



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

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

October 1, 2009

DRAFT Minutes

Chairman Ernie Ewin called the meeting to order at 12:00 p.m. A quorum of the Metro Wastewater JPA and Metro Commission was declared, and the following representatives were present:

1. ROLL CALL

<u>Agencies</u>	<u>Representatives</u>		<u>Alternate</u>
City of Chula Vista	Cheryl Cox (arrived at 12:22 p.m.)	X	Scott Tulloch
City of Coronado	Al Ovrom		(no representative)
City of Del Mar	Donald Mosier	X	
City of El Cajon	Bill Wells	X	Dennis Davies
City of Imperial Beach	Patricia McCoy	X	
City of La Mesa	Ernie Ewin	X	
Lemon Grove Sanitation District	Jerry Jones	X	Patrick Lund
City of National City	Alejandra Sotelo-Solis (arrived at 12:20 p.m.)	X	Joe Smith
City of Poway	Betty Rexford (arrived at 12:13 p.m.)	X	Leah Browder
City of San Diego	Jerry Sanders		Jim Barrett
County of San Diego	Dianne Jacob (arrived at 12:30 p.m.)	X	Daniel Brogadir
Otay Water District	Larry Breitfelder (arrived at 12:03 p.m.)	X	
Padre Dam MWD	Augie Caires		Augie Scalzitti
Metro TAC Chair	Scott Huth		Greg Humora
IROC	Don Billings		(no representative)

Others present: Metro JPA General Counsel Paula de Sousa; City of San Diego General Counsel Tom Zeleny; JPA Secretary David Scherer; Karyn Keese – PBS&J, Doug Wilson, Padre Dam Municipal Water District

2. PLEDGE OF ALLEGIANCE

Vice Chairman Jones led the Pledge.

3. PUBLIC COMMENT

There was no public comment.

4. ACTION – APPROVE MINUTES OF SEPTEMBER 3, 2009

Upon motion by Vice Chairman Jones, seconded by Commissioner McCoy, the September 3, 2009 Regular Meeting Minutes were approved with Commissioner Rexford abstaining and Commissioner Ovrom absent.

5. PRESENTATION OF BID TO GOAL PROGRAM

John Gavares provided a PowerPoint overview presentation of the City of San Diego Public Works Department/Wastewater Divisions Bid to Goal (B2G) and Pay for Performance Programs covering the Goals & Description of Programs; Other Important Aspects; POAC (B2G) Program History; Recent B2G Accomplishment; FY 2008 Financial Results; FY 2008 Performance Results; Key Audit Finding and Recommendations Metropolitan Wastewater and Current Status.

Chairman Ewin stated that it was obvious that whatever savings and other performance enhancements were achieved by the program they greatly affected the PA's due to the percentage in terms of the overall performance and expenses associated with wastewater. He then thanked Mr. Gavares for the very timely and appropriate presentation.

Commissioner McCoy noted that the FY 2008 Performance Results slide showed 32 total goals with 28 fully or partially achieved and 4 not achieved. She then inquired as to how many of the 28 had actually been completed and Mr. Gavares responded. He will follow-up by providing a brief summary of which goals had been fully or partially achieved.

Commissioner Scazzitti requested this type of a report be provided bi-annually or annually.

Mr. Barrett responded that this type of report (audit) was done annually, however they could provide an interim status once or twice annually.

Commissioner Mosier inquired as to the long term trends in the B2G program and whether the private bids and costs start converging when the economy changes. Mr. Gavares responded that they have a guiding principal that they can consistently improve their operations, but there may become a point where they are as lean and mean as they can get and eventually the program will have the possibility of less payout to employees, however, there were now fewer outside markets that wished to compete.

Chairman Ewin requested a motion to receive the report and requested Ms. Peoples docket for a follow-up report in 6 months to 1 year.

ACTION: Motion by Commissioner Breitfelder, seconded by Vice Chairman Jones, to receive the report and calendar it for a 6 month/1 year follow-up report by City of San Diego staff. Motion carried unanimously.

Chairman Ewin welcomed new National City representative, Alejandra Sotelo-Solis.

6. ACTION – CONSIDERATION AND POSSIBLE ACTION ON THE CREATION OF A STANDING FINANCE COMMITTEE

Chairman Ewin noted that Commissioner Ovrom was not present to report for the Finance Ad Hoc so he provided an overview of why the Ad Hoc Finance Committee was established, noting that it had been in effect for approximately 4 years and started when the City of San Diego was facing financial challenges and not knowing if the JPA would have to assume the financial commitment on their own. The Committee had since evolved to where it has been ongoing reviewing the Schedule E's; it has looked at other financial aspects when San Diego got back into the bonding market and the Committee looked at the processes used; reported out to the JPA the importance of knowing whether or not the market was giving a benefit to the City rather than the JPA trying to do it themselves. There are still additional things that will come from time to time such as looking at the projects that are coming up for construction and or budget adjustment and the Schedule E's which he believed would warrant the Committee becoming a standing Committee. This action if approved, would require additional notification and reporting out.

ACTION: Motion by Commissioner McCoy, seconded by Commissioner Rexford, to approve the Financial Ad Hoc Committee to become a standing Finance Committee. Motion carried unanimously.

7. ACTION - DISCUSSION AND POSSIBLE ACTION ON THE STATUS OF THE MODIFIED PERMIT FOR THE POINT LOMA WASTEWATER TREATMENT PLANT AND THE COASTAL COMMISSION'S ACTIONS ON THE CONSISTENCY CERTIFICATION FOR THE MODIFIED PERMIT

Mr. Barrett reported that the modified permit had been agendized as item "W21A" and was scheduled to be heard on Wednesday, no sooner than 2 p.m., but they were still trying to confirm the time. After tomorrow they will have briefed half of the Coastal Commissioners are still trying to reach the others. The proposed presentation format is that Mayor Sanders will be in attendance at the hearing and will provide comments for about 3-5 minutes, Mr. Barrett will then provide an organized slide presentation for 10-12 minutes, Ed Parnell from Scripps will comment as part of the organized presentation and time will be reserved for rebuttal comments. Coastal Commission staff has once again published in their report their recommendation to approve. Brent Eidson is coordinating the speakers from the other communities within the region and would appreciate anyone being in attendance that can as well as the submittal of a letter of support from their entity. In San Francisco when the item was heard, there were only 3 speakers in opposition. The agreement is in place with the local environmental groups, Coastkeeper and Surfrider which has been honored to be in support of the permit modification in return for their collaborative participation in a study with the City of San Diego to look at ways to offload Point Loma by more beneficial reuse within the basin (removing the water and solids prior to its arrival at Point Loma). The City of San Diego feels it has as a region, earned the right to have this permit renewed due to the improvements made of reducing the total mass emissions into the ocean, continued increases in the amount of total solids removed from the effluent, added disinfection, implementation of additional monitoring stations and all of the scientific data gathered which shows no adverse impact to the marine environment.

Chairman Ewin stated he intended to be present as did Commissioner Breitfelder.

Mr. Barrett added that Mike Chrisman; the Governors Secretary of Resources would be present as well. The modified permit will be the last item to be heard and they will send an e-mail to be forwarded if any changes in agenda order or the estimated hearing time are received.

ACTION: Motion by Commissioner Jacob, seconded by Commissioner Breitfelder to authorize the Chair to submit a letter in support of the City of San Diego on behalf of the JPA. Motion carried unanimously.

8. ACTION - DISCUSSION AND POSSIBLE ACTION ON BIOSOLIDS DISPOSAL SERVICES

Mr. McKinney, Deputy Director of the Wastewater Treatment & Disposal Division of the Public Utilities Department provided a brief presentation on the proposed amendment to continue biosolids disposal services for 5 years to February 2015, which are presently provided by San Diego Landfill Services at the Metropolitan Biosolids Center at the Miramar Landfill. City of San Diego staff is requesting an additional \$1.725 million in FY 2010. Over the next 5 years, through 2015, this would be an additional \$5 million per year that would be expended on biosolids disposal. MetroTAC Vice Chairman Humora stated that this item had been presented to the MetroTAC and was recommended for approval as presented.

ACTION: Motion by Vice Chairman Jones, seconded by Commissioner Wells to approve the agreement. Motion carried unanimously.

9. ACTION - DISCUSSION AND POSSIBLE ACTION ON ADDITIONAL SODIUM HYPOCHLORITE EXPENSE

Mr. McKinney stated that this item would be going to the San Diego City Council requesting an additional \$2.345 million on top of the already approved \$3.68 million for the purchase of this chemical. The chemical is used for odor control and disinfection at all disposal and wastewater treatment plants and pump stations. The use of the chemical at all facilities other than Point Loma, had been fairly constant over the past few years, however the implementation of a partial disinfectant system at the Point Loma Wastewater Treatment Plant had increased the use of the chemical significantly at that particular facility which is why they are requesting these additional funds. The system was installed at Point Loma due to the reinterpretation of some guidelines concerning bacteria levels in the ocean by the EPA which would require disinfection of the effluent at Point Loma as well as in anticipation of possible permit requirements with future permits the City of San Diego determined it would be best to start a partial disinfectant plan at Point Loma now. The vendor will not be changed by this action and per the terms of the bid, the price the City is paying for this chemical went up in April by about 7.2% based on an increase in commodity prices. MetroTAC Vice Chairman Humora stated that this item was discussed at MetroTAC and other agencies had seen similar increases in chemical prices and concurred that the increase was valid. Additionally because this was a new requirement by the EPA and this was San Diego's first year to budget this and did not know how much chemical would be needed, the request was recommended for approval by the JPA. The PH is regulated by the EPA and they are staying within the targets required.

ACTION: Motion by Commissioner Wells, seconded by Commissioner Rexford, to approve the additional expense. Motion carried unanimously.

10. ACTION - DISCUSSION AND POSSIBLE ACTION ON POINT LOMA DIGESTER CLEANING

Mr. Williams, Senior Engineer at the Point Loma Wastewater Treatment Plant requested authorization to advertise, bid and award a contract to the lowest responsible bidder for cleaning two digesters out at the Point Loma plant. He explained that there were currently 8 digesters and they try to clean them every 8 years or so. Each digester, which is used to decompose organic solids and create methane which is trapped and used for operations, is roughly 125 feet in diameter, 42 feet deep and has a volume of 3.7 million gallons. The routine cleaning gets the sand and any inorganic matter out of the digester which takes up space and harms the process. MetroTAC Vice Chairman Humora stated this item also went to MetroTAC which recommended moving forward with this project in the amount of \$3.862 million.

ACTION: Motion by Commissioner Wells, seconded by Commissioner Rexford, to approve the proposed project. Motion carried unanimously.

Chairman Ewin stated that Commissioner Caires was not present as he was ill; Don Billing, IROC Chairman who attends our meetings and was going to provide an IROC report was tending to a medical issue; Barry Newman, IROC Vice Chairman, who has sat in as a representative was in the hospital recovering from a stroke and Hank Levien of MetroTAC was also recovering from surgery and wished them all well and speedy recoveries.

11. ACTION - STRATEGIC PLAN (ANNUAL RETREAT) AD HOC COMMITTEE - REVIEW OF MAY 7, 2009 MEETING SUMMARY

Chairman Ewin stated that John Gavares who facilitated the meeting would provide a brief presentation, after which the goal of the JPA would be to identify what their main targets were going to be.

Mr. Gavares provided a review of the May 7, 2009 Strategic Plan/Annual Retreat JPA workshop noting that the purpose of this review was to agree on follow-up action items; attain consensus on the core elements of the MC/JPA's Strategic Plan; agree on an action plan to finalize a Strategic Plan document and to develop consensus as to the Metro TAC's Work Priorities and note where they link to the Strategic Plan. He then reviewed the top desired outcomes of the workshop; the core elements of the Strategic Plan; the Mission Statement; the 5 strategic goals that resulted; MetroTAC related priorities for FY 2010 and then opened up for discussion among the members to one - formally create a 3 to 5 page document for a 5 year Strategic Plan for the JPA on who

they are, what they do and what their focus is; and secondly in terms of agreements and next steps, determine if they wish to organize themselves in subcommittees based on the 5 areas of focus.

Chairman Ewin stated it was very important to note that much of what the JPA mentioned is not only picked up by MetroTAC but a lot of what MetroTAC discusses eventually comes back to the JPA in some format. When looking at the JPA's responsibility of oversight and as elected officials, there really is a need for a more formally structured document, not necessarily a full blown strategic plan as the MetroTAC is relied upon to review and deal with those technical issues, but the JPA needs to make sure they are staying on course on things that they see is important in terms of recycled water, relationships with San Diego and those kinds of things. He then asked for any additional comments and requested the creation of a small group to get together to review how they can structure this before bringing it back to the JPA at large for final comment and adoption.

Chula Vista Alternate Representative Tulloch stated that a review of the common elements of the strategic plan as presented in Mr. Gavares' presentation indicates that a number of the pieces, the beginning pieces are there, however the latter elements are not fully developed, especially the strategic initiatives that would get the JPA to the goal indicating a fair amount of work still needed to be done to get the full document. Some of the goals that are technically oriented could be done by TAC, but the JPA would probably want to look at those goals to determine if they are measurable and who they want to take them on to develop the strategic initiative to reach those goals.

Chairman Ewin stated that he was looking for at least 3 others to participate in addressing just those items prior to a joint meeting with the leadership of TAC and before it comes back to the JPA. He stated that he and Augie would be willing to work on this and Commissioners Rexford and Wells offered to participate. Chairman Ewin then requested and received concurrence from Mr. Barrett, for the assistance of Mr. Gavares in helping get the document assembled.

Commissioner Breitfelder commented that he saw a nexus between strategic goal 5 (increased usage of recycled and/or reclaimed water) and the situation regarding the Coastal Commission and the waiver. He then went on to explain that the South Bay Reclamation Plant was expandable and Otay Water District was a willing and able customer to purchase additional water because their needs were expanding annually. Further, he felt that the Coastal Commission would find it pleasing to know there was a commitment on the part of the City of San Diego to expand the production of recycled water.

Chairman Ewin stated he felt this was a point that the City of San Diego needed to make when ready.

Mr. Barrett responded that it was his understanding that they were currently not meeting capacity so any plans to expand the plant were premature.

MetroTAC Vice Chairman Humora stated the TAC had been tracking recycled water issues including the South Bay Plant.

ACTION: Chairman Ewin requested a formal presentation on the South Bay Reclamation Plant at a future meeting.

Commissioner Jacob inquired as to whether an updated report had been received showing how much recycled water was being produced by all agencies and how much of that recycled water was being used, how much was going to the ocean and what would be the capacity of expanding these reclamation efforts. Mr. Barrett responded that the City produced a monthly report which would be provided to the JPA.

Chairman Ewin requested the report be agendaized for the next meeting and requested the MetroTAC identify other sources that are recycling and them into that report.

Mr. Barrett reminded the Chair that the City had entered into a collaborative agreement specifically to look at what else could be done elsewhere in the basin to offload Point Loma through the use of increased reclamation or solids removal. This study is not intended to be done for at least another year.

Chairman Ewin requested General Counsel de Sousa make a note of this and work on the wording in case the presentation need be expanded in November.

Vice Chairman Jones stated he had heard some hints and read some newspaper articles regarding Helix's reclamation project and requested a presentation. General Counsel de Sousa stated she would contact General Manager Weston to schedule a presentation.

Chairman Ewin stated that his request of MetroTAC was to gather information from all producers of recycled water and put it into a form that could be sent out to all members in November.

Chula Vista Alternate Representative Tulloch stated that Chula Vista was in the process of entering into a joint feasibility study with Otay Water District to look at producing reclaimed water within their system as well and would be happy to participate in the presentation as well.

Chairman Ewin requested this be an additional item to cover in November, what is currently being looked at to come together on and the structure of that.

12. ACTION – DISCUSSION AND POSSIBLE ACTION TO APPROVE THE 2010 MEETING CALENDAR

ACTION: Motion by Commissioner McCoy, seconded by Commissioner Mosier to approve the 2010 Meeting Calendar. Motion carried unanimously.

13. METRO TAC UPDATE

Metro TAC Vice Chairman Humora reported that at their September 16 meeting they discussed a number of City of San Diego items including the three previously discussed during this meeting as well as financial updates including Audits 2007 which is just about complete and the 2008 and 2009 which are in progress. They also discussed the flushables educational program that they are trying to collaborate as a region on with the City of San Diego; there is potential that some of the B2G savings will be used for this program as voted upon by the employees; have been discussing the debt service coverage and operating reserves and how to handle them for which a concept program was presented – this will be heard again in October and the JPA Finance Committee will also hear it and hopefully it will be brought back in November and lastly they had a lengthy discussion on the waiver.

14. IROC UPDATE

There was no report.

15. FINANCE AD HOC COMMITTEE

Chairman Ewin reported that there were a number of items covered and a great presentation by City of San Diego staff and he expressed appreciation to them.

Ms. Keese reported that there was a concept presentation to the MetroTAC by Ms. Morrow-Truver on the operations reserve and debt service coverage issue. MetroTAC did not find any fatal flaws but wanted to see the numbers. Ms. Morrow-Truver provided the same report to the Finance Committee. Ms. Keese will follow-up and report back on questions as to whether when people budget for their annual Metro costs, are they to use what they consider their potential refund as an offset to what they are budgeting for their annual payment to Metro and whether there would there be any financial implications. They also discussed the completion of the 2007 audit and as part of what the subcommittee and City of San Diego worked in funding the reserves and coverage - potentially the refund from the 2007 audit will be used as the beginnings of the funding to cover those two issues. The actual refund amount total is \$5.7 million so it will take what they are estimating plus part of what they may be seeing in 2008 to fund the coverage and the debt service, this will be brought back in more detail. The 2008 audit is underway as is the 2009 audit which started when they normally used to. Ms. Keese noted that she and Mr. Wilson

had already picked the sample and planned to have it done by December, thus all the audits would be caught up to date.

Chairman Ewin noted that since the audit process had gone forward and the same City of San Diego staff had been kept doing the audits and allocations, the JPA had been experiencing fewer surprises.

16. PROPOSED AGENDA ITEMS FOR THE NEXT METRO COMMISSION/ METRO WASTEWATER JPA MEETING OCTOBER 1, 2009

Issue raised on recycling and follow-up to agenda items.

Mr. Barrett stated that as part of the City of San Diego reorganization they had lost some managers on the Wastewater side but all had been replaced. He then announced that Ann Sasaki has been selected as Assistant Director over the Wastewater Ops side replacing Bob Farrier; Chris McKinney is now the Deputy Director of Treatment & Disposal replacing Jess Paglio; Stan Griffin is Deputy Director of Wastewater Collections replacing Chris Toth and Alan Langworthy has been replaced by Steve Meyer.

17. METRO COMMISSIONERS' and JPA BOARD MEMBERS' COMMENTS

Commissioner Rexford requested an update on what was being done on the "No Drugs Down the Drain" program for a future agenda.

18. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Initiation of litigation pursuant to subdivision (c) of Section 54956.9 (1 Potential Case)

12:22 p.m. The JPA convened into Closed Session
1:35 p.m. Chairman Ewin reconvened the meeting.

General Counsel de Sousa announced that there was no reportable action.

19. ADJOURNMENT OF METRO COMMISSION AND METRO WASTEWATER JPA

At 1:36 p.m., there being no further business, Chairman Ewin declared the meeting adjourned.

Recording Secretary