



Metro Finance Committee
(Finance Advisory Committee to Metro JPA)

TO: Finance Committee Members and Metro Commissioners

DATE: Wednesday, May 26, 2010

TIME: 8:30 a.m.

LOCATION: PBS&J, 9275 Sky Park Court, Suite 200, San Diego*

* The location and time of future meetings is subject to change

THIS NOTICE HAS BEEN DISTRIBUTED TO THE METRO COMMISSIONERS AND FINANCE COMMITTEE MEMBERS.

1. Roll Call
2. Public Comments
Persons speaking during Public Comment may address the Metro Finance Committee on any subject matter within the jurisdiction of the Metro Finance Committee 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 meeting.
3. Approval of Minutes from the April 28, 2010 Finance Committee Meeting (Attachment)
4. Review of PBS&J Proposal for Contract Amendment for FY 11 Work (Attachment)
5. Review of Amendments to Legal Services Agreement with BB&K (No attachment)
6. Review of Amendments to Treasurer Services Agreement with Padre Dam Municipal Water District (Attachment)
7. Review of 2010/2011 Metro JPA Budget (Attachment)
8. Update on the Progress of the FY 2009 Audit
9. Review of Items to be Brought Forward to the Metro Commission/Metro JPA
10. Other Business of the Finance Committee
11. Adjournment

The Metro Finance Committee may take action on any item listed on the Agenda whether or not it is listed "for action".

Materials provided to the Metro Finance Committee related to any open-session item on this agenda are available for public review by contacting Karyn Keese (858)514.1008 during normal business hours.

<u>Finance Committee 2010 Meeting Schedule</u>		
January 27	May 26	September 29
February 14	June 30	October 27
March 31	July 28	November 24
April 28	August 25	December 29

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

The Metro Finance Committee requests individuals who require alternative agenda format or special accommodations to access, attend, and/or participate in the Metro Finance Committee meetings, contact Karyn Keese at (858)514.1008, at least forty-eight hours in advance of the meetings.

Agenda Item 3



Metro JPA Finance Committee
April 28, 2010
Draft Minutes

Meeting called to order: 8:59 a.m. at Best Best & Krieger LLP, 655 West Broadway, 15th Floor, and San Diego, California 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
Alejandra Sotelo-Solis, Committee Member

Support Staff:

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

City of San Diego Staff:

Jeanne Cole, City of San Diego Public Utilities Interim Program Manager
Peggy Merino, City of San Diego
Edgar Patino, City of San Diego

General Public:

Miyuki Freeman, Macias, Gini, and O'Connell

2. Public Comment

There was no public comment.

3. Approval of Minutes from the February 24, 2010 Finance Committee Meeting

Upon motion by Committee Member Boyack, seconded by Committee Member Sotelo-Solis, the February 24, 2010 Regular Meeting Minutes were approved.

4. Approval of Operations Reserve Policy of the Metro Wastewater JPA

Metro JPA Treasurer Doug Wilson presented a revised draft policy to the Committee (a copy is attached to these minutes). The draft policy summarizes the Metro JPA's historical operating results as well as the proposed operating reserve-target maximum cash balances. Treasurer Wilson emphasized that the goal of this policy is to stabilize the annual member contributions for support of the JPA. He requested the Finance Committee approve the target cash balance of 4 months of operating cash.

ACTION: Motion by Committee Member Boyack, seconded by Committee Member Caires that the Metro JPA adopt a formal policy of maintaining a target cash balance of 4 months worth of operating cash based on each year's adopted operating budget. Motion carried unanimously.

5. Review and Approval of 2008 Exhibit E Audit

Miyuki Freeman from Macias Gini & O'Connell (MGO), the City of San Diego's external auditor, reviewed the "Independent Auditor's Report on Schedule of Allocation for Billing to Metropolitan System " and its companion report "Report to Management " for the fiscal year ended June 30, 2008 in detail for the Committee. Committee Chairman Ovrom commented that the number of errors in the cash disbursements and income credits as reported on Page 2 of the "Report to Management" had increased substantially over 2007 and was concerned about that trend. He asked if additional testing above the current level was warranted. Ms. Freeman noted that while the number is higher that the dollar amount is not material. The Committee discussed whether testing should be expanded and decided that if the auditors or the PAs representatives felt additional testing should be required if something material does arise they will leave it to them to decide the nature of the additional tests. The Committee also requested that when the audit report is sent forward to the Commission/JPA that a list of the findings should be attached.

ACTION: Motion by Committee Member Caires, seconded by Committee Member Boyack that the Committee accept the 2008 audit and move it forward to the Commission/JPA for review and action.

6. Review of Status of 2009 Exhibit E

Karyn Keese reviewed the 2008 audit schedule that was attached to the agenda. She stated that several additional items had been completed since the schedule was last updated including the completion of the initial sample review by Doug Wilson and her. She also noted that the initial review appeared to be producing less potential findings than the 2008 audit and that the MJO auditors had caught several of the findings. She also complimented the City of the thorough preparation of backup for each of the samples. Miyuki Freeman explained that although the anticipated completion date had slipped by one week that they are on target to finish the audit by June 30, 2010.

7. Report on San Diego Debt Refunding and Rating Agency Conference Calls

Jeanne Cole reported that on April 6, 2010 the Senior Sewer Revenue Refunding Bonds, Series 2010 A (the 2010A Bonds) were successfully priced for the Public Facilities Financing Authority of the City of San Diego. This financing is the third and final of the 2009 Wastewater System refinancing. With a

par issue size of \$161.9 million, the 2010A Bonds were priced at an average coupon rate of 5.25% and an all-in true interest cost savings of 4.71% higher than the City Council authorized target savings level of 3.0%.

The 2010A Bonds are rated A2/A+/AA- (Moody's/S&P/Fitch). Approximately \$411 million in total orders were placed with most of the maturities oversubscribed resulting in a lower interest rate than originally anticipated.

Below is a summary of the refunding results:

- Gross cumulative savings of \$25.6 million (approximately \$7.68 million for the PAs)
- Average annual debt service savings for Fiscal Year 2011 through 2024 – approximately \$514,000 (\$154,200 PAs) and for Fiscal Years 2024 through 2029 – approximately \$3.1 million (\$930,000 PAs).

In addition Ms. Cole reported that the bond rating agencies are in the process of recalibrating their ratings to make Municipalities online with corporate ratings. Fitch and Moody's have recalibrated San Diego Wastewater as follows:

Fitch – AA
Moody's AA3

These recalibrations were done after the 2010A Bonds but bode well for the future. The City has not heard from Standard & Poor's but will let the Finance Committee know when they receive word. Ms. Cole provided the Finance Committee with a spreadsheet showing what the current annual wastewater debt service is after the three refunding. She will email an excel version as well as the formal ratings from the three agencies. A copy of the formal ratings is attached to these minutes. She also reported that the City was actively pursuing State Revolving (SRF) Low Interest Loans for many of the current capital projects because of their excellent interest rates. An example of this is \$10 million for the Metro Biosolids Center CIP. She will provide a full list of all the Metro SRF Loans.

8. Final Administrative Protocol on Allocation of Operating Reserves and Debt Service Coverage to Participating Agencies

Ms. Keese reported that the protocol has been signed by Rod Greek of Public Utilities and Scott Huth from MetroTAC. It still needs to be signed by Chairman Ewin on behalf of the Metro Commission/JPA. Ms. Keese also asked when the PAs will be receiving their refund checks from 2008. Edgar Patino stated that he has been in contact with the City's Financial Management staff on a daily basis and it appears the checks will be mailed by Mid-May.

9. Contract Status Report PBS&J

Ms. Keese provided the Committee with an update to the PBS&J contract. As discussed at mid-year with the Finance Committee, MetroTAC, and discussed at the Metro JPA at its February 2010 meeting PBS&J's level of effort this year has been much greater than anticipated when the budget estimate was prepared last year. As of April 25, 2010, PBS&J has exceeded their approved contract amount by \$400 and requested the Finance Committee's consideration for a contract amendment to cover their work efforts through June 30, 2010 in the amount of \$15,300.

As was discussed in February the single largest contributor to their contract overrun is the work performed on all of the issues surrounding reclaimed water and in particular the contractual issues regarding the credit due to the participating agencies for sales of reclaimed water at the South Bay WRP. Matters surrounding these issues have been discussed with the JPA in closed sessions.

The Finance Committee supported moving PBS&J's contract amendment to the Metro JPA for consideration at its May 2010 meeting.

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

The Finance Committee recommended that items 3, 4, 5, 6, and 9 should be moved forward to the May 2010 Metro Commission/JPA meeting.

11. Other Business of the Finance Committee

There was no other business of the Finance Committee discussed.

12. Adjournment

The meeting was adjourned at 9:52 a.m. The next regularly scheduled meeting of the Finance Committee will be May 26, 2010 at the PBS&J San Diego Office.

Agenda Item 4



An employee-owned company

May 19, 2010

Mr. Ernie Ewin
Chairman, Metro Commission/JPA
276 Fourth Avenue
Chula Vista, CA 91910

Mr. Scott Huth
Chairman, Metro TAC
276 Fourth Avenue
Chula Vista, CA 91910

SUBJECT: PROPOSAL TO PROVIDE AS-NEEDED ENGINEERING AND FINANCIAL SERVICES

Dear Mr. Ewin and Mr. Huth:

We very much appreciate this opportunity to submit our proposal to provide engineering and financial consulting services for the Metro TAC/JPA/Commission. The purpose of this proposal is to provide continued technical and financial support by PBS&J to the Metro TAC/JPA/Commission during the upcoming fiscal year ending (FYE) 2011. Our goal is to assist the Participating Agencies in meeting their objectives of fair rates, equitable cost sharing, and program validation.

The intention of this contract is to provide continued review and oversight of the Metro System program with a minimum of duplication of effort by the Participating Agencies. Our goals are to assist in increasing the responsiveness of the group regarding key issues of concern, ensure coverage at key meetings, centralize data collection, minimize duplication of efforts by the Participating Agencies, and reduce costs for the Participating Agencies as well as the overall costs of the Metro Program through our audit and financial services.

We have enjoyed working with the Metro TAC/JPA/Commission since 1998 and we look forward to continuing our successful relationship. As we are sensitive to public agency finances in these tough economic times, we are not increasing our hourly rate (\$175 per hour) or the total contract amount (\$105,595) from FYE 2010. A copy of our standard rate schedule is attached to this proposal. The \$175 per hour rate is a 15% discount on our standard hourly rate. Please call me at 858.514.1008 if you have any questions.

Sincerely,
PBS&J

A handwritten signature in blue ink, appearing to read 'Karyn Keese', written over a light blue horizontal line.

Karyn Keese
Financial Services Manager

ATTACHMENT A
EXECUTIVE SUMMARY
METRO TAC/JPA/COMMISSION
AS-NEEDED ENGINEERING AND FINANCIAL SERVICES
MAY 19, 2010

Up until the late 1990's, the Participating Agencies (PAs) in the City of San Diego Metropolitan Wastewater System (Metro System) had outdated contracts with the City of San Diego (City). The Metro System provides wastewater treatment and disposal for the PAs. These contracts had been written and entered in 1963. A new contract was agreed upon and entered between the PAs and the City in early 1998. This contract provided for:

- A role in decision making
- A role in the budget process and preparation
- A role in capital improvement planning
- A mechanism to verify overhead cost allocation
- An assurance that San Diego Metro and Municipal expenses were properly allocated
- A definition of what was being paid for
- An appeal process for disputes
- A role in governance
- A role in technical and operational review
- A guaranteed sharing of new capacity under a re-rating scenario
- A role in long-range planning

In addition, the new contract provided for the establishment of the Metro Commission and their technical arm, the Metro TAC. Since that time the Metro TAC/Commission has become fully engaged in the City's wastewater issues. Metro TAC representatives now review every aspect of the City's capital project decision-making process from the earliest project conception to completion and, in fact, sit on consultant selection panels. In addition, the Joint Powers Authority (JPA) was formed to create an effective regional voice in wastewater issues, generally in partnership with the City staff and Council.

In September 1998, the Metro TAC/JPA/Commission contracted with PBS&J to provide engineering and financial consulting services. It was felt that an outside consultant could provide an independent third party objective review and was more efficient than each PA reviewing all the capital project and financial information provided by the City. To that end PBS&J has provided the following consulting services:

- Review of all financial aspects, including the budget, audit, CIP and rate case proposals
- Attendance at meetings to provide technical support for the Metro TAC/JPA/Commission
- Review of capital improvement programs
- Technical support to Ad Hoc Financial Committee (now the Finance Committee)

- Participate in Metro TAC/Commission Strategic Planning process
- Provide specific tasks as directed by the Metro TAC, AdHoc Finance Committee, and the Metro JPA/Commission

Since the inception of this contract, PBS&J has assisted the Metro TAC in modifying the scope of proposed capital projects. In addition, PBS&J has participated in annual audits of the costs associated with the operations and maintenance and capital programs associated with the Metro System (Exhibit E Audits). The participation in the Exhibit E Audits have resulted in several reforms and normally annual cost savings for the PAs. As shown on the following table, our participation in the audit process has resulted in an average of \$380,000 per year savings for the PAs. It should be noted our goal is to work with Public Utilities staff so that through continued improvements in accounting practices and the continuity of personnel that eventually there will be **no** audit findings. As the table illustrates there has been great improvements since 2003.

Annual Savings From Audit Findings							
Findings	2008	2007	2006	2005	2004	2003	6-Year Average
Metro	\$ 697,915	\$ 368,292	\$ 772,778	\$2,289,812	\$1,774,222	\$1,400,000	\$1,217,170
Muni	\$ (354,673)	\$ (189,024)	\$ -	.	\$ -		\$ (135,924)
Total Annual Metro Savings	\$ 345,250	\$ 181,275	\$ 774,784	\$2,291,817	\$1,776,226	\$1,402,003	\$1,081,245
Total Savings PAs	\$ 120,838	\$ 63,446	\$ 271,174	\$ 802,136	\$ 621,679	\$ 490,701	\$ 378,436

During FYE 2010 we participated in the close of the FYE 2007 and 2008 Exhibit E Audits with total funds returned to the PAs of \$12.3 million. It is anticipated that the FYE 2009 audit will be completed by June 30, 2010 and additional monies will be returned to the PAs in the first quarter of FYE 2011.

Other work performed through our last year contract included the following Special Projects:

1. Metro TAC Subcommittee on Debt Service Coverage/Operations Reserve Issue: In response to San Diego's request for \$20 million in reserves and debt service coverage we created draft cash flow models to show that the debt service coverage was already being met through the timing of the payments by the PAs for O&M and capital expenses. In addition we negotiated with the City to lower their requested debt service coverage from 1.7 to 1.2 and their operations reserve requirements from 70 days to 45 days. The final resolution reduced the PAs requirements to \$4 million from \$20 million and for the first time since the inception of the contract the PAs will be receiving credit for interest on their contributed fund balance.
2. Provide Metro TAC Work Plan Support: We have provided engineering and financial support to the following Metro TAC issues during 2010:
 - State Waste Discharge Requirements and Communication Plan;
 - "No Drugs Down the Drain" Program;
 - Grease Recycling;

- Flushable Items that do not Degrade
 - In-Pipe Technology Support
 - Sewer Meter Alarm early warning system: review agreement, solicit input from PAs, provide feedback to San Diego, interface with ADS
3. Review of San Diego's rate case and 2010 and 2011 budgets
 4. Metro TAC Subcommittee(s) on Reclaimed Water Issues: There are currently three issues before Metro TAC that PBS&J is supporting. The first is the review of the City's Draft Recycled Water Pricing Study to insure that the outcome will incentivize the sale of reclaimed water while bringing in a reasonable amount of revenue. The second is the resolution of contractual issues regarding the sale of reclaimed water from the South Bay WRP. And the third is the attendance at work meetings for the City's Recycled Water Master Plan, review and comment on technical memorandum's and other work products generated by the City's consultant.
 5. Finance Committee Support: We prepared agenda's, minutes, and generated supporting documentation on all financial issues of concern to the Metro Wastewater JPA. We attended meetings and presented reports to the Committee.
 6. Secondary Waiver Support: Modeled Secondary capital costs to determine financial impacts on the PAs if the waiver had not been granted.

Over the past few years, PBS&J's responsibilities have changed to provide a greater emphasis on an extension of staff role to the Metro TAC/JPA. An average of 50 percent of our annual services fall into special projects or "as-needed" services as discussed earlier. The majority of these projects were not envisioned at the time of the negotiations for the last contract in May of 2009.

We have discussed our proposed scope of work with Scott Huth, Chair of Metro TAC and he has advised us as to projects they would like to see completed in FYE 2011. Scott Huth has also requested that we include hours to support Metro TAC in unforeseen technical projects that may arise during that time period.

We have not increased our base hourly rate for FYE 2011. Based on these unchanged rates, we have determined a fee of \$105,595 for FYE 2011, which is the same as our 2008, 2009, and 2010 estimated budgets. This will maintain a 15% discount on PBS&J's normal hourly rates.

ATTACHMENT B
SCOPE OF SERVICES
METRO TAC/JPA/COMMISSION
AS-NEEDED ENGINEERING AND FINANCIAL SERVICES
MAY 19, 2010

The purpose of the As-Needed Consulting Contract for the Metro Wastewater JPA/Commission is to provide technical and financial support to the PAs in meeting their objectives of fair rates, equitable cost sharing, and program validation. The intention of the As-Needed Contract is to provide review and oversight of the San Diego Metropolitan Sewer System (Metro System) Program with a minimum of duplication by the PAs. By combining the efforts of the PAs into a central focal point, our goal is to assist in increasing the responsiveness of the group to key issues of concern, ensure coverage at key meetings, centralize the data collection, minimize duplication of efforts by the PAs, and reduce the costs of both Metro TAC/ JPA/Commission efforts, as well as the overall costs of the Metro Program.

I. Scope of Services

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

A. Routine Meetings

The routine meetings will include the following tasks:

1. As-needed attendance at the Metro TAC meetings by the Financial Services Manager and Technical Project Engineer
2. As-needed attendance and preparation for the Metro Commission/JPA meetings by the Financial Services Manager and Technical Project Engineer
3. Support of Metro Finance Committee by Financial Services Manager

B. Routine Audit Review – Public Utilities Department, Wastewater Operations Branch Exhibit E Audit Review – FYEs 2009 and 2010

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

7. Review the annual general services cost allocation
8. Review output for any special projects (In the past this has included the reconciliation of the Shames and other municipal lawsuits, and the Clean Water Program management contract to insure that only Metro costs have/had been charged to the PAs)
9. Prepare work-meeting reports
10. Present the results to the AdHoc Finance Committee, Metro TAC, and Metro Wastewater JPA / Commission
11. Monitor closeout process to insure timely payment of refunds (if any) and the accuracy of any additional billings' (if any) to PAs

C. Routine Review of MWWWD Budget – FYE 2012

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

D. 2011 Special Projects

1. Reclaimed Water Support – There are three main issues to be addressed that surround the production and sale of reclaimed water.
 - a) Review of Recycled Water Pricing Study – In December 2009 the City asked its consultant to address the difference between wholesale and retail customers' and their recycled water rates. The City's original proposed unitary rate structure is of major concern to the PAs. A second draft of the pricing study is due out for review in September 2010. The PAs goal for this study is to insure that the rates are fair and equitable to all parties, and set at appropriate levels that balance the facilitation of increased use of reclaimed water per the City's agreement with the environmental community, while providing additional monies to operate the system. PBS&J will review the September draft in-depth to insure that the PAs goals are reached.
 - b) Continued Support and Resolution of Reclaimed Water Contractual Issues – In 2003 the Metro Wastewater JPA commissioned PBS&J to prepare a "Review of the City of San Diego's Recycled Water Pricing Policy". During that review it was confirmed with City staff that per the

Regional Disposal Agreement Sections V.B.2.a(2) and (3) that the revenues from sales of reclaimed water and incentives such as those provided by Metropolitan Water District/County Water Authority were revenues attributed to the participating agencies and the City's municipal wastewater customers. The participating agencies as well as the City of San Diego's own municipal wastewater customers are paying 100% of the cost to produce the tertiary water (capital and O&M) needed for reclaimed water. However, to date the Water Department has been collecting 100% of the revenues from sales and incentives and paying 0% of the costs. Metro TAC has formed a subcommittee to work with the City staff on resolution of this issue. PBS&J will provide financial and technical support to the subcommittee.

- c) Continued Support for Reclaimed Water Master Plan – The Metro TAC has formed a subcommittee to provide proactive input to the City during the development of their Reclaimed Water Master Plan. The United States Environmental Protection Agency (USEPA) recently made a decision to grant the City a waiver to its National Pollutant Discharge Elimination System (NPDES) Permit. In lieu of opposition to the waiver, San Diego Coastkeeper and the San Diego Chapter of Surfrider Foundation have entered into a Cooperative Agreement with the City to publicly support USEPA's decision. The City's responsibility per the Agreement is to execute this study. PBS&J will provide technical support to the subcommittee by attending 8 project meetings, and review and commenting on the deliverables provided by the City's consultant. It is anticipated the consultant will produce 8 technical memoranda's and one Technical Report during FYE 2011.

- E. Metro TAC Staff Support – This task includes 4 hours per month for unforeseen financial analysis to be provided by Karyn Keese and 4 hours of technical engineering support to be provided by Dean Gipson. PBS&J will support, as-needed, the following items on the Metro TAC 2010 Work plan:

- State WDRs and WDR Communication Plan
- PLWWTP Waiver
- IPR Pilot Program(s)
- Lateral Issues
- Grease Recycling
- Water Reduction – Impacts on Sewer Rates
- Flushable Items that Do Not Degrade
- "Power Tariff"
- Continued Monitoring and Updating of Metro TAC Workplan

II. ADDITIONAL SERVICES AS REQUESTED

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



PBS&J SOUTHWEST INFRASTRUCTURE STANDARD RATE SCHEDULE EFFECTIVE JANUARY 1, 2010

ENGINEERING SERVICES

Principal Engineer IV	\$219.00
Principal Engineer III	209.00
Principal Engineer II	196.00
Principal Engineer I	180.00
Supervising Engineer II	170.00
Supervising Engineer I	155.00
Senior Engineer III	145.00
Senior Engineer II	140.00
Senior Engineer I	130.00
Engineer III	120.00
Engineer II	115.00
Engineer I	105.00
Engineering Aide	70.00

CONSTRUCTION RELATED SERVICES

Senior Construction Manager	\$175.00
Senior Project Engineer (Const.)	135.00
Construction Manager	130.00
Senior Field Representative*	115.00
Construction Management Rep. II*	100.00
Construction Management Rep. I*	90.00
Prevailing Wage Field Rep.**	125.00
Sr. Contract Administrator	110.00
Contract Administrator	85.00

ENVIRONMENTAL SCIENCE

Supervising Scientist	\$220.00
Senior Scientist III	185.00
Senior Scientist II	165.00
Senior Scientist I	140.00
Scientist III	130.00
Scientist II	120.00
Scientist I	100.00
Assistant Scientist	85.00
Research Assistant	60.00

PUBLIC AFFAIRS SERVICES

Project Manager	\$170.00
Community Relations Specialist	140.00
Assistant Project Manager	125.00
Account Coordinator	80.00

OTHER PROFESSIONAL SERVICES

Principal Professional	\$196.00
Supervising Professional	170.00
Sr. Professional III / Sr. GIS Analyst III	150.00
Senior Professional II / Sr. GIS Analyst II	135.00
Senior Professional I / Sr. GIS Analyst I	122.00
Professional II / GIS Analyst II	101.00
Professional I / GIS Analyst I	88.00

DESIGN & GRAPHIC SERVICES

Senior Designer III	\$140.00
Senior Designer II	135.00
Senior Designer I	120.00
Designer II	110.00
Designer I	100.00
CAD Technician III	95.00
CAD Technician II	85.00
CAD Technician I	70.00
Graphics Designer II	100.00
Graphics Designer I	95.00

ADMINISTRATIVE SERVICES

Senior Administrator	\$110.00
Senior Administrative Assistant III	100.00
Senior Administrative Assistant II	85.00
Senior Administrative Assistant I	80.00
Administrative Assistant III	75.00
Administrative Assistant II	65.00
Administrative Assistant I / Clerk	60.00

EXPENSES AND OUTSIDE SERVICES

In addition, identifiable non-salary costs that are directly attributable to the project, such as reproduction costs, telephone charges, mileage, postage, etc., are billed at actual cost plus 15 percent to cover overhead and administration plus 3 percent for insurance costs.

Principal Engineer IV and litigation support rates negotiated on a contract by contract basis.

Computer Aided Drafting, hydrologic water, sewer, and stormwater modeling, GIS, automated mapping, database and web programming, etc., is charged at \$5 per labor hour.

* Non-Prevailing Wage

** Prevailing Wage Rate – Overtime will be charged at 1.25 times, and Sundays and holidays, 1.70 times the above rates.

If applicable, a vehicle allowance of \$900.00 per month will be charged for the use of a company vehicle assigned to a full-time inspector. This monthly allowance will be prorated based upon hours worked for part-time inspection.

Fees for litigation and expert witness services will be charged at \$450.00 per hour with a 4-hour minimum per day.

Fees for subconsultant services provided are billed at actual cost plus 15 percent to cover overhead and administration, plus 3 percent for insurance costs.

PAYMENT TERMS

A late payment finance charge at a rate of 18 percent per annum will be applied to any unpaid balance commencing 30 days after the date of original invoice.

This rate schedule is subject to annual and/or periodic revisions as necessary to accommodate inflationary trends, salary adjustments and the general costs of business.

H:\Admin\Public Works Admin\Standard Rate Sheets\2010 Rates\Southwest Infrastructure Std Rate 0110 - SAN-DGO Ltrhd.docx

Agenda Item 6

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

THIS SECOND AMENDMENT is made and entered into this ____ day of _____, 2010 , by and between the Metro Wastewater Joint Powers Authority (herein referred to as “Metro JPA”), a joint powers authority organized and operating pursuant to California Government Code section 6500 *et seq.*, and the Padre Dam Municipal Water District (herein referred to as the “District”), collectively referred to herein as the “Parties.”

RECITALS

A. WHEREAS, the Parties did enter into an agreement for treasurer services (hereinafter referred to as “Agreement”) on May 29, 2008 for the District to provide treasurer services to Metro JPA until June 30, 2009; and

B. WHEREAS, Section 4 of the Agreement provides that the treasurer services may be extended by the mutual agreement of both Parties, and

C. WHEREAS, the Parties entered into a First Amendment to the agreement on June 4, 2009 to extend the treasurer’s service until June 30, 2010, and

D. WHEREAS, the Parties seek to continue the treasurer contract.

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

1. Section 3 of the original Agreement is amended to reflect the hourly rate of \$257 per hour (increased from \$249).

2. Section 4 of the original Agreement is amended as necessary to extend the end date of treasurer services until June 30, 2011.

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

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

METRO WASTEWATER
JOINT POWERS
AUTHORITY

PADRE DAM MUNICIPAL WATER
DISTRICT

By: _____
Ernest Ewin
Chair

By: _____
Douglas S. Wilson
General Manager

APPROVED AS TO FORM:

BEST BEST & KRIEGER LLP

By: _____
Paula C. P. de Sousa
General Counsel
Metro Wastewater Joint Powers Authority

AGREEMENT FOR TREASURER SERVICES

This Agreement ("Agreement") is made and entered into this 29th day of May, 2008 by and between the METRO WASTEWATER JPA ("JPA") and the PADRE DAM MUNICIPAL WATER DISTRICT ("District").

RECITALS

WHEREAS, certain Participating Agencies are members of Metro Wastewater JPA; and

WHEREAS, the activities of the JPA require the services of a treasurer to keep accounts, allocate costs and process accounts payable;

WHEREAS, the JPA requires the services of a treasurer from one of its members;

WHEREAS, the District has provided services as treasurer since September 1, 2002; and

WHEREAS, the parties seek to continue the treasurer contract.

AGREEMENT

IN CONSIDERATION of the mutual promises set forth herein, the Parties agree as follows:

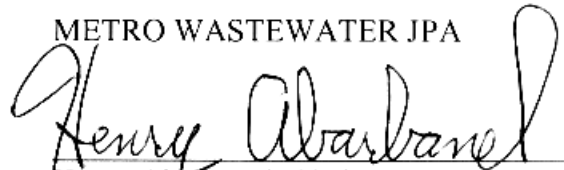
1. Padre Dam agrees to provide treasurer services to the JPA to include:
 - Open separate bank accounts to include savings and checking
 - Maintain and reconcile bank accounts
 - Prepare member agency annual billings
 - Collect and deposit member agency billings
 - Make authorized expenditures to conduct METRO/JPA business
 - Provide periodic unaudited financial reporting which reflects cash balances, outstanding receivable, payables.
 - Provide periodic unaudited income statement financial reporting.
 - Financial reporting will separately track METRO and JPA receipts and expenditures.
 - Accrual basis of accounting will be used to reveal outstanding receivables and payables to the extent known as of the financial statement date.
 - Attend staff and Board meetings as desired by METRO/JPA.
 - Consult and respond to questions from member agencies concerning finances and billings.
 - Other incidental services consistent with the Treasurer's position.
2. Padre Dam shall assign Douglas S. Wilson, General Manager of Padre Dam as the

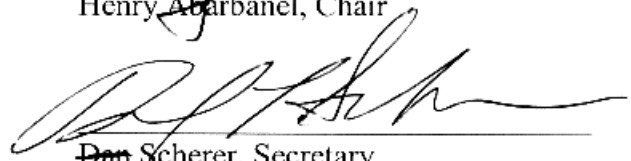
treasurer to provide the above referenced services.

3. JPA agrees to reimburse Padre Dam for labor services on an hourly basis. The hourly rate for said services is \$249 per hour. It is estimated by the parties that services will be performed for an estimated 3 to 5 hours per month with extra time spent in the beginning and end of the fiscal year for set up and year-end statements. Some of the more routine monthly tasks will be assigned to other personnel and billed at their lower rate.
4. Said treasurer services shall continue until June 30, 2009 but may be extended by mutual agreement of both parties. Either party may terminate this Agreement upon ninety (90) days notice.
5. Total charges against this Agreement shall not exceed \$14,000, unless said amount is increased by an amendment to the Agreement.
6. The JPA agrees to protect and hold harmless Padre Dam, Mr. Wilson and Padre Dam's elective, appointive Board, officers, agents and employees from any and all claims, liabilities, expenses or damages arising out of or in any way connected with the performance of this Agreement by Padre Dam or Mr. Wilson. The only exception to Padre Dam or Mr. Wilson's responsibility to protect is due to the gross negligence or willful misconduct of Padre Dam or Mr. Wilson.

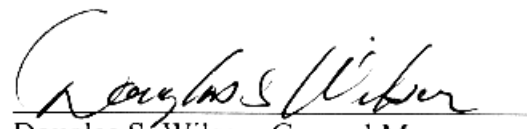
IN WITNESS WHEREOF this Agreement is executed by the Metro Wastewater JPA and by the District.

METRO WASTEWATER JPA


Henry Abarbanel, Chair


Dan Scherer, Secretary
DAVID

PADRE DAM MUNICIPAL WATER DISTRICT


Douglas S. Wilson, General Manager

Agenda Item 7

Metro Wastewater JPA

DRAFT Budget

July 1, 2010 - June 30, 2011

Consider approval - Metro TAC

5/19/2010

Consider approval - Metro Finance Committee

5/26/2010

Consider approval - Metro JPA

6/3/2010

Presented by Doug Wilson, Metro JPA Treasurer

**Metro Wastewater JPA
Budget - Fiscal Year 2010/11**

Metro/JPA - One year budget

	July 1, 2009-June 30, 2010			FY 2010/11	NOTES
	Estimated	Budget	Variance	BUDGET	
Ordinary Income/Expense	Actual		Fav (Unfav)		
Income					
Membership Dues	210,000	210,000	0	210,000	Based on current yr expenses
Interest Income	920	1,500	(580)	1,500	Estimated
Total Income	210,920	211,500	(580)	211,500	
Expense					
PBS&J	121,300	106,000	(15,300)	106,000	Historical-contract
Legal	34,832	35,000	168	38,500	Historical-increase 10% billing rate
Per Diem - Agency	21,050	24,750	3,700	24,750	Same as prior yr budget
Treasury Support - Padre Dam	15,112	14,000	(1,112)	14,000	Historical-contract
Metro/JPA/TAC meeting expenses	4,621	5,500	879	5,500	Historical plus retreat
Administrative Support-LP	3,050	2,400	(650)	3,600	Metro JPA portion \$300 per month estimate
Annual Retreat - strategic plan	-	3,000	3,000	3,000	Place holder
Automobile Expense	1,575	3,000	1,425	3,000	Historical-potential increase
Public Information	-	1,000	1,000	1,000	Small place holder
Web Site	844	1,000	156	1,000	Historical - \$55 per month + \$100 domain name
Office Supplies	861	200	(661)	900	Historical
Supplies	536	300	(236)	750	Historical
Miscellaneous	-	750	750	750	Historical placeholder
Dues and Subscriptions	538	600	62	600	Historical
Financial Consultant	-	3,000	3,000	-	Removed - San Diego financing complete
Contingencies	-	10,000	10,000	10,000	Contingency
Total Expense	204,319	210,500	6,181	213,350	
Net Ordinary Income	6,601	1,000	5,601	(1,850)	

	30-Jun-10		30-Jun-11
Cash Balances-projected	67,743	Cash Balances-projected	65,893
		Operating expense coverage =	30.9%
		Cash Reserve policy target	71,117
			33.00%

Metro Commission / JPA Agency Cost Allocation

	Metro Flow 2010 forecast (MGD)	Commission Flow Distribution %	Total Agency Billings	Prior Yr Billings
Chula Vista	16.543	26.93%	\$ 56,543	\$ 59,341
Coronado	2.500	4.07%	\$ 8,545	\$ 8,290
County of SD	11.734	19.10%	\$ 40,106	\$ 37,111
Del Mar	0.694	1.13%	\$ 2,372	\$ 2,278
El Cajon	8.800	14.32%	\$ 30,078	\$ 29,478
Imperial Beach	2.250	3.66%	\$ 7,690	\$ 7,626
La Mesa	5.210	8.48%	\$ 17,808	\$ 17,422
Lemon Grove	2.296	3.74%	\$ 7,848	\$ 7,613
National City	4.571	7.44%	\$ 15,624	\$ 16,609
Otay Water District	0.303	0.49%	\$ 1,036	\$ 1,001
Padre Dam MWD	3.070	5.00%	\$ 10,493	\$ 12,070
Poway	3.469	5.65%	\$ 11,857	\$ 11,161
Total Flow	61.440	100.00%	\$ 210,000	\$ 210,000