

Meeting of the Metro Commission and Metro Wastewater JPA

AGENDA

Thursday, JULY 7, 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. <u>ACTION</u> CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE MINUTES OF THE REGULAR MEETING OF JUNE 2, 2011 (Attachments)
- X 5. <u>ACTION</u> CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FOURTH AMENDMENT TO METRO JPA TREASURER'S SERVICE AGREEMENT WITH PADRE DAM MUNI WATER DISTRICT (Attachment)
- X 6. METRO 2011 YEAR END PROJECTIONS (Attachment)
- X 7. METRO 2012 OPERATING AND CIP BUDGET (Attachment)
- X 8. KEY RELATED ITEMS WE SHOULD BE TRACKING/GETTING UP TO SPEED ON (Attachment)
 - 9. METRO TAC UPDATE

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- 10. IROC UPDATE
 - a. Report from IROC Representative Caires
- 11. FINANCE COMMITTEE
 - a. Report from Finance Committee
 - b. Minutes from the May 25, 2011 Meeting
- 12. REPORT OF GENERAL COUNSEL
- 13. PROPOSED AGENDA ITEMS FOR THE NEXT METRO COMMISSION/ METRO WASTEWATER JPA MEETING September 1, 2011.
- METRO COMMISSIONERS' AND JPA BOARD MEMBERS' COMMENTS
- 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) 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



Meeting of the Metro Commission and Metro Wastewater JPA

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

June 2, 2011

DRAFT Minutes

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>	Representatives		<u>Alternate</u>
City of Chula Vista	Cheryl Cox	Χ	Scott Tulloch
City of Coronado	Al Ovrom	Χ	Scott Huth
City of Del Mar	Donald Mosier	Χ	
City of El Cajon	Bill Wells		Dennis Davies
City of Imperial Beach	Ed Spriggs		Lorie Bragg
City of La Mesa	Ernie Ewin	Χ	
Lemon Grove Sanitation Distric	t Jerry Jones		Mike James
City of National City	Louis Natividad	Χ	Joe Smith
City of Poway	Merrilee Boyack		Leah Browder
City of San Diego	Jerry Sanders		Roger Bailey
County of San Diego	Dianne Jacob		Mohamad Fakhrriddine
Otay Water District	Mark Robak	Χ	
Padre Dam MWD	Augie Caires	Χ	Augie Scalzitti
Metro TAC Chair	Scott Huth	Χ	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; Eric Minicilli - Del Mar; Erin Bullers and Greg Humora - City of La Mesa; Mike Uhrhammer - Padre Dam Muni Water District & Metro JPA Strategic Plan Workshop Facilitator; Tom Zeleny - General Counsel City of San Diego

2. PLEDGE OF ALLEGIANCE TO THE FLAG

Commissioner Ovrom led the Pledge.

3. PUBLIC COMMENT

There was no public comment.

4. <u>ACTION</u> - CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE MINUTES OF THE SPECIAL MEETING OF MAY 5, 2011 AND THE STRATEGIC PLANNING WORKSHOP MINUTES OF MAY 5, 2011

ACTION: Upon motion by Commissioner Caires, seconded by Commissioner Ovrom, the May 5, 2011 Special Meeting Minutes and May 5, 2011 Strategic Planning Workshop Minutes were approved unanimously.

5. <u>ACTION</u> - CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE PURCHASE OF CHEMICALS, SUPPLIES AND SERVICES FOR PEROXIDE REGENERATED IRON-SULFIDE CONTROL

Chris McKinney, City of San Diego Deputy Director of Wastewater Treatment & Disposal Division of Public Utilities made a brief verbal presentation. The contract is with US Peroxide for chemicals and technical support necessary for both refinement of the PRISC (Peroxide Regenerated Iron for Sulfate Control) process at the Point Loma Wastewater Treatment Plant and for expansion of the process at the North City Reclamation Plant. This process provides the odor control throughout the system. The net cost savings is approximately \$3,300/day or \$1.2M/year via this process at Point Loma. There would be another \$300K savings at North City. This contract does not cover iron salts needed for non PRISC related usage.

ACTION: Upon motion by Commissioner Natividad, seconded by Commissioner Robak, the purchase was approved unanimously.

6. <u>ACTION</u> – CONSIDERATION AND POSSIBLE ACTION TO APPROVE FISCAL YEAR 2011-2012 METRO WASTEWATER JPA BUDGET

Ms. Keese stated that the budget had been reviewed and approved by MetroTAC in concept and they agreed that as long as it was similar in dollar amount to the prior budget they would concur with it. It had also gone through the Finance Committee and was approved with the caveat made by Commissioner Natividad who requested the amount of reserves projected for year end, which has since been provided. The budget overall is projected to be less this year. The 2010-2011 budget was \$213,350 of which it is projected that there will be almost \$19K left over at year end. There is a fund balance at this point of \$74,716 and a when the projected net income is added back in, the fund balance is projected to be \$90,454 at year end. Last year the Board adopted a policy of maintaining a cash reserve target of 4 months of operating cash. Based on the anticipated \$206,150 budget is \$69K. Page 2 takes the budget and allocates it across the Participating Agencies based on the Metro 2012 Flow Forecast that was provided by Peggy Merino.

ACTION: Upon motion by Commissioner Cox, seconded by Commissioner Mosier, the Budget was approved unanimously.

7. <u>ACTION</u> - CONSIDERATION AND POSSIBLE ACTION TO APPROVE AMENDMENT NO. 1 TO PBS&J CONTRACT (NAME CHANGE TO ATKINS AND SCOPE OF WORK)

Ms. Keese provided a brief verbal presentation on the proposed amendment covering the change in name from PBS&J to Atkins Global. The first part changes the name on the 2011 contract and the second a scope change requiring an additional \$16,418 amendment previously approved by MetroTAC subject to funds availability in the budget as well as the Finance Committee. The main reason for this request is due to the unanticipated scope changes caused by the Recycled Water Study and the preparation of white papers to move the PA's positions forward as well as course screening and fine screening, 8 TM's reviewed and managed the comment process as well as provided comments. General Counsel de Sousa noted that there was a typo in the date of the original contract which should read June 2010 and would be corrected prior to final processing if approved. MetroTAC Chair Huth stated that the MetroTAC recommended approval of the requested adjustments.

ACTION: Upon motion by Commissioner Caires, seconded by Alternate Commissioner Browder, the Amendment was approved unanimously.

8. <u>ACTION</u> – CONSIDERATION AND POSSIBLE ACTION TO APPROVE ATKINS FY 2011-2012 CONTRACT AND SCOPE OF WORK

Ms. Keese provided a brief verbal presentation noting that this item covers the FY 2012 contract and scope of work that went to both MetroTAC and the Finance Committee and were approved to come forward to the JPA. The agenda attachments did not include a copy of the breakdown cited in the contract as Exhibit B, but it has been provided on the dais. The budget is being held the same with exception of a \$5/hr. increase. This is still a 10% discount from her normal hourly rate.

ACTION: Upon motion by Commissioner Caires, seconded by Commissioner Ovrom, the FY 2011-2012 Contract and Scope of Work were approved unanimously.

 ACTION - CONSIDERATION AND POSSIBLE ACTION TO APPROVE DESIGN OF MBC ODOR CONTROL FACILITY UPGRADE, (WBS# S-00323) (Idalmiro Manuel da Rosa, Project Manager)

Mr. da Rosa, Project Manager for the MBC Odor Control Facility Upgrades, provided a brief verbal presentation noting that the project involves upsizing motors and diversion of air from certain areas where odor control is not needed to be treated and to capture it better at the truck load facility where there is an odor control problem with "fugitive odors". The project was approved for design in 2003 but a study has been completed and re-scoping completed so it is ready to move forward. It has been before the MetroTAC and reviewed and approved.

ACTION: Upon motion by Commissioner Natividad, seconded by Commissioner Cox, the Design of the MBC Odor Control Facility Upgrade was approved unanimously.

10. PRESENTATION OF POST STRATEGIC PLAN WORKSHOP WRAP-UP AND DISCUSSION (Mike Uhrhammer)

Mr. Uhrhammer provided a brief Power Point presentation noting that there were only 12 participants in the post strategic plan workshop evaluation.

MetroTAC Chair Huth stated that as the Recycled Water Study is received and reviewed in the next few months, a workshop format at the normal JPA meeting might be a better format to deal with it. They are speaking with San Diego on receiving a presentation both at MetroTAC and the Board level.

Commissioner Caires stated that the report will be technical, but will also address policy type issues and inquired as to how the workshop would be envisioned such as handling policy review followed by the technical.

MetroTAC Chair Huth stated the workshop part would be better on designing and developing policy decisions such as policy on IPR, where should it be, how should we work together as agencies in addressing the impact, what kind of regional support is needed to lobby for IPR etc.

Chair Ewin stated he thought we would try to start weaving mini-workshops on a topical item into our future meetings.

Commissioner Caires stated he felt a good starting point for holding a workshop would be the Recycled Water Optimization Study.

Chair Ewin stated he, Commissioner Caires and Mr. Uhrhammer would work together on putting together a workshop schedule and scope for the JPA and will bring it back.

Ms. Keese stated that Commissioner Boyack had inquired as to when they Finance Committee would be seeing action items from the Strategic Planning Workshop results.

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

Chair Ewin noted these items would reviewed for possible workshops and based on the Strategic Planning Workshop, would review to see if there were any items to add or remove from the list.

12. METRO TAC UPDATE

MetroTAC Chair Huth stated that the comment period for the last Technical Memorandum (TM 8) for the Recycled Water Study had closed and comments had been submitted Friday. The draft study is due out within a month and will provide a gauging point to get the Board involved in the study.

13. IROC UPDATE

a. Report from IROC Representative Caires

IROC Representative Caires stated that at the May 16 meeting the Comprehensive Policy for Sustainable Water Supply was brought back and supported unanimously with only minor modifications - the areas of interest to the JPA include policy support for collaboration with regional stakeholders, public partnerships to finance infrastructure, cost effective expansion of recycled water projects and simplification of regulatory approval of recycled water projects as well as advanced water purification projects. They recommend oversight be provided by IROC in biannual reports given to the Mayor and City Council. The Managed Competition program was returned to IROC specifically regarding the PUD customer service function. Many process concerns were expressed by the IROC representatives as well as concerns about the ultimate costs of competition resulting in privatization. The program and process of managed competition is new and complex and introduces a new level of risk and IROC did not make a recommendation, however they recommended that after hour emergency contacts not be contracted our if in fact a contract were to occur. An update was provided on the 2010 Urban Water Management Plan and the 2012 Proposed Budget was presented - with \$329M in wastewater both Metro and Muni of which \$65M is our share of the Metro cost. There were much improved staffing allocations between water and wastewater and between Metro and Muni which is very important to the JPA. Also the IROC Annual Report is about 90% complete and will capture the last portion of work IROC has completed, the report to be provided to all PA's upon completion.

14. FINANCE COMMITTEE

a. Report from Finance Committee

Finance Committee Chair Ovrom stated they had received items 6, 7 and 8 previously heard on this agenda as well as the Recycled Water Study Issues and the amount calculated by the City of San Diego with a couple of potential legal issues which were referred to General Counsel de Sousa who will review and report back..

b. Minutes from the February 23, 2011 Finance Committee Meeting (Attachment)

15. REPORT OF GENERAL COUNSEL

General Counsel de Sousa stated that the Governor's budget proposal eliminates 43 State Boards and Commissions. Tomorrow is the deadline for passing legislation out of its house of origin or they will become 2-year bills. One bill of interest is AB246 regarding water quality enforcement matters which proposes to authorize regional quality control boards to delegate to their executive officers the authority to refer matters to the Attorney General for judicial enforcement in many instances without a public hearing first. AB741 permits public wastewater agencies to offer private voluntary liens to private property owners who finance lateral improvements and conversions so they can convert from septic to sewer which can be done without legal action (pro-active instead of reactive). AB1354 pertains to retention for public works projects which currently required to be no less than 5% which will reduce this to no more than 5%.

16. PROPOSED AGENDA ITEMS FOR THE NEXT METRO COMMISSION/METRO WASTEWATER JPA MEETING July 7, 2011

Chair Ewin inquired as to how many of the PA's had a "dark" month and stated that depending on urgency of items, he will try to observe the Board going "dark" in possibly July and August.

Commissioner Moser announced that the Del Mar Pump Station dedication will be held early next
year.

METRO COMMISSIONERS' AND JPA BOARD MEMBERS' COMMENTS

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

At 1:07 p.m., there being no further business, Chairman Ewin declared the meeting adjourned.

Recording Secretary	

17.

AGENDA ITEM 5 Attachment

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

THIS FOURTH AMENDMENT is made and entered into this ____ day of July, 2011, by and between the Metro Wastewater Joint Powers Authority (herein referred to as "Metro JPA"), a joint powers authority organized and operating pursuant to California Government Code section 6500 *et seq.*, and the Padre Dam Municipal Water District (herein referred to as the "District"), collectively referred to herein as the "Parties."

RECITALS

- A. WHEREAS, the Parties did enter into an agreement for treasurer services (hereinafter referred to as the "Agreement") on May 29, 2008 for the District to provide treasurer services to Metro JPA until June 30, 2009; and
- B. WHEREAS, the Parties entered into a First Amendment to the Agreement on July 1, 2009 to extend the treasurer's service until June 30, 2010; and
- C. WHEREAS, the Parties entered into a Second Amendment to the Agreement on June 3, 2010 to extend the treasurer's service until June 30, 2011; and
- D. WHEREAS, the Parties entered into a Third Amendment to the Agreement on December 2, 2010 to assign Karen Jassoy, Padre Dam Chief Financial Officer/Director of Finance, to provide the treasurer services referenced in the Agreement; and
 - E. WHEREAS, the Parties seek to continue the treasurer contract.

NOW THEREFORE, in consideration of the mutual obligations of the Parties herein expressed, the Parties agree as follows:

- 1. Section 4 of the original Agreement is amended as necessary to extend the end date of treasurer services until June 30, 2012.
- 2. All other terms and conditions of the original Agreement shall remain in full force and effect.

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

METRO WASTEWATER JOINT POWERS AUTHORITY	PADRE DAM MUNICIPAL WATER DISTRICT
By: Ernest Ewin Chair	By:Allen Carlisle General Manager
APPROVED AS TO FORM:	
BEST BEST & KRIEGER LLP	
By: Powle C. P. de Sauce	_
Paula C. P. de Sousa General Counsel	
Metro Wastewater Joint Powers	Authority
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AGENDA ITEM 6 Attachment



Wastewater 3-Year Budget vs Actuals

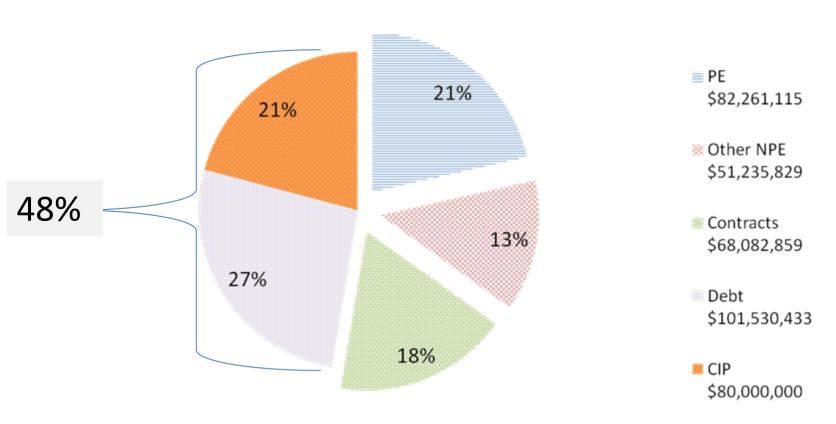
							FY 2012 Budget %
	FY 2010	FY 2010	FY 2011	FY 2011		FY 2012	change vs FY 2011
WASTEWATER	Budget	Projected	Budget	Projected	Ma	ayoral Budget	Projected
Personnel Expense	\$ 80,014,149	\$ 82,051,824	\$ 88,776,873	\$ 82,261,115	\$	83,211,595	1.16%
Non-Personnel Expense	302,149,630	242,053,895	257,466,957	220,849,121		245,391,706	11.11%
TOTAL	\$ 382,163,779	\$ 324,105,719	\$ 346,243,830	\$ 303,110,236	\$	328,603,301	8.41%

Wastewater 3-Year Budget vs Actuals (cont.)

							FY 2012 Budget %
	FY 2010	FY 2010	FY 2011	FY 2011		FY 2012	change vs FY 2011
WASTEWATER	Budget	Projected	Budget	Projected	Ma	yoral Budget	Projected
Personnel Cost	\$ 56,108,122	\$ 54,585,365	\$ 54,291,853	\$ 49,633,512	\$	51,986,098	4.74%
Fringe Benefits	23,906,027	27,466,458	34,485,020	32,627,603		31,225,497	-4.30%
Supplies	39,040,527	26,973,334	28,939,968	22,957,019		26,117,165	13.77%
Contracts	115,023,553	80,643,216	78,482,082	68,082,859		81,038,778	19.03%
Information Tech	14,733,702	9,644,907	10,588,693	7,709,973		8,350,506	8.31%
Energy & Utilities	24,148,022	18,107,856	24,541,709	17,923,333		20,197,632	12.69%
Other	864,731	675,804	1,024,836	623,856		1,435,285	130.07%
Operating Contingency	1,346,093		4,048,363	101,414		447,670	341.43%
Capital Expenditure	2,517,811	757,127	2,805,262	1,920,234		1,797,151	-6.41%
Debt	104,475,191	105,251,652	107,036,044	101,530,433		102,507,519	0.96%
Appropriated Reserve	-	-	-	-		3,500,000	-
TOTAL	\$ 382,163,779	\$ 324,105,719	\$ 346,243,830	\$ 303,110,236	\$	328,603,301	8.41%

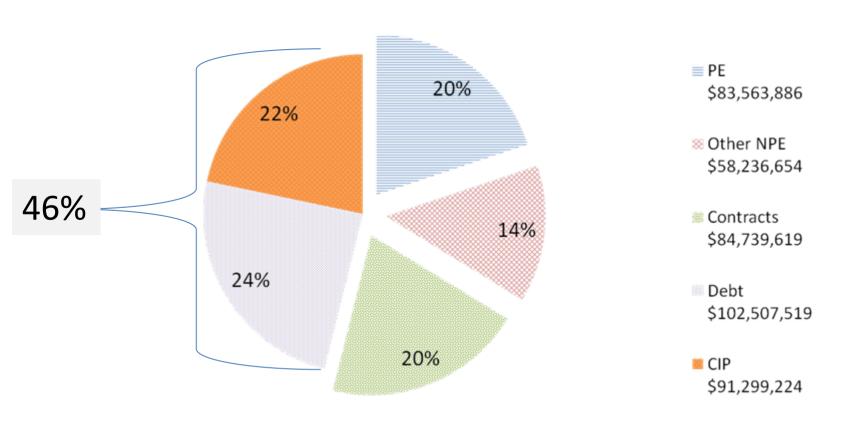
Wastewater Fund

FY 2011 Projected \$383,110,236



Wastewater Fund

FY 2012 Proposed Budget \$420,346,902



Wastewater Fund FY 2011

Variance Analysis

	FY 2011	FY 2011	FY 2011	FY 2011 Projected
WASTEWATER	Budget	Projected	Variance	vs Budget
Personnel Cost	\$ 54,291,853	\$ 49,633,512	\$ 4,658,341	91%
Fringe Benefits	34,485,020	32,627,603	1,857,417	95%
Supplies	28,939,968	22,957,019	5,982,949	79%
Contracts	78,482,082	68,082,859	10,399,224	87%
Information Tech	10,588,693	7,709,973	2,878,720	73%
Energy & Utilities	24,541,709	17,923,333	6,618,376	73%
Other	1,024,836	623,856	400,980	61%
Operating Contingency	4,048,363	101,414	3,946,949	3%
Capital Expenditure	2,805,262	1,920,234	885,028	68%
Debt	107,036,044	101,530,433	5,505,611	95%
Appropriated Reserve	-	-	-	-
TOTAL	\$ 346,243,830	\$ 303,110,236	\$ 43,133,594	88%

Metro Fund FY 2011

Variance Analysis

	FY 2011	FY 2011		FY 2011	FY 2011 Projected
WASTEWATER	Budget	Projected		Variance	vs Budget
Personnel Cost	\$ 29,310,148	\$ 26,559,415	\$	2,750,733	91%
Fringe Benefits	18,485,723	17,684,923		800,800	96%
Supplies	24,061,274	18,443,656		5,617,618	77%
Contracts	42,534,257	38,850,701		3,683,556	91%
Information Tech	6,146,854	4,530,407		1,616,447	74%
Energy & Utilities	18,610,952	13,879,728		4,731,224	75%
Other	632,371	356,021		276,350	56%
Operating Contingency	1,542,180	65,621		1,476,559	4%
Capital Expenditure	1,979,662	1,411,961		567,701	71%
Debt	73,240,519	68,120,643		5,119,876	93%
Appropriated Reserve	-	-		-	-
TOTAL	\$ 216,543,940	\$ 189,903,076	\$	26,640,864	88%

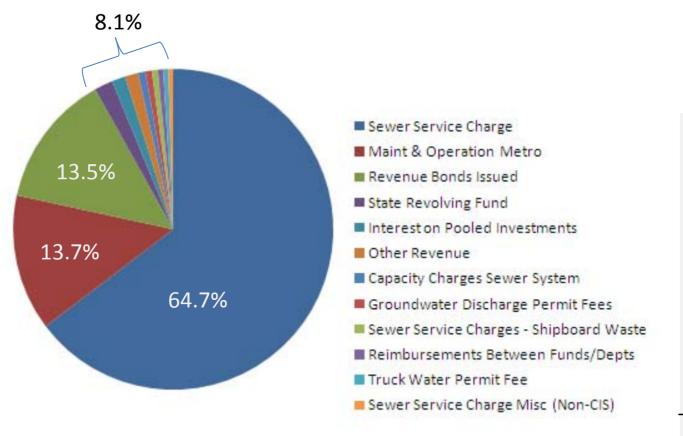
Metro Fund Capital Improvement Program 3Year

							FY 2012 Budget %
	FY 2010	FY 2010	FY 2011	FY 2011		FY 2012	change vs FY 2011
Metro	Budget	Projected	Budget	Projected	Ma	ayoral Budget	Projected
Metro	6,684,905	10,305,177	22,392,435	9,000,000		10,294,557	14.38%
Total	\$ 6,684,905	\$ 10,305,177	\$ 22,392,435	\$ 9,000,000	\$	10,294,557	14.38%

Wastewater Revenue 3-Year Budget vs Actuals

							FY 2012 Budget %
	FY 2010	FY 2010		FY 2011	FY 2011	FY 2012	change vs FY 2011
SEWER REVENUE SYSTEMS	Budget	Projected		Budget	Projected	Mayoral Budget	Projected
Bond Proceeds ("Financing Proceeds"-Water)	\$ 65,425,000	66,470,21	1 5	\$ 108,796,000	\$ 48,550,000	\$ 63,831,000	31.47%
Land and Building Rentals	-		-	-	-	150,000	-
Capacity Charges	5,200,000	5,068,49	4	2,400,000	7,500,000	3,600,000	-52.00%
Interest Earnings	4,200,000	7,333,35	5	6,000,000	6,000,000	6,500,000	8.33%
Other Revenue	172,000	3,250,12	8	241,874	6,551,410	180,000	-97.25%
Services Rendered to Others	5,743,874	10,960,40	3	6,203,000	2,875,000	9,235,000	221.22%
Grant Receipts (Sewer)	250,000	45,51	5	359,000	447,000	-	-
New Sewer Connections	10,000	7,61	0	-	6,000	-	-100.00%
Sale of Power From Co-Generation	1,610,954	951,44	1	1,610,954	1,525,000	1,250,000	-18.03%
Service Charge Revenues	294,720,728	303,355,51	0	314,804,652	297,750,000	314,620,000	5.67%
Sewage Treatment Plant Services	72,000,000	74,749,29	7	65,000,000	67,104,000	65,000,000	-3.14%
State Revolving Fund Loan Proceeds	-		-	-	-	8,800,000	-
Total Operating Revenues	\$ 449,332,556	472,191,96	4 5	\$ 505,415,480	\$ 438,308,410	\$ 473,166,000	7.95%

Wastewater Fund Revenue FY 2012 Proposed Budget



\$ 306,000,000	64.7%
65,000,000	13.7%
63,831,000	13.5%
8,800,000	1.9%
6,500,000	1.4%
6,288,000	1.3%
3,600,000	0.8%
3,000,000	0.6%
2,883,000	0.6%
2,500,000	0.5%
2,500,000	0.5%
2,264,000	0.5%
\$ 473,166,000	100.0%

Questions

AGENDA ITEM 7 Attachment



Public Utilities Department

June 15, 2011



Fiscal Year 2012 Budget Metro Fund Summary

Non-General Fund	FTE	FY 2011 Adopted Budget		FY 2012 Budget		Change from FY 2011 Adopted Budget
Metro	479.92	\$233,716,069	443.97	\$202,177,350	(35.95)	(\$31,538,719)
Total	479.92	\$233,716,069	443.97	\$202,177,350	(35.95)	(\$31,538,719)

Reductions Summary Metro Fund

<u>Description</u>	<u>Metro</u>
Public Utilities Restructure	\$ (3,034,209)
Reduction of CPI Contingency	(2,102,590)
Cost of Chemicals	(2,977,670)
McGuigan Settlement	(1,412,400)
Reduction in Supplies	(977,884)
Consolidation of Security Contracts	(158,400)

Service Level Impacts Non-General Fund

 No service level impacts will be realized as a result of the reductions in the previous slide

New Initiatives and Challenges in FY 2012

- To seek out Grants and SRF Loans to finance Capital Program which will simultaneously aid in mitigating future pressure on rates (approx \$224M)
- Implement the Beneficial Use of Digester Gas (BUDG) project at the Point Loma Wastewater Treatment Plant

CIP Budget Request Metro Fund

CIP Number	Project Title	Fund Number	Fund Name	Fiscal Year 2012 Metro CIP Budget
ABO00001	AA- Metro Treatment Plants	700009	Metropolitan Sewer Utility Fund	\$0
L10000	Metro Facilities Control System Upgrade	700009	Metropolitan Sewer Utility Fund	\$700,000
500312	PS 2 Onsite Standby Power	700009	Metropolitan Sewer Utility Fund	\$250,000
500322	MBC - Biosolids Storage Silos	700009	Metropolitan Sewer Utility Fund	\$5,294,557
500315	Pt. Loma Grit Processing	700009	Metropolitan Sewer Utility Fund	\$3,750,000
	Metro Tota			\$9,994,557

Questions

METROPOLITAN WASTEWATER DEPARTMENT

CIP PROJECTS FY 2012 - FY 2021

CIP PROJECTS - FUND 41508	- FUND 41508	10 YEAR
CIP/WBS#	TITLE	20
45-943.0/ S00315	POINT LOMA - GRIT PROCESSING IMPROVEMENTS	\$21,500,000
	TOTAL 41508	\$21,500,000

CIP PROJECTS - FUND 41509	- FUND 41509	
		10 YEAR
		TOTAL
CIP/WBS #	TITLE	
AB000001	ANNUAL ALLOCATION-METRO TREATMENT PLANTS	\$18,057,615.17
AJB00001	MWW/D TRUNK SEWERS	\$9,080,000.00
ABP00002	METROPOLITAN SYSTEM PUMP STATIONS	\$5,900,000.00
S00319	EM & TS LAB ESPLANADE AND STEAM LINE	\$2,018,535.00
45-984.0/ S00322	MBC BIOSOLIDS STORAGE SILOS	\$7,777,607.51
S00321	MBC CENTRATE COLLECTION UPGRADES	\$27,061.27
45-989.0/ S00339	MBC DEWATERING CENTRIFUGES REPLACEMENT (SA)JO#141590	\$10,650,000.00
45-981.0/ S00323	MBC ODOR CONTROL FACILITY UPGRADES	\$5,106,493.00
TBD	PT.LOMA SITE IMPROVEMENTS - PHASE 2	\$4,697,000.00
45-992.0/ S00309	NCWRP - SLUDGE PUMP STATION UPGRADE	\$220,000.00
45-993.0/ S00324	NCWRP -EDR UPGRADE	\$106,000.00
45-915.0/ S00312	PUMP STATION 2 ONSITE STANDBY POWER	\$31,200,000.00
41-943.0/ TBD	SOUTH BAY PUMP STATION AND CONVEYANCE SYSTEM PHASE 1	\$41,100,000.00
42-931.0/ TBD	SOUTH BAY WASTEWATER TREATMENT PLANT PHASE 1	\$67,800,000.00
42-930.0/ S00310	SBWRP DEMINERALIZATION PHASE 1 & 2	\$16,000,000.00
45-961.0/ S00317	SOUTH METRO SEWER REHABILITATION PHASE IIIB	\$9,214,957.00
45-940.0/ S00314	WET WEATHER STORAGE FACILITY	\$85,049,510.00
45-994.0/ S00323	MBC ODOR CONTROL FACILITY UPGRADES	\$5,106,493.00
L10000	METRO FACILITIES CONTROL SYSTEM UPGRADE PH II	\$8,100,000.00
S00316	PT. LOMA S. ACCESS RD. PROTECTION PROJECT	\$385,000.00
	TOTAL 41509	\$322,489,779

With the implementation of SAP Capital Projects have WBS numbers, will provide when known

AGENDA ITEM 8 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. 2/8/11: Equipment arrived 3/2011; tours will be held when operational (June/July 2011 timeframe)	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. 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	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: 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	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. 3/11: get update on local progress and status of grease rendering plant near Coronado bridge	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: 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.	Tom Howard Paula de Sousa Roberto Yano
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. Draft report due out midsummer.	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. 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 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	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' I	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 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

MetroTAC Items	Description	Subcommittee Member(s)
Role of Metro	As plans for water reuse unfold and projects are identified, Metro JPA's	Scott Huth
JPA regarding	role must be defined with respect to water reuse and impacts to the	Karyn Keese
Recycled Water	various regional sewer treatment and conveyance facilities	
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	Work with IROC to identify areas to be audited; participate in audit	Augie Caires
Performance	process. 8/2010: provide the top 5 areas to audit by September IROC	
Audits	meeting.	

Date Printed: June 9, 2011

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. Project complete: 4/10	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. Project complete: 5/10	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 Project complete: 5/10	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. Project complete 7/10	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 Efforts closed 3/11	Tom Howard Joe Smith

AGENDA ITEM 11b Attachment



Metro JPA Finance Committee May 25, 2011 Minutes

Meeting called to order: 8:34 a.m. at Atkins Global 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 Augie Caires, Committee Member Louis Natividad, Committee Member Ed Spriggs, Committee Member

Support Staff:

Karen Jassoy, Treasurer Karyn Keese, PBS&J Brooke Miller, BBK

City of San Diego Staff:

Edgar Patino, Public Utilities Department (PUD)

General Public:

There were no general public members.

2. Public Comment

There was no public comment.

3. Approval of Minutes from the February 23, 2011 Finance Committee Meeting

Upon motion by Committee Member Natividad, seconded by Committee Member Caires, the February 23, 2011 Regular Meeting Minutes were approved unanimously.

4. Metro Wastewater Financial Update

Mr. Patino reported that the PUD staff is in the process of preparing a projected fiscal year 2011 year-end financial report as well as finalizing the fiscal year ending 2012 budget. It is staff's goal to present the Metro portion of both reports to the Finance Committee at their June 2011 meeting.

5. Amendment No. 1 to PBS&J 2011 Contract (Name Change to Atkins and Change of Scope)

Ms. Keese reviewed the Amendment for the Committee. The first part of the Amendment is to change PBS&J's name on their fiscal year 2011 contract from PBS&J to Atkins North America, Inc. The acquisition of PBS&J by Atkins was effective April 1, 2011. The second part of the Amendment is a request for \$16,418 in additional funding. During FYE 2011 several projects have arisen for which MetroTAC has requested additional support from PBS&J that were not anticipated in the original scope of work. 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. This Amendment has been reviewed and approved by Metro TAC.

ACTION: Upon motion by Committee Member Caires and seconded by Vice-Chair Boyack, the Committee unanimously approved that the Contract Amendment should be brought forward to the Metro JPA/Commission for review and possible acceptance at their June 2, 2011 meeting.

6. Atkins 2012 Contract Scope of Work

Ms. Keese reviewed the Atkins proposed scope of work for 2012. The overall dollar amount of the contract remains the same but a \$5.00 per hour increase in the hourly rate is being requested. The hourly rate has remained the same for the past several years. This is still a 10% discount on Ms. Keese's normal hourly rate. The Committee reviewed the 2012 Special Projects. All of the four special projects surround the production and sale of recycled water. This Scope of Work has been reviewed and approved by Metro TAC.

ACTION: Upon motion by Vice-Chair Boyack, seconded by Committee Member Caires, the Committee unanimously approved that the Atkins 2012 Contract and Scope of Work should be brought forward to the Metro JPA/Commission for review and possible acceptance at their June 2, 2011 meeting.

7. Metro Wastewater JPA 2012

Chairman Ovrom introduced the draft Metro Wastewater JPA Budget for Fiscal Year 2011/12. The forecasted Fiscal Year 2010/11 (current year) year-end budget is \$194,414 or \$18,936 less that the adopted budget of \$213,350. The proposed 2011/12 budget is \$206,150 or \$7,200 less that last years. Committee member Natividad asked what the balance was in the JPA reserves. Treasurer Jassoy stated she did not have that information with her but she would email it to the Committee once she returned to her office.

ACTION: Upon motion by Vice-Chair Boyack, seconded by Committee Member Natividad with an amendment to the motion that the approval was conditioned on receiving the reserve balances, the Committee unanimously approved that the Metro Wastewater JPA 2011/12 budget should be brought forward to the Metro JPA/Commission for review and possible acceptance at their June 2, 2011 meeting.

8. Recycled Water Revenue Issue

Ms. Keese reviewed the issue with the Committee and stated that this was for information only. The City has agreed to pay the PUD wastewater department the revenue currently being held by the water department for the sales and incentives from recycled water at the South Bay plant. Therefore the PAs will receive their percentage of the revenue as an income credit to the fiscal year 2009 audit. The total PA revenue calculated by the City, less operations costs for the distribution system, plus interest is \$1,237,942. Two issues remain open which were recommended by Metro TAC to be reviewed by legal counsel. The first is the capacity reservation charge that was paid by Otay that the City has not acknowledged should be paid to the wastewater department, and therefore the PAs. The second is whether per the Regional Wastewater Agreement the distribution system maintenance is an allowable expense that the PAs should participate in. The Committee concurred that the two matters should be referred to legal counsel for review.

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

The Finance Committee recommended that items 3, 5, 6, and 7, should be moved forward to the June 2011 Metro JPA/Commission meeting.

10. Other Business of the Finance Committee

Committee Member Boyack asked when the Finance Committee would see action items from the Strategic Planning Workshop. Committee Member Caires reviewed the status of the Strategic Planning Committee. The output from the workshop will be reviewed by the JPA at the June 2011 meeting. He estimates that action items would be ready for Committee discussion in July or August.

11. Adjournment

The meeting was adjourned at 9:40 a.m. The next regularly scheduled meeting of the Finance Committee will be June 29, 2011 at the Atkins San Diego Office.
