



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

**AGENDA**

**Thursday, OCTOBER 7, 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 September 2, 2010 (**Attachment**)
- X 5. **ACTION** – CONSIDERATION FOR APPROVAL TO AWARD A CONTRACT TO HAWTHORNE POWER SYSTEMS (**Attachment**)
- X 6. **ACTION** – REVIEW AND APPROVE METRO JPA YEAR-END FINANCIAL STATEMENTS – 6/30/10 (**Attachment**)
- X 7. REVIEW OF METRO 2011 OPERATIONS BUDGET & CIP (**Attachment**)
- X 8. KEY RELATED ITEMS WE SHOULD BE TRACKING/GETTING UP TO SPEED ON (**Attachment**)
- X 9. METRO TAC UPDATE

Documentation  
Included

10. IROC UPDATE
  - a. Report from IROC Representative Caires
  - b. IROC Performance Plan Update
11. FINANCE COMMITTEE
  - a. Report from Finance Committee
  - b. Minutes from the July 28, 2010 Finance Committee Meeting **(Attachment)**
12. REPORT OF GENERAL COUNSEL
13. PROPOSED AGENDA ITEMS FOR THE NEXT METRO COMMISSION/ METRO WASTEWATER JPA MEETING **November 4, 2010.**
14. METRO COMMISSIONERS' AND JPA BOARD MEMBERS' COMMENTS
15. 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 No. 4 Attachment



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

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

**September 2, 2010**

**DRAFT Minutes**

Chairman 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	X	Scott Tulloch
City of Coronado	Al Ovrom	X	Scott Huth
City of Del Mar	Donald Mosier	X	
City of El Cajon	Bill Wells		Dennis Davies
City of Imperial Beach	Patricia McCoy		Jim Janney
City of La Mesa	Ernie Ewin	X	
Lemon Grove Sanitation District	Jerry Jones	X	Patrick Lund
City of National City	Alejandra Sotelo-Solis	X	(Arrived at 12:10)
City of Poway	Merrilee Boyack	X	Leah Browder
City of San Diego	Jerry Sanders	X	Ann Sasaki
County of San Diego	Dianne Jacob		Daniel Brogadir
Otay Water District	Mark Robak	X	
Padre Dam MWD	Augie Caires	X	Augie Scalzitti
Metro TAC Chair	Scott Huth	X	
IROC	Jim Peugh	X	

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

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

Commissioner Ovrom led the Pledge.

**3. PUBLIC COMMENT**

There was no public comment.

**4. ACTION - CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE MINUTES OF August 5, 2010 (Attachment)**

**ACTION:** Upon motion by Commissioner Caires seconded by Commissioner Robak, the August 5, 2010 Regular Meeting Minutes were approved with Commissioners Boyack, Janney, Jones and Mosier abstaining.

**5. PRESENTATION OF SUMMARY OF IROC 2010 ANNUAL REPORT (Don Billings, IROC Past Chair)**

IROC Past Chair Billings provided a brief overview of the IROC 2010 Annual Report which had previously been provided to the JPA members and was required by the ordinance that created IROC. Mr. Billings made it clear that IROC is an advisory body on the Public Utilities Department operations and planning including resource management and the role is not that of an auditor or an efficiency consultant.

Chairman Ewin thanked Mr. Billings for his work, approach, sense of community and volunteerism.

Commissioner Caires, JPA representative to IROC thanked Mr. Billings for his outstanding job as IROC Chair and expressed his opinion that IROC does a great job.

Commissioner Robak thanked Mr. Billings and inquired as to whether IROC took a position on the B2G program.

Mr. Billings responded that IROC explored the B2G program and their overall perspective was that it was a very useful tool based on an independently developed private market proposal.

6. **ACTION** – CONSIDERATION AND POSSIBLE ACTION TO APPROVE AMENDMENTS TO THE RECORDS RETENTION AND DESTRUCTION POLICY AND SCHEDULE (**Attachment**) (Paula de Sousa)

General Counsel de Sousa stated that the amendments provide an update to the policies to bring them in line with current law. The most noticeable changes are regarding electronic communications and the requirement that in event of litigation, any records that would otherwise be subject to destruction be not destroyed during the pendency of litigation.

**ACTION:** Upon motion by Commissioner Robak, seconded by Commissioner Sotelo-Solis, the amendments were approved unanimously.

7. **ACTION** – CONSIDERATION AND POSSIBLE ACTION TO APPROVE CONTRACT AMENDMENT 2 FOR WEBMASTER SERVICES WITH AR CONSULTING (Extended time of performance from Sept. 11, 2010 to Sept 11, 2011 – no change in fees) (**Attachment**) (Paula de Sousa)

General Counsel de Sousa stated that this was just the annual renewal of the webmaster services agreement and that there had been no change in fees.

**ACTION:** Upon motion by Commissioner Ovrom, seconded by Commissioner Boyack, the contract amendment was approved unanimously.

8. **PRESENTATION** – PARK PROJECT IS PART OF STORM WATER RENAISSANCE (**Attachment**) (Ann Sasaki)

Bill Harris introduced himself as the Supervising Public Information Officer for the City of San Diego Storm Water Department, a 2 year old department formed by the Mayor to help the City address what they see as a cascading series of regulations and rules all related to the run off that comes from the City of San Diego and exits out to the beaches and ocean. He noted that the Department is trying to take a whole host of inherited systems and infrastructure and put them together as a whole that will not only serve the interests of the City but also the regulatory parties that are engaged such as the Regional Water Quality Control Board. He then spoke regarding one of the low impact design pilot projects they were working on to find less expensive ways of dealing with storm water and storm water run-off, and provided a brief Power Point presentation on the "Memorial Park Infiltration System & Low Impact Design A Lot Project".

Mr. Harris offered to provide a customized Power Point presentation to any agency requesting one and then explained a simple 55 gallon storm water/roof drain run off system in response to an inquiry by Commissioner Sotelo-Solis. He also explained an interceptor – low flow system being used along beaches in La Jolla in response to an inquiry from Commissioner Robak.

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

MetroTAC Chairman Huth noted that the tracking table was provided in the agenda and requested any comments to items listed or items to move up, address, add or delete. None were received.

**10. METRO TAC UPDATE**

MetroTAC Chairman Huth stated that a good portion of their August meeting had been spent on follow up from the San Diego Recycled Water Study including a report out on the core screening process; they reviewed the comments they were submitting back to San Diego; circulated a letter to the Metro JPA Board and TAC members commenting on the white paper and are formulating a response; reviewed the IROC performance audit list of items that the Finance Committee also reviewed and came up with a focus to try to prioritize items on the list to which they came up with 5 being Items 3, 8, 11, 18 and 19 (prioritization control and funding of mandated capital projects; overhead rates and interdepartmental charges; CIP program oversight; staffing levels, trends and qualifications and asset management respectively). TAC will be taking these comments together with the Finance Committee comments and working with Commissioner Caires to formulate a letter to take to the IROC.

**11. IROC UPDATE**

**a. Report from IROC Representative Caires –**

Commissioner Caires provided a summary from the August 9, 2010 IROC meeting. He stated that they heard a report on the Carlsbad De Sal project; B2G MOU's will be sent to the City Rules Commission on September 8<sup>th</sup>; in September IROC will be considering requesting the Mayor and Council call for an audit of the MWD's rate setting practices the thrust is in this economy, #1 Should they slow down on their pay-go CIP, #2 should it reduce the compensation structure of employees and #3 the accusation that they have misallocated water supply costs to their transportation rate; regarding the performance audit – it was taken to the Finance Committee and Metro TAC and 5 very good recommendations were received that will be forwarded on to IROC for their consideration – this will be an on going process providing for future opportunities for Metro JPA comment inclusion in their process and finally the Public Utilities Department Strategic Planning Process has commenced and 2 MetroTAC members are participating in the process.

**b. Consideration for Appointment of Alternate Representative to IROC**

Chairman Ewin stated that Commissioner Caires was the Metro JPA sole representative on IROC and from time to time there may be need to have an alternate. He put forth Commissioner Robak name for alternate. Commissioner Boyack seconded the motion and it carried unanimously.

**12. FINANCE COMMITTEE**

**a. Report from Finance Committee -**

Finance Committee Chairman Ovrom stated that a meeting was not held in August, however the report out was provided by Commissioner Caires and MetroTAC Chairman Huth.

**13. REPORT OF GENERAL COUNSEL**

General Counsel de Sousa stated that she had no report.

**14. PROPOSED AGENDA ITEMS FOR THE NEXT METRO COMMISSION METRO WASTEWATER JPA MEETING (October 7, 2010)**

There were none.

**15. METRO COMMISSIONERS' and JPA BOARD MEMBERS' COMMENTS**

Commissioner Robak stated that he read in the County Water Authority news minutes that Otay was on the threshold of doing a de-sal project with Rosarito Mexico buying up to 25,000 gallons per day.

Chairman Ewin stated that although we see that some of our Federal holidays become excuses or circumstances that we forget what the holiday stands for and the upcoming holiday is Labor Day and there are a lot of individuals that brought labor to its point in that day and purpose and recognized and expressed gratitude to his father who taught him the value of work. He then wished everyone a great weekend.

**16. ADJOURNMENT OF METRO COMMISSION AND METRO WASTEWATER JPA**

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

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Recording Secretary

## Agenda Item No. 5 Attachment



**METRO JPA/TAC  
Staff Report**

**Subject Title:** Provide Technical Services and Parts for Caterpillar Engine Generators and Switch Gear

**Requested Action:** The Wastewater Treatment and Disposal (WWTD) Division requests approval to award a contract to Hawthorne Power Systems. The proposed contract provides for technical services and parts for Caterpillar engine generators and switch gear. These parts and services are critical for operation and maintenance of engines located in several facilities.

WWTD operates and maintains large engines, generators, and switch gear which supply power to the multiple facilities. Currently, there is one (1) emergency diesel engine/generator at the South Bay Water Reclamation Plant; two (2) digester gas engine/generator sets that meet all the electric demand of the Point Loma Wastewater Treatment Plant (PLWTP) and create revenue via excess energy sales to SDG&E; one (1) emergency diesel engine generator at the PLWTP; and two (2) natural gas engines used to drive two wastewater pumps for surge protection of the Pump Station 2 force mains.

Preventive maintenance, repairs, and necessary parts are required to insure consistent operation of this equipment. WWTD staff provide routine maintenance and repair services. However, overhauls, rebuilds, and some more complex repairs which require more staff are completed by a private vendor. Vendor activities to provide these services are coordinated by City staff to minimize down time.

Hawthorne Power Systems was the only bidder to respond to this bid request. The contract term is two years with three, one-year options to renew. Annual cost increases shall not exceed 5%.

**Recommendations:**

Metro TAC:	Submitted for consideration on September 15, 2010.
IROC:	N/A- This contract is included in the approved Metro operating budget and does not require IROC review.
Prior Actions: (Committee/Commission, Date, Result)	Submitted for consideration by the Natural Resources and Culture Committee on September 8, 2010; tentatively scheduled for consideration by the full Council on October 12, 2010.

**Fiscal Impact:** \$1,125,000 in FY 2011; \$1,200,000 in FY 2012

Is this projected budgeted?	Yes <u>X</u> No <u>    </u>
Cost breakdown between Metro & Muni:	100% Metro
Financial impact of this issue on the Metro JPA:	\$2,325,000 over two years (FY 2011 and FY 2012)

**Capital Improvement Program:** N/A

New Project?	Yes <u>    </u> No <u>    </u>
Existing Project?	Yes <u>    </u> No <u>    </u> upgrade/addition <u>    </u> change <u>    </u>

**Comments/Analysis:**

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

**Additional/Future Action:** Pending Metro TAC Approval, anticipated Metro Commission approval on October 7, 2010

**City Council Action:** To be considered by the NR&C Committee on September 8, 2010; tentatively scheduled for consideration by the full Council on October 12, 2010.

## Agenda Item No. 6 Attachment

Metro Wastewater JPA

Treasurer's Report  
Twelve Months Ending June 30, 2010  
Unaudited

**Beginning Cash Balance at July 1, 2009** **\$ 79,890**

**Operating Results**

Membership dues & Interest income	\$ 210,733
Expenses	<u>\$ (197,159)</u>
Net Income (Loss)	\$ 13,574
Net change in receivables & payables (see cash flow statement)	<u>\$ (625)</u>

**Cash provided (used) from operating activities** **\$ 12,949**

**Ending Cash Balance at June 30, 2010** **\$ 92,839**

Submitted by:

*Doug Wilson, Treasurer*

17-Aug-10

3:03 PM  
08/17/10  
Accrual Basis

**Metro Wastewater JPA - C/O Padre Dam MWD**  
**Balance Sheet**  
As of June 30, 2010

	Jun 30, 10	Jun 30, 09	\$ Change
<b>ASSETS</b>			
<b>Current Assets</b>			
<b>Checking/Savings</b>			
California Bank & Trust	89,428	75,858	13,570
California Bank - checking	3,411	4,032	-620
<b>Total Checking/Savings</b>	92,839	79,890	12,949
<b>Accounts Receivable</b>			
Accounts Receivable	2,111	3,232	-1,122
<b>Total Accounts Receivable</b>	2,111	3,232	-1,122
<b>Total Current Assets</b>	94,950	83,122	11,827
<b>TOTAL ASSETS</b>	<u>94,950</u>	<u>83,122</u>	<u>11,827</u>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable			
Accounts Payable	20,234	21,981	-1,747
<b>Total Accounts Payable</b>	20,234	21,981	-1,747
<b>Total Current Liabilities</b>	20,234	21,981	-1,747
<b>Total Liabilities</b>	20,234	21,981	-1,747
<b>Equity</b>			
Retained Equity	61,141	12,194	48,948
Net Income	13,575	48,948	-35,373
<b>Total Equity</b>	74,716	61,141	13,575
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u>94,950</u>	<u>83,122</u>	<u>11,827</u>

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08/17/10  
Accrual Basis

Metro Wastewater JPA - C/O Padre Dam MWD  
**Profit & Loss Budget vs. Actual**  
July 2009 through June 2010

	Jul '09 - Jun 10	Budget	\$ Over Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Membership Dues	210,000	210,000	0
Interest_ Income	733	1,500	(767)
<b>Total Income</b>	<b>210,733</b>	<b>211,500</b>	<b>(767)</b>
<b>Expense</b>			
PBS&J	120,891	106,000	14,891
Legal	31,255	35,000	(3,745)
Per Diem - Agency	19,950	24,750	(4,800)
Administrative Support - Padre	14,000	14,000	(0)
Metro/JPA/TAC meeting expens...	4,716	5,500	(784)
Administrative Assistant	2,750	2,400	350
Automobile Expense	1,495	3,000	(1,505)
Public Information	759	2,000	(1,241)
Office Supplies	646	500	146
Dues & Subscriptions	538	0	538
Telephone	480	0	480
Bank charges	202	0	202
Business meals	14	0	14
Miscellaneous	0	750	(750)
Dues and Subscriptions	0	600	(600)
Annual Retreat - strategic plan	0	3,000	(3,000)
Financial Consulting	0	3,000	(3,000)
Contingencies	(538)	10,000	(10,538)
<b>Total Expense</b>	<b>197,159</b>	<b>210,500</b>	<b>(13,341)</b>
<b>Net Ordinary Income</b>	<b>13,575</b>	<b>1,000</b>	<b>12,575</b>
<b>Net Income</b>	<b>13,575</b>	<b>1,000</b>	<b>12,575</b>

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08/17/10

Metro Wastewater JPA - C/O Padre Dam MWD

**Statement of Cash Flows**

July 2009 through June 2010

	Jul '09 - Jun 10
<b>OPERATING ACTIVITIES</b>	
Net Income	13,575
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	1,122
Accounts Payable	-1,747
Net cash provided by Operating Activities	12,949
Net cash increase for period	12,949
Cash at beginning of period	79,890
Cash at end of period	<u>92,839</u>

3:21 PM

08/17/10

# **Metro Wastewater JPA - C/O Padre Dam MWD** **Accounts Receivable**

	<u>Jun 30, 10</u>
City of San Diego - Metro Wastewater Dept	<u>2,111</u>
<b>TOTAL</b>	<u><b>2,111</b></u>

3:12 PM

08/17/10

**Metro Wastewater JPA - C/O Padre Dam MWD**  
**Vendor Balance Summary**  
**All Transactions**

	<b>Jun 30, 10</b>
Abel R. Rodriguez	110
Augie Calres	546
Best Best & Krieger	1,186
Lori Anne Peoples	2,842
PBS&J	15,313
Philadelphia Sandwich Company	237
<b>TOTAL</b>	<b><u>20,234</u></b>



## Agenda Item No. 7 Attachment

# FY 2011 Public Utilities Department Metro Fund Budget

1

## Metro Budget Summary

	FY 2010 Budget	FY 2010 PA Portion (2)	FY 2011 Budget	FY 2011 PA Portion (2)
<b>Positions</b>	589.50		479.92	
<b>Operating Budget</b>				
Personnel Expense	\$ 53,114,125	\$ 18,117,228	\$ 47,795,871	\$ 16,303,172
Non-Personnel Expense	\$ 125,221,761	\$ 42,713,143	\$ 91,165,368	\$ 31,096,507
Operating Budget Subtotal	\$ 178,335,886	\$ 60,830,371	\$ 138,961,239	\$ 47,399,679
<b>Reserves</b>				
Operating Reserve (1)	\$ -	\$ 4,281,432	\$ -	\$ 4,567,218
Assurance Fund	\$ 5,060,000	\$ -	\$ -	\$ -
Unallocated Reserve	\$ -	\$ -	\$ 3,500,000	\$ 1,193,850
Reserves Subtotal	\$ 5,060,000	\$ 4,281,432	\$ 3,500,000	\$ 5,761,068
<b>Debt Service</b>	\$ 69,937,609	\$ 23,855,718	\$ 85,223,493	\$ 29,069,733
<b>Loan Repayment</b>	\$ 6,059,214	\$ 2,066,798	\$ 6,031,337	\$ 2,057,289
	\$ 75,996,823	\$ 25,922,516	\$ 91,254,830	\$ 31,127,023
<b>TOTAL</b>	<b>\$ 259,392,709</b>	<b>\$ 91,034,319</b>	<b>\$ 233,716,069</b>	<b>\$ 84,287,769</b>

(1) Based on the City of San Diego / Participating Agencies Reserve agreement

(2) Based on the FY 2008 audit

Budgets and corresponding PA amounts are based on the printed budgets where allocations were higher in the Metro fund. Allocation revisions are in process which will reflect the Final budgets and correct PA contributions.

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## Participating Agency Reserve Contribution

		FY2010 Budget		FY2011 Budget		Change
<b>Reserves</b>						
Operating Reserve	\$	4,281,432	\$	4,567,218	\$	285,786

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## Wastewater Branch Reserves

	FY 2010 Budget	FY 2011 Budget	Change
<b>Reserves</b>			
Operating Reserve (1)	\$33,666,326	\$38,078,000	\$ 4,411,674
Employee Efficiency Incentive Reserve (2)	\$10,000,000	\$ 5,060,000	\$ (4,940,000)
Equipment Maintenance Fund	\$ 4,000,000	\$ -	\$ (4,000,000)
Appropriated Reserve	\$ 3,500,000	\$ 3,500,000	\$ -
Rate Stabilization	\$20,300,000	\$20,300,000	\$ -
<b>Total</b>	<b>\$71,466,326</b>	<b>\$66,938,000</b>	<b>\$ (4,528,326)</b>

(1) FY2010 50 days and FY2011 55 days

(2) Amounts reflect the EEIR balance

Note - amounts represent the total reserves for the Wastewater Branch

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## Metro Personnel Changes (FTE)

Public Utility Divisions	FY2010 Budget	FY2011 Budget	Change
Department Management	9.50	5.84	(3.66)
Administrative Services	92.00	0.00	(92.00)
Finance and Information Technology	0.00	32.56	32.56
Employee Services and Internal Controls	0.00	25.94	25.94
Customer Support Service	0.00	0.66	0.66
Long Range Planning	0.00	27.29	27.29
Engineering and Program Management	66.00	21.78	(44.22)
Environmental Monitoring and Technical Services	141.00	97.00	(44.00)
Wastewater Treatment and Disposal	281.00	268.85	(12.15)
<b>Total</b>	<b>589.50</b>	<b>479.92</b>	<b>(109.58)</b>

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## Wastewater METRO Final FY 2011 Information Systems Budget

Division	FY 2010 BUDGET	FY 2011 BUDGET	VARIANCE
Customer Support	\$ 0	\$ 0	\$ 0
Department Management	\$ 0	\$ 914,856	\$ 914,856
Employee Service Internal Controls	\$ 2,886,408	\$ 453,484	\$ (2,432,924)
Engineering And Program Management	\$ 481,181	\$ 818,501	\$ 337,320
Environmental Monitoring Technical Services	\$ 197,749	\$ 338,023	\$ 140,274
Finance And Information Technology	\$ 7,550,624	\$ 2,715,322	\$ (4,835,302)
Long Range Planning and Water Resources	\$ 0	\$ 115,444	\$ 115,444
Wastewater Collection	\$ 0	\$ 0	\$ 0
Wastewater Treatment and Disposal	\$ 1,251,214	\$ 1,747,229	\$ 496,015
<b>WASTEWATER Grand Total</b>	<b>\$ 12,367,176</b>	<b>\$ 7,102,859</b>	<b>\$ (5,264,317)</b>

Major  
"Variances"

PROJECTS	FY 2010 BUDGET	FY 2011 BUDGET	VARIANCE
CIS/IOS REPLACEMENT	\$ 0	\$ 0	\$ 0
DATA CENTER	\$ 74,659	\$ 203,594	\$ 128,935
EDORS	\$ 86,454	\$ 287,518	\$ 201,064
IT MAINT/PROCUREMENT	\$ 795,029	\$ 295,660	\$ (499,369)
PC REPLACEMENT	\$ 637,000	\$ 0	\$ (637,000)
RECORDS MGMT CONSOLIDATION	\$ 0	\$ 114,000	\$ 114,000

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## FY2011 Final Metro CIP Budget

WBS Element	Project Title	FY11 Request
<b>Metro</b>		
A-BO.00001	AA-Metro Treatment Plants	\$ 4,600,000
A-BP.00002	AA- Metro System Pump Stations	\$ 337,459
A-JB.00001	AA - MWWD Trunk Sewers	\$ 2,000,000
L-10000	Metro Facilities Control System Upgrade	\$ 5,200,000
S-00309	North City Water Reclamation Sludge Pump Station Upgrade	\$ 319,976
S-00315	Point Loma - Grit Processing Improvements	\$ 8,000,000
S-00322	MBC Biosolids Storage Silos	\$ 1,600,000
S-00324	NCWRP - Electro Dialysis Reversal Upgrade	\$ 335,000
<b>Subtotal</b>		<b>\$ 22,392,435</b>

## Agenda Item No. 8

### Attachment

**MetroTAC  
2010/2011 Work Plan**

<b>MetroTAC Items</b>	<b>Description</b>	<b>Subcommittee Member(s)</b>
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
Advanced Water Purification Demonstration Project	San Diego engaged CDM to design/build/operate the project for the water repurification pilot program. The MetroTAC will monitor and participate in the process as it moves forward. <i>9/2010: NTP issued on 9/2/2010; operation is scheduled for April 2011 followed by one year of testing and monitoring.</i>	
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 Doug Wilson Karyn Keese
Recycled Water Fiscal Issues	The recycled water credits issue will be taken up starting in September 2010.	Scott Huth Doug Wilson 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. 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. County Sheriff and Chula Vista have set up locations for people to drop off unwanted medications and drugs. <i>9/2010: A national prescription drug take back event has been planned for 9/25/10 at locations throughout the county. The event is being coordinated by local law enforcement agencies. The county sheriff also has permanent drop off locations for prescription drugs.</i>	Greg Humora
Flushable Items that do not Degrade	Several PAs have problems with flushable products, such as personal wipes, that do not degrade and cause blockages. MetroTAC is investigating solutions by other agencies, and a public affairs campaign to raise awareness of the problems caused by flushable products. We are also working with SCAP in their efforts to help formulate state legislation to require manufacturers of products to meet certain criteria prior to labeling them as "flushable." Follow AB2256 and offer support.	David Scherer Dean Gipson
Grease Recycling	To reduce fats, oils, and grease (FOG) in the sewer systems, more and more restaurants are being required to collect and dispose of cooking grease. Companies exist that will collect the grease and turn it into energy. MetroTAC is exploring if a regional facility offers cost savings for the PAs. The PAs are also sharing information amongst each other for use in our individual programs. <i>9/2010: Liquid Environmental Solutions is actively working on agreements with various cities; David Scherer will share the draft franchise agreement when it is ready</i>	David Scherer Dean Gipson

<b>MetroTAC Items</b>	<b>Description</b>	<b>Subcommittee Member(s)</b>
"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. John Helminski at the City of San Diego is working on a sustainability project for CoSD	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. Al Lau and Dean Gipson attended the Coarse Screening Workshop in August 2010. The next Status Update Meeting is 9/7/10.	Scott Huth Al Lau 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. Draft study is expected in September 2010.	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
California Ocean Plan	<i>9/2010: The Ocean Plan may become more restrictive due to changes in brine discharges, thereby reducing the ability to install desalination plans</i>	
<b>Board Members' Items</b>		
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	
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.	
IROC Performance Audits	Work with IROC to identify areas to be audited; participate in audit process. Provide the top 5 areas to audit by September IROC meeting. <i>9/2010: JPA has completed the list of 5 items for IROC to evaluate for its performance audit</i>	Augie Caries



Completed Items	Description	Subcommittee Member(s)
Debt Reserve and Operating Reserve Discussion	<p>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.</p> <p><b>Project complete: 4/10</b></p>	<p>Scott Huth Karyn Keese Doug Wilson</p>
State WDRs & WDR Communications Plan	<p>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.</p> <p><b>Project complete: 5/10</b></p>	<p>Dennis Davies Patrick Lund</p>
Ocean Maps from Scripps	<p>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</p> <p><b>Project complete: 5/10</b></p>	<p>Board Member Item</p>
Secondary Waiver	<p>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.</p> <p><b>Project complete: 7/10</b></p>	<p>Scott Huth</p>

## Agenda Item No. 10

### Attachment



## MEMO

Date: September 14, 2010

To: Jim Pugh, IROC Chair

From: Augie Caires

Subject: Performance Audit of San Diego Public Utilities Department

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After considerable discussion among representative of the Participating Agencies it is recommended that IROC include the following topics in the 2010 Performance Audit of the Public Utilities Department:

1. Prioritization, control and funding of mandated capital projects
2. Overhead rates and interdepartmental changes
3. CIP Program oversight
4. Staffing levels, trends and qualifications
5. Asset management

Based on the presentation by the Office of City Auditor (OCA) at the September 13, 2010 IROC Environmental and Technical Subcommittee meeting, it appears that our recommendations are being incorporated into the proposed audit scope, with the exception of item #4. Further, the explanation for not including this item is understood and accepted.

We look forward to the audit process and stand ready to assist the OCA or IROC as needed.

cc: IROC members  
OCA  
Metro Commissioners  
Metro TAC members

## Agenda Item No. 11

### Attachment



Metro Wastewater JPA Finance Committee  
July 28, 2010  
Draft Minutes

Meeting called to order: 8:34 a.m. at PBS&J Offices, 9275 Sky Park Court, San Diego, CA 92101 by Committee Chairman Ovrom.

**1. Roll Call**

**Attendees:**

Al Ovrom, Committee Chairman, Metro Wastewater JPA Finance Committee  
Merrilee Boyack, Vice- Chair, Metro Wastewater JPA Finance Committee  
Alejandra Sotelo-Solis, Committee Member  
Augie Caires, Committee Member  
Bill Wells, Committee Member

**Support Staff:**

Karyn Keese, PBS&J  
Paula de Sousa, BBK  
Scott Huth, Metro TAC Chair

**City of San Diego Staff:**

Edgar Patino, Public Utilities Department (PUD)

**General Public:**

There were no general public.

**2. Public Comment**

There was no public comment.

**3. Approval of Minutes from the May 26, 2010 Finance Committee Meeting**

Upon motion by Committee Member Boyack, seconded by Committee Member Sotelo-Solis, the May 26, 2010 Regular Meeting Minutes were unanimously approved.

**4. Election of Finance Committee Vice-Chair**

Merrilee Boyack was unanimously elected as Vice-Chair of the Committee.

**5. FY2010 Period 11 Budget Update**

Ms. Keese reviewed the May budget report that was presented to the IROC. The overall wastewater operating budget is showing \$5.8 million in savings, contract savings are at \$17 million, and the IT budget is \$2.9 million under budget as of May 2010. As the financial report that is presented to IROC covers water, and both Muni and Metro budgets, the Committee requested that City staff prepare a smaller version to be presented to the Committee and the Metro JPA/Commission that just covers Metro each month.

**6. Review of JPA External Auditor Proposal**

At the last Committee Meeting the Committee requested Treasurer Wilson solicit a proposed fee from the Padre Dam MWD external auditors to audit the JPA's financial statements for 2010. The auditor submitted a fee ranging from \$5,000 to \$7,500. If the audit is wanted, it should proceed soon as the 2010 fiscal year ended June 30<sup>th</sup>. Audit results should be presented to the Metro JPA/Commission by the September/October time frame. Also the Metro JPA/Commission should try to have the timing coincide with Padre's on-sight auditor work for better efficiency. Historical financial results become stale when provided late.

The consensus of the Committee was that the audit would be very simple due to the small amount of transactions and that the Treasurer should negotiate with the auditors to lower the fee to \$3,500 if possible.

**ACTION:** Upon motion by Committee Member Boyack, seconded by Committee Member Caires, the Committee unanimously approved that the audit proposal should be brought forward to the Metro JPA/Commission and that the audit fee should not exceed \$5,000.

**7. Exhibit E Audit Status**

Ms. Keese reviewed the status of the 2009 audit. The audit is essentially complete with only a couple issues remaining. These should be resolved in the next two weeks. She also reviewed the audit planning for the 2010 audit and the agreed upon cost allocations presented by PUD internal audit staff. She expressed her thanks to PUD internal audit staff for including the PA audit team in upfront planning and establishing written protocols for cost allocation purposes.

**8. 2010 Performance Audit of Public Utilities Department**

Committee Member Caires reviewed the IROC's request to conduct an external audit of the PUD in 2010 which focuses on departmental performance. The audit is to be led by IROC who will advise the Mayor and Chief Financial Officer about the scope. The City has budgeted \$100,000 for this review. IROC and the Office of the City Auditor will finalize the scope of work at their September meeting, so any input from the Metro JPA/Commission/TAC wishes to provide needs to be formulated by early September. It was the unanimous decision of the Committee to move this forward to Metro TAC in August and the Metro JPA/Commission for discussion in September.

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

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

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

Ms. Keese discussed that since the established meeting date for the Finance Committee is the last Wednesday in the month there are two upcoming instances in 2011 (August and November) where the Finance Committee falls one day before the Metro JPA/Commission meeting. This does not allow enough time to move items forward to the Metro JPA/Commission in a timely manner. It was agreed that the Finance Committee 2010 Meeting Schedule should be expanded to include 2011 so that the August and November meetings could be moved to the week prior to the Metro JPA/Commission meeting. This change in the schedule would be agendized for a future Finance Committee meeting.

**11. Adjournment**

The meeting was adjourned at 9:23 a.m. The next regularly scheduled meeting of the Finance Committee will be July 28, 2010 at the PBS&J San Diego Office.

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