



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

**AGENDA**

**Thursday, JUNE 2, 2011  
12:00 p.m.**

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

*"The mission of the Metro Commission is to create an equitable partnership with the San Diego City Council on wastewater issues in the San Diego region that ensures fair rates for participating agencies, concern for the environment, and regionally balanced decisions through data analysis, collaboration among all stakeholders, and open dialogue."*

**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 SPECIAL MEETING OF MAY 5, 2011 AND THE STRATEGIC PLANNING WORKSHOP OF MAY 5, 2011 (**Attachments**)
- X 5. **ACTION** – CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE PURCHASE OF CHEMICALS, SUPPLIES AND SERVICES FOR PEROXIDE REGENERATED IRON-SULFIDE CONTROL (Chris McKinney)
- X 6. **ACTION** - CONSIDERATION AND POSSIBLE ACTION TO APPROVE FISCAL YEAR 2011-2012 METRO WASTEWATER JPA BUDGET (**Attachment**)
- X 7. **ACTION** - CONSIDERATION AND POSSIBLE ACTION TO APPROVE AMENDMENT NO. 1 TO PBS&J CONTRACT (NAME CHANGE TO ATKINS AND SCOPE OF WORK) (**Attachment**)
- X 8. **ACTION** - CONSIDERATION AND POSSIBLE ACTION TO APPROVE ATKINS FY 2011-2012 CONTRACT AND SCOPE OF WORK (**Attachment**)

- X      9.    **ACTION** – CONSIDERATION AND POSSIBLE ACTION TO APPROVE DESIGN OF MBC ODOR CONTROL FACILITY UPGRADE, (WBS# S-00323) (Idalmiro Manuel da Rosa, Project Manager) (**Attachment**)
- 10. PRESENTATION OF POST STRATEGIC PLAN WORKSHOP WRAP-UP AND DISCUSSION (Mike Uhrhammer)
- X      11. KEY RELATED ITEMS WE SHOULD BE TRACKING/GETTING UP TO SPEED ON (**Attachment**)
- 12. METRO TAC UPDATE
- 13. IROC UPDATE
  - a. Report from IROC Representative Caires
- X      14. FINANCE COMMITTEE
  - a. Report from Finance Committee
  - b. Minutes from the February 23, 2011 Finance Committee Meeting (**Attachment**)
- 15. REPORT OF GENERAL COUNSEL
- 16. PROPOSED AGENDA ITEMS FOR THE NEXT METRO COMMISSION/ METRO WASTEWATER JPA MEETING **July 7, 2011**.
- 17. METRO COMMISSIONERS' AND JPA BOARD MEMBERS' COMMENTS
- 18. ADJOURNMENT OF METRO COMMISSION AND METRO WASTEWATER JPA TO THE STRATEGIC PLANNING WORKSHOP IMMEDIATELY FOLLOWING THE REGULAR MEETING

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

*Materials provided to the Metro Commission and/or Metro Wastewater JPA related to any open-session item on this agenda are available for public review by contacting L. Peoples at (619) 476-2557 during normal business hours.*

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

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

# AGENDA ITEM 4

## Attachment



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

**Coronado Community Center  
1845 Strand Way  
Coronado, California**

**May 5, 2011  
DRAFT Minutes**

Chairman Ewin called the meeting to order at 11:00 a.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		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	X	
City of La Mesa	Ernie Ewin	X	
Lemon Grove Sanitation District	Jerry Jones		(No representative)
City of National City	Louis Natividad	X	
City of Poway	Merrilee Boyack		(No representative)
City of San Diego	Jerry Sanders		Roger Bailey
County of San Diego	Dianne Jacob		Daniel Brogadir
Otay Water District	Mark Robak	X	
Padre Dam MWD	Augie Caires	X	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; Ann Sasaki - City of San Diego Public Utilities; Karyn Keese of Atkins Global; Mohamad Fakhrriddine – County of San Diego; Eric Minicilli – Del Mar; Erin Bullers and Greg Humora - City of La Mesa; Mike Uhrhammer – Facilitator, Padre Dam Municipal Water District; Al Lau – Padre Dam Municipal Water District; Tom Howard – City of Poway

**2. PLEDGE OF ALLEGIANCE TO THE FLAG**

Chair Ewin led the Pledge.

**3. PUBLIC COMMENT**

There was no public comment.

**4. ACTION - CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE MINUTES OF MARCH 3, 2011.**

**ACTION:** Upon motion by Commissioner Caires, seconded by Commissioner Natividad, the March 3, 2011 Regular Meeting Minutes were approved unanimously.

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

Chair Ewin noted these items would be covered in the Strategic Planning Workshop immediately following this meeting.

**6. METRO TAC UPDATE**

Chair Ewin noted these items would be covered in the Strategic Planning Workshop immediately following this meeting.

**7. IROC UPDATE**

a. Report from IROC Representative Caires

IROC Representative Caires stated that the Legislative Monitoring Program ad begun and stated they had received CIP, Budget, Annual Report and Leadership Program updates.

**8. FINANCE COMMITTEE**

a. Report from Finance Committee

Finance Committee Chair Ovrom stated they had received a nice letter from the City of San Diego which would be covered in the Strategic Planning Workshop immediately following this meeting.

**9. REPORT OF GENERAL COUNSEL**

There was none.

**10. PROPOSED AGENDA ITEMS FOR THE NEXT METRO COMMISSION/METRO WASTEWATER JPA MEETING June 2, 2011**

There was none.

**11. METRO COMMISSIONERS' AND JPA BOARD MEMBERS' COMMENTS**

There were none.

**12. ADJOURNMENT OF METRO COMMISSION AND METRO WASTEWATER JPA TO THE STRATEGIC PLANNING WORKSHOP IMMEDIATELY FOLLOWING THIS SPECIAL MEETING**

At 11:25 a.m., there being no further business, Chairman Ewin declared the meeting adjourned.

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Recording Secretary



**Special Meeting of the Metro Commission  
and Metro Wastewater JPA  
(Strategic Planning Workshop)**

**Coronado Community Center  
1845 Strand Way  
Coronado, California**

**May 5, 2011  
DRAFT Minutes**

Chairman Ewin called the special meeting to order at 11:25 a.m. A quorum of the Metro Wastewater JPA and Metro Commission was declared, and the following representatives were present:

**1. ROLL CALL**

<b><u>Agencies</u></b>	<b><u>Representatives</u></b>		<b><u>Alternate</u></b>
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	X	
City of La Mesa	Ernie Ewin	X	
Lemon Grove Sanitation District	Jerry Jones		(No representative)
City of National City	Louis Natividad	X	
City of Poway	Merrilee Boyack	X	(No representative)
City of San Diego	Jerry Sanders		Roger Bailey
County of San Diego	Dianne Jacob		Daniel Brogadir
Otay Water District	Mark Robak	X	
Padre Dam MWD	Augie Caires	X	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; Ann Sasaki - City of San Diego Public Utilities; Karyn Keese of Atkins Global; Mohamad Fakhrriddine – County of San Diego; Eric Minicilli – Del Mar; Erin Bullers and Greg Humora - City of La Mesa; Mike Uhrhammer – Facilitator, Padre Dam Municipal Water District; Al Lau – Padre Dam Municipal Water District; Tom Howard – City of Poway

**1. WELCOME**

Chair Ewin welcomed those in attendance and introduced the meeting location host, City of Coronado Councilmember Al Ovrom who welcomed all to the City of Coronado and provided a brief overview of how the City acquired funding to build their New City Hall, Community Center and school buildings.

**2. SELF INTRODUCTIONS**

Chair Ewin next introduced the Strategic Planning Workshop Facilitator, Mike Uhrhammer – Communications Director of the Padre Dam Municipal Water District who provided a brief self-introduction.

Everyone present provided a self-introduction.

**3. ICE BREAKER**

Facilitator Uhrhammer had each participant complete a Yes, and..... statement.

**4. JPA BOARD MEETING**

The Metro Commission/Metro Wastewater JPA Board Meeting was previously held at 11:00 a.m.

**5. WHERE METRO IS TODAY**

- 2009-2011 Accomplishments (Augie Caires, Padre Dam MWD)

Commissioner Caires provided a brief PowerPoint presentation that included the following:

Organization/Communications Chart; Who Are We?; What Is At Stake?; What Does Success Look Like?; JPA Work Model: Cost Effective...; Housekeeping; Public Utilities Dept (PUD); IROC Interface; Key IROC Activities; Major Accomplishments; Technical Advisory Committee TAC; TAC Work Plan; Other Activities; Audit and Finance Successes: On the Horizon: Questions?

Agenda Item 6 – Cinco De Mayo Buffet was held at this time.

- TAC Work Plan Results (Scott Huth, City of Coronado)

MetroTAC Chair Huth provided a brief PowerPoint presentation that included the following:

Metro TAC 2009-10 Recap; Major Assignments 2009-10; Minor Work Assignments 2009-10; TAC Work Program 2011-13;/ Questions?

- Financial Update (Karyn Keese, Akins Global)

Ms. Keese provided a brief PowerPoint presentation on the 2009-2011 Activities – Financial and Engineering Services that included the following:

It Has Been A Busy Two Years; Annual Exhibit E Audits; Audit Closeout; 2009 Audit Statistics; 2009 Audit Sample Testing; 2009 Audit Findings; Audit Experience; 2009 Audit Closeout; Audit Dispute; Reclaimed Water Revenues; History of Negotiations; Reclaimed Water Statistics Costs through 2009; Regional Agreement Contract Provisions; Estimated North City Revenues; Regional Agreement Contract Provisions; Estimated Revenues South Bay Plant; Operations Reserve/Debt Service Coverage; History; Win Win for Everyone - \$378,000 Interest = FY2011 Budget Offset; Other Key Projects; Next Two Years

**6. CINCO DE MAYO BUFFET**

The buffet was held prior to the TAC Work Plan Results presentation.

**7. SURVEY RESULTS**

Facilitator Uhrhammer provided a brief overview of the 2011 Metro JPA Strategic Planning Workshop Survey.

**8. THE NEXT TWO YEARS (TABLE TOP EXERCISE)**

Facilitator Uhrhammer provided a table top exercise which included an introduction to indirect potable reuse (IPR) after which participants were asked to determine if potable reuse is important in San Diego County and if METRO wants to focus on potable reuse breaking their answers down into strategies and initiatives under technical, regulatory, financial and political including ideas, principals, questions and issues.

**9. DISCUSSION**

Facilitator Uhrhammer led a group discussion on the table top exercise.

**10. WRAP UP**

Chair Ewin expressed the need for the participants to take the information gleaned from this workshop back to their Board members, Councils and constituents.

Commissioner Natividad stated the need to get the information out to the public to make them aware of what is being charged and where it is going to eliminate the misconceptions floating about.

Facilitator Uhrhammer stated that a post workshop survey would be sent out requesting input on the workshop and thanked everyone for their attendance and participation.

**11. ADJOURN**

At 3:10 p.m., there being no further business, Chairman Ewin declared the meeting adjourned.

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Recording Secretary



# AGENDA ITEM 5

## Attachment

Item # 6

## METRO JPA/TAC Staff Report

**Subject Title:** Purchase of Ferrous Chloride, Supplies and Services for Peroxide Regenerated Iron - Sulfide Control (PRI-SC/PRI-CEPT)

**Requested Action:** The Wastewater Treatment and Disposal (WWTD) Division requests approval to award a contract to US Peroxide for the purchase of ferrous chloride, supplies, and services necessary for Peroxide Regenerated Iron-Sulfide Control (PRI-SC).

In 2006, a demonstration study verified that the PRI-SC™ program and the Peroxide Regenerated Iron for Chemically Enhanced Primary Treatment (PRI-CEPT™) program optimized use of iron salts (specifically ferrous chloride,  $\text{FeCl}_2$ , and ferric chloride,  $\text{FeCl}_3$ ) in the wastewater treatment process. PRI-SC™ optimizes use of iron salts for sulfide control (i.e. odor control) via upstream hydrogen peroxide ( $\text{H}_2\text{O}_2$ ) addition to regenerate iron ions which have reacted with odorant hydrogen sulfide ( $\text{H}_2\text{S}$ ) molecules. The regenerated iron ions may then react with more  $\text{H}_2\text{S}$ , thus reducing the amount of  $\text{FeCl}_3$  ultimately added to the system. This reduction has financial benefits (approximately \$1.2 million per year in net reduced chemical costs) and environmental benefits (less iron in the effluent water and a more efficient disinfection process). The current program adds  $\text{FeCl}_2$  at Pump Station 1,  $\text{H}_2\text{O}_2$  at Pump Station 2, and  $\text{H}_2\text{O}_2$  at the influent to the Point Loma Wastewater Treatment Plant (PLWTP). The financial savings are realized by elimination of  $\text{FeCl}_3$  addition at Pump Station 2 and a reduction of  $\text{FeCl}_3$  used at the PLWTP.

Via this proposed contract, the Department plans to introduce this program at other wastewater treatment plants, specifically the North City Water Reclamation Plant and its feeder facilities. US Peroxide will provide technical expertise, mechanical equipment, and sensors necessary to install the process, monitor it, and optimize chemical use. Following full implementation of the process, the Department will have a system-wide, optimized process for sulfide control.

**Recommendations:**

Metro TAC:	Submitted for consideration on April 20, 2011
IROC:	N/A- This contract is included in the approved Metro operating budget and does not require IROC review.
Prior Actions: (Committee/Commission, Date, Result)	Submitted for consideration by the Natural Resources and Culture Committee on April 20, 2011; tentatively scheduled for consideration by the full Council on May 10, 2010.

**Fiscal Impact:** \$326,000 in FY 2011; \$2,750,000 in FY 2012; \$820,000 in FY 2013

Is this projected budgeted?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Cost breakdown between Metro & Muni:	98.3% Metro
Financial impact of this issue on the Metro JPA:	\$3,830,500 over part of three fiscal years (FY 2011, FY 2012, FY 2013)

**Capital Improvement Program:** N/A

New Project?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Existing Project?	Yes <input type="checkbox"/> No <input type="checkbox"/> upgrade/addition <input type="checkbox"/> change <input type="checkbox"/>

**Comments/Analysis:**

**Previous TAC/JPA Action:** None.

**Additional/Future Action:** Pending Metro TAC Approval, consideration by the Metro Commission on May 5, 2011

# AGENDA ITEM 6

## Attachment

**Metro Wastewater JPA Budget  
Fiscal Year 2011/12  
Draft**

	FY 2010/11			FY 2011/12
	Actual 7/10-3/11 Forecast 4/11-6/11	Budget	Variance	BUDGET
Ordinary Income/Expense	(Projected)	(Approved)	Fav (Unfav)	(Proposed)
<b>Income</b>				
<b>Membership Dues</b>	\$ 210,000	\$ 210,000	\$ -	\$ 206,000
<b>Interest Income</b>	152	1,500	(1,348)	150
<b>Total Income</b>	210,152	211,500	(1,348)	206,150
<b>Expense</b>				
<b>Atkins</b>	120,511	106,000	(14,511)	106,000
<b>Legal</b>	30,094	38,500	8,406	35,000
<b>Per Diem - Agency</b>	18,000	24,750	6,750	24,000
<b>Treasury Support - Padre Dam</b>	13,790	14,000	210	14,000
<b>Metro/JPA/TAC meeting expenses</b>	4,375	5,500	1,125	5,500
<b>Administrative Support-LP</b>	3,133	3,600	467	3,600
<b>Automobile Expense</b>	1,585	3,000	1,415	2,500
<b>Public Information</b>	-	1,000	1,000	500
<b>Web Site</b>	425	1,000	575	760
<b>Office Supplies</b>	368	900	532	750
<b>Supplies</b>	1,594	750	(844)	2,130
<b>Miscellaneous</b>	-	750	750	810
<b>Dues and Subscriptions</b>	538	600	62	600
<b>Contingencies</b>	-	10,000	10,000	10,000
<b>Total Expense</b>	\$ 194,414	\$ 213,350	\$ 18,936	\$ 206,150
<b>Net Ordinary Income</b>	\$ 15,738	\$ (1,850)	\$ 17,588	\$ -

<b>Fund Balance at 6/30/10</b>	\$ 74,716
<b>FY 2010/11 Projected Net Income</b>	15,738
<b>Projected 6/30/11 Fund Balance</b>	<u>\$ 90,454</u>

# Metro Commission / JPA Agency Cost Allocation (Draft)

	FY 2011/12 (Proposed)		
	Metro Flow 2012 forecast (MGD)	Commission Flow Distribution %	Total Agency Billings
Chula Vista	16.696	27.40%	\$ 56,438
Coronado	2.200	3.61%	\$ 7,437
County of SD	11.298	18.54%	\$ 38,191
Del Mar	0.675	1.11%	\$ 2,282
El Cajon	9.000	14.77%	\$ 30,423
Imperial Beach	2.250	3.69%	\$ 7,606
La Mesa	4.912	8.06%	\$ 16,604
Lemon Grove	2.384	3.91%	\$ 8,059
National City	4.571	7.50%	\$ 15,451
Otay Water District	0.326	0.53%	\$ 1,102
Padre Dam MWD	3.160	5.19%	\$ 10,682
Poway	3.469	5.69%	\$ 11,726
Total Flow	60.941	100.00%	\$ 206,000

PRIOR YEAR	
FY 2010/11	
Flow	Billings
16.543	\$ 57,415
2.200	\$ 7,635
11.120	\$ 38,594
0.675	\$ 2,343
8.800	\$ 30,542
2.250	\$ 7,809
5.210	\$ 18,082
2.296	\$ 7,969
4.571	\$ 15,864
0.303	\$ 1,052
3.070	\$ 10,655
3.469	\$ 12,040
60.507	\$ 210,000

# AGENDA ITEM 7

## Attachment

**METRO JPA/TAC  
Staff Report**

**Subject Title: Update and Status of PBS&J , an Atkins company, 2011 Contract**

**Requested Action: Recommend Amendment to PBS&J, and Atkins company, amendment**

**Recommendations:**

Metro TAC:	Approved with verification of available funds from Treasurer
IROC:	N/A
Prior Actions: (Committee/Commission, Date, Result)	Approved by Metro JPA Finance Committee

**Fiscal Impact:**

Is this project budgeted?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> There are funds available in the JPA 2011 budget.
Cost breakdown between Metro & Muni:	N/A
Financial impact of this issue on the Metro JPA:	\$16,418

**Capital Improvement Program:**

New Project?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Existing Project?	Yes <input type="checkbox"/> No <input type="checkbox"/> upgrade/addition <input type="checkbox"/> change <input type="checkbox"/>

**Comments/Analysis:**

PBS&J, an Atkins company, provides financial services and engineering support to the Metro JPA and the MetroTAC. During FYE 2011 several projects has arisen for which MetroTAC staff has requested additional support. Specifically, PBS&J staff has been supporting the review and commenting on the City of San Diego's Recycled Water Study which includes attending status update meetings, attending workshops, reviewing technical memoranda, soliciting and compiling comments from the PA's on the technical memoranda, planning and attending strategy meetings with the PA's, and preparing white papers for distribution.

Additionally, the Finance Subcommittee became a permanent committee during this year and PBS&J provides the planning, hosting, minute preparation and follow-up for the sub-committee. These costs have exceeded the planned efforts anticipated at the beginning of this contract year.

Although the additional effort, to date, has remained within the total contract value, there are

four month remaining in the contract year and PBS&J is anticipating exceeding the contract limit. Below is a table that summarizes the initial effort per task, costs incurred through 2/28/11, and the amount over or under the planned budget.

Task	Description	Budget Summary			Over/ (Under)
		Contract	To 2/28/11	Percent	
1	Routine Engineering	\$ 33,019	\$ 24,455	74%	\$ (8,564)
2	Exhibit E Audit	\$ 19,250	\$ 17,972	93%	\$ (1,279)
3	Budget Review	\$ 8,400	\$ 350	4%	\$ (8,050)
4	General MetroTAC Support	\$ 18,183	\$ 12,804	70%	\$ (5,379)
5	Recycled Water Study	\$ 12,600	\$ 41,263	327%	\$ 28,663
6	Resolve Recycled Water Revenue Issues	\$ 8,400	\$ 1,667	20%	\$ (6,733)
7	Recycled Water Pricing Study	\$ 5,250	\$ 272	5%	\$ (4,978)
8	Direct Costs	\$ 400	\$ 438	109%	\$ 38
OVERALL		\$ 105,502	\$ 99,220	94%	\$ (6,282)

Based on anticipated remaining work, PBS&J anticipates the remaining effort to be:

Effort	Est. Hours	Est. Amount
Recycled Water Study Review (Additional Hours)	50	\$8,750
Resolve Recycled Water Revenue Issues (Restore Original Budget)	48	\$8,400
Recycled Water Pricing Study (Restore Original Budget)	30	\$5,250
Estimated Expenses		\$300
Estimated Total	128	\$22,700
Less Remaining Budget		\$ (6,282)
Requested Amendment		\$16,418

Based on this estimate, it is anticipated that an additional \$16,418 (\$22,700 - \$6,282) to complete this fiscal year.

Metro TAC has approved this contract amendment pending verification of available funds by the Metro JPA Treasurer. Karen Jassoy, the Metro Treasurer has verified there are adequate funds remaining in this fiscal year's budget to cover the cost of this contract increase without additional billings to the JPA members.

**Previous TAC/JPA Action:**

**Additional/Future Action:**

**City Council Action:**



**FIRST AMENDMENT TO THE AGREEMENT FOR  
PROFESSIONAL SERVICES BETWEEN METRO  
WASTEWATER JOINT POWERS AUTHORITY AND  
PBS&J (A.K.A. ATKINS NORTH AMERICA, INC.)**

THIS FIRST AMENDMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2011, by and between 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 PBS&J/Atkins North America, Inc. (hereinafter referred to as "Consultant").

**RECITALS**

A. WHEREAS, Metro JPA and Consultant did enter into an agreement for professional services (hereinafter referred to as "Agreement") on June 3, 2011 for Consultant to provide technical, financial, and administrative support services for fiscal years 2010-11; and

B. WHEREAS, Section 3 of the Agreement provides that the Agreement may be modified by an amendment executed by both parties; and

C. WHEREAS, Section 9 of the Agreement provides that Consultant may assign, or transfer the Agreement or any rights thereunder with the written consent of Metro JPA; and

D. WHEREAS, effective April 1, 2011, Consultant changed its name to Atkins North America, Inc., but will not change any other corporate formalities. Consultant will remain incorporated in Florida as a U.S. company, and will retain the same: federal tax ID number, insurance coverages, business address, bank accounts, and wiring instructions, and company management, technical staff and financial personnel.

NOW THEREFORE, in consideration of the mutual obligations of the parties herein expressed, Metro JPA and Consultant agree as follows:

1. This First Amendment to the Agreement memorializes Consultant's name change from PBS&J to Atkins North America, Inc., and serves as Metro JPA's written consent under Section 9 of the Agreement, allowing PBS&J's assignment of all rights under the Agreement to Atkins North America, Inc.

2. All references in the Agreement to PBS&J, including the Agreement's title, introduction, section 16, and the signature block, are hereby modified to refer to Atkins North America, Inc.

3. In section 2(b) of the Agreement entitled "Compensation," the not to exceed sum of "\$105,595" shall be replaced with "122,013" (the original estimate of \$105,595 plus the additional estimate of \$16,418).

4. Exhibit "A" (Scope of Work) of the Agreement shall be augmented to include the following:

In addition to the scope of work outlined herein, the following additional scope of work is included as part of this Agreement as per the First Amendment to this Agreement.

During Fiscal Year 2011 several projects have arisen for which MetroTAC staff has requested additional support. Specifically, Consultant staff has been supporting the review and commenting on the City of San Diego's Recycled Water Study as needed, which includes attending status update meetings, attending workshops, reviewing technical memoranda, soliciting and compiling comments from Participating Agencies on the technical memoranda, planning and attending strategy meetings with the Participating Agencies, and preparing white papers for distribution. Additionally, in Fiscal Year 2010-2011 the Finance Committee became a permanent committee and Consultant provides the planning, hosting, minute preparation and follow-up for the Finance Committee as needed.

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

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

**METRO WASTEWATER JPA**

**ATKINS NORTH AMERICA, INC.**

By: \_\_\_\_\_  
Ernest Ewin  
Chairperson

By: \_\_\_\_\_

APPROVED AS TO FORM:

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

# AGENDA ITEM 8

## Attachment

**METRO JPA/TAC  
Staff Report**

**Subject Title:**

Atkins 2012 Proposal to Provide As-Needed Engineering and Financial Services

**Requested Action:**

Approve 2012 Work Plan and Contract

**Recommendations:**

Metro TAC:

Approved

IROC:

N/A

Prior Actions:  
(Committee/Commission,  
Date, Result)

Approved by Metro JPA Finance Committee

**Fiscal Impact:**

Is this projected budgeted?    Yes \_\_\_\_    No \_\_\_\_    Note: Included in 2012 Metro JPA Budget

Cost breakdown between  
Metro & Muni:

\$105,595 Metro JPA

Financial impact of this  
issue on the Metro JPA:

\$105,595 Metro JPA

**Capital Improvement Program: (N/A)**

New Project?    Yes \_\_\_\_    No \_\_\_\_

Existing Project?    Yes \_\_\_\_    No \_\_\_\_    upgrade/addition \_\_\_\_    change \_\_\_\_

**Comments/Analysis:**

The intention of this contract is to provide continued review and oversight of the Metro System Program with a minimum of duplication of effort by the Participating Agencies. The proposed Scope of Services is attached to this staff report. Atkins is proposing the same level of effort as in prior years but is requesting an increase in their hourly rate from \$175 to \$180 per hour. Atkins has not increased their hourly rate since 2007.

**Previous TAC/JPA Action:**

None

**Additional/Future Action:**

Approval by Metro JPA/Commission

<b>City Council Action:</b>
Not required.

## **SCOPE OF SERVICES**

### **METRO TAC/JPA/COMMISSION**

#### **AS-NEEDED ENGINEERING AND FINANCIAL SERVICES**

**MAY 12, 2011**

The purpose of the As-Needed Consulting Contract for the Metro Wastewater JPA/Commission is to provide technical and financial support to the 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/Commission efforts, as well as the overall costs of the Metro Program.

#### **I. Scope of Services**

The effort by ATKINS will be divided into five major categories, one for routine services, two for specific financial tasks, one for anticipated technical tasks, and one for general Metro TAC support.

##### **A. Routine Meetings**

The routine meetings will include the following tasks:

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

##### **B. Routine Audit Review – Public Utilities Department, Wastewater Operations Branch Exhibit E Audit Review – FYEs 2010 and 2011**

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

7. Review the annual general services cost allocation
8. Review output for any special projects (In the past this has included the reconciliation of the Shames and other municipal lawsuits, and the Clean Water Program management contract to insure that only Metro costs have/had been charged to the PAs)
9. Prepare work-meeting reports
10. Present the results to the AdHoc Finance Committee, Metro TAC, and Metro Wastewater JPA / Commission
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 MWWD Budget – FYE 2012**

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

**D. 2012 Special Projects**

1. Recycled Water Support – There are four main issues to be addressed that surround the production and sale of recycled water.
  - a) Review of Recycled Water Pricing Study – In December 2009 the City asked its consultant to address the difference between wholesale and retail customers' and their recycled water rates. The City's original proposed unitary rate structure is of major concern to the PAs. A second draft of the pricing study is due out for review in July 2011. The PAs goal for this study is to insure that the rates are fair and equitable to all parties, and set at appropriate levels that balance the facilitation of increased use of recycled water per the City's agreement with the environmental community, while providing additional monies to operate the system. Atkins will review the July draft in-depth to insure that the PAs goals are reached. (Note: This is a carry-over from 2011)
  - b) Continued Support and Resolution of Recycled Water Contractual Issues – During 2011 the City's Public Utilities Director recognized the participating agencies right to the revenues from the sales of recycled water at the South Bay plant. The sales of recycled water will be included

starting with the 2009 audit as an income credit. However several housekeeping issues remain to be resolved such as the completion of the repayment schedule for the North City Optimized System Debt and continued discussions over allocation of the capacity reservation leases paid by Otay Water District and Olivenhain Municipal Water District.

- c) Continued Support for Recycled Water Study – The Metro TAC has formed a subcommittee to provide proactive input to the City during the development of their Recycled Water Study. The final Technical Memorandum has been released and the draft report is due in June 2011. Atkins will continue to provide technical support to the subcommittee by attending the final project meeting, and review and commenting on the final report provided by the City's consultant.
- d) Recycled Water Capital Project Cost Allocations – With the completion of the Recycled Water Master Plan, the next phase will be the implementation of selected capital projects. Atkins will provide a white paper to the Metro TAC and the Metro JPA/Commission on cost allocations used by other regional agencies such as West Basin Municipal Water District, the City of Los Angeles, and Los Angeles Water & Power for funding recycled water projects (i.e. what is a wastewater versus water expense for a capital project). In addition, Atkins will provide financial guidance regarding the value of secondary treated wastewater.
- E. Metro TAC Staff Support – This task includes 6 hours per month for unforeseen financial analysis or technical engineering support. Atkins will support, as-needed, the items contained in the Metro TAC 2011 Work plan. One key issue that will surface during 2012 is the reallocation of Metro costs due to the overbilling of Padre Dam Municipal Water District for their sewage strengths.

## **II. ADDITIONAL SERVICES AS REQUESTED**

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



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

This agreement is made and entered into as of \_\_\_\_\_, 2011, by and between the METRO WASTEWATER JOINT POWERS AUTHORITY (hereinafter referred to as the "Metro JPA"), a joint powers authority organized and operating pursuant to California Government Code section 6500 *et seq.*, and ATKINS NORTH AMERICA, INC. (hereinafter referred to as "Consultant").

**RECITALS**

A. The Metro JPA would like to retain the services of Consultant to provide as-needed technical, financial and administrative support services as set forth in more detail herein for the fiscal year of 2011-12.

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

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

**AGREEMENT**

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

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

2. Compensation.

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

b. In no event shall the total amount paid for services rendered by Consultant pursuant to Exhibit "A" exceed the sum of \$105,595.00 for fiscal year 2011-12. 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. 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.

5. Time of Performance.

Consultant shall perform its services in a prompt and timely manner and shall commence performance on July 1, 2011, and upon execution of this Agreement by both parties.

6. 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; 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.

7. Compliance with Law.

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

8. 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.

9. 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.

10. Independent Consultant

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

11. Integration

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

12. Insurance

a. Commercial General Liability

(i) The Consultant shall take out and maintain, during the performance of all work under this agreement, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the Metro JPA.

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

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 0001)

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

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

(iv) All such policies shall name the Metro JPA, the Board and each member of the Board, its officers, employees, agents and Metro JPA designated volunteers as Additional Insureds under the policy.

(v) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the Metro JPA.

b. Automobile Liability

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

(ii) Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 0001 (ed. 12/93) covering automobile liability, Code 1 (any auto).

(iii) The automobile liability program may utilize deductibles, but not a self-insured retention, subject to written approval by the Metro JPA.

(iv) All such policies shall name the Metro JPA, the Board and each member of the Board, its officers, employees, agents and Metro JPA designated volunteers as Additional Insureds under the policies.

c. Workers' Compensation/Employer's Liability

(i) At all times during the performance of Services under this Agreement, the Consultant shall maintain workers' compensation in compliance with applicable statutory requirements and Employer's Liability Coverage in amounts indicated herein.

(ii) Such insurance shall include an insurer's Waiver of Subrogation in favor of the Metro JPA and will be in a form and with insurance companies acceptable to the Metro JPA.

(iii) If insurance is maintained, the workers' compensation and employer's liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the Metro JPA.

(iv) Before beginning work, the Consultant shall furnish to the Metro JPA satisfactory proof that he/she has taken out for the period covered by the work under this agreement, full compensation insurance for all persons employed directly by him/her or through subconsultants in carrying out the work contemplated under this agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV or the Labor Code of the State of California and any acts amendatory thereof. Consultant shall require all subconsultants to obtain and maintain workers' compensation coverage of the same type and limits as specified in this section.

d. Professional Liability (Errors and Omissions)

At all times during the performance of the work under this Agreement the Consultant shall maintain professional liability insurance, in a form and with insurance companies acceptable to Metro JPA and in an amount indicated herein.

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

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

Combined Single Limit

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

f. Evidence Required

Prior to execution of the agreement, the Consultant shall file with the Metro JPA evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 2010 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent). All evidence of insurance shall be certified by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional primary insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

g. Policy Provisions Required

(i) All policies shall contain a provision for 30 days advance written notice by the insurer(s) to the Metro JPA of any cancellation. Statements that the carrier "will endeavor" and "that failure to mail such notice shall impose no obligation and liability upon the company, its agents or representatives," will not be acceptable on certificates.

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

h. Qualifying Insurers

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

(ii) Insurance carriers shall be qualified to do business in California and maintain an agent for process within the state. Such insurance carrier shall have not less than an "A-" policyholder's rating and a financial rating of not less than "Class VII" according to the latest Best Key Rating Guide.

i. Additional Insurance Provisions

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the Metro JPA, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this agreement, including but not limited to, the provisions concerning indemnification. Neither the Metro JPA nor the Board, nor any member of the Board, nor any of the directors, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of the Agreement.

(ii) If at any time during the life of the agreement, the Consultant fails to maintain in full force any insurance required by the agreement documents, the Metro JPA may acquire the necessary insurance for the Consultant and deduct the cost thereof from the appropriate progress payments due the Consultant.

(iii) The Consultant shall include all subconsultants as insureds under its policies or shall furnish separate certificates and endorsements for each subconsultant. All coverages for subconsultants shall be subject to all of the requirements stated herein.

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

13. Indemnification

Consultant agrees to protect, save, defend and hold harmless Metro JPA and its Board and each member of the Board, officers, agents and employees from any and all claims, liabilities, expenses or damages of any nature, including attorneys' fees, for injury or death or any person, or damage to property, or interference with use of property, including loss of use, arising out of or in any way connected with the negligent performance or willful misconduct under this agreement by Consultant, Consultant's agents, officers, employees, subconsultants, or independent consultants hired by Consultant. The only exception to Consultant's responsibility to protect, save, defend and hold harmless Metro JPA, is due to the sole negligence, willful misconduct or active negligence of Metro JPA. This hold harmless agreement shall apply to all liability regardless of whether any insurance policies are applicable. The policy limits does not act as a limitation upon the amount of indemnification to be provided by Consultant.

14. Laws, Venue, and Attorneys' Fees

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

15. Termination or Abandonment

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

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

16. Notice

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

<b>METRO JPA:</b>	<b>CONSULTANT:</b>
Metro Wastewater JPA	Atkins North America, Inc.
101 B Ave.	9275 Sky Park Court, Ste. 200
Coronado, CA 92118	San Diego, CA 92123-4386
<b>Attn:</b> c/o Scott Huth, City of Coronado	<b>Attn:</b> Karyn Keese

and shall be effective upon receipt thereof.

17. Data

Consultant shall be entitled to rely upon the accuracy of data and information provided by the Metro JPA without independent review or evaluation unless such review or evaluation is specified in the scope of services.

18. Third Party Rights

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

IN WITNESS WHEREOF, the parties have executed this agreement as of the date first written above.

**METRO WASTEWATER JPA:**

**ATKINS NORTH AMERICA INC.:**

By: \_\_\_\_\_  
Ernest Ewin  
Chairperson

By: \_\_\_\_\_

APPROVED AS TO FORM:

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



**EXHIBIT A**  
**Scope of Services**

## **EXHIBIT B**

### **Schedule of Charges/Payments**

# AGENDA ITEM 9

## Attachment

## METRO JPA/TAC Staff Report

**Subject Title:** MBC Odor Control Facility Upgrade

**Requested Action:** Recommendation from the Metro Commission to approve the project and moving it forward to City Council for approval.

**Recommendations:**

Metro TAC:	Present to JPA for approval of the design.
IROC:	N/A- This project is included in the approved Metro CIP budget and does not require IROC review.
Prior Actions: (Committee/Commission, Date, Result)	

**Fiscal Impact:**

Is this project budgeted?    Yes   X          No     

Cost breakdown between Metro & Muni:	100% Metro
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Financial impact of this issue on the Metro JPA:	33.5% of \$5,200,000.00 = \$1,742,000.00
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**Capital Improvement Program:**

New Project?        Yes   X          No     

Existing Project?    Yes             No   X          upgrade/addition             change     

**Comments/Analysis:**

**Previous TAC/JPA Action:** On April 20, 2011 Metro TAC unanimously approved the project and recommended moving it forward to Metro JPA/Commission for approval. Scheduled to present to JPA on June 2, 2011

**Additional/Future Action:** Present to NR&C prior to City Council

**City Council Action:** Present it to City Council for authorization to Advertise and Award for design.

**CITY OF SAN DIEGO**  
**ENGINEERING AND CAPITAL PROJECTS DEPARTMENT**

**Project Name:** MBC ODOR CONTROL FACILITY UPGRADE, (WBS# S-00323)

**Name of Project Presenter:** Idalmiro Manuel da Rosa, Project Manager

**Requested Action:** Request for approval from the Metro Commission to select and award a Consultant Engineering firm to prepare the construction documents.

**Project Background:**

The City of San Diego's Public Utilities Department operates the Metro Biosolids Center (MBC), a regional biosolids processing facility located adjacent to the City's Miramar Landfill in Kearny Mesa. MBC consists of anaerobic digestion, solids thickening and dewatering, and waste energy cogeneration processes. Foul air from the plant's process areas is collectively ducted, treated, and exhausted by two (2) Odor Control Systems, (OCS).

The primary OCS is in the Chemical Building (Area 60) treats the foul air from the pre- and post-digestion processes. Post-digestion was designed to extract 16,000 cfm of foul air from the Dewatered Biosolids Storage Building (Area 86), the Centrifuge Building (Area 76), and the Digester Complex (Area 80). Pre-digestion was designed to extract 36,000 cfm from the Grit Removal Facility (Area 76), the Centrifuge Building (Area 76), and the Receiving Tank Complex (Area 73). The Odor Control Facility (Area 60) consists of three (3) three-stage odor control scrubber trains. Foul air from the post-digestion processes is sent to the first-stage ammonia scrubbers, after which it is combined with incoming foul air from the pre-digestion processes. The combined foul air stream is then sent to the second-stage hypochlorite scrubbers and finally to the third-stage activated carbon scrubbers before being released to the atmosphere.

The second OCS was designed to extract 9,000 cfm of foul air from the wet wells in the Wastewater Pump Station (Area 94). Similarly to the Area 60 OCS, the foul air is treated in a three-stage odor control system before being discharged to the atmosphere.

The odor control and ventilation systems for the various MBC processing areas were constructed under different contract packages, hampering the ability of these systems to be balanced as a whole. Because of this, neither post-digestion nor pre-digestion systems in Area 60 are able to operate at their designed air flow capacities. This results in inadequate foul air collections and prevents the development of negative air pressure in the process units and buildings. Ineffective capture of foul air at Truck Loading Area (Area 86) has also resulted in fugitive emissions from process vessels, occasionally making some work areas unpleasant and causing odors to linger in some outdoor locations at the MBC site.

Access Platforms to major components in elevated areas of the OCS of Area 60 and 94 were never provided making it Operation and Maintenance (O&M) access unsafe.

The selection of a Professional Engineering Firm for Design and Construction Assistance with the Odor Control System Upgrade at MBC is thru a competitive selection process.

### **Project Description**

The Project requires the following consultant design and construction support services in Areas 60, 73, 76, 86, 80, and 94:

- Provide O&M access platforms/catwalks to the overhead equipment and control instruments in Areas 60 and 94.
- Readjust fan speeds, upsize motors, and modify existing ductwork as required to comply with the required airflow capacities.
- In Area 76 Separate the Grit/Screenings Removal facility into a general ventilation area and foul air collection area. Revise the system to comply with each of the areas ventilation requirements.
- In Area 86, design foul air collection “fume hood” at each of the two truck loadout areas/lanes (including emergency loadout areas), increase airflow capacities, and modify ductwork accordingly.
- Balance the OCS airflows.
- Modify the Distributed control System (DCS) control strategy to ensure that sufficient foul air is being collected from the odor sources and treated.

### **Cost:**

The costs associated with this project are as following:

Administration	\$ 470,000.00
Design Costs	\$ 680,000.00
Construction	\$3,600,000.00
Contingency	<u>\$ 450,000.00</u>
Total Projected Costs	\$5, 200,000.00

The Administration costs includes the planning costs incurred to date for in-house planning, preparation and process for the competitive selection, and future administrative support.

The funding will come from the MBC Odor Control Upgrade Facility WBS # S-00323, Sewer Fund 41509.

### **Schedule:**

The schedule for MBC Odor Control Facility Upgrade is as follows:

Design Selection and Agreement Process	June 2011 - September 2011
Design	October 2011- October 2012
Advertise and Award for Construction	November 2012 – July 2013
NTP for Construction	August 2013
Construction Complete	January 2015

# AGENDA ITEM 11

## Attachment

**MetroTAC  
2010/2011 Work Plan**

<b>MetroTAC Items</b>	<b>Description</b>	<b>Subcommittee Member(s)</b>
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.	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</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.</i>	Tom Howard Paula de Sousa
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 is out and we are currently in the comment period. Draft report due out mid-summer.	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. <i>draft study still not issued</i>	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 CoSD staff; San Diego to provide backup data for TAC to review. This option is also covered in the Recycle Water Study.	Roberto Yano Manny Magaña Karyn Keese Rita Bell
Recycled Water Study Cost Allocation	<i>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.</i>	Scott Huth Roberto Yano Al Lau Karyn Keese
<b>Board Members' Items</b>		
Metro JPA Strategic Plan	<i>2/2011: committee to meet 2/28/11 to plan for retreat to be held on 5/5/11</i>	Augie Caires Ernie Ewin Mark Robak
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
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.	Karen Jassoy Karyn Keese
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 Dean Gipson
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.	

<b>MetroTAC Items</b>	<b>Description</b>	<b>Subcommittee Member(s)</b>
IROC Performance Audits	Work with IROC to identify areas to be audited; participate in audit process. 8/2010: provide the top 5 areas to audit by September IROC meeting	Augie Caires

Completed Items	Description	Subcommittee Member(s)
Debt Reserve and Operating Reserve Discussion	In March 2010, the JPA approved recommendations developed by Metro JPA Finance Committee, MetroTAC, and the City of San Diego regarding how the PA's will fund the operating reserve and debt financing. MetroTAC has prepared a policy document to memorialize this agreement. <b>Project complete: 4/10</b>	Scott Huth Karyn Keese Doug Wilson
State WDRs & WDR Communications Plan	The Waste Discharge Requirements (WDRs), a statewide requirement that became effective on May 2, 2006, requires all owners of a sewer collection system to prepare a Sewer System Management Plan (SSMP). Agencies' plans have been created. We will continue to work to meet state requirements, taking the opportunity to work together to create efficiencies in producing public outreach literature and implementing public programs. <b>Project complete: 5/10</b>	Dennis Davies Patrick Lund
Ocean Maps from Scripps	Schedule a presentation on the Sea Level Rise research by either Dr. Emily Young, San Diego Foundation, or Karen Goodrich, Tijuana River National Estuarine Research Reserve <b>Project complete: 5/10</b>	Board Member Item
Secondary Waiver	The City of San Diego received approval from the Coastal Commission and now the Waiver is being processed by the EPA. The new 5 year waiver to operate the Point Loma Wastewater Treatment Plant at advanced primary went into effect August 1, 2010. <b>Project complete 7/10</b>	Scott Huth
Lateral Issues	Sewer laterals are owned by the property owners they serve, yet laterals often allow infiltration and roots to the main lines causing maintenance issues. As this is a common problem among PAs, the MetroTAC will gather statistics from national studies and develop solutions. 4/11: There has been no change to the issue. We will continue to track this item through SCAP and report back when the issue is active again.. <b>Efforts closed 3/11</b>	Tom Howard Joe Smith

# AGENDA ITEM 14b

## Attachment



Metro Wastewater JPA Finance Committee  
February 23, 2011  
Minutes

Meeting called to order: 8:34 a.m. at PBS&J 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  
Merrilee Boyack, Vice- Chair, Metro Wastewater JPA Finance Committee  
Ernie Ewin, Metro Wastewater JPA Chairman  
Augie Caires, Committee Member

Karyn Keese, PBS&J  
Paula de Sousa, BBK

**City of San Diego Staff:**

Peggy Merino, Public Utilities Department (PUD)

**General Public:**

There were no general public.

**2. Public Comment**

There was no public comment.

**3. Approval of Minutes from the July 28, 2010 Finance Committee Meeting**

Ms. Keese stated that there was one typographical error in the minutes. Under Item 11 the next regular Finance Committee was to be August 25, 2010. Upon motion by Vice-Chairman Boyack, seconded by Committee Member Caires, the July 28, 2010 Regular Meeting Minutes were approved subject to the change of the date noted above with Committee Member Ewin abstaining. It was noted by Committee Member Ewin that there was no meeting last month due to the lack of a quorum.

#### **4. 2009 Exhibit E Audit Final Reconciliation**

Ms. Keese reviewed the final closeout of the 2009 Exhibit E Audit. The 2009 year budget for the PAs was lowered to \$57.5 million from the normal \$65 million in annual contributions. The audited cost for the PAs came in \$50,523 overall higher than the budget. These additional costs were for treating the wastewater flow. In addition the Metro system experienced an overall 8% decrease in flows. Thus higher than expected costs divided by lower than expected flows caused an overall increase in flow related costs of 9%. Some agencies will see a refund others will be invoiced for their additional 2009 costs based on their proportionate share of the overall audited costs and flows.

Vice-Chair Boyack asked what the total Metro Wastewater JPA Budget was for 2009 and how much were the findings from the audit. The current JPA Budget is \$219,000 and the findings totaled \$928,829. The PAs represented 33.68% of the Metro budget and received an audited reduction of \$313,000 in their 2009 costs based on the audit findings. She noted that while the gap is decreasing between the PAs portion of the findings and the operations of the JPA it should be noted that it is still beneficial for the JPA to participate in the Exhibit E audit process.

Ms. Keese stated that having dedicated PUD internal audit staff has significantly improved the audit process and the decrease in findings.

Ms. Keese stated that the 2009 audit reconciliation has been to Metro TAC twice and at their February 16, 2011 meeting they accepted the 2009 Exhibit E audit findings and the reconciliation and recommended that it move forward to the Finance Committee and the Metro JPA/ Commission for review and possible acceptance.

**ACTION:** Upon motion by Vice-Chair Boyack, seconded by Committee Member Erwin the Committee unanimously approved that the 2009 Exhibit E Audit Report and financial reconciliation should be brought forward to the Metro JPA/Commission for review and possible acceptance at their March 3' 2011 meeting.

#### **5. Calculation of 2011 Operations Reserve**

Ms. Keese reviewed the calculations for the 2011 Operations Reserve contributions. In April 2010 the Metro JPA/Commission approved the "Administrative Protocol on Allocation of Operating Reserves and Debt Service Coverage to the Participating Agencies". The operating reserve was based on 45 days of the average operating expenses for audited years of 2007 and 2008 and the audited flows for 2008. It is the intention of the protocol that each year the operating reserve will be recalculated based on the most recent audit. With the close of the 2009 audit the PAs share of the operating reserve has been recalculated. City staff has applied the interest earned on the operations reserve and the net effect is that the City owes the PAs \$31,085.

The calculation of the 2011 operations reserve was reviewed by Metro TAC at their February 16, 2011 meeting and they recommended that the balance in the operations reserve for each PA should just be carried forward until next fiscal year. Ms. Keese also stated that City staff is keeping a monthly record of revenues and expenses to calculate the interest on the operations reserve as well

as on the undesignated fund balance. The undesignated fund balance is used to calculate the debt service coverage ratio of 1.2 on the PAs portion of the outstanding debt. For fiscal year 2011 there will be not adjustment to the debt service coverage.

**ACTION:** Upon motion by Vice-Chair Boyack, seconded by Committee Member Erwin the Committee unanimously approved that the calculation of the 2011 operations reserve should be brought forward to the Metro JPA/Commission for review and possible acceptance at their March 3, 2011 meeting.

**6. Consideration and Possible Approval of Administrative Support Services Contract and Amendment to the Agreement with the City of San Diego Therefore.**

Ms. de Sousa reviewed the above referenced documents with the Committee. Essentially the agreement(s) are the same as before except that the current agreement is for two years and two months so that it will expire June 30 along with all other JPA contracts. In addition a provision has been included for repayment of cell phone and technology costs to Ms. People and the billing will be on a quarterly basis not monthly.

**ACTION:** Upon motion by Vice-Chair Boyack, seconded by Committee Member Caires, the Committee unanimously approved that the administrative support agreements should be brought forward to the Metro JPA/Commission.

**7. Future Financial Initiatives for Strategic Planning Session**

Committee Member Caires reviewed a handout from the May 7, 2009 strategic planning workshop. He requested that the Committee members review the handout and edit the strategic goals and other strategic initiatives in light of current and near future financial circumstances and changed goals

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

The Finance Committee recommended that items 3, 4, 5, and 6, should be moved forward to the March 2011 Metro JPA/Commission meeting.

**9. Other Business of the Finance Committee**

There was no other business of the Finance Committee.

**10. Adjournment**

The meeting was adjourned at 9:23 a.m. The next regularly scheduled meeting of the Finance Committee will be March 30, 2011 at the PBS&J San Diego Office.

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