



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

AGENDA

**Thursday, AUGUST 5, 2010
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 June 3, 2010 (**Attachment**)
5. PRESENTATION OF SUMMARY OF IROC 2010 ANNUAL REPORT (Don Billings, IROC Past Chair)
- X 6. **ACTION** – CONSIDERATION AND POSSIBLE ACTION TO APPROVE CONTRACT FOR SODIUM HYPOCHLORITE FOR THE WWTD FACILITIES (Chris McKinney) (**Attachment**)
- X 7. **ACTION** – CONSIDERATION AND POSSIBLE ACTION TO APPROVE CONTRACT FOR MBC ADDITIONAL BIOSOLIDS STORAGE SILOS (Manny da Rosa) (**Attachment**)
- X 8. PRESENTATION - HELP SECURE OUR WATER SUPPLY UPDATE (**Attachment**)

Documentation
Included

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| X | 9. | <u>ACTION</u> – CONSIDERATION AND POSSIBLE ACTION TO APPROVE METRO JPA STRATEGIC PLAN – MISSION STATEMENT REVISION (Attachment) |
| X | 10. | PRESENTATION OF FISCAL YEAR 2011 UTILITIES DEPARTMENT STRATEGIC PLAN (Ann Sasaki) (Attachment) |
| X | 11. | KEY RELATED ITEMS WE SHOULD BE TRACKING/GETTING UP TO SPEED ON (Attachment) |
| | 12. | METRO TAC UPDATE |
| | 13. | IROC UPDATE |
| | 14. | FINANCE COMMITTEE |
| X | a. | Report from Finance Committee (Attachment) |
| X | b. | Minutes of the May 26, 2010 Finance Committee Meeting (Attachment) |
| X | c. | FY 2010 Period 11 (May) Metro Budget Update (Attachment) |
| | d. | <u>ACTION</u> – Consideration and Possible Action for the JPA to hire an external auditor to perform an independent audit of the JPA 2010 financial statements at a cost not to exceed \$5,000. |
| | 15. | REPORT OF GENERAL COUNSEL |
| | 16. | PROPOSED AGENDA ITEMS FOR THE NEXT METRO COMMISSION/ METRO WASTEWATER JPA MEETING September 2, 2010. |
| | 17. | METRO COMMISSIONERS' AND JPA BOARD MEMBERS' COMMENTS |
| | 18. | 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 3, 2010
DRAFT Minutes**

Chairman Ewin called the meeting to order at 12:04 p.m. A quorum of the Metro Wastewater JPA and Metro Commission was declared, and the following representatives were present:

1. ROLL CALL

<u>Agencies</u>	<u>Representatives</u>		<u>Alternate</u>
City of Chula Vista	Cheryl Cox	X	Scott Tulloch
City of Coronado	Al Ovrom		Scott Huth
City of Del Mar	Donald Mosier	X	
City of El Cajon	Bill Wells		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		Joe Smith
City of Poway	Merrilee Boyack	X	Leah Browder
City of San Diego	Jerry Sanders		Ann Sasaki
County of San Diego	Dianne Jacob		Mohamad Fakhrriddine
Otay Water District	Larry Breitfelder		
Padre Dam MWD	Augie Caires	X	Augie Scalzitti
Metro TAC Chair	Scott Huth	X	
IROC	Don Billings		(No representation)

Others present: Metro JPA General Counsel Paula de Sousa; City of San Diego City Attorney Tom Zeleny; JPA Treasurer Doug Wilson; Karyn Keese – PBS&J

2. PLEDGE OF ALLEGIANCE TO THE FLAG

Commissioner Sotelo-Solis led the Pledge.

3. PUBLIC COMMENT

There was no public comment.

4. ACTION - CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE MINUTES OF May 6, 2010 (Attachment)

ACTION: Upon motion by Commissioner Cox, seconded by Vice Chairman Jones, the May 6, 2010 Regular Meeting Minutes were approved.

5. ACTION - CONSIDERATION AND POSSIBLE ACTION TO APPROVE AMENDMENTS TO LEGAL SERVICES AGREEMENT WITH BBK LAW (Attachment)

ACTION: Upon motion by Commissioner Caires, seconded by Commissioner McCoy, the amendments were approved unanimously.

6. ACTION - CONSIDERATION AND POSSIBLE ACTION TO APPROVE AMENDMENTS TO TREASURER SERVICES AGREEMENT WITH PADRE DAM MUNICIPAL WATER DISTRICT (Attachment)

ACTION: Upon motion by Commissioner Boyack, seconded by Vice Chairman Jones, the amendments were approved unanimously.

7. ACTION - CONSIDERATION AND POSSIBLE ACTION TO APPROVE AMENDMENT WITH PBS&J FOR AS-NEEDED ENGINEERING AND FINANCIAL SERVICES FOR FY2011 (Attachment)

ACTION: Upon motion by Commissioner Breitfelder, seconded by Commissioner McCoy, the amendments were approved unanimously.

8. ACTION - CONSIDERATION AND POSSIBLE ACTION TO REVIEW AND ACCEPT THE FY2008 EXHIBIT E AUDIT RESULTS (Attachment)

ACTION: Upon motion by Commissioner Boyack, seconded by Alternate Commissioner Smith, the FY2008 Audit Results were approved unanimously.

9. ACTION - CONSIDERATION AND POSSIBLE ACTION TO APPROVE FY 2010-2011 METRO JPA BUDGET (Attachment)

ACTION: Upon motion by Commissioner Boyack, seconded by Alternate Commissioner Smith, the FY 2010-2011 Metro JPA Budget was approved unanimously.

10. ACTION - CONSIDERATION AND POSSIBLE ACTION TO APPROVE AMENDMENT TO THE WASTEWATER BID TO GOAL PUBLIC CONTRACT OPERATIONS AGREEMENT (Attachments)

ACTION: Upon motion by Commissioner Caires, seconded by Commissioner Breitfelder, the amendment was approved with a review due in November 2010 and with Commissioner Boyack opposed due to the \$10 million incentive fund.

11. ACTION - CONSIDERATION AND POSSIBLE ACTION TO SUBMIT LETTER IN SUPPORT OF AB 2256 – PRODUCT LABELING – FLUSHABLE PRODUCTS (Attachment)

ACTION: Upon motion by Commissioner Mosier, seconded by Commissioner McCoy, submittal of a letter in support was approved unanimously.

12. MODIFIED PERMIT UPDATE

Ann Sasaki, Assistant Director, Wastewater Branch, stated that last week the EPA briefed the Regional Administrator on the final Permit and he signed off on it. Staff is now putting the final touches on the Permit and it will be posted in the Federal Register and it is expected that the Permit will have an effective date of August 1st and it will be good for another 5 years. The EPA will do a press release. No additional special conditions were added and once the Permit is received, a copy along with the Executive Summary will be forwarded to all PA's.

Ms. Sasaki next spoke regarding copies of their new poster noting that now that they have a combined Public Utilities Department, they have put together a common mission statement and guiding principals and strategic goals and will be sharing with the MetroTAC and then the JPA, their FY11 Strategic Goals.

13. KEY RELATED ITEMS WE SHOULD BE TRACKING/GETTING UP TO SPEED ON (Attachment)

Chairman Ewin inquired as to whether any of the Commissioners had anything to add to the list. No additional items were received.

14. METRO TAC UPDATE

MetroTAC Chairman Huth stated that most of the items reviewed at TAC have already been covered. He then spoke regarding that under the Recycled Water Study item that was a requirement of the Waiver is underway and the Technical Memorandum #3 was circulated several weeks back to the PA's; comments received were submitted last Friday. One of the clear things to come out of this is a need for the PA's to have a special briefing at the TAC level which will occur in July where City Staff and the Consultant will attend the TAC meeting and the members will spend the time speaking about it. He then requested if anyone had any additional concerns, they submit them to be discussed at that meeting. The other item which is on the Work Plan and led by Greg Humora of La Mesa and MetroTAC Vice Chair is the "No Drugs Down the Drain" program. They have received information and Chula Vista PD is taking in the prescription drugs and non-prescription drugs as well as the SD County Sheriff's Department in helping deal with this issue.

15. IROC UPDATE

Commissioner Caires reported that the at the IROC Meeting of May 17, 2011, the IROC 2011 Budget which was \$803 million (\$276 million for CIP) for the Water and Wastewater Departments combined, had been submitted to the City Council; the Water Rate Recalibration was determined by the consultant to not be necessary this year and has been dropped from consideration; conservation efforts – the Sierra snowpack is doing well at 136% over normal and City usage is down 11.7% or 21,000 acre feet year to date and the City is considering maintaining Level 2 Drought Restrictions; on the cost of service update – the Recycled Water Pricing Study is due out on July 20th; a report was received on the B2G MOU changes which was unanimously approved after extensive discussion over 3 meetings; regarding IPR and reservoir augmentation, the IROC unanimously approved the contract with CDM at a cost of \$6.6 million, the engineer's estimate was \$7.4 million, the scope of work includes design, procure, install, operate and test the demonstration project and will also include development of a cost estimate for the full scale project should the City decide to move forward with it. The testing will be in the first 12 months and the project will conclude in 2013. It is an \$11.8 million project with grants funding \$3.9 million and no contribution from the PA's. The key to success is public outreach which will occur during the test phase; the City received an SRF loan for the Otay Water Treatment Plant in the amount of \$7 million at a true cost of 2.6% vs. a normal bond cost of 4.7%; a 20 year Water Master Plan is underway; finally, IROC has a new Chair, Jim Peugh and the new Vice Chair is Andy Hollingsworth.

16. FINANCE COMMITTEE

a. Minutes of the April 26, 2010 Finance Committee Meeting (**Attachment**)

Chairman Ewin requested the committee assign a Vice Chair.

17. REPORT OF GENERAL COUNSEL

General Counsel de Sousa announced that several recent, very good decisions have come out regarding the pumping restrictions on the Delta, preliminary injunctions – one on the Delta Smelt and one on the Salmon pumping restrictions which will result in a reduction of the restrictions. New evidence is being presented that it might not just be the pumping having an adverse effect

on the species, but could also be caused by the Sacramento Wastewater Treatment Plant and the bi-products of their chemicals. Additionally, Ms. de Sousa stated that with the fats, oils and grease policies and programs that the different PA's have, there was recently an article on Brown & Caldwell's website that Bakersfield Wastewater Treatment Plant had gone green and is converting restaurant grease into renewable energy and they are getting quite a nice revenue stream as a result.

18. PROPOSED AGENDA ITEMS FOR THE NEXT METRO COMMISSION METRO WASTEWATER JPA MEETING (June 3, 2010)

There were none.

19. METRO COMMISSIONERS' and JPA BOARD MEMBERS' COMMENTS

Commissioner McCoy noted that an e-mail was received from Kristen Goodrich announcing that there would be a workshop in the Planning for Climate Change series to be held in Imperial Beach on June 17th and will be targeted to groups such as Elected Officials and encouraged anyone interested to attend.

Commissioner Mosier stated that there was an update on Climate Change as part of a meeting in Del Mar sponsored by the TED Organization and can be viewed on-line at TED.com.

General Counsel de Sousa reminded the representatives that sit on the San Diego Area Wastewater Management District to stay as their meeting will immediately follow this meeting.

20. ADJOURNMENT OF METRO COMMISSION AND METRO WASTEWATER JPA

At 1:15 p.m., there being no further business, Chairman Ewin declared the meeting adjourned.

Recording Secretary

Agenda Item 6

METRO JPA

Executive Summary Sheet

Subject: Award of Sodium Hypochlorite Purchase Contract at Various Wastewater Treatment and Disposal Facilities

Presenter: Christopher McKinney, Deputy Director, Wastewater Treatment and Disposal Division

Requested Action: The Public Utilities Department submits for approval a request for authorization to purchase sodium hypochlorite. The chemical will be used for odor control at the North City Water Reclamation Plant, South Bay Water Reclamation Plant, Metropolitan Biosolids Center, Pump Station 1, Pump Station 2, Pump Station 64, Pump Station 65, and the Peñasquitos Pump Station. The proposed contract is a one-year contract with four one-year renewal options. The proposed vendor is JCI Jones Chemicals, Inc. under the terms of Bid No. 9938-10-C. Please note that this request is distinct from a similar request for authorization to purchase sodium hypochlorite for the Point Loma Wastewater Treatment Plant. That request was recently approved by the Metro Commission and by the San Diego City Council. This request would meet the sodium hypochlorite needs of all other Wastewater Treatment and Disposal Division facilities.

Recommendation:

Metro TAC: On June 16, 2010, approved for future consideration by the Metro Commission.

Fiscal Considerations:

Amount requested: \$765,000 pre-tax annually

Is this expenditure budgeted? Yes

Split between Metro and Muni Budget: \$721,000 Metro / \$44,000 Muni

Previous TAC/JPA Action: Approved by MetroTAC on June 16, 2010 for consideration by the full Metro Commission.

City Council Action: Approved by the Natural Resources and Culture Committee on June 16, 2010; tentatively scheduled for consideration by the full Council on September 7, 2010.

Agenda Item 7

METRO JPA/TAC Staff Report

Subject Title: MBC Additional Biosolids Storage Silos

Requested Action: The approval of the Metro Commission to advertise and award for construction.

Recommendations:

Metro TAC:	Present to JPA for approval with the budget revised to have the contingency amount reduced to 5% of the construction.
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)	This project was presented to the TAC Committee on October 15, 2008 and authorized by the Metro Commission on November 6, 2008 to proceed with the design. On June 16, 2010 this project was to the TAC Committee for a recommendation to the Metro Commission to grant authorization to advertise and award for construction.

Fiscal Impact:

Is this projected budgeted? Yes X No

Cost breakdown between Metro & Muni:	N/A
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Financial impact of this issue on the Metro JPA:	33.5% of \$7,593,233.00 = \$2,543,733.00
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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: See Prior actions above

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

City Council Action: Present it to City Council for authorization to advertise and Award.

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

Project Name: MBC BIOSOLIDS STORAGE SILOS 9 & 10, (WBS S-00322)

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

Objective:

The objective for this project is the approval to advertise and award for construction. This project was presented to the TAC Committee on October 15, 2008 and authorized by the Metro Commission on November 6, 2008 to proceed with the design. On June 16, 2010 this project was to the TAC Committee for a recommendation to the Metro Commission to grant authorization to advertise and award for construction.

Project Background:

The City of San Diego's Metropolitan Wastewater Department (MWWd) operates the Metro Biosolids Center (MBC), a regional biosolids processing facility located adjacent to the City's Miramar Landfill in Kearny Mesa.

The biosolids from the Point Loma Wastewater Treatment Plant (PLWTP) and the North City Water Reclamation Plant (NCWRP) are dewatered and transferred to a Biosolids Storage and Loading Facility (Area 86) which houses eight (8) storage silos and two (2) truck loading bays. These dewatering, storage and truck loading operations are core plant functions which are critical to system wide operations and the inability to maintain these operations at a capacity level that matches or exceeds process demands will result in biosolids and sewage spills at MBC and at the PLWTP.

The mechanical equipment associated with the storage silos and truck loading operations is over 10 years old with a typical useful life of 10-15 years. Currently, at least one silo is out of service for 2 to 14 days each month and recent increases in the repair frequency of the associated equipment indicate that the equipment is nearing the end of its useful life. In order to restore reliability to these critical biosolids storage and truck loading processes and to maintain the capacity levels necessary to avoid causing spills, a project to replace the mechanical equipment and to retrofit the silos should be implemented within the next five years.

Due to the limited access to the existing silo equipment, it is estimated that each silo will be out of service for 75-90 days in order to replace the associated equipment and to retrofit the silos. This represents a two year period during which MBC will only have 7 silos available for use. During the lengthy replacement period, it is expected that there will be several events during which one of the remaining original silos will break down leaving only 6 silos in service.

When all 8 silos are in-service, MBC has sufficient storage to avoid weekend loading operations and to load trucks five days a week. With only 7 silos in-service, it is necessary for MBC to load out on Saturdays. With only 6 silos in-service, MBC would need to load out seven days a week however this is not possible because of the lack of available disposal destinations for the biosolids on Sundays. Additionally, pre-loading of trucks on Sundays for disposal on Mondays is also not possible due to the lack of a truck storage building with the necessary odor control facilities.

Combining the inability to load out biosolids seven days a week with the very real possibility of having only 6 silos in service for several periods during the two year silo equipment replacement and retrofit project, there is a high risk of MBC not having the available capacity to meet biosolids processing demands and causing a biosolids or sewage spill either at either MBC or at the PLWTP. It is therefore recommended that 2 new additional silos with all of the associated mechanical equipment be provided now prior to implementing the silo equipment replacement and retrofit project.

Project Description

The Project requires the following construction services:

- Installation of new Area-86 Silos Nos. 9 and 10 including all appurtenant equipment (silo cake feeders, conveyors, cake pumps, and hydraulic systems);
- Installation of new cake piping, valves, foul air ducting, dampers and auxiliary piping connecting the new silos to the existing silo systems;
- Installation of all structural foundations and supports including access stairs, ladders, platforms, catwalks, lifting equipment and safety tie-offs for the new silo systems;
- Installation of all electrical equipment, wiring/conduits and all control/instrument devices and systems compatible with MBC's Distributed Control System (DCS).

Project Cost:

The costs associated with this project as reported at the Metro Commission in November 6, 2008 authorizing Design and now for Construction is as following:

	<u>JPA Commission 11-06-08</u>	<u>JPA Commission 08-05-10</u>
Administration	\$ 500,000.00	\$ 500,000.00
Design Costs	\$ 773,233.00	\$ 883,233.00
Construction	\$6,600,000.00	\$5,200,000.00
Construction Management	\$ 750,000.00	\$ 750,000.00
Contingency	<u>\$ 500,000.00</u>	<u>\$ 260,000.00</u>
Total Projected Costs	\$9,123,233.00	\$7,593,233.00

The costs incurred to date were for in-house Planning and Project Management, and the preparation of the construction documents by AECOM the selected Professional Design Consultant.

The funding will come from the Metropolitan Biosolids Center Main CIP'S (CIP/WBS No. 45-984.0/S-00322) Sewer Fund 700001 Metro Sewer Utility Fund.

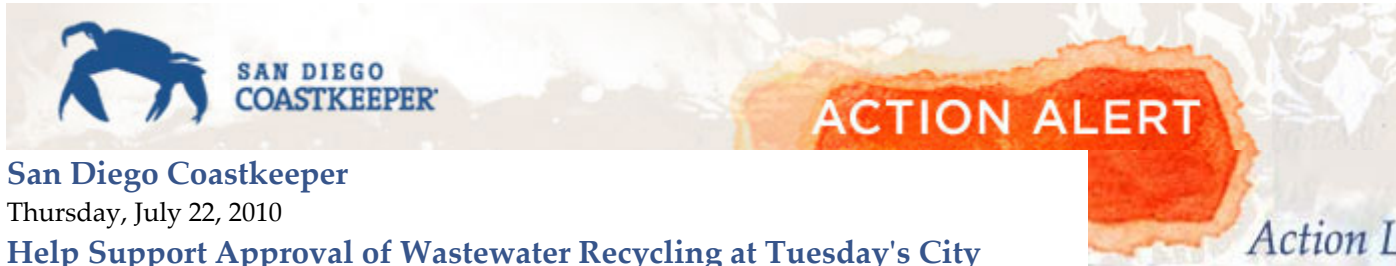
Schedule

The schedule for MBC Biosolids Storage Silos is as follows:

Permitting	September 2010
Advertise for Construction	November 2010
NTP for Construction	May 2011
Construction Complete	August 2012

Agenda Item 8

Date: Thu, 22 Jul 2010 11:06:01 -0700
To: ernestewin@hotmail.com
From: enews@sdcoastkeeper.org
Subject: Help Secure Our Water Supply



San Diego Coastkeeper

Thursday, July 22, 2010

Help Support Approval of Wastewater Recycling at Tuesday's City Council Meeting

July 27 meeting to include vote on final phase of the pilot demonstration project



San Diego Coastkeeper Environmental Law & Policy Clinic staff and interns drink water from Orange County's Groundwater Replenishment System, which is similar in concept to the wastewater recycling pilot project in San Diego.

On Tuesday, July 27, the San Diego City Council will vote on the final phase of the wastewater recycling pilot project, which will demonstrate whether we can use highly treated wastewater to supplement our reservoirs. We need your support at Tuesday's meeting to encourage the City Council to vote in favor of the Design, Build and Operate contract portion of the pilot project, which is already fully funded.

If the two-year demonstration project is successful, a full-scale project could ultimately provide up to 16 million gallons per day of advanced treated water from the North City plant to augment San Vicente Reservoir, a local source for drinking water.

Since San Diego currently imports 80 percent of its water supply, it's essential we find local sources of drought-proof water that are more sustainable and require less energy than increasingly expensive imported water. Recycling our wastewater will also reduce the 150 million gallons a day that we currently pump into our ocean just from the City of San Diego's Point Loma wastewater facility. An independent [study](#) released earlier this week by the Equinox Center and Fermanian Business & Economic Institute found

Learn

[Read about Wastewater Recycling](#)

You can learn more online about [wastewater recycling](#) in San Diego.

Act

[Advocate at the meeting](#)

Attend the City Council meeting on Tuesday, July 27, to ask City Council members to support a safe, reliable drinking water supply for the region.

Give

[Donate to our Water Supply campaign](#)

Financial donations help fund our staff attorneys' time to advocate on your behalf at City Council meetings. [Please donate now](#) to help us secure a reliable water supply for San Diego.

San Diego Coastkeeper

that recycling wastewater is among the most reliable, cost-effective, safe and sustainable way to enhance local drinking water supplies.

You can learn more online about [sewage discharges into our ocean](#) and [wastewater recycling](#) in San Diego.

Please attend the City Council meeting on Tuesday, July 27 to voice your support for reliable, environmentally friendly and safe drinking water supplies in San Diego. The hearing (Item #332) will take place during the afternoon session, which starts at 2:00 pm (there is no set time for this item). More information can be found on the [City Council Docket](#). The City Council meets at the Council Chambers, 12th Floor, at 202 C Street in downtown. If you cannot attend the hearing, please contact your council member to express support for this project.

San Diego Coastkeeper 2825 Dewey Road, Suite 200, San Diego CA 92106

info@sdcoastkeeper.org

(619) 758-7743

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Agenda Item 9

Clean Version of Draft Revised Mission Statement:

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

Redline Version of Draft Revised Mission Statement:

*“The Metro JPA's mission is to create an equitable partnership with the San Diego City Council **and Mayor** on regional wastewater issues. Through stakeholder collaboration, open dialogue, and data analysis, the partnership seeks to ~~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.~~”*

Agenda Item 10

City of San Diego Public Utilities Department FY11 Strategic Plan

Presentation to METRO JPA
August 5, 2010



Vision and Mission

- Vision

- We are an industry leader in the delivery of water, wastewater , and recycled water services

- Mission

- To ensure the quality, reliability, and sustainability of water, wastewater , and recycled water services for the benefit of the ratepayers and citizens served

Guiding Principles

- Services excellence
- Environmental stewardship
- Fiscal responsibility
- Continuous improvement
- Innovative use of technology
- Sustainable growth and prosperity
- Safe work environment
- Dedicated to employee development


Strategic Goals


- **Goal 1:** Safe, reliable, and efficient Water, Wastewater and Recycled Water Services
- **Goal 2:** Fiscally-sound and effective Public Utility
- **Goal 3:** Sustainable growth and economic viability
- **Goal 4:** Responsive, safe, committed and innovative workforce


- **Goal 1:** Safe, reliable, and efficient Water, Wastewater and Recycled Water Services
 - *Objective 1:* Manage assets optimally through repair, rehabilitation, and replacement
 - Initiative 1: Expand and optimize the Asset Management Program
 - Initiative 2: Finalize Water and WW 10-year CIP
 - *Objective 2:* Meet or exceed regulatory and public health standards
 - Initiative 3: Implement department-wide enhanced monitoring and assessment programs
 - Initiative 4: Use technology to improve Core Business Activities

• **Goal 2:** Fiscally-sound and effective Public Utility


- *Objective 3:* Provide the public with competitive, customer-focused services
 - Initiative 5: Proactively evaluate customer satisfaction and respond to customer contacts and referrals
 - Initiative 6: Provide annual training for those with direct customer contact
 - Initiative 7: Continue CIS/IOS transition to OneSD
 - Initiative 8: Continue to conduct effectiveness/efficiency studies
 - Initiative 9: Implement approved efficiency study recommendations
 - Initiative 10: Ensure ongoing IT maintenance projects and tasks are aligned with forecasted annual budget

- 
- **Goal 2:** Fiscally-sound and effective Public Utility
 - *Objective 4:* Minimize rate impacts through expenditure control, the pursuit of alternative funding, and full cost recovery
 - Initiative 11: Develop 5-year financing plan for Water, WW, and Recycled Water
 - Initiative 12: Properly manage finance and control costs
 - Initiative 13: Implement New Internal Controls (IC) Program
 - Initiative 14: Maximize grant and SRF funding opportunities

- 
- **Goal 3: Sustainable growth and economic viability**
 - *Objective 5: Engage in regional initiatives which provide viable, environmentally responsible and cost-effective alternative sources of water supply*
 - Initiative 15: Implement Indirect Potable Reuse (IPR) Demonstration Project
 - Initiative 16: Continue groundwater development efforts
 - Initiative 17: Complete the Recycled Water Study
 - *Objective 6: Reduce the reliance on non-renewable energy*
 - Initiative 18: Implement high return department-wide energy management projects

- 
- **Goal 3:** Sustainable growth and economic viability
 - *Objective 7:* Develop long range plans to support a growing community
 - Initiative 19: Develop a strategy to comply with the Clean Water Act and future regulatory requirements
 - Initiative 20: Update the Urban Water Management Plan and Long Range Water Resources Plan
 - Initiative 21: Update the Metro WW Plan and the Muni Master Plan

- **Goal 4:** Responsive, safe, committed & innovative workforce
 - *Objective 8:* Meet or exceed safety standards
 - Initiative 22: Implement a Safety Awards Program and conduct Safe Driver training sessions
 - *Objective 9:* Ensure adequate staffing to meet operational needs
 - Initiative 23: Manage hiring processes to minimize vacancies

- 
- **Goal 4:** Responsive, safe, committed & innovative workforce
 - *Objective 10:* Develop and support employees, and recognize exceptional performance
 - Initiative 24: Ensure/optimize eligible employees' completion of supervisor training
 - Initiative 25: Implement the Employee Leadership Development Academy
 - Initiative 26: Optimize the use of the Public Utility Employee Recognition Program



Thank you

- Questions or comments

Agenda Item 11

**MetroTAC
2009/2010 Work Plan**

MetroTAC Items	Description	Subcommittee Member(s)
State WDRs & WDR Communications Plan COMPLETED	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.	Dennis Davies Patrick Lund
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.	Tom Howard Joe Smith
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 should go into affect soon.	Scott Huth
IPR Pilot Program(s)	San Diego is evaluating proposals for the design/build/operate project for the Indirect Potable Reuse (IPR) pilot program to replenish potable water sources with reclaimed water. The MetroTAC will monitor and participate in the process as it moves forward.	Neal Brown
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. The recycled water credits issue will be taken up starting in June 2010.	Greg Humora Scott Huth Karyn Keese
Debt Reserve and Operating Reserve Discussion COMPLETED	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
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.	David Scherer Manny Magaña Karyn Keese
"No Drugs Down the Drain"	The state has initiated a program to reduce pharmaceuticals entering the wastewater flows. To date 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.	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.	David Scherer Dean Gipson

MetroTAC Items	Description	Subcommittee Member(s)
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.	David Scherer Dean Gipson
"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.	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. We will monitor progress and provide feedback as it relates to our individual agencies.	Scott Huth Neal Brown Dean Gipson
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.	Karyn Keese
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 Dean Gipson
Board Members' Items		
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.	
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.	
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.	
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	
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	COMPLETED
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	
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.	

Agenda Item 14



August 5, 2010

To: Metro Commission/JPA
From: Al Ovrom, Chairmen
Subject: Finance Committee Report

The following items are being brought forward to the Metro Commission/JPA:

1. Approved Minutes from May 26, 2010 Finance Committee Meeting (attached)
2. Merrilee Boyack was elected Vice-Chair of the Finance Committee
3. FY 2010 Period 11 (May) Metro Budget Update (attached)
4. Review of JPA External Auditor Proposal. Committee recommends the JPA hire an external auditor to perform an independent audit of the JPA 2010 financial statements at a cost not to exceed \$5,000.

The Joint Powers Authority Proactively Addressing Regional Wastewater Issues

Chula Vista • Coronado • Del Mar • Imperial Beach • La Mesa • Lemon Grove Sanitation District
National City • Otay Water District • Poway • Padre Dam Municipal Water District
County of San Diego, representing East Otay, Lakeside/Alpine, Spring Valley & Winter Gardens Sanitation Districts



Metro Wastewater JPA Finance Committee
May 26, 2010
Minutes

Meeting called to order: 8:36 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, Committee Member
Augie Caires, Committee Member
Ernie Ewin, Chairman, Metro Commission/Wastewater JPA
Alejandra Sotelo-Solis, Committee Member

Support Staff:

Doug Wilson, Metro JPA Treasurer
Karyn Keese, PBS&J
Paula de Sousa, BBK

General Public:

There were no general public.

2. Public Comment

There was no public comment.

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

ACTION: Upon motion by Committee Member Boyack, seconded by Committee Member Caires, the April 28, 2010 Regular Meeting Minutes were unanimously approved.

4. Review of PBS&J Proposal for Contract Amendment for FY 2011

Karyn Keese reviewed the PBS&J proposed contract for FY 2011. She reported that PBS&J was not increasing their hourly rate (\$175 per hour) or the total contract amount (\$105,595) for the fourth straight year. There are four major work areas covered by the contract. The first is routine engineering services which include the attendance and participation in Metro TAC, Metro JPA/

Commission, and Metro JPA Finance Committee meetings. The only change in this work area is increased hours to support the Finance Committee.

The second work area is the Exhibit E Audit which has not changed in scope of work. Committee Member Boyack asked how many audits this task would cover in 2010. Ms. Keese responded that it would cover 1.5 because the 2009 audit will most likely not be completed prior to June 30, 2010. In addition the 2010 audit could be challenging because the City changed their accounting software in mid 2010 so the audit will be based on ½ year on their old accounting software and ½ year on their new system. She has had several planning meetings with staff to review the new accounting system and she noted there were some positive changes. In addition 2010 will be the first year for the Public Utilities department and attention will not only have to be paid between metro and muni costs but also water costs.

The third work area is the Metro JPA Budget review. This has not changed. The fourth area is special projects. Anticipated special projects include continued participation in the City of San Diego's Reclaimed Water Master Plan, resolution of contractual reclaimed water issues, and review of the upcoming draft of the reclaimed water pricing study. Scott Huth commented that there may not be enough hours in the reclaimed water master plan task as this is a very important regional issue which Metro TAC is going to become more involved in. Ms. Keese stated that she would update the Finance Committee at each of their meetings on the status of the PBS&J contract.

ACTION: Upon motion by Committee Member Boyack, seconded by Committee Member Caires, the Committee unanimously approved the PBS&J Contract for FY 2011.

5. Review of Amendments to Legal Services Agreement with BBK

Paula de Sousa reviewed a proposal for an amendment to the Legal Services Agreement between the JPA and Best Best & Krieger LLP (BBK) to increase the hourly rate for all attorneys to \$200.00 per hour, \$120.00 for paralegals/clerks and to provide for annual increases based on increases in the Consumer Price Index (increases commencing on July 1, 2011 should CPI increase. This increase would still be below BBK's standard general counsel rates.

Ms. de Sousa explained that BBK has not sought a fee increase since it began providing legal services to the JPA in 2001. A possible fee increase was discussed in 2007 with then Chair Abarbanel, when the agreement for continued representation of the JPA was considered and approved, but moving forward with an increase at that time, was deferred. Since 2001, rates have been held at the 2001 rate of:

Partners:	\$180
Sr. Associates	\$155
Jr. Associates	\$125
Paralegals:	\$100
Clerks:	\$100

Ms. de Sousa also stated that over the last few years services provided to the JPA by partners constitute approximately 55-70% of the total number of hours billed to the JPA. She does not

expect any substantial change in the number of partner hours devoted to the JPA in the years to come.

ACTION: Motion by Committee Member Boyack, seconded by Committee Member Sotelo-Solis that the Committee approves the Amendment to the Contract with Best, Best, & Krieger for FY 2011.

6. Review of Amendments to Treasurer Services Agreement with Padre Dam Municipal Water District

Doug Wilson, Treasurer to the Metro JPA indicated that the total contract of \$14,000 would continue at a flat amount for the next fiscal year despite the hourly rate change indicated by the current year's amendment. The hourly rate is the amount that Padre Dam MWD charge for Wilson's time under that agency's billing system. The increased rate will be offset by hours of work charged for the Treasurer's duties for the next fiscal year. The Treasurer's duties will be the same as listed within the original *Agreement for Treasurer's Services* (attached).

ACTION: Upon motion by Committee Member Boyack, seconded by Committee Member Caires, the Committee unanimously approved the Amendments to the Treasurer Services Agreement for FY 2011.

7. Review of 2010/2011 Metro JPA Budget

Treasurer Wilson reviewed the 2010/2011 Metro JPA Budget. Very few of the line items have changed from the prior year. Legal services have increased by 10% to reflect the proposed increased billing rate. Additional monies have been added to the Administrative Support category to reflect the fact that Lori Peoples will start attending the Metro TAC and possibly the Finance Committee to prepare the minutes from those meetings. The budget reflects the cash reserve policy target of 33% and although the actual projected cash is slightly less than the goal Treasurer Wilson did not feel that the budget should be increased to fully fund the target. Treasurer Wilson recommended adopting the budget of \$213,350 funded by \$210,000 of membership billings which is the same as the prior year. The remaining funding will come from earnings on investments and a small reduction on reserve balances. The individual agency billings will vary from the prior year based on their projected flow to the Metro System.

ACTION: Upon motion by Committee Member Caires, seconded by Committee Member Boyack, the Committee unanimously approved the 2010/2011 Metro JPA Budget.

8. Update on the Progress of the FY 2009 Audit

Ms. Keese passed out the most recent Exhibit E Audit Calendar. While the calendar shows that the audit is still anticipated to be complete by the end of the fiscal year there is some slippage in the City preparing responses to the questions from the PA representatives on the samples. There is some concern on the part of the auditors that if they are not complete by June 30, 2010, that they will be assigned to other audits and thus slow the process down.

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

The Finance Committee recommended that items 3, 4, 5, 6, and 7 should be moved forward to the June 2010 Metro Commission/JPA meeting.

10. Other Business of the Finance Committee

There was no other business of the Finance Committee discussed.

11. Adjournment

The meeting was adjourned at 9:43 a.m. The next regularly scheduled meeting of the Finance Committee will be June 30, 2010 at the PBS&J San Diego Office. There was some discussion that there may not be a reason to have the June meeting. This will be determined later in June.



City of San Diego

Public Utilities Financial Summary Month 11 FY2010





City of San Diego

Major Wastewater Expenditure Variances

Operating Budget

- \$5.8M Savings in Supplies
 - Chemicals, other machine parts, electrical materials and pipe fitting – WWTD
- \$17M Savings in contracts including reserves
 - \$9.9M Assurance Reserve (FY10 B2G) – Dept Mgt
 - \$1.6M Environmental Projects – EPM
 - \$2M Digester Cleaning – WWTD
 - \$3.5M ADS - WWC
- \$2.9M Under Budget in IT



City of San Diego



Capital Improvement Program

Description	Pre-Encumbered	Encumbered	Actual
*** ABP00002 Metropolitan System Pump Stations	\$0	\$6,430,705	\$1,717,366
*** L10000 Metro Facilities Control Systems Upgrade	\$0	\$1,810,699	\$3,900,373
*** ABO00001 Metro Treatment Plants	\$893,350	\$1,872,900	\$1,017,774
*** S00321 MBC Centrate Collection Upgrades	\$0	\$1,566,308	\$177,751
*** S00315 Point Loma Grit Processing Improvements	\$0	\$1,151,567	\$484,546
*** S00322 MBC Biosolids Storage Silos	\$0	\$439,049	\$514,827
All Other Metro Projects	\$10,000	\$236,024	\$552,670
Metro Fund: Total Projects	\$903,350	\$13,507,252	\$8,365,306

METRO

PUBLIC UTILITIES
Month 11 - Current Year Monitoring
Fiscal Year 92% Complete as of 5/31/10

	A	B	C	D	E	F	G	H	I
	Annual Budget	Month-to-Date Budget	Pre Encumbrance	Encumbrance	Actuals	Available Budget A-(C+D+E)	% Utilized (Monthly)	% Annual Budget Remaining	% of Budget Expended YTD
MUNI FUND									
Calculations Formula									
Operations & Maintenance									
Personnel Cost	17,588,134	10,854,816			15,613,180	1,974,974	142.5%	11.2%	88.8%
Fringe Benefits	8,111,890	5,544,158			8,673,286	(561,386)	156.4%	-8.9%	108.9%
Supplies	5,805,525	1,283,141			2,010,848	2,373,162	158.2%	40.9%	34.6%
Contracts	42,053,756	10,517,787	78,282	1,343,223	22,702,692	9,823,470	215.9%	23.4%	54.0%
Information Tech	5,258,813	586,278	246	1,712	3,822,450	1,434,405	652.0%	27.3%	72.7%
Energy & Utilities	5,041,634	1,203,972		34,287	3,580,466	1,446,881	296.7%	28.7%	70.6%
Other	25,836	374			10,148	15,680	2713.5%	60.7%	39.3%
Operating Contingency								0.0%	0.0%
Capital Expenditure	1,014,569	-	344,191	64,174	191,149	415,056	0.0%	40.9%	18.8%
Debt	34,537,582	-		19,738	34,337,423	180,420	0.0%	0.5%	98.4%
Expenditure	\$ 119,437,741	\$ 30,070,506	\$ 5,081,710	\$ 6,331,747	\$ 90,921,623	\$ 17,102,662	392.4%	14.3%	78.1%
METRO FUND									
Personnel Cost	33,598,802	28,802,182			28,097,909	4,500,893	101.7%	13.4%	86.6%
Fringe Benefits	15,784,137	15,236,056			15,750,605	43,532	103.4%	0.3%	99.7%
Supplies	32,989,854	15,558,818	893,152	8,929,214	19,785,627	3,381,861	127.2%	10.3%	60.0%
Contracts	77,702,878	38,889,450	2,978,137	8,690,748	48,494,477	17,539,516	124.8%	22.6%	62.4%
Information Tech	9,474,888	11,984,119	45,001	13,831	4,828,794	4,586,463	40.3%	48.4%	51.0%
Energy & Utilities	19,106,368	13,239,527	50,000	1,093,634	11,794,808	6,177,945	89.0%	32.3%	61.7%
Other	707,808	32,677			195,230	512,579	597.4%	72.4%	27.6%
Operating Contingency	1,346,083	1,228,051	256,775	361,357	380,273	1,346,083	0.0%	100.0%	0.0%
Capital Expenditure	1,434,340	237,138		162,984	69,201,243	455,934	151.9%	31.8%	25.1%
Debt	89,937,608	-		162,984	89,201,243	573,381	0.0%	0.8%	98.9%
Expenditure	\$ 262,082,799	\$ 124,988,017	\$ 4,223,084	\$ 19,251,569	\$ 189,499,967	\$ 39,118,199	159.6%	14.9%	78.1%
Debt (Municipal Fund)	34,537,582	-	-	19,738	34,337,423	180,420	0.0%	0.5%	98.4%
Debt (Metro Fund)	89,937,608	-	-	162,984	89,201,243	573,381	0.0%	0.8%	98.9%
	\$ 104,475,191	\$ -	\$ -	\$ 182,723	\$ 103,538,667	\$ 753,801	\$ -	0.7%	99.1%
WASTEWATER FUND									
Personnel Cost	51,186,936	39,556,997			44,711,089	6,475,867	113.0%	12.7%	87.3%
Fringe Benefits	23,906,027	20,780,214			24,423,890	(517,863)	117.5%	-2.2%	102.2%
Supplies	38,795,379	16,821,959			21,786,475	5,755,024	129.8%	14.8%	56.2%
Contracts	119,756,633	49,387,217	971,444	10,272,437	71,197,169	27,382,986	144.2%	22.8%	59.5%
Information Tech	14,733,702	12,570,397	7,637,118	13,559,360	8,652,244	6,020,869	68.8%	40.9%	58.7%
Energy & Utilities	24,148,022	14,443,499	45,247	15,343	15,345,275	7,624,826	106.2%	31.6%	63.5%
Other	733,647	33,051	50,000	1,127,921	205,378	528,269	621.4%	72.0%	28.0%
Operating Contingency	1,346,093	1,228,051				1,346,093	0.0%	100.0%	0.0%
Capital Expenditure	2,448,909	237,138	800,865	425,531	551,423	870,990	232.5%	35.6%	22.5%
Expenditure	\$ 277,055,348	\$ 155,059,523	\$ 9,304,774	\$ 25,400,592	\$ 186,882,923	\$ 55,467,069	120.5%	20.0%	67.5%

*