committee to meet 2/28/11 to plan for retreat to be held on 5/5/11 Retreat held and wrap up presented to the Commission at their June Meeting. JPA strategic planning committee to meet to update JPA Strategic Plan and prepare action items.	Augie Caires Ernie Ewin
Rate Case Items	San Diego is starting the process for their next five-year rate case. As part of that process, MetroTAC and the Finance Committee will be monitoring the City's proposals as we move forward.	Karyn Keese
Schedule E	MetroTAC and the Finance Committee are active and will monitor this process. Individual items related to Schedule E will come directly to the Board as they develop.	Karen Jassoy Karyn Keese

MetroTAC Items	Description	Subcommittee Member(s)
Future bonding	MetroTAC and the Finance Committee are active and will monitor this process. Individual items related to bonding efforts will come directly to the Board as they develop. 10/26/11: San Diego is issuing an RFP for a cost of service study to support a future bond issue potentially in mid-2013. Kristin Crane to sit on the selection panel.	Karen Jassoy Karyn Keese Kristen Crane
Changes in water legislation	MetroTAC 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
Role of Metro JPA regarding Recycled Water	As plans for water reuse unfold and projects are identified, Metro JPA's role must be defined with respect to water reuse and impacts to the various regional sewer treatment and conveyance facilities	Scott Huth Karyn Keese
Border Region	Impacts of sewer treatment and disposal along the international border should be monitored and reported to the Board. These issues would directly affect the South Bay plants on both sides of the border.	
IROC Performance Audits	Work with IROC to identify areas to be audited; participate in audit process. 8/20/10: provide the top 5 areas to audit by September IROC meeting.	Augie Caires
SDG&E Rate Case	SDG&E has filed Phase 2 of its General Rate Case, which proposes a new "Network Use Charge" which would charge net-energy metered customers for feeding renewable energy into the grid as well as using energy from the grid. The proposal will have a significant impact on entities with existing solar facilities, in some cases, increases their electricity costs by over 400%. Ultimately, the Network Use Charge will mean that renewable energy projects will no longer be as cost effective. SDG&E's proposal will damage the growth of renewable energy in San Diego County. A coalition of public agencies has formed to protest this rate proposal.	Paula de Sousa

AGENDA ITEM 17

Attachment



Metro Wastewater JPA Finance Committee
June 29, 2011
Approved Minutes

Meeting called to order: 8:32 a.m. at Atkins North America Offices, 9275 Sky Park Court, San Diego, CA 92101 by Committee Chairman Ovrom.

1. Roll Call

Attendees:

Al Ovrom, Committee Chairman, Metro Wastewater JPA Finance Committee
Augie Caires, Committee Member
Louis Natividad, Committee Member
Ed Spriggs, Committee Member

Support Staff:

Karen Jassoy, Treasurer
Karyn Keese, Atkins
Paula de Sousa, BBK

City of San Diego Staff:

Peggy Merino, Public Utilities Department (PUD)
Rex Ragucos, Public Utilities Department (PUD)

General Public:

Rita Bell, Otay Water District

2. Public Comment

There was no public comment.

3. Approval of Minutes from the May 25, 2011 Finance Committee Meeting

Upon motion by Committee Member Natividad, seconded by Committee Member Caires, the May 25, 2011 Regular Meeting Minutes were approved unanimously.

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

4.A. 2011 Year End Projections

Mr. Ragucos gave a presentation regarding the year-end projections for FYE 2011. He noted that as of June 15, 2011 only 88% of the O&M Metro budget had been expended with a projected year end variance of \$26.6 million in unexpended budget cost. Only 14.38% of the CIP budget has been

expended because project execution rates are down and one large project had been dropped from the CIP (Point Loma Grit Processing Improvements) and another large project Metro Facilities Control Upgrade was only 15% complete. Ms. Keese provided a handout to the Committee of the Metro CIP that was from a presentation to IROC. It is attached to these minutes. Several changes were recommended by the Committee prior to presentation being shown to the Metro JPA/Commission at their July meeting including a detail of the CIP by project and how much had been expended on each project similar to the one provided to IROC.

4.B. 2012 Metro Operating and CIP Budget

Mr. Ragucos gave a presentation regarding the adopted 2012 Metro budget. The overall Metro 2012 budget is down \$31.5 million from 2011. In addition the budget includes a staff reduction of 35.95. Some of the staff reductions are due to the consolidation of the water and wastewater departments and therefore the elimination of duplicate staff. Other major reductions include savings in the cost of chemical, a reduction in the CPU Contingency, general Public Utilities saving due to the restructure, and supplies/securities contracts. One reduction shown was for the McGuigan Settlement. The Committee asked what this settlement was for but staff did not have details. Ms. Keese stated that Metro TAC had the same question and had put it on her action list. She will be meeting with City Internal Audit Staff after the next Metro TAC meeting to review and see if this an appropriate cost that the PAs should be sharing in as this settlement has to do with a pension lawsuit. Ms. de Sousa stated that she would contact Tom Zeleny to gain a better understanding of the lawsuit. The CIP budget was reviewed with the Committee and it too is down substantially from 2011.

4.C. Fourth Amendment to Metro JPA Treasurer's Service Agreement with Padre Dam MWD

Ms. Jassoy reviewed the contract with the Committee. Ms. de Sousa added some history and that the contract amount was identical to last year's contract.

ACTION: Upon motion by Chairman Ovrom , seconded by Committee Member Caires, the Committee unanimously approved that the Fourth Amendment should be brought forward to the Metro JPA/Commission for review and possible acceptance at their July 2011 meeting.

4.D. JPA Fiscal Year 2011 Potential Audit

Ms. Keese handed out an process memorandum prepared by prior Treasurer Wilson. It was decided last year by the Metro JPA/Commission that if an annual review of the JPA's financial records was performed it should be by the Finance Committee. After discussion it was decided by the Committee that Chairman Ovrom and Vice Chairman Boyack should work with Treasurer Jassoy on this review later in the fall of 2011 for the fiscal year-ending June 30, 2011.

5. Other Business of the JPA

The Finance Committee recommended that items 4.A., 4.B. and 4.C. should be moved forward to the July 2011 Metro JPA/Commission meeting.

6. Adjournment

The meeting was adjourned at 9:30 a.m. The next regularly scheduled meeting of the Finance Committee will be August 31, 2011 at the Atkins San Diego Office. It is anticipated that the Finance Committee will go dark in July as the Metro JPA/Commission is not planning to meet in August and there are at this time no anticipated items requiring their review.
