



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

AGENDA

**Thursday, June 2, 2016
12:00 p.m.**

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

"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."

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 THE REGULAR MEETING OF [May 5, 2016](#) (**Attachment**)
- X 5. **PRESENTATION** – METRO FINANCE 101 (Karyn Keese) (**Attachment**)
- X 6. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT FY 2017 METRO BUDGET (Seth Gates) (**Attachment**)

X

7. **FINANCE COMMITTEE:**

- a. Minutes of the May 27, 2015 Regular Meeting (Information Only)
- b. Report by Chairman John Mullin on the May 25, 2016 Finance Committee Meeting
 - i. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FY 2017 METRO WASTEWATER JPA BUDGET (Karyn Keese) (**Attachment**)
 - ii. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FY 2017 ATKINS AGREEMENT FOR ENGINEERING SERVICES (Karyn Keese) (**Attachment**)
 - iii. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FY 2017 AGREEMENT WITH THE KEZE GROUP, LLC FOR FINANCIAL SERVICES (Greg Humora) (**Attachment**)
 - iv. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE THIRD AMENDMENT FOR TREASURER SERVICES WITH PADRE DAM MUNICIPAL WATER DISTRICT FOR FY 2017 (Karyn Keese) (**Attachment**)
 - v. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FIRST AMENDMENT TO THE AGREEMENT WITH VISION INTERNET PROVIDERS FOR WEBMASTER SERVICES FOR FY 2017 (Greg Humora) (**Attachment**)
 - vi. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FIRST AMENDMENT TO THE AGREEMENT WITH LORI ANNE PEOPLES FOR ADMINISTRATIVE SERVICES FOR FY 2017 AND FY 2018 (Karyn Keese) (**Attachment**)

X

8. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FY 2013 EXHIBIT E AUDIT (Kevin Starkey – MGO Auditors) (**Attachment**)

9. **REPORT:** PURE WATER PROGRAM UPDATE (John Helminski)

X

10. METRO TAC UPDATE/REPORT (**Attachment**) (Greg Humora)

X

11. POINT LOMA PERMIT RENEWAL UPDATE (**Attachment**) (Greg Humora)

12. IROC UPDATE (Vice Chair Jones)

13. FINANCE COMMITTEE (John Mullin) – This item was heard previously, after Item 6.

15. REPORT OF GENERAL COUNSEL (Paula de Sousa Mills)
16. PROPOSED AGENDA ITEMS FOR THE NEXT METRO COMMISSION/METRO WASTEWATER JPA MEETING July 7, 2016
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) 548-2934 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.

Metro JPA 2016 Meeting Schedule

January 7, 2016	February 4, 2016	March 3, 2016
April 7, 2016	May 5, 2016	June 2, 2016
July 7, 2016	August 4, 2016	September 1, 2016
October 6, 2016	November 3, 2016	December 1, 2016

Attachment 4

Minutes of the Regular Meeting of May 5, 2016



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

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

**May 5, 2016
DRAFT Minutes**

Chairman Peasley called the meeting to order at 12:05 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	Steven Miesen	X	
City of Coronado	Bill Sandke	X	Michael Woiwode
City of Del Mar	Sherryl Parks	X	
City of El Cajon	Tony Ambrose		Dennis Davies
City of Imperial Beach	Brian Patrick Bilbray	X	
City of La Mesa	Bill Baber		
Lemon Grove Sanitation District	Jerry Jones	X	
City of National City	Jerry Cano		Albert Mendivil
City of Poway	John Mullin	X	
County of San Diego	Dianne Jacob		
Otay Water District	Jose Lopez		Mark Robak
Padre Dam MWD	Jim Peasley	X	
Metro TAC Chair	Greg Humora	X	

Others present: Metro JPA General Counsel Paula de Sousa Mills; Metro JPA Secretary Lori Anne Peoples; Karyn Keese of Keze Group; Roberto Yano – City of Chula Vista; Ed Walton – City of Coronado; Dennis Davies – City of El Cajon; Bob Kennedy of Otay Water District; Karen Jassoy, Al Law and Augie Scalzetti - Padre Dam MWD; Mike Obermiller – City of Poway; Edgar Patino - City of San Diego Public Utilities; Christine Leone – Deputy City Attorney - City of San Diego

2. PLEDGE OF ALLEGIANCE TO THE FLAG

MetroTAC Chairman Humora led the pledge.

3. PUBLIC COMMENT

None.

**4. ACTION: CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE MINUTES OF THE
REGULAR MEETING OF April 7, 2016**

ACTION: Upon motion by Commissioner Sandke, seconded by Vice Chair Jones, the minutes were approved by unanimous vote.

Item 6 was heard here.

5. PRESENTATION: 1998 REGIONAL WASTEWATER DISPOSAL AGREEMENT

General Counsel de Sousa Mills provided a brief Power Point presentation covering the history of the Regional Wastewater Disposal Agreement including the Special Act District; AFFORD; the

Regional Agreement and key terms thereof. She also provided a copy of the San Diego Wastewater Systems map and list of the Metro Facilities which will be updated in the near future. She also recommended the Commissioners review and familiarize themselves with the terms listed in the agreement. Vice Chair Jones stated that although San Diego owns the system, we are partners by contract. He inquired on the revenue sharing, he requested San Diego report on what the PA's get from the revenue sharing and how it offsets the costs. Additionally, he inquired as to how prices are set for bi-products which needs to be cleared up as we are moving forward with Pure Water and basically, that the PA's need to be involved in the setting of the pricing. General Counsel de Sousa Mills responded that the City of San Diego needs to respond to that and it will be presented at the next meeting. He then requested and received clarification that on capital costs, O & M and capacity and debt service are both paid on strength and flow. Commissioner Jones then presented the scenario that Padre Dam for example, may have their flows go down if they implement their advance purification project causing an equity issue between what is being paid at a reduced rate and what it would cost to buy out if they were going to leave the system. Although there is a clause for that, one leaving would change the overall capital cost for the others remaining (a gap in the agreement) and he sees this coming with the Pure Water program.

Item 5 was heard here.

6. ACTION: CONSIDERATION AND POSSIBLE ACTION TO APPROVE METRO WASTEWATER JPA TREASURER'S REPORT, NINE MONTHS ENDING MARCH 31, 2016

Karen Jassoy, Treasurer to the Metro JPA provided brief overview of the report including the beginning cash balance, operating results, cash used in operations and ending cash balance at March 31, 2016 (unaudited); the balance sheet as of March 31, 2016 and June 30 2015 (unaudited); the profit and loss budget vs. actual for nine months ending March 31, 2015 (unaudited) and the statement of cash flows for nine months ending March 31, 2016 (unaudited).

ACTION: Consensus of the Commission was to approve the Treasurer's Report.

7. METROTAC UPDATE/REPORT

MetroTAC Chairman Humora stated that he had none and the update was attached to the agenda.

8. POINT LOMA PERMIT RENEWAL UPDATE

MetroTAC Chairman Humora stated that the Stakeholders for the Pure Water/Pt. Loma had a meeting on April 19th and the new target date for the NPDES permit review is February 2017 due to the EPA staff being backed up; the programmatic EIR for the Pure Water Program received 20 comments including ours, none of which were of major concern; secondary equivalency discussion is continuing between the JPA, City of San Diego staff and the environmentalists' on the best course of action to proceed with respect to legislation assuring that we are staying at modified at Pt. Loma. We started on the Federal route and received a letter from the EPA stating we were in good standing so then our Legislators said go do an Administrative fix. The EPA said we couldn't do an Administrative fix, there was not time. So State options were explored, the main concern was the Coastal Commission by the Environmentalists after the Coastal Commission Administrator got ousted. What has been decided is to abandon anything State related and go back to Federal and work on that as the election will bring changes and the San Diego Lobbyists' and Environmentalists will work with on a path to get Federal legislation to take forward.

Chair Peasley requested Mr. Humora to explain the importance of the legislative fix to keeping Pt. Loma as advanced primary and the relationship to the Pure Water Program. Mr. Humora stated that Pt. Loma operates at advanced primary treatment which both the science and law support. We don't want to go to secondary as the costs would be in the billions of dollars which would be a waste of taxpayers' money. We would rather invest in the system and get a product out of it. For example Pure Water. But we want more assurances so that our descendants are not forced to go to secondary at some future point in time.

9. IROC UPDATE

Metro JPA IROC Representative Jones stated that there had not been a meeting this past month.

10. FINANCE COMMITTEE

Finance Committee Chair Mullin that they would be meeting on May 25th at 8:30 am at MOC to review 2 audits and 2 budgets. The meeting room will be announced on the agenda. Anyone interested in attending would be welcome.

11. REPORT OF GENERAL COUNSEL

General Counsel de Sousa Mills stated that she was working on the preparation of the renewal of the contracts and agreements which would be coming forward at the next TAC meeting followed by the Finance Committee and then back to the JPA next month for approval.

12. PROPOSED AGENDA ITEMS FOR THE NEXT METRO COMMISSION/METRO WASTEWATER JPA MEETING OF June 2, 2016.

Chair Peasley requested an update presentation on the Del Mar Wastewater Disposal System to take flow to San Elijo. He also requested raising the profile to the Metro Commission such as use of Twitter be brought back so the Commission can refer it to MetroTAC.

13. METRO COMMISSIONERS' AND JPA BOARD MEMBERS' COMMENTS

Alternate Otay Commissioner Robak stated that he had started a Twitter account for the JPA back in November of 2015 and had several PA's (La Mesa, Otay and Poway) following it and requested the others join in.

14. ADJOURNMENT

At 1:05 p.m., there being no further business, Commissioner Peasley declared the meeting adjourned.

Recording Secretary

Attachment 5

Metro Finance 101

Metro Finance 101

Karyn Keese
The Keze Group, LLC



Agenda

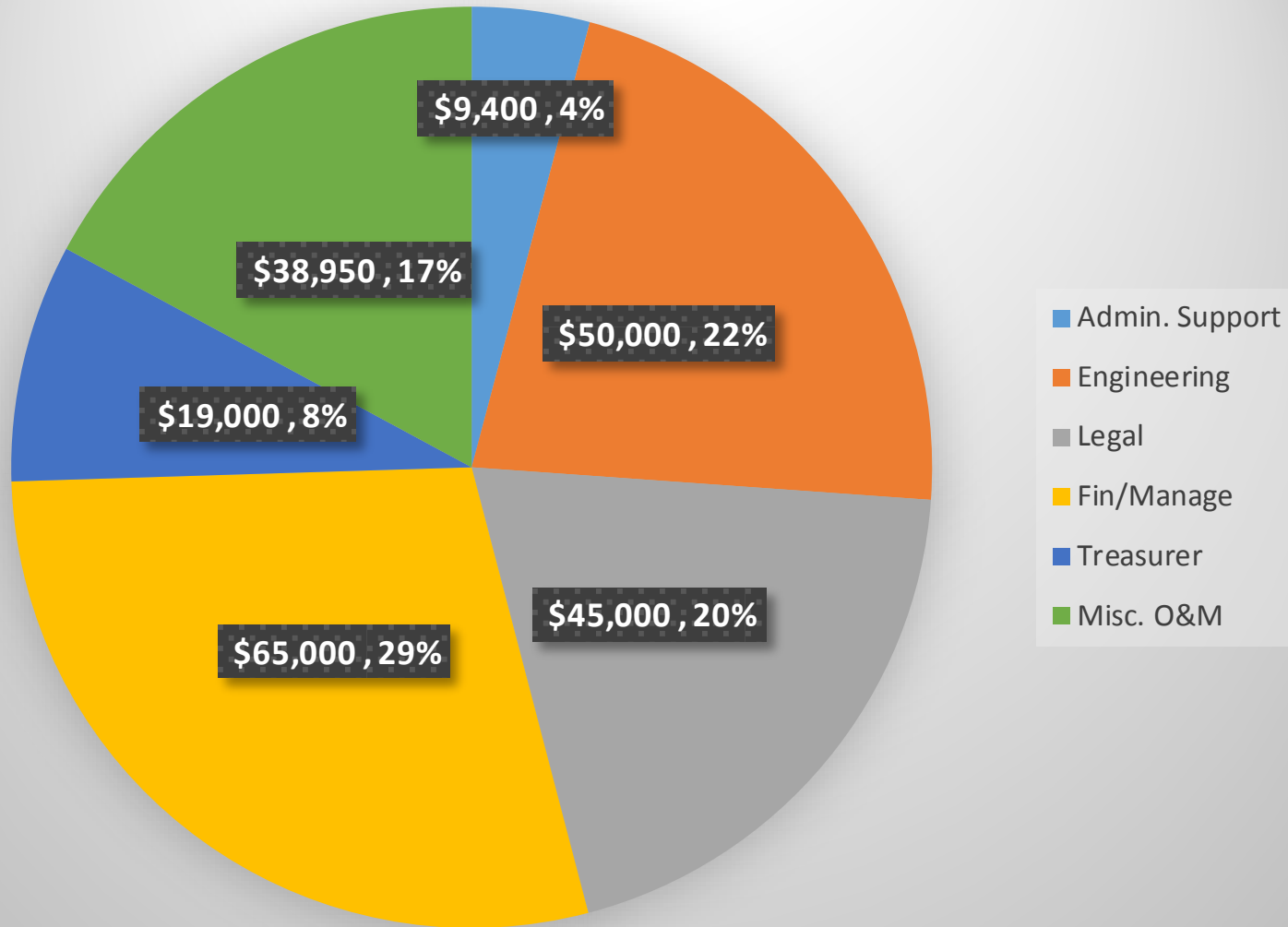
- Metro JPA Financials
 - FYE 2017 draft budget
 - Budget versus actual
- San Diego Public Utilities Budget (Metro)
 - Metro annual budget process
 - FYE 2017 Metro budget estimate
 - Budget versus actual

Agenda (continued)

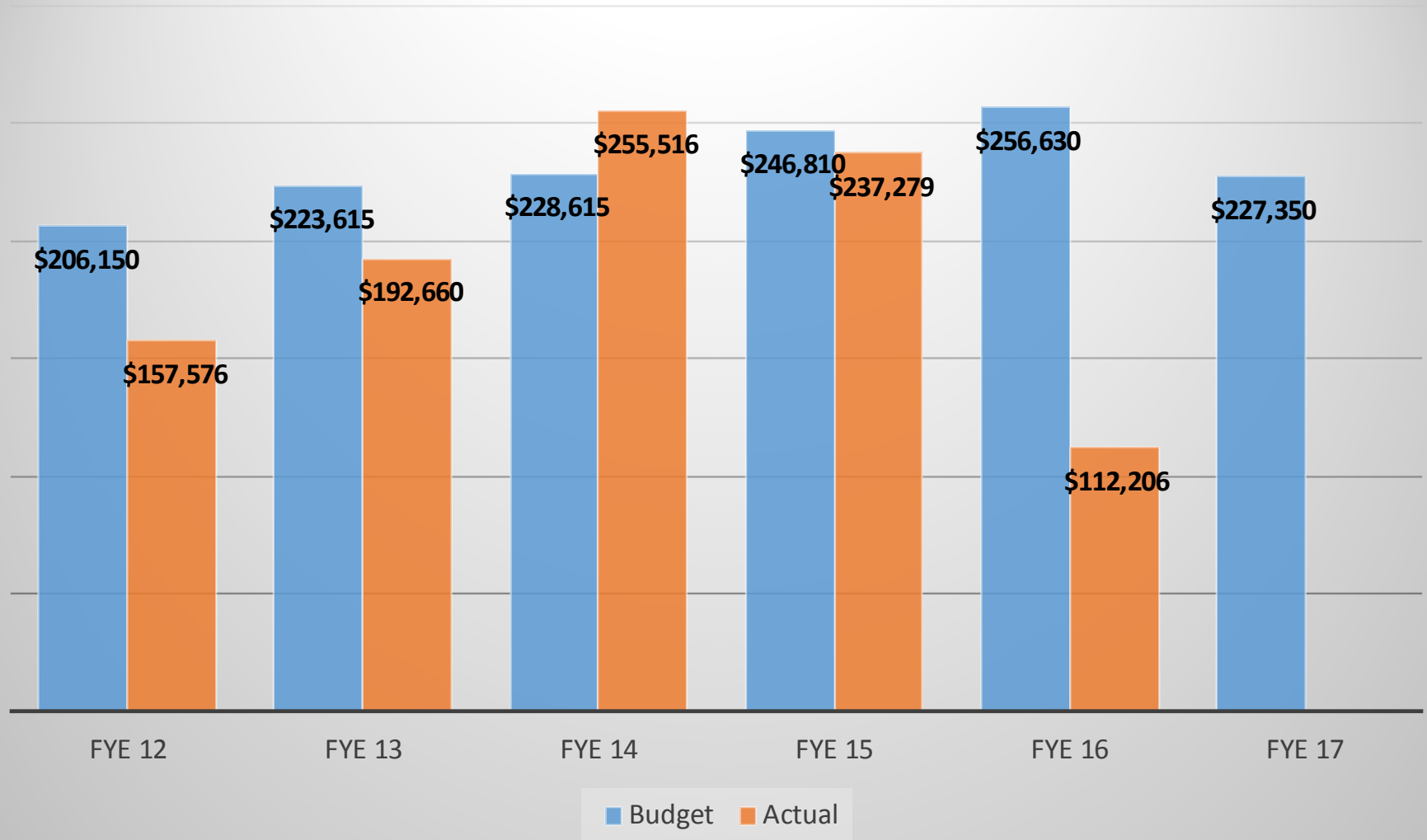
- Exhibit E Audit – FYE 2015 example
 - Exhibit E audit history
 - Exhibit E Audit process FYE 2015
 - FYE 2015 Draft Exhibit E Audit Samples
 - FYE 2015 estimated Metro expense
 - Metro system revenues (income credits)
- Metro outstanding debt

METRO JPA Financials

Metro JPA Draft Budget FYE 2017



Metro JPA 5-Year Budget Snapshot

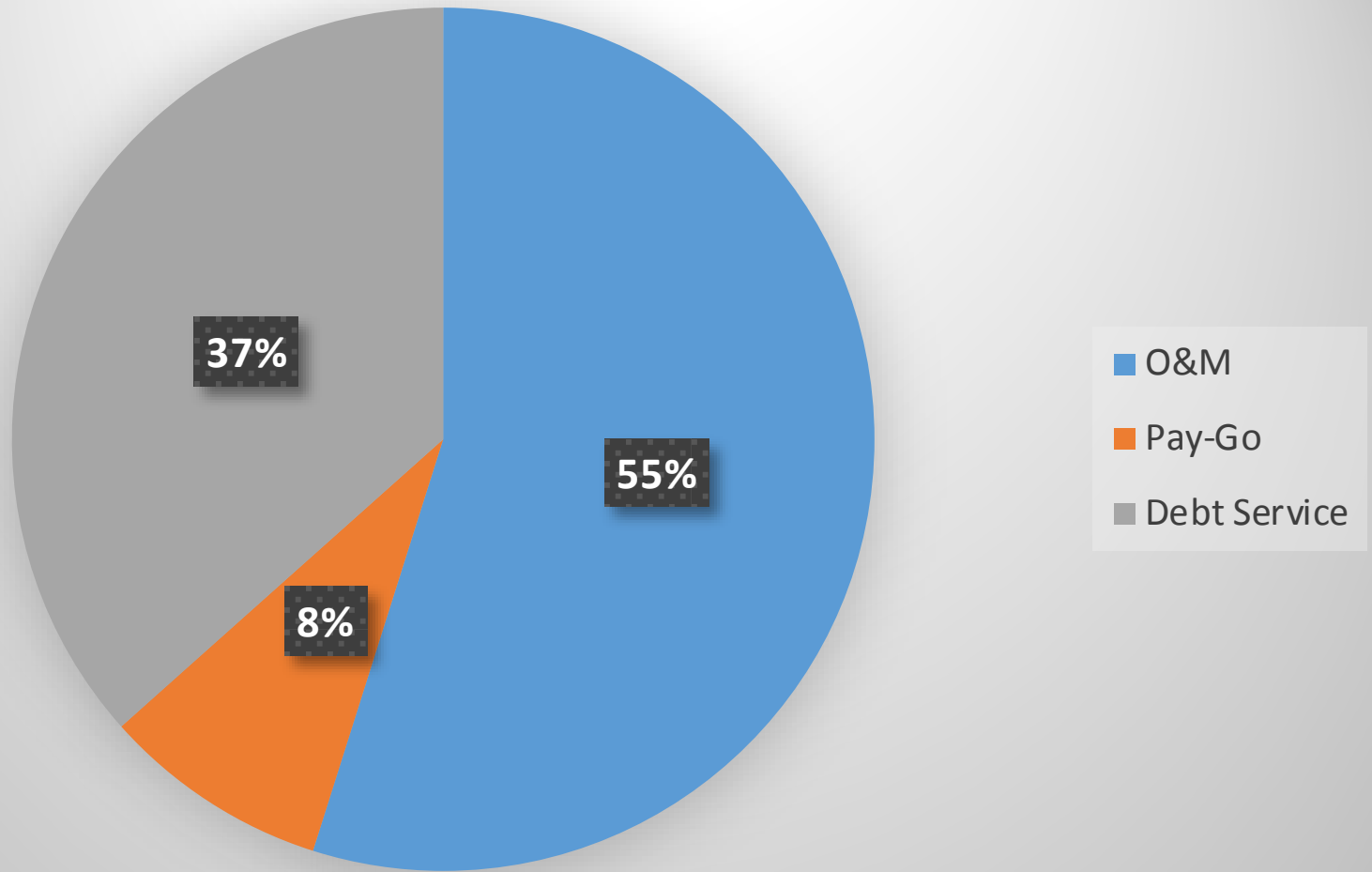


San Diego Public Utilities Budget FYE 2017 (Metro)

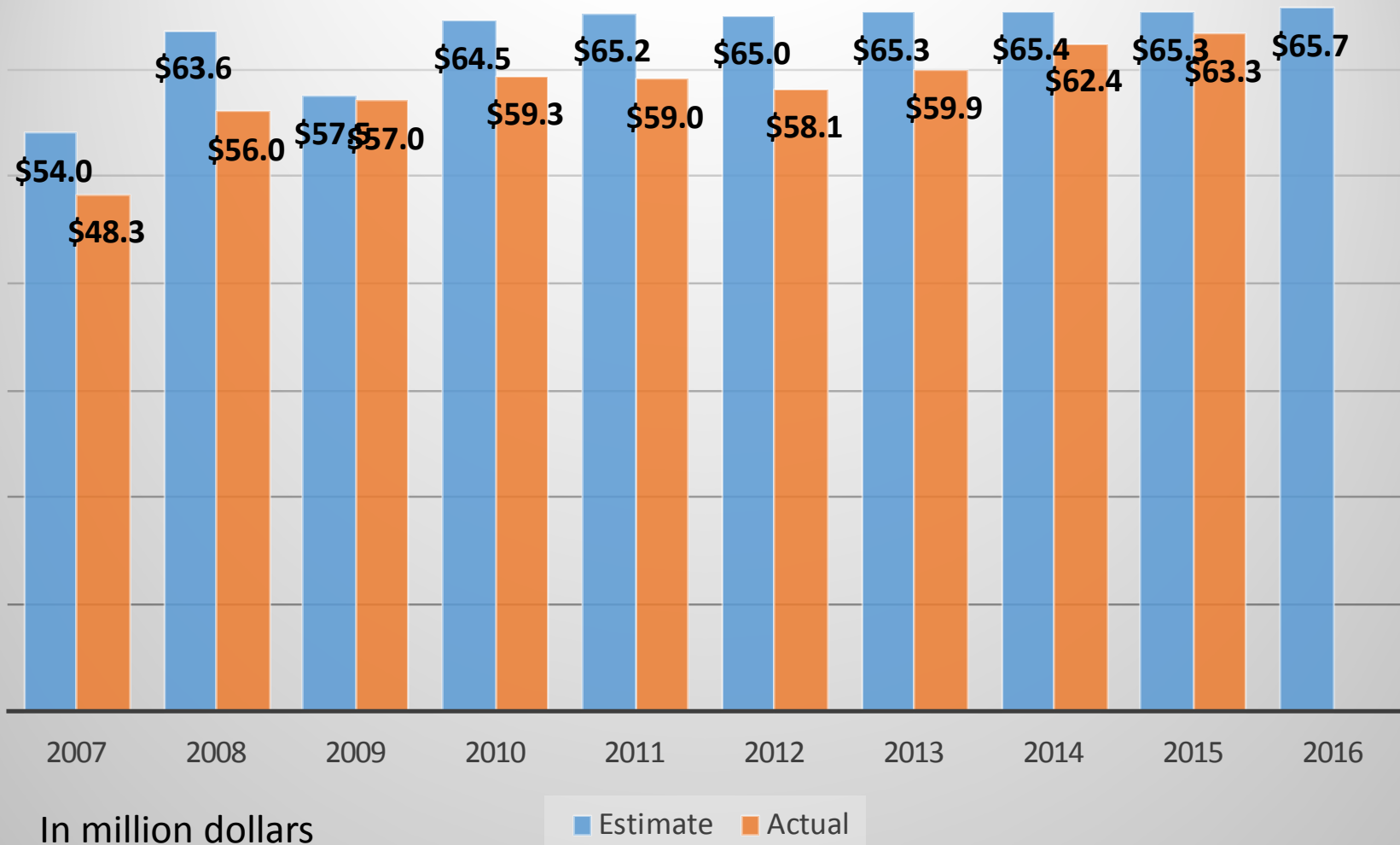
Metro Annual Budget Process

- Budget estimate provided January of each year
 - Based on functional-design based allocation method per Regional Agreement
- Debt service protocol entered into April 2010
 - Provided for PAs portion of debt service coverage
 - Provided for stable budget for PA billings @ \$65 million annually for three years
 - Actual budget stabilized for 7 years
 - Average actual \$58.1 million
- FYE 2017 budget estimate for billing: \$186.3 M
 - PA portion \$65.4 M

Metro FYE 2017 Budget Estimate



Metro Budget Versus Actual



“Exhibit E” Audit Process

“Exhibit E” Audit History

- Started with signing of Regional Agreement
 - FYE 1999 to FYE 2007 results
 - Average per year \$1 million in findings
 - Average 30 transactions
- FYE 2007 dedicated PUD accounting staff added
 - FYE 2015 Audit only \$40,000 in findings
 - Only 3 transactions
 - Majority of findings was one for reconciliation of back-up generator project

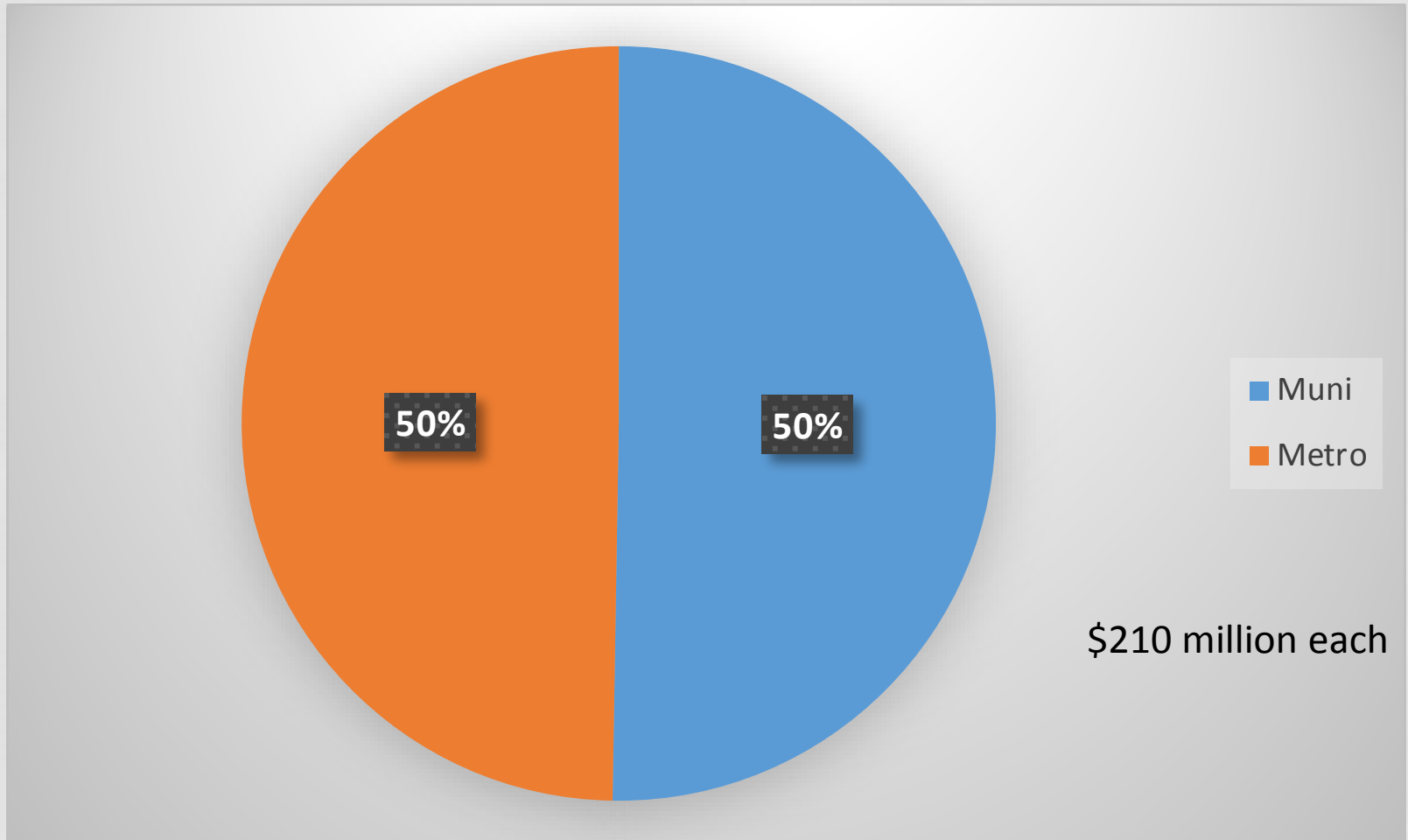
Exhibit E Audit Process FYE 2015

- 400 financial transactions sampled
 - Metro population 4,608 transactions over \$2,500
 - Excludes payroll, CIP, and income credits
 - Chemicals removed: 2,572 transactions or 56%
 - 8% sampled by MGO and JPA
 - MGO
 - Metro: 50 payroll, 25 chemical, 50 over \$2,500, 50 over \$25,000
 - Muni: 100
 - JPA
 - 100 over \$2,500, 10 CIP projects, 15 income credits

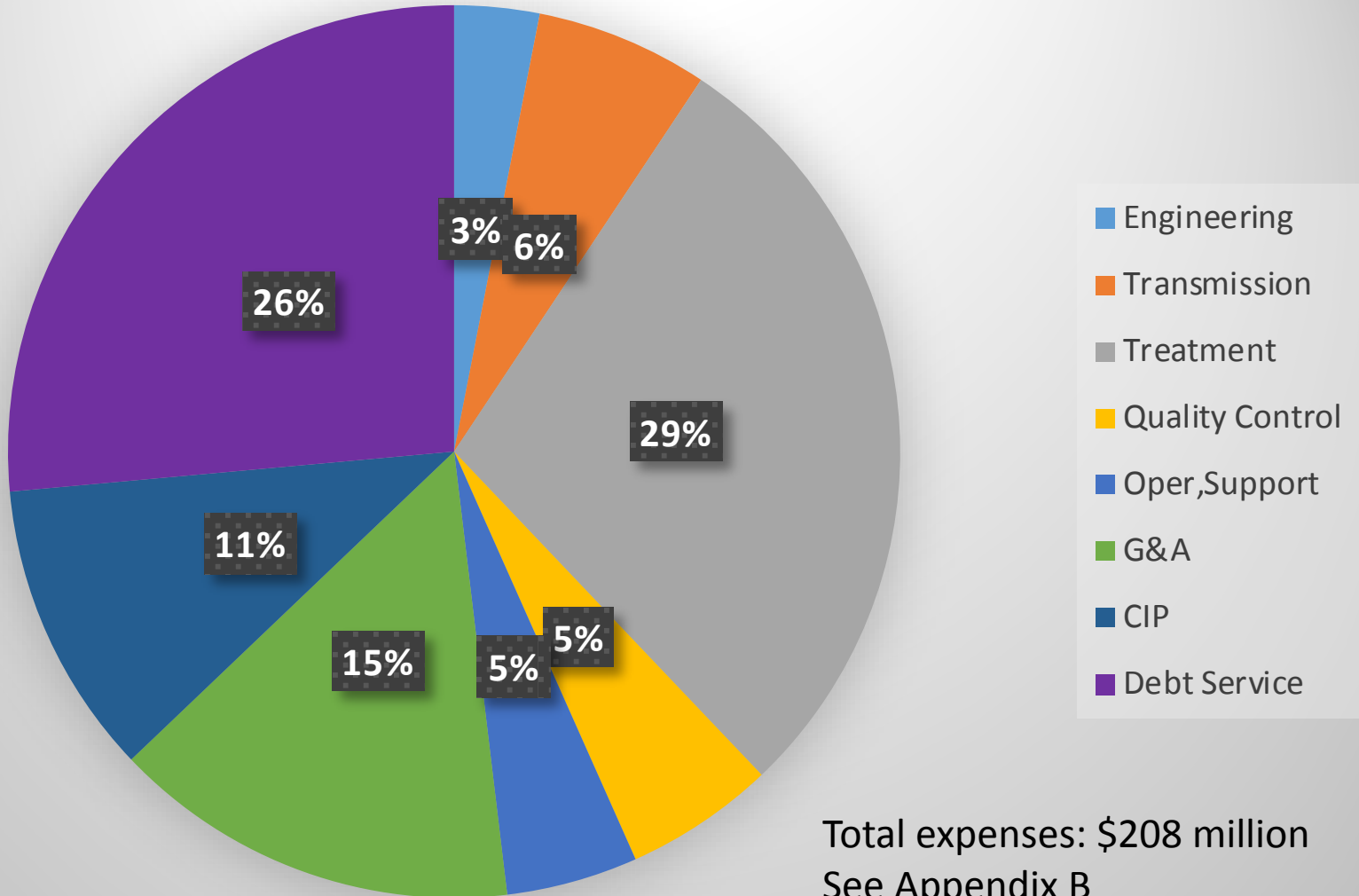
Exhibit E Audit Process (continued)

- All samples are reviewed by MGO & JPA to determine
 - Are expenses in compliance with Agreement
 - Are they Metro expenses
 - Are allocations in compliance with written guidelines and consistent
- CIP samples include all costs for project
 - Admin, engineering and construction costs are reviewed for accuracy & contract compliance
- Income credits reviewed to assure that all revenues are accounted for

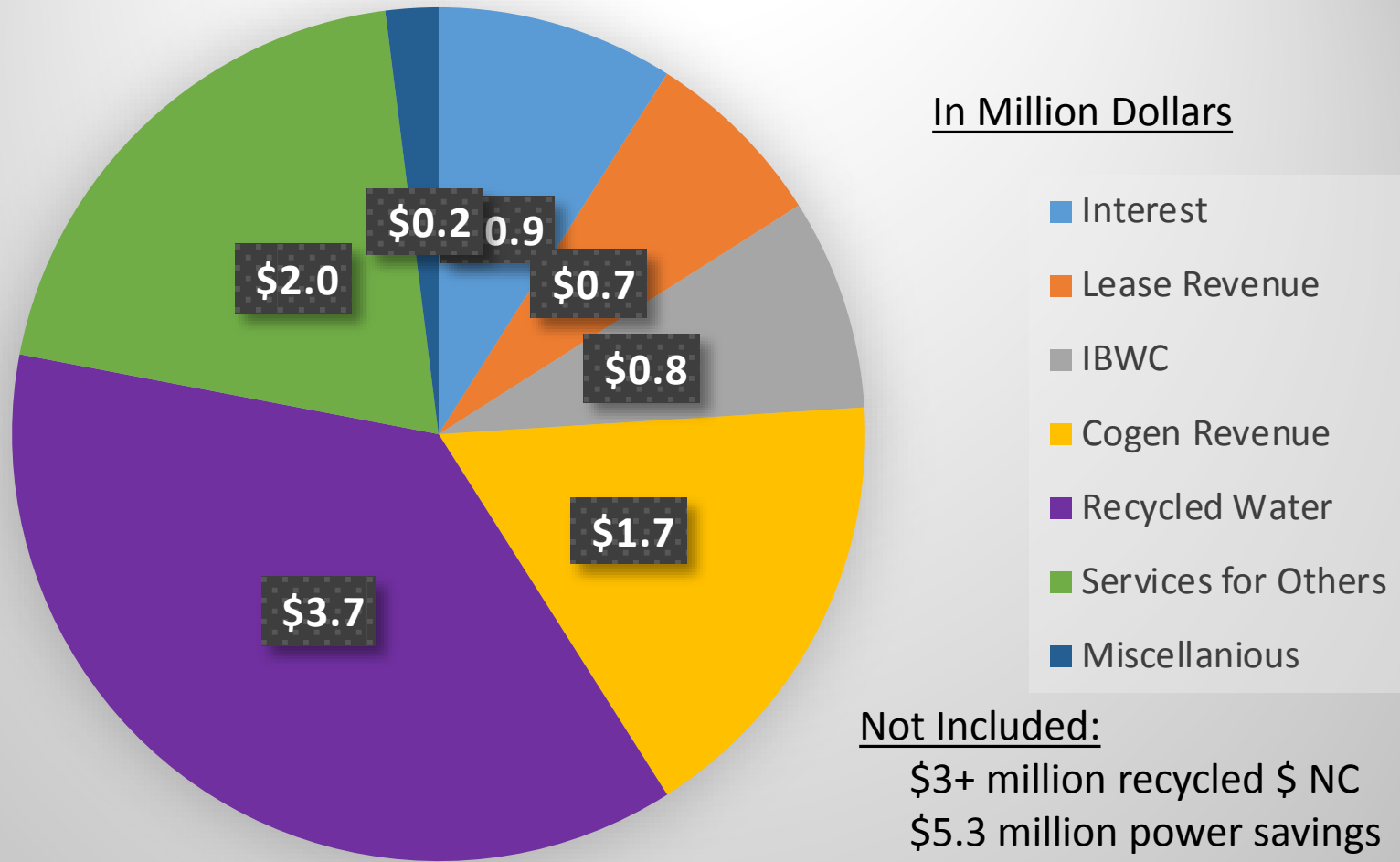
FYE 2015 Draft Exhibit E Audit Samples



FYE 2015 Estimated Metro Expense

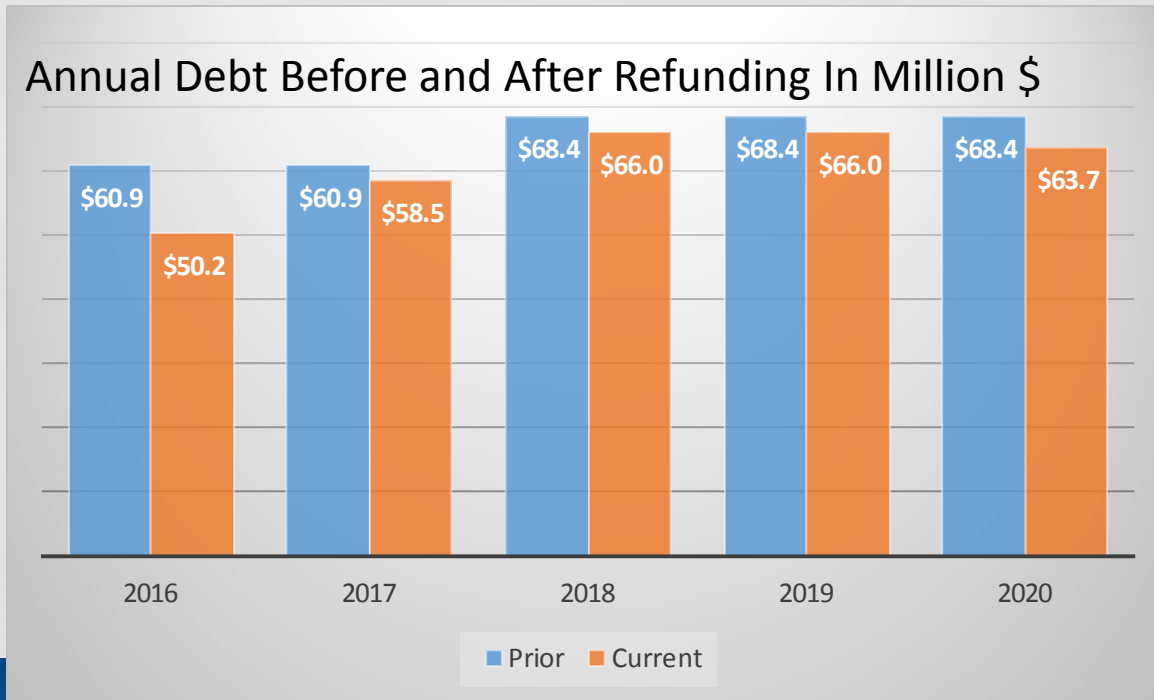


Less Metro Revenues (Income Credits)



Metro Outstanding Debt

- Outstanding debt issued in 2009: Series A and B
 - Refunded/new money 2010
 - Metro \$750 million outstanding through 2039
 - Metro \$38.1 million total savings through 2039 (5%)

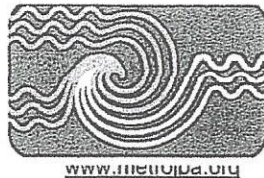


Questions

APPENDIX A

ADMINISTRATIVE PROTOCOL ON ALLOCATION OF OPERATING RESERVES AND DEBT
SERVICE COVERAGE TO PARTICIPATING AGENCIES

METRO WASTEWATER JPA



276 Fourth Avenue Chula Vista, CA 91950 619-476-2557

Ernest Ewin, Chairman

April 19, 2010

Rod Greek
Public Utilities Deputy Director
City of San Diego, Metropolitan Wastewater
9192 Topaz Way
San Diego, CA 92123

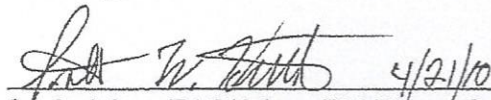
Re: Administrative Protocol on Allocation of Operating Reserves and Debt Service
Coverage to Participating Agencies

Dear Mr. Greek:

This letter is intended to memorialize the attached Administrative Protocol on Allocation of Operating Reserves and Debt Service Coverage to Participating Agencies ("Protocol") negotiated between the City of San Diego and Metro TAC/ Metro JPA/ Metro Commission, on behalf of the Participating Agencies under the Regional Wastewater Disposal Agreement. Your signature will indicate acceptance of the Protocol on behalf of the City.

By countersigning this letter, the City of San Diego and Metro TAC/ Metro JPA/ Metro Commission acknowledge and agree to the terms and conditions contained in the attached Protocol.


Sincerely,


for the Metro TAC/ Metro JPA/ Metro Commission

Enclosure


The Protocol is accepted by the City of San Diego pursuant to the terms and conditions set forth in the attachment hereto:

Date: 4/19/10


Rod Greek, Public Utilities Deputy Director

The Protocol is accepted by Metro TAC/ Metro JPA/ Metro Commission on behalf of the Participating Agencies pursuant to the terms and conditions set forth in the attachment hereto:

Date: 5/6/10



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

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

BACKGROUND:

In early 2008 the MetroTAC formed a working group in response to the City of San Diego's request for \$20 million in funding in FYE 2009 from the Participating Agencies ("PAs") for operating reserves and debt service coverage. The working group continued to meet with City of San Diego staff regarding the establishment of a mutually agreed upon protocol through early February 2010. A summary of the City of San Diego's 2008 proposal and the negotiated 2010 protocol is included as Attachment A.

At its regular meeting of February 17, 2010, the MetroTAC approved the following recommendations to move to the Finance Committee of the Metro Wastewater JPA and thereafter to the Metro Commission/ Metro Wastewater JPA for discussion and action:

- Proceed with PAs funding a 1.2 debt service ratio coverage
- Proceed with PAs funding a 45 day operating reserves
- The PAs will fund no other reserves
- FY07 and FY08 refund monies will be used to fund the operating reserves
- Interest accrual on operating reserves and undesignated accounts will start with FY10 (beginning on July 1, 2009)

The Finance Committee of the Metro Wastewater JPA, at its February 24, 2010 meeting, took action to recommend approval of the above, by the Metro Commission/ Metro Wastewater JPA. At its March 4, 2010 meeting, the Metro Commission/ Metro Wastewater JPA, comprised of representatives of the PAs, approved the components of the negotiated policy, with the understanding that any such policy would serve as an administrative protocol regarding the allocation of debt service coverage to the PAs and funding of operating reserves by the PAs.

PROTOCOL REGARDING PA FUNDING OF OPERATING RESERVES:

Background:

Operating reserves are established to provide funding for unforeseen events that might occur during the course of the fiscal year such as unforeseen major maintenance or capital projects. The PAs performed a survey of other regional wholesale agencies and determined that agencies such as the San Diego County Water Authority maintain a 45 day operating reserves. Although the City of San Diego's current policy is to increase operating reserves for its retail customers from 45 to 70 days, the City realizes that if a major maintenance incident should occur it can immediately request payment from the PAs per the Regional Wastewater Disposal Agreement. The City of San Diego's retail customer's rates cannot be immediately increased due to Proposition 218 requirements for noticing and public hearings.

Protocol:

Attachment B is a summary of the funding strategy showing each PAs 2007 and 2008 refunds based on recent City Metro Wastewater Exhibit E audits. The refunds will be used to fund the PAs 45 day operating reserves contribution. In the majority of cases most PAs will see a refund even after they have

fully funded their portion of the operating reserves. PAs that do not have adequate refunds will be billed for their portion of the reserve in the next quarterly 2010 billing. The operating reserves for each fiscal year will be established based on 45 days of operating revenues as determined by the following formula:

$$\frac{\text{Fiscal Year Estimated Operating Expenses (not including CIP and debt service)}}{365 \text{ days}} \times 45 \text{ days}$$

The number of days included in the calculation cannot be changed without prior consent of the PAs.

The operating reserves will be maintained by the City of San Diego and interest will accrue on a monthly basis based on actual interest rates on the City's investments. This interest revenue will be added to the PAs undesignated fund balance for that fiscal year. As part of each year's Exhibit E audit the actual required operating reserves and interest earned on it will be determined and audited by the City of San Diego's external auditors and PA representatives. A summary of the operating reserves balance and interest earned for each PA will be included as a footnote or attachment to the City Metro Wastewater Exhibit E Audit.

PROTOCOL REGARDING ALLOCATION OF DEBT SERVICE COVERAGE TO PAs

Background:

A 1.2 debt service coverage ratio is a requirement for all of the outstanding Metro parity debt. A cash flow prepared by the City of San Diego shows (Attachment C) that if the PAs are billed at the current level (\$65 million annually to cover the PAs portion of operations, pay-go capital, and debt service expense) for the next three to five years that this requirement can be achieved without additional contributions by the PAs. This provides the PAs a stable projected annual Metro contribution for the next three to five years.

Protocol:

The PAs will maintain through annual contributions and use of PA undesignated fund balance a positive cash flow not to exceed 1.2 times the PA share of the required annual debt service on Metro Debt. The debt service coverage ratio of 1.2 cannot be changed without prior consent of the PAs.

The undesignated fund balance will be maintained by the City of San Diego and interest will accrue on a monthly basis based on actual interest rates on the City's investments. This interest revenue will be added to the PAs undesignated fund balance for that fiscal year.

As part of each year's Exhibit E audit the actual required reserve coverage and interest earned on the undesignated fund balance will be determined and audited by the City of San Diego's external auditors and PA representatives. A summary of the debt service coverage requirement and portion of interest earned on the undesignated fund balance for each PA will be included as a footnote or attachment to the City Metro Wastewater Exhibit E Audit.

If the cash flow in any year does not provide the required 1.2 debt service coverage the PAs will be billed the additional required revenue including interest.

APPENDIX B

DRAFT FYE 2015 ALLOCATION OF BILLING TO METROPOLITAN SYSTEM (EXHIBIT E
AUDIT/YEAR END RECONCILIATION)

Metropolitan Wastewater Utility

ALLOCATION FOR BILLING TO METROPOLITAN SYSTEM
FISCAL YEAR ENDED JUNE 30, 2015

DRAFT

	Operating Expenses		
	Municipal System	Metropolitan System	Total
Transmission			
Main Cleaning	13,427,224	-	13,427,224
Sewer Pump Stations.....	5,350,642	-	5,350,642
Other Pump Stations.....	6,276,302	989,522	7,265,823
Pump Station 1.....	-	2,417,436	2,417,436
Pump Station 2.....	-	9,268,862	9,268,862
Other Muni Agencies.....	-	-	-
Pipeline Maintenance & Repair.....	10,812,465	272,459	11,084,924
WWC Engineering & Planning.....	2,411,771	-	2,411,771
Total Transmission.....	38,278,404	12,948,279	51,226,683
Treatment and Disposal			
PTLWWTP.....	-	23,061,720	23,061,720
NCWRP.....	-	9,281,814	9,281,814
SBWRP.....	-	8,053,400	8,053,400
MBC.....	-	15,994,140	15,994,140
Cogen Facilities.....	-	314,652	314,652
GUF.....	-	1,968,647	1,968,647
WWTD Plant Engineering.....	-	607,557	607,557
Total Treatment and Disposal.....	-	59,281,931	59,281,931
Quality Control			
Sewage Testing & Control.....	2,555,079	434,786	2,989,865
Marine Biology & Ocean Operations.....	936	5,301,034	5,301,970
Wastewater Chemistry Services.....	20	5,555,336	5,555,355
Industrial Permitting & Compliance.....	3,429,905	-	3,429,905
Total Quality Control.....	5,985,940	11,291,155	17,277,095
Engineering			
Program Management & Review.....	3,670,613	6,156,690	9,827,302
Environmental Support.....	1,622,536	272,640	1,895,176
Total Engineering.....	5,293,148	6,429,330	11,722,478
Operational Support			
Central Support Comnet/Comc.....	105,430	3,505,550	3,610,980
Operational Support.....	1,470,789	6,424,991	7,895,779
Total Operational Support.....	1,576,219	9,930,540	11,506,759
General & Administrative			
Business Support Admin.....	26,309,901	24,869,343	51,179,245
Operating Division Admin.....	6,601,682	5,779,451	12,381,134
Total General & Administrative.....	32,911,584	30,648,795	63,560,378
TOTAL EXPENSES.....	84,045,294	130,530,031	214,575,325
CAPITAL IMPROVEMENT EXPENSE.....	75,734,255	22,218,882	97,953,137
DEBT SERVICE ALLOCATION.....	50,112,447	54,943,065	105,055,513
METROPOLITAN SYSTEM INCOME CREDITS.....			
Operating Revenue.....	-	(6,323,205)	(6,323,205)
CIP - Revenue Bond Issue.....	-	-	-
Operating - Grant Revenue.....	-	-	-
CIP - Grant/SRF Revenue.....	-	(3,696,984)	(3,696,984)
TOTAL METROPOLITAN SYSTEM INCOME CREDITS.....	-	(10,020,189)	(10,020,189)
TOTAL ALLOCATION FOR BILLING PURPOSES.....	209,891,997	197,671,789	407,563,786
AMOUNT INVOICED IN FY15 FOR FY15 SERVICES.....		65,240,508	
(OVER) / UNDER BILLED REVENUE FOR THE YEAR ENDED 06/30/2015.....		\$ 1,049,269	

APPENDIX C

ALLOCATION OF INCOME CREDITS/DEBT SAVINGS/AVOIDED COSTS (SDG&E)

ALLOCATION BASED UPON FYE 2015 YEAR-END FLOWS/LOADS
INCOME CREDITS/BOND SAVINGS/AVOIDED COSTS (SDG&E)

	PERCENT	INCOME CREDITS \$ 10,000,000	FYE 2016 BOND SAVINGS \$ 2,300,000	POWER SAVINGS \$ 5,300,000	Total All \$ 17,600,000
CHULA VISTA	10.55%	\$ 1,055,000	\$ 242,650	\$ 559,150	\$ 1,856,800
CORONADO	1.04%	\$ 104,000	\$ 23,920	\$ 55,120	\$ 183,040
COUNTY OF SAN DIEGO	5.05%	\$ 505,000	\$ 116,150	\$ 267,650	\$ 888,800
DEL MAR	0.37%	\$ 37,000	\$ 8,510	\$ 19,610	\$ 65,120
EL CAJON	4.85%	\$ 485,000	\$ 111,550	\$ 257,050	\$ 853,600
IMPERIAL BEACH	1.45%	\$ 145,000	\$ 33,350	\$ 76,850	\$ 255,200
LA MESA	2.93%	\$ 293,000	\$ 67,390	\$ 155,290	\$ 515,680
LEMON GROVE	1.39%	\$ 139,000	\$ 31,970	\$ 73,670	\$ 244,640
NATIONAL CITY	2.64%	\$ 264,000	\$ 60,720	\$ 139,920	\$ 464,640
OTAY	0.14%	\$ 14,000	\$ 3,220	\$ 7,420	\$ 24,640
PADRE DAM	1.39%	\$ 139,000	\$ 31,970	\$ 73,670	\$ 244,640
POWAY	1.72%	\$ 172,000	\$ 39,560	\$ 91,160	\$ 302,720
SAN DIEGO	66.48%	\$ 6,648,000	\$ 1,529,040	\$ 3,523,440	\$ 11,700,480
TOTAL	100.00%	\$ 10,000,000	\$ 2,300,000	\$ 5,300,000	\$ 17,600,000

APPENDIX D

METRO WASTEWATER OUTSTANDING DEBT SAVINGS FYE 2016 TO FYE 2039

City of San Diego
Public Utilities Department - Wastewater
Bond Debt Service Savings by Metro/Muni Split
 Date Prepared: April 27, 2016

Purpose: To provide Participating Agencies with a year by year savings calculation for debt prior to refunding and after refunding
 Sources: WW Debt Service Amortization Schedule at JUNE 30, 2015; WW Debt Service Amortization Schedule - March 30, 2016

FUND	2016 ¹	2017	2018	2019	2020	2021	2022
MUNI	(1,412,166.61)	(\$2,127,189.10)	(\$2,127,189.10)	(\$2,127,189.10)	(\$2,895,797.10)	(\$2,895,468.10)	\$3,689,871.40
METRO	(2,325,480.69)	(\$2,434,042.16)	(\$2,434,042.16)	(\$2,434,042.16)	(\$4,705,434.16)	(\$4,702,463.16)	(\$10,941,052.66)
TOTAL SAVINGS	(\$3,737,647.30)	(\$4,561,231.26)	(\$4,561,231.26)	(\$4,561,231.26)	(\$7,601,231.26)	(\$7,597,931.26)	(\$7,251,181.26)

¹ Includes adjustments for November 15 debt service payment that reflects 2015 advanced refunding schedule but is not included in the final 2016 refunding schedule.

City of San Diego
Public Utilities De
Bond Debt Service
Date Prepared: Apr

Purpose: To provide Part
Sources: WW Debt Servi

FUND	FISCAL YEAR						
	2023	2024	2025	2026	2027	2028	2029
MUNI	\$3,581,192.28	(\$4,524,239.26)	(\$4,526,130.99)	(\$7,486,899.08)	(\$10,031,886.13)	(\$2,640,192.67)	(\$2,639,262.61)
METRO	(\$8,736,736.04)	(\$944,429.50)	(\$939,587.77)	\$3,901,867.82	\$5,646,079.87	(\$2,026,638.59)	(\$2,027,143.65)
TOTAL SAVINGS	(\$5,155,543.76)	(\$5,468,668.76)	(\$5,465,718.76)	(\$3,585,031.26)	(\$4,385,806.26)	(\$4,666,831.26)	(\$4,666,406.26)

¹ Includes adjustments

City of San Diego
Public Utilities De
Bond Debt Service
Date Prepared: Apr

Purpose: To provide Part
Sources: WW Debt Servi

FUND	2030	2031	2032	2033	2034	2035	2036
MUNI	(\$2,165,498.51)	(\$2,163,188.51)	(\$2,163,562.51)	(\$2,166,087.00)	(\$2,165,812.02)	(\$2,162,413.00)	(\$2,162,160.00)
METRO	(\$295,295.25)	(\$294,980.25)	(\$295,031.25)	(\$295,375.50)	(\$295,338.00)	(\$294,874.50)	(\$294,840.00)
TOTAL SAVINGS	(\$2,460,793.76)	(\$2,458,168.76)	(\$2,458,593.76)	(\$2,461,462.50)	(\$2,461,150.02)	(\$2,457,287.50)	(\$2,457,000.00)

¹ Includes adjustments

City of San Diego
Public Utilities De
Bond Debt Service
Date Prepared: Apr

Purpose: To provide Part
Sources: WW Debt Servi

				GRAND
FUND	2037	2038	2039	TOTAL
MUNI	(\$2,162,402.00)	(\$2,162,567.00)	(\$2,162,094.00)	(\$59,798,330.72)
METRO	(\$294,873.00)	(\$294,895.50)	(\$294,831.00)	(\$38,053,479.26)
TOTAL SAVINGS	(\$2,457,275.00)	(\$2,457,462.50)	(\$2,456,925.00)	(\$97,851,809.98)

¹ Includes adjustments

Goldie Awards: \$97,851,810
Difference: \$0.02

Attachment 6

San Diego PUD FY 2017 Metro Budget

Public Utilities FY 2017 Proposed Budget - Metro

May 25, 2016



Fiscal Year 2017 Proposed Budget

Sewer Utility Funds

Non-General Fund	FY 2016 Adopted Budget	FY 2017 Proposed Budget	Change from FY 2016 Adopted Budget
Metropolitan Sewer Fund	\$222,230,642	\$221,733,360	(\$497,282)
Municipal Sewer Fund	\$145,718,597	\$135,535,866	(\$10,182,731)



Fiscal Year 2017 Proposed Budget

Metro Sewer Fund Summary

Non-General Fund	FTE	FY 2016 Adopted Budget	FTE	FY 2017 Proposed Budget	FTE	Change from FY 2016 Adopted Budget
Metro Sewer Fund	462.21	\$222,230,642	462.20	\$221,733,360	(0.01)	(\$497,282)
Revenue		\$89,818,922		\$89,148,822		(\$670,100)



Fiscal Year 2017 Proposed Budget

Expenditures by Category

Expenditures by Category	FY2016 Budget	FY2017 Proposed	FY2016-2017 Change
Personnel	\$ 47,902,063	\$ 48,943,078	\$ 1,041,015
Supplies	\$ 20,666,666	\$ 21,312,782	\$ 646,116
Contracts	\$ 52,616,525	\$ 52,838,733	\$ 222,208
Information Technology	\$ 5,772,103	\$ 5,068,982	\$ (703,121)
Energy and Utilities	\$ 19,854,473	\$ 17,392,348	\$ (2,462,125)
Other	\$ 415,526	\$ 398,834	\$ (16,692)
Contingencies	\$ 3,500,000	\$ 3,500,000	\$ -
Transfers Out ¹	\$ 69,410,933	\$ 68,884,271	\$ (526,662)
Capital Expenditures	\$ 2,077,098	\$ 3,379,078	\$ 1,301,980
Debt	\$ 15,255	\$ 15,254	\$ (1)
Total	\$ 222,230,642	\$ 221,733,360	\$ (497,282)

¹ Includes \$59.7 million of Debt Service, prior to economic bond refunding savings for 2016 issuance.



Summary of Major Changes

Revenue

- Addition of \$134,000 for the South Bay Fuel Cell Monthly Site Lease
- Reduction of \$804,000 for State Revolving Fund Loan Proceeds



Summary of Major Changes – cont.

Expense

- Addition of \$5.1M for repairs to wastewater treatment and disposal facilities
- Addition of \$3.8M for consulting services for the Pure Water Program
- Addition of \$996,000 for marine biology and ocean operations
- Addition of \$983,000 for laboratory supplies, equipment, and facility improvements
- Addition of \$719,000 for SRF loan repayments to reflect amortization schedules for Fiscal Year 2017
- Reduction of \$3.3M for energy expense based on updated SDG&E estimated impacts
- Reduction of \$9.4M for previous FY one-time expenditures



Fiscal Year 2017 CIP Budget Metro Fund

Project	FY 2017 Proposed Budget
PURE Water Program / ALA00001	\$38,000,000
PS2 Power Reliability & Surge Protection / S00312	\$7,000,000
Metropolitan Waste Water Department Trunk Sewers / AJB00001	\$3,600,000
I AM San Diego Project / S14000	\$3,495,805
Metro Treatment Plants / ABO00001	\$1,500,000
MBC Odor Control Facility Upgrades / S00323	\$1,100,000
Total	\$54,695,805



Questions/Comments

Attachment 7

Finance Committee:

a. Minutes of 5-27-15

i. FY 2017 Metro Wastewater JPA Budget

ii. FY 2017 Atkins Agreement for Engineering Services

iii. FY 2017 Agreement with the Keze Group, LLC for Financial Services

iv. 3rd Amendment for Treasurer Services with Padre Dam Municipal Water District for FY 2017

v. 1st Amendment to Agreement with Vision Internet Providers for Webmaster Services for FY 2017

vi. 1st Amendment to Agreement with Lori Anne Peoples for Administrative Services for FY 2017 and FY 2018

Metro Finance Committee

Meeting Minutes

DATE OF MEETING: May 27, 2015

TIME: 8:30 AM

LOCATION: Atkins North America Conference Room

MEETING ATTENDANCE:

Commissioners:

John Mullin, Chair, City of Poway
Jim Peasley, Vice Chair, Padre Dam
Jose Lopez, Otay
Steve Miesen, Chula Vista
Ed Spriggs, Imperial Beach

Lee Ann Jones Santos, City of San Diego
Edgar Patino, City of San Diego
Seth Gates, City of San Diego
Karyn Keese, Atkins
Jud Warren, Atkins
Karen Jassoy, Padre Dam Treasurer
Paula de Sousa, BBK
Kevin Starkey, MGO
Miyuki Freeman, MGO

1. Roll Call

Meeting attendance is noted above. There was a quorum for the meeting.

2. Public Comments

There were no public attendees and no comments.

3. Introductions

As there were several new people at the meeting introductions were made.

4. ACTION: Consideration and Possible Action to Approve Change of Meeting Time and Location

On a motion by Jim Peasley, seconded by John Mullin it was determined that the new meeting location for the Finance Committee will be at MOC II. It was approved unanimously. Edger Patino will determine the conference room location.

5. Discussion: June 4th Strategic Planning Preparation

Karyn Keese discussed the planning for the June 4th Metro Commission/Strategic planning session at Pt. Loma. Metro TAC Chairman Greg Humora would like the report out from the Finance Committee at the beginning of the Metro Commission/JPA agenda to facilitate the approval of the JPA Budget and supporting contracts. Metro TAC has approved them as well and will support the Finance Committee as needed. This should allow for the Metro Commission/JPA meeting to stay within an hour and leave more time for strategic planning.

6. ACTION: Acceptance of the 2011 and 2012 Exhibit E Audits

Kevin Starkey from MGO handed out the draft of the 2012 audit (Attachment A to these minutes). He discussed that this audit is much more intensive than a normal government audit. A normal government audit would have a sample size of 40 while the Exhibit E audit has a sample size of 500 to insure compliance with the Regional Agreement. Karyn Keese discussed the fact that with the City Staff addition of a dedicated internal accountant that number of accounting errors has decreased significantly over the last five years. The 2013 audit should be completed in July 2015

and the 2014 audit in September 2015. On a motion by Jim Peasley and seconded by Ed Spriggs the Finance Committee accepted the 2011 and 2015 Exhibit E audits and recommended they should be moved on to the Metro Commission/JPA for their review and potential acceptance.

7. ACTION: Consideration and Possible Action to Approve the Minutes of the April 29, 2015 Regular Meeting

On a motion by Jim Peasley, seconded by Steve Miesen the minutes were approved. Ed Spriggs abstained as he was not at the April 29 meeting,

8. ACTION: Consideration and Possible Action to Recommend Approval of the FYE 2016 City of San Diego Metro Sewer Budget

Seth Gates reviewed the draft budget for the Metro System (Attachment B to these minutes). Edgar Patino stated that for now the budget is lower than last year by \$8 million but that could change based on the Pure Water Program if it is accelerated based on the drought. On a motion by Jim Peasley, seconded by Steve Miesen the draft budget was approved and recommended it should be moved on to the Metro Commission/JPA for their review and potential acceptance.

9. ACTION: Consideration and Possible Action to Recommend Approval of the Billing Issues Reconciliation

Edgar Patino and Karyn Keese reviewed the billing issues reconciliation. The reconciliation has been approved by the PAs attorney's group and Karyn, Edgar, & MGO agree on the numbers. With the closure of the 2011 and 2012 audits credits/debits will extend from 2007 to 2012 and checks/bills will be sent before the end of this fiscal year. On a motion by Jim Peasley, seconded by Jose Lopez the billing reconciliation was approved and recommended it should be moved on to the Metro Commission/JPA for their review and potential acceptance. Ed Spriggs abstained as he has not had time to talk to his staff about this.

10. ACTION: Consideration and Possible Action to Recommend Approval of South Bay Recycled Water Revenues

Edgar Patino and Karyn Keese reviewed the revenues from the sales of recycled water from the South Bay Plant due to the wastewater fund from the water fund since 2007. The sales are based on County Water Authority audits less water operating expenses. The total is \$10.5 million through 2014 and is allocated to each agency based on their proportionate share of Metro expenditures each year. In the future the revenues will be allocated as an income credit during the Exhibit E audit process and will lower each PAs annual bill. On a motion by Jim Peasley, seconded by Jose Lopez the recycled water reconciliation was approved and recommended it should be moved on to the Metro Commission/JPA for their review and potential acceptance.

11. ACTION: Consideration and Possible Action to Recommend Approval of Metro Wastewater/JPA Proposed Budget for FYE 2016

Karen Jassoy reviewed the proposed Metro Commission/JPA budget. The only change is that money has been added for the two-year JPA audit both for Padre Dam's management of the audit and the auditor's fees. On a motion by Jim Peasley, seconded by John Mullin the Metro Commission/JPA 2016 budget was approved and recommended it should be moved on to the Metro Commission/JPA for their review and potential acceptance.

12. ACTION: Consideration and Possible Action to Recommend Approval of Amendment to the Treasurer's Contract for FY 2015-16

Karen Jassoy reviewed the annual amendment to the Treasurers' Contract. The only change to the contract is adding some additional dollars as discussed in Item 11 for the facilitation on the JPA Audit. . On a motion by Jim Peasley, seconded by John Mullin the Amendment to the Treasurers Contract was approved and recommended it should be moved on to the Metro Commission/JPA for their review and potential acceptance.

13. ACTION: Consideration and Possible Action to Recommend Approval of FY 2015-2016 Atkins Contract

Items 13 and 14 were taken up as one item. Karyn Keese announced that she will be retiring from Atkins as of July 1, 2015 but not from the JPA. When she started working for the JPA she had her own firm and will now be going back to this. The spreadsheet provided in the agenda packet outlined the split of the contract between Atkins and The Keze Group (TKG). Scott Tulloch will remain at Atkins and his budget has increased from \$29,606 to \$40,000 due to anticipated needs in the next fiscal year due to cost allocation presentations to PAs and accelerated Pure Water Program Costs. His hourly rate remains the same. TKG has decreased their hourly rate from the standard Atkins billing rate and has decreased their hours for Exhibit E auditing because only two years will be under audit. The net effect of the split of the contract is a decrease of \$3,600 for the upcoming fiscal year. On a motion by Jim Peasley, seconded by Steve Miesen the Items 13 and 14 were approved and recommended they should be moved on to the Metro Commission/JPA for their review and potential acceptance.

14. ACTION: Consideration and Possible Action to Recommend Approval of FY 2015-2016 The Keze Group, LLC Contract... Included in Item 13.

15. Other Business of the Finance Committee

There was no other business of the Finance Committee.

16. Review of Items to be Brought Forward to the next Metro Commission/Metro JPA Meeting

All action items will be brought forward to the Metro Commission at their June 4th meeting.

17. Adjournment (To the next Regular Meeting, June 24, 2015)



**PROPOSED BUDGET
FISCAL YEAR '17**

**Metro Wastewater JPA
Proposed Budget FY '17**

	FY '16		FY '17			
	Budget (Approved)	Projected (Actual)	Budget (Proposed)	Difference from FY '16 Budget	Difference from FY '16 Projected	Notes on FY '17 Budget Preparation
INCOME						
Membership Dues	\$ 256,610	\$ 256,610	\$ 227,300	\$ (29,310)	\$ (29,310)	Revenue spread over 12 months. Total is budgeted to break even.
Interest Income	20	57	50	30	(7)	Estimate interest revenue increase for larger savings balance
Total Income	\$ 256,630	\$ 256,667	\$ 227,350	\$ (29,280)	\$ (29,317)	
EXPENSES						
Administrative Support-LP	\$ 4,000	\$ 2,708	\$ 8,000	\$ 4,000	\$ 5,292	Less meetings in FY '16; taking over minutes in FY '17
Bank Charges	200	-	200	-	200	Temporary waiver granted from bank
Contingencies	-	-	-	-	-	Reserves high enough - no need for additional contingency
Dues and Subscriptions	600	538	600	-	62	S.C. Alliance of Public Treatment Works
Financial Services						
Audit Fees	12,000	-	12,000	-	12,000	Audit will not be complete in FY '16; project completion in FY '17
Treasury Services-Padre	19,000	16,000	19,000	-	3,000	Per contract. Bi-Annual Audit in FY '17
JPA/TAC meeting expenses	5,000	5,000	5,000	-	(0)	Keep flat
Mileage Reimbursement	500	-	-	(500)	-	
Miscellaneous	250	-	250	-	250	
Per Diems - Board	18,000	9,800	18,000	-	8,200	Per diem bills received through 2/15/16. Keep flat for FY '17
Printing, Postage, Supplies	400	237	500	100	263	Merge Postage and printing lines
Professional Services						
Atkins (Engineering)	59,580	5,000	50,000	(9,580)	45,000	Lowered per discussion of estimated work for 2017
BB&K (Legal)	35,000	25,000	45,000	10,000	20,000	Increase; opening up regional agreement in 2017
Kese Group (Eng/Fin)	98,300	45,000	65,000	(33,300)	20,000	Lowered in FY '17. Recycled water task complete and no longer taking minutes
Telephone	1,400	523	1,400	-	877	Keep flat for Admin Assistant
Web Site Hosting & Maintenance	2,400	2,400	2,400	-	-	Budget \$200/month for web hosting
Total Expense	\$ 256,630	\$ 112,206	\$ 227,350	\$ (29,280)	\$ 115,144	
NET INCOME	\$ -	\$ 144,461	\$ -	\$ -	\$ (144,461)	

RESERVE REQUIREMENT

Fund Balance at 6/30/15	\$ 126,475
Projected Net Income for FY '16	144,461
Projected Fund Balance @ 6/30/16	270,936
FY '17 JPA Required Operating Reserve (4 Months Operating Expenses)	75,783
Projected Fund Balance @ 6/30/16 Over/(Under) Required Reserves	\$ 195,153

EFFECT OF BILLING 1/2 EXPENSES

Projected Fund Balance @ 6/30/16	\$ 270,936
1/2 Budgeted Expenses for FY '17 - PROPOSED BILLING	(113,675)
Projected Fund Balance @ 6/30/17	\$ 157,261
FY '17 JPA Required Operating Reserve	75,783
Over Required Reserve	\$ 81,478

**Metro Wastewater JPA
Agency Cost Allocations FY '17**

	Prior Year (FY '16)	
	Commission Flow Distribution %	Total Agency Billings
Chula Vista	27.76%	\$ 63,105
Coronado	4.33%	\$ 9,841
County of SD *	18.81%	\$ 42,750
Del Mar	0.92%	\$ 2,089
El Cajon	13.57%	\$ 30,846
Imperial Beach	3.94%	\$ 8,947
La Mesa	8.06%	\$ 18,329
Lemon Grove	3.88%	\$ 8,814
National City	8.14%	\$ 18,500
Otay Water District	0.68%	\$ 1,552
Padre Dam MWD	4.28%	\$ 9,724
Poway	5.63%	\$ 12,805
Total Flow	100.00%	\$ 227,302

Total Required Agency Billings from P&L

Proposed FY '17	
Commission Flow Distribution %	Total Agency Billings
31.48%	\$ 35,777
3.10%	\$ 3,524
15.05%	\$ 17,106
1.11%	\$ 1,258
14.48%	\$ 16,454
4.31%	\$ 4,899
8.74%	\$ 9,936
4.15%	\$ 4,713
7.89%	\$ 8,961
0.42%	\$ 472
4.15%	\$ 4,721
5.13%	\$ 5,829
100.00%	\$ 113,650
	\$ 113,650

* County of SD includes East Otay Mesa, Lakeside/Alpine, Spring Valley and Wintergardens

**AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN METRO WASTEWATER JOINT POWERS AUTHORITY
AND ATKINS NORTH AMERICA, INC.**

This agreement ("Agreement") is made and entered into as of _____, ~~2015~~2016, by and between the METRO WASTEWATER JOINT POWERS AUTHORITY (hereinafter referred to as the "Metro JPA"), a joint powers authority organized and operating pursuant to California Government Code section 6500 *et seq.*, and ATKINS NORTH AMERICA, INC. (hereinafter referred to as "Consultant"). Metro JPA and Consultant are sometimes referred to individually as "Party" and collectively as "Parties."

RECITALS

A. The Metro JPA would like to retain the services of Consultant to provide as-needed technical and engineering support services as set forth in more detail herein for the fiscal year of ~~2015~~2016-~~16~~2017.

B. Consultant is duly licensed and has the necessary qualifications to provide such services.

C. The Parties desire by this Agreement to establish the terms for Metro JPA to retain Consultant to provide the services described herein.

AGREEMENT

NOW THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

Consultant shall provide the Metro JPA with the services described in the Scope of Services attached hereto as Exhibit "A" and incorporated herein ("Services").

2. Compensation.

a. Subject to paragraph 2(b) below, the Metro JPA shall pay for such services in accordance with the Budget set forth in Exhibit "A."

b. In no event shall the total amount paid for services rendered by Consultant pursuant to Exhibit "A" exceed \$~~59,580~~50,000. Periodic payments shall be made within thirty (30) days of receipt of a statement for services rendered. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work.

If changes in the work seem merited by Consultant or the Metro JPA, and informal consultations with the other Party indicate that a change is warranted, it shall be processed by the Metro JPA in the following manner: a letter outlining the changes shall be forwarded to the Metro JPA by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the Metro JPA and executed by both Parties before performance of such services, or the Metro JPA will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Substitution of Key Personnel. Consultant has represented to Metro JPA that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence and experience upon written approval of Metro JPA. In the event that Metro JPA and Consultant cannot agree as to the substitution of key personnel, Metro JPA shall be entitled to terminate this Agreement for cause, pursuant to provisions of Section 16 of this Agreement. The key personnel for performance of this Agreement are as follows: Scott Tulloch.

5. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the Agreement period and for four (4) years from the date of final payment under the Agreement for inspection by Metro JPA. Consultant shall obtain the written consent of Metro JPA prior to destroying any such records or any work product prepared by Consultant as a result of the Services provided under this Agreement.

6. Time of Performance; Term.

Consultant shall commence and perform its services in a prompt and timely manner upon execution of this Agreement. This Agreement shall terminate on June 30, ~~2016~~2017, unless otherwise extended by a written amendment signed by both Parties, or otherwise earlier terminated as provided for herein.

7. Delays in Performance.

Neither Metro JPA nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing Party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; and sabotage or judicial restraint.

Should such circumstances occur, the non-performing Party shall, within a reasonable time of being prevented from performing, give written notice to the other Party describing the

circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

8. Compliance with Law.

Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government.

9. Standard of Care.

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

10. Assignment and Subconsultant.

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the Metro JPA, which may be withheld for any reason. Nothing contained herein shall prevent Consultant from employing independent associates, and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

11. Independent Consultant.

Consultant is retained as an independent contractor and is not an employee of Metro JPA. No employee or agent of Consultant shall become an employee of Metro JPA. The work to be performed shall be in accordance with the work described in Exhibit "A," subject to such directions and amendments from Metro JPA as herein provided.

12. Insurance.

a. Commercial General Liability.

(i) The Consultant shall take out and maintain, during the performance of all work under this Agreement, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the Metro JPA.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 0001) or exact equivalent

(2) The policy shall contain no endorsements or provisions (A) limiting coverage for contractual liability; (B) excluding cross liability for claims or suits

by one insured against another; or (C) containing any other exclusion(s) contrary to the terms or purposes of this Agreement.

(iii) Commercial General Liability Insurance must include coverage for the following:

- (1) Bodily Injury and Property Damage
- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability
- (5) Aggregate Limits that Apply
- (6) Contractual Liability with respect to this Agreement
- (7) Broad Form Property Damage
- (8) Independent Consultants Coverage

(iv) The policy shall not contain any exclusion contrary to the Agreement, including but not limited to endorsements or provisions limiting coverage for (1) contractual liability (including but not limited to ISO CG 24 26 or 21 29); or (2) cross liability for claims or suits by one insured against another.

(v) All such policies shall be endorsed name the Metro JPA, the Board and each member of the Board, its officers, employees, agents and Metro JPA designated volunteers as Additional Insureds under the policy using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(vi) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the Metro JPA. Consultant shall guarantee that the insurer shall eliminate such deductibles or self-insured retentions as respects Metro JPA, its members, directors, officials, officers, employees, agents, and volunteers.

b. Automobile Liability.

(i) At all times during the performance of the work under this Agreement, the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the Metro JPA.

(ii) Coverage for Automobile Liability Insurance shall be at least as broad as Insurance Services Office Form Number CA 0001 (ed. 12/93) covering automobile liability, Code 1 (any auto).

(iii) The automobile liability program may utilize deductibles, but not a self-insured retention, subject to written approval by the Metro JPA, and provided that deductibles shall not apply to Metro JPA as an additional insured.

(iv) All such policies shall name the Metro JPA, the Board and each member of the Board, its officers, employees, agents and Metro JPA designated volunteers as Additional Insureds under the policies.

c. Workers' Compensation/Employer's Liability.

(i) At all times during the performance of Services under this Agreement, the Consultant shall maintain Workers' Compensation Insurance in compliance with applicable statutory requirements and Employer's Liability Coverage in amounts indicated herein.

(ii) Such insurance shall include an insurer's Waiver of Subrogation in favor of the Metro JPA and will be in a form and with insurance companies acceptable to the Metro JPA.

(iii) If insurance is maintained, the Workers' Compensation and Employer's Liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the Metro JPA.

(iv) Before beginning work, the Consultant shall furnish to the Metro JPA satisfactory proof that the Consultant has taken out for the period covered by the work under this Agreement, full compensation insurance for all persons employed directly by the Consultant or through subconsultants in carrying out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV or the Labor Code of the State of California and any acts amendatory thereof. Consultant shall require all subconsultants to obtain and maintain workers' compensation coverage of the same type and limits as specified in this section.

d. Professional Liability (Errors and Omissions).

At all times during the performance of the work under this Agreement the Consultant shall maintain Professional Liability Insurance or Errors and Omissions Insurance appropriate to its profession, in a form and with insurance companies acceptable to Metro JPA and in an amount indicated herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend. The retroactive date, if any, of each such policy is to be no later than the effective date of this Agreement, and Consultant shall maintain such coverage continuously for a period of at least three (3) years following the completion of work under this Agreement.

e. Public Liability, Property Damage, Automobile Liability, Employer's Liability, and Professional Liability (Errors and Omissions).

(i) The following insurance limits are required for the Agreement:

Combined Single Limit

Commercial General Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 per occurrence for bodily injury and property damage
Employer's Liability	\$1,000,000 per occurrence
Professional Liability	\$1,000,000 per claim and aggregate (errors and omissions)

(ii) Defense costs shall be payable in addition to the limits.

(iii) Requirement of specific coverage or minimum limits contained in this Agreement are not intended as a limitation on coverage, limits or any other requirement, or a waiver of any coverage normally provided by any insurance.

Notwithstanding the minimum limits set forth in this Section 12(e), any available insurance proceeds in excess of the specified minimum limits of coverage shall be available to the parties required to be named as additional insureds pursuant to this Agreement.

f. Evidence Required.

Prior to execution of the Agreement, the Consultant shall file with the Metro JPA evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 2010 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with all endorsements to the policies described therein. All evidence of insurance shall be certified by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional primary insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

g. Policy Provisions Required.

(i) All policies shall contain a provision for thirty (30) days advance written notice by the insurer(s) to the Metro JPA of any cancellation. Statements that the carrier "will endeavor" and "that failure to mail such notice shall impose no obligation and liability upon the company, its agents or representatives," will not be acceptable on certificates. In the event any insurer providing coverage required under this Agreement shall fail to provide the notice required in this section, Consultant shall be responsible to provide such notice to the Metro JPA. Consultant is responsible to replace any and all policies

required under this Agreement which are cancelled during the term of this Agreement no later than the effective date of cancellation.

(ii) All policies of Commercial General Liability and Automobile Liability insurance shall contain a provision stating that the Consultant's policies are primary insurance and the insurance of the Metro JPA, its members, or any named or additional insureds shall not be called upon to contribute to any loss. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to Metro JPA, its members, officials, officers, employees, agents and volunteers, or any other additional insureds.

(iii) All policies of Commercial General Liability and Automobile Liability insurance shall contain or shall be endorsed to contain a waiver of subrogation against the Metro JPA, the Board and each member of the Board, its officers, employees, agents and Metro JPA designated volunteers; or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss, and Consultant hereby waives its own right of recovery against Metro JPA, the Board and each member of the Board, its officers, employees, agents and Metro JPA designated volunteers, or any other additional insureds, and shall require similar waivers from each of its subconsultants.

h. Qualifying Insurers.

(i) All policies required shall be issued by acceptable insurance companies, as determined by the Metro JPA, which satisfy the following minimum requirements:

(ii) Insurance carriers shall be admitted to do business in California and maintain an agent for process within the state or be otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law. Such insurance carrier shall have not less than an "A-" policyholder's rating and a financial rating of not less than "Class VII" according to the latest Best Key Rating Guide.

i. Additional Insurance Provisions.

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the Metro JPA, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification. Neither the Metro JPA nor the Board, nor any member of the Board, nor any of the directors, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of the Agreement.

(ii) If at any time during the life of the Agreement, the Consultant fails to maintain in full force any insurance required by the Agreement documents, the Metro JPA has the right but not the duty to acquire the necessary insurance for the Consultant and

deduct the cost thereof from the appropriate progress payments due the Consultant, or backcharge the Consultant for such costs in the event they exceed the amount of unpaid progress payments due the Consultant. In the alternative, Metro JPA may cancel this Agreement.

(iii) Consultant shall not allow any subconsultants to commence work on any subcontract relating to the work under the Agreement until they have provided evidence satisfactory to the Metro JPA that they have secured all insurance required under this Section. If requested by Consultant, Metro JPA may approve different scopes or minimum limits of insurance for particular subconsultants. The Consultant and Metro JPA shall be named as additional insureds on all subconsultants' policies of Commercial General Liability using endorsement form ISO CG 20 38 04 13 or an endorsement providing equivalent coverage.

(iv) The Metro JPA may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Agreement.

13. Indemnification.

To the fullest extent permitted by law, Consultant agrees to protect, save, defend and hold harmless Metro JPA and its Board and each member of the Board, officers, agents and employees from any and all claims, liabilities, expenses or damages of any nature, including attorneys' fees, for injury or death of any person, or damage to property, or interference with use of property, including loss of use, arising out of or in any way connected with the negligent performance or willful misconduct under this Agreement by Consultant, Consultant's agents, officers, employees, subconsultants, or independent consultants hired by Consultant. The only exception to Consultant's responsibility to protect, save, defend and hold harmless Metro JPA, is due to the sole negligence, willful misconduct or active negligence of Metro JPA. This hold harmless provision shall apply to all liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Consultant.

14. California Labor Code Requirements.

Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws, if applicable. Consultant shall defend, indemnify and hold Metro JPA, its member agencies, elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages, employment of apprentices, hours of labor and debarment of contractors and subcontractors.

Effective March 1, 2015, if the services are being performed as part of an applicable “public works” or “maintenance” project, in addition to the foregoing, then pursuant to Labor Code sections 1725.5 and 1771.1, the Consultant and all subconsultants must be registered with the Department of Industrial Relations (“DIR”). Consultant shall maintain registration for the duration of the project and require the same of any subconsultants. The project may also be subject to compliance monitoring and enforcement by the DIR. It shall be Consultant’s sole responsibility to comply with all applicable registration and labor compliance requirements, including the submission of payroll records directly to the DIR.

15. Laws, Venue, and Attorneys’ Fees.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this agreement, the action shall be brought in a state or federal court situated in the County of San Diego, State of California. In the event of any such litigation between the Parties, the prevailing party shall be entitled to recover all reasonable costs incurred, including reasonable attorney’s fees, as determined by the court.

16. Termination or Abandonment.

a. Metro JPA has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days’ written notice to Consultant. In such event, Metro JPA shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. Metro JPA shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by Metro JPA and Consultant of the portion of such task completed but not paid prior to said termination. Metro JPA shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days’ written notice to Metro JPA only in the event of substantial failure by Metro JPA to perform in accordance with the terms of this Agreement through no fault of Consultant.

17. Notice.

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

METRO JPA:	CONSULTANT:
Metro Wastewater JPA c/o La Mesa City Hall 8130 Allison Ave., La Mesa, CA 91942 Attn: c/o Greg Humora, City of La Mesa	Atkins North America, Inc. 3570 Carmel Mountain Road, Suite 300 San Diego, CA 92130 Attn: Mark—Elliott Robert “Jud” Warren , Project Director

and shall be effective upon receipt thereof.

18. Data.

Consultant shall be entitled to rely upon the accuracy of data and information provided by the Metro JPA without independent review or evaluation unless such review or evaluation is specified in the scope of services.

19. Third Party Rights.

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the Metro JPA and the Consultant.

20. Integration.

This Agreement represents the entire understanding of Metro JPA and Consultant as to those matters contained herein, and supersedes and cancels any prior oral or written understanding, promises or representations with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

METRO WASTEWATER JPA:

ATKINS NORTH AMERICA INC.:

By: _____
Jim Peasley
Chairperson

By: _____
[Robert “Jud” Warren](#)
[Project Director](#)

APPROVED AS TO FORM:

Paula C. P. de Sousa [Mills](#)
General Counsel
METRO WASTEWATER JPA

EXHIBIT “A”
Scope of Services and Budget

SCOPE OF SERVICES
METRO TAC/COMMISSION/JPA
AS-NEEDED ENGINEERING SERVICES

The purpose of the As-Needed Engineering Consulting Contract for the Metro Wastewater JPA/Commission is to provide technical support to the PAs in meeting their objectives of Pure Water 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/Commission/JPA efforts, as well as the overall costs of the Metro Program.

I. Scope of Services

The effort by ATKINS will be divided into two major categories, one for routine services and one for Metro TAC engineering support by Scott Tulloch in support of attaining either an administrative fix by EPA or permanent legislation to attain secondary equivalency, and continued efforts working with the City of San Diego Pure Water Program staff on cost allocation, facilities planning, and collaboration with environmental stakeholders.

A. Routine Services

The routine services could include the following tasks:

1. Attendance at the Metro TAC meetings
2. Attendance Metro Commission/JPA meetings.
3. Independent cost review of Pure Water Program CIP
4. Provide additional technical support on specific projects as directed by the Metro TAC, Finance Committee, and/or Metro JPA/Commission Chairmen

B. Metro TAC Engineering Support – This task includes engineering technical support as requested by Metro TAC and the Metro Commission/JPA. This will include engineering support for such items as the current Waiver of Secondary Treatment at Point Loma and the “Secondary Equivalency Alternative” as outlined in the Metro TAC white paper. This will also include representing the JPA on the Water Reliability Coalition through the Friends of Infrastructure, Equinox Policy Committee Meetings, Pure Water Program Technical Advisory Committee Meetings, and any meetings as directed by the Metro TAC and/or the Commission/JPA to facilitate the secondary equivalency alternative, Pure Water Program, etc.

II. Additional Services As Requested

- A. Review of ongoing background material not envisioned.
- B. Prepare for and attend additional meetings beyond what is included in Section I.
- C. Attendance at IROC in support of the Metro JPA/Commission representatives.
- D. Provide additional follow-up on the additional items identified.
- E. Provide technical support, as requested, to fulfill other Metro JPA/Commission objectives.

III. Proposed Budget

- A. Routine Services: \$ 10,000
- B. Metro TAC Engineering Support:\$40,000

Total Budget: \$50,000

**AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN METRO WASTEWATER JOINT POWERS AUTHORITY
AND THE KEZE GROUP, LLC.**

This agreement ("Agreement") is made and entered into as of _____, ~~2015~~2016, by and between the METRO WASTEWATER JOINT POWERS AUTHORITY (hereinafter referred to as the "Metro JPA"), a joint powers authority organized and operating pursuant to California Government Code section 6500 *et seq.*, and THE KEZE GROUP, LLC (hereinafter referred to as "Consultant"). Metro JPA and Consultant are sometimes referred to individually as "Party" and collectively as "Parties."

RECITALS

A. The Metro JPA would like to retain the services of Consultant to provide as-needed technical, financial, and administrative support services as set forth in more detail herein for the fiscal year of ~~2015~~2016-~~16~~2017.

B. Consultant is duly licensed and has the necessary qualifications to provide such services.

C. The Parties desire by this Agreement to establish the terms for Metro JPA to retain Consultant to provide the services described herein.

AGREEMENT

NOW THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

Consultant shall provide the Metro JPA with the services described in the Scope of Services attached hereto as Exhibit "A" and incorporated herein ("Services").

2. Compensation.

a. Subject to paragraph 2(b) below, the Metro JPA shall pay for the Services in accordance with the Budget set forth in Exhibit "A."

b. In no event shall the total amount paid for services rendered by Consultant pursuant to Exhibits "A" exceed the budget of ~~\$98,300~~65,120 as set forth in Exhibit "A." In no event shall the billing rate for services rendered by Consultant pursuant to Exhibits "A" exceed \$160 per hour, as set forth in Exhibit "A." Periodic payments shall be made within thirty (30) days of receipt of a statement for services rendered. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work.

If changes in the work seem merited by Consultant or the Metro JPA, and informal consultations with the other Party indicate that a change is warranted, it shall be processed by the Metro JPA in the following manner: a letter outlining the changes shall be forwarded to the Metro JPA by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the Metro JPA and executed by both Parties before performance of such services, or the Metro JPA will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Substitution of Key Personnel.

Consultant has represented to Metro JPA that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence and experience upon written approval of Metro JPA. In the event that Metro JPA and Consultant cannot agree as to the substitution of key personnel, Metro JPA shall be entitled to terminate this Agreement for cause, pursuant to provisions of Section 15 of this Agreement. The key personnel for performance of this Agreement are as follows: Karyn Keese.

5. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the Agreement period and for four (4) years from the date of final payment under the Agreement for inspection by Metro JPA. Consultant shall obtain the written consent of Metro JPA prior to destroying any such records or any work product prepared by Consultant as a result of the Services provided under this Agreement.

6. Term.

Consultant shall commence and perform the Services in a prompt and timely manner beginning July 1, ~~2015~~2016. This Agreement shall terminate on June 30, ~~2016~~2017, unless otherwise extended by a written amendment signed by both Parties or otherwise earlier terminated pursuant to Article 15 of this Agreement.

7. Delays in Performance.

Neither Metro JPA nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing Party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; and sabotage or judicial restraint.

Should such circumstances occur, the non-performing Party shall, within a reasonable time of being prevented from performing, give written notice to the other Party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

8. Compliance with Law.

Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government.

9. Standard of Care.

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

10. Assignment and Subconsultant.

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the Metro JPA, which may be withheld for any reason. Nothing contained herein shall prevent Consultant from employing independent associates, and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

11. Independent Consultant.

Consultant is retained as an independent contractor and is not an employee of Metro JPA. No employee or agent of Consultant shall become an employee of Metro JPA. The work to be performed shall be in accordance with the work described in Exhibit "A," subject to such directions and amendments from Metro JPA as herein provided.

12. Insurance.

a. Commercial General Liability.

(i) The Consultant shall take out and maintain, during the performance of all work under this Agreement, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the Metro JPA.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 0001) or exact equivalent

(2) The policy shall contain no endorsements or provisions (A) limiting coverage for contractual liability; (B) excluding cross liability for claims or suits by one insured against another; or (C) containing any other exclusion(s) contrary to the terms or purposes of this Agreement.

(iii) Commercial General Liability Insurance must include coverage for the following:

- (1) Bodily Injury and Property Damage
- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability
- (5) Aggregate Limits that Apply
- (6) Contractual Liability with respect to this Agreement
- (7) Broad Form Property Damage
- (8) Independent Consultants Coverage

(iv) The policy shall not contain any exclusion contrary to the Agreement, including but not limited to endorsements or provisions limiting coverage for (1) contractual liability (including but not limited to ISO CG 24 26 or 21 29); or (2) cross liability for claims or suits by one insured against another.

(v) All such policies shall be endorsed to name the Metro JPA, the Board and each member of the Board, its officers, employees, agents and Metro JPA designated volunteers as Additional Insureds under the policy using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(vi) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the Metro JPA. Consultant shall guarantee that the insurer shall eliminate such deductibles or self-insured retentions as respects Metro JPA, its members, directors, officials, officers, employees, agents, and volunteers.

b. Automobile Liability.

(i) At all times during the performance of the work under this Agreement, the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the Metro JPA.

(ii) Coverage for Automobile Liability Insurance shall be at least as broad as Insurance Services Office Form Number CA 0001 (ed. 12/93) covering automobile liability, Code 1 (any auto).

(iii) The automobile liability program may utilize deductibles, but not a self-insured retention, subject to written approval by the Metro JPA, and provided that deductibles shall not apply to Metro JPA as an additional insured.

(iv) All such policies shall name the Metro JPA, the Board and each member of the Board, its officers, employees, agents and Metro JPA designated volunteers as Additional Insureds under the policies.

c. Workers' Compensation/Employer's Liability.

(i) To the extent applicable, at all times during the performance of Services under this Agreement, the Consultant shall maintain Workers' Compensation Insurance in compliance with applicable statutory requirements and Employer's Liability Coverage in amounts indicated herein.

(ii) Such insurance shall include an insurer's Waiver of Subrogation in favor of the Metro JPA and will be in a form and with insurance companies acceptable to the Metro JPA.

(iii) If insurance is maintained, the Workers' Compensation and Employer's Liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the Metro JPA.

(iv) Before beginning work, the Consultant shall furnish to the Metro JPA satisfactory proof that the Consultant has taken out for the period covered by the work under this Agreement, full compensation insurance for all persons employed directly by the Consultant or through subconsultants in carrying out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV or the Labor Code of the State of California and any acts amendatory thereof. Consultant shall require all subconsultants to obtain and maintain workers' compensation coverage of the same type and limits as specified in this section.

d. Professional Liability (Errors and Omissions).

~~At all times during the performance of the work under this Agreement the Consultant shall maintain Professional Liability Insurance or Errors and Omissions Insurance appropriate to its profession, in a form and with insurance companies acceptable to Metro JPA and in an amount indicated herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend. The retroactive date, if any, of each such policy is to be no later than the effective date of this Agreement, and Consultant shall maintain such coverage continuously for a period of at least three (3) years following the completion of work under this Agreement.~~

ed. Public Liability, Property Damage, Automobile Liability, and Employer's Liability, ~~and Professional Liability (Errors and Omissions).~~

(i) The following insurance limits are required for the Agreement:

	<u>Combined Single Limit</u>
Commercial General Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 <u>500,000</u> per occurrence for bodily injury and property damage
Employer's Liability <u>(if applicable)</u>	\$1,000,000 per occurrence
Professional Liability	\$1,000,000 per claim and aggregate (errors and omissions)

(ii) Defense costs shall be payable in addition to the limits.

(iii) Requirement of specific coverage or minimum limits contained in this Agreement are not intended as a limitation on coverage, limits or any other requirement, or a waiver of any coverage normally provided by any insurance.

Notwithstanding the minimum limits set forth in this Section 12(e), any available insurance proceeds in excess of the specified minimum limits of coverage shall be available to the parties required to be named as additional insureds pursuant to this Agreement.

f. Evidence Required.

Prior to execution of the Agreement, the Consultant shall file with the Metro JPA evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 2010 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with all endorsements to the policies described therein. All evidence of insurance shall be certified by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional primary insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

g. Policy Provisions Required.

(i) All policies shall contain a provision for thirty (30) days advance written notice by the insurer(s) to the Metro JPA of any cancellation. Statements that

the carrier “will endeavor” and “that failure to mail such notice shall impose no obligation and liability upon the company, its agents or representatives,” will not be acceptable on certificates. In the event any insurer providing coverage required under this Agreement shall fail to provide the notice required in this section, Consultant shall be responsible to provide such notice to the Metro JPA. Consultant is responsible to replace any and all policies required under this Agreement which are cancelled during the term of this Agreement no later than the effective date of cancellation.

(ii) All policies of Commercial General Liability and Automobile Liability insurance shall contain a provision stating that the Consultant’s policies are primary insurance and the insurance of the Metro JPA, its members or any named or additional insureds shall not be called upon to contribute to any loss.

(iii) All policies of Commercial General Liability and Automobile Liability insurance shall contain or shall be endorsed to contain a waiver of subrogation against the Metro JPA, the Board and each member of the Board, its officers, employees, agents and Metro JPA designated volunteers; or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss, and Consultant hereby waives its own right of recovery against Metro JPA, the Board and each member of the Board, its officers, employees, agents and Metro JPA designated volunteers, or any other additional insureds, and shall require similar waivers from each of its subconsultants.

h. Qualifying Insurers.

(i) All policies required shall be issued by acceptable insurance companies, as determined by the Metro JPA, which satisfy the following minimum requirements:

(ii) Insurance carriers shall be admitted to do business in California and maintain an agent for process within the state or be otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law. Such insurance carrier shall have not less than an “A-” policyholder’s rating and a financial rating of not less than “Class VII” according to the latest Best Key Rating Guide.

i. Additional Insurance Provisions.

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the Metro JPA, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification. Neither the Metro JPA nor the Board, nor any member of the Board, nor any of the directors, officers, employees, agents or

volunteers shall be personally responsible for any liability arising under or by virtue of the Agreement.

(ii) If at any time during the life of the Agreement, the Consultant fails to maintain in full force any insurance required by the Agreement documents, the Metro JPA has the right but not the duty to acquire the necessary insurance for the Consultant and deduct the cost thereof from the appropriate progress payments due the Consultant, or backcharge the Consultant for such costs in the event they exceed the amount of unpaid progress payments due the Consultant. In the alternative, Metro JPA may cancel this Agreement.

(iii) Consultant shall not allow any subconsultants to commence work on any subcontract relating to the work under the Agreement until they have provided evidence satisfactory to the Metro JPA that they have secured all insurance required under this Section. If requested by Consultant, Metro JPA may approve different scopes or minimum limits of insurance for particular subconsultants. The Consultant and Metro JPA shall be named as additional insureds on all subconsultants' policies of Commercial General Liability using endorsement form ISO CG 20 38 04 13 or an endorsement providing equivalent coverage.

(iv) The Metro JPA may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Agreement.

13. Indemnification.

To the fullest extent permitted by law, Consultant agrees to protect, save, defend and hold harmless Metro JPA and its Board and each member of the Board, officers, agents and employees from any and all claims, liabilities, expenses or damages of any nature, including attorneys' fees, for injury or death of any person, or damage to property, or interference with use of property, including loss of use, arising out of or in any way connected with the negligent performance or willful misconduct under this Agreement by Consultant, Consultant's agents, officers, employees, subconsultants, or independent consultants hired by Consultant. The only exception to Consultant's responsibility to protect, save, defend and hold harmless Metro JPA, is due to the sole negligence, willful misconduct or active negligence of Metro JPA. This hold harmless provision shall apply to all liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Consultant.

14. Laws, Venue, and Attorneys' Fees.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this agreement, the action shall be brought in a state or federal court situated in the County of San Diego, State of California. In the event of any such litigation between the Parties, the prevailing party shall be

entitled to recover all reasonable costs incurred, including reasonable attorney's fees, as determined by the court.

15. Termination or Abandonment.

a. Metro JPA has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days' written notice to Consultant. In such event, Metro JPA shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. Metro JPA shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by Metro JPA and Consultant of the portion of such task completed but not paid prior to said termination. Metro JPA shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to Metro JPA only in the event of substantial failure by Metro JPA to perform in accordance with the terms of this Agreement through no fault of Consultant.

16. Notice.

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

METRO JPA:	CONSULTANT:
Metro Wastewater JPA c/o La Mesa City Hall 8130 Allison Ave., La Mesa, CA 91942 Attn: c/o Greg Humora, City of La Mesa	The Keze Group, LLC 4653 Carmel Mountain Road San Diego, CA 92130 Attn: Karyn Keese

and shall be effective upon receipt thereof.

17. Data.

Consultant shall be entitled to rely upon the accuracy of data and information provided by the Metro JPA without independent review or evaluation unless such review or evaluation is specified in the Services.

18. Third Party Rights.

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the Metro JPA and the Consultant.

19. Integration.

This Agreement represents the entire understanding of Metro JPA and Consultant as to those matters contained herein, and supersedes and cancels any prior oral or written understanding, promises or representations with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

METRO WASTEWATER JPA:

THE KEZE GROUP, LLC.:

By: _____
Jim Peasley
Chairperson

By: _____
Karyn Keese

APPROVED AS TO FORM:

Paula C. P. de Sousa [Mills](#)
General Counsel
METRO WASTEWATER JPA

SCOPE OF SERVICES
METRO TAC/COMMISSION/JPA
AS-NEEDED FINANCIAL SERVICES

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/Commission/JPA efforts, as well as the overall costs of the Metro Program.

I. SCOPE OF SERVICES

The effort by The Keze Group, LLC (TKG) will be divided into five major categories, one for routine services, two for specific financial tasks, one for Pure Water Program support, and one for Metro TAC staff support.

A. Routine Services

The routine services will include the following tasks:

1. Attendance and preparation of agendas for Metro TAC meetings.
2. Attendance and preparation of agendas for the Metro Commission/JPA meetings.
3. Attendance at planning/work meetings with Public Utilities Department (PUD) staff.
4. Meetings with Metro TAC Chairman and other JPA officials.

B. Routine Audit Review – Public Utilities Department (PUD), Wastewater Operations Branch Exhibit E Audit Review – FYEs 2015 and 2016

1. Review and negotiate the auditors Scope of Work.
2. Attend Entrance and Exit Conferences with the Auditors.
3. Select operating, CIP, and non-operating revenue audit samples.
4. Attend Interim Bi-Weekly work meetings with the Auditors (maximum of 5 per audit).

5. Review all audit samples for contract compliance and accounting accuracy.
6. Review the annual general services cost allocation.
7. Review output for any special projects (In the past this has included the reconciliation of the Shames and other municipal lawsuits, and the Pure Water Program management contract) to insure that only appropriate Metro costs have/had been charged to the PAs).
8. Review South Bay recycled water sales and incentives to insure that appropriate revenues are credited to the PAs. Review other income credits to insure that non-operating revenues are credited to the PAs.
9. Review the draft and final audit numbers and sample test results. Prepare list of questions and work on resolution of issues regarding samples.
10. Present the results to the Metro 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 MWWD Budget – FYE 2017 and 2018

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. Pure Water Program Support – This task includes 10 hours per month to assist in facilitation of the Pure Water Program. Envisioned subtasks include revisions to the Pure Water Program financial forecast model to update project costs and timing, revenue sharing, and potential water purchases; assistance with the update to the Regional Wastewater Disposal Agreement; and continued cost allocation monitoring and updates.

E. Metro TAC Staff Support – This task includes 10 hours per month for financial analysis and consulting in support of varied Metro TAC Work Plan projects. TKG will support, as-needed, the items contained in the Metro TAC FYE 2017 Work Plan. One key issue that will continue during FYE 2017 is the North City optimized system debt service reconciliation and recycled water sales projections and the forecast for the eventual debt service pay-off to the Water Utility. Also, a billing formula needs to be prepared and implemented which will bill any PA that diverts their flow from the Metro System for the remaining debt service for existing Metro facilities and for ongoing capital projects required

to maintain them. In addition, the billing Protocol will need to be revised to reflect the cash flow needed for Pure Water Program costs.

II. ADDITIONAL SERVICES AS REQUESTED

- A. Review of ongoing background material not envisioned.
- B. Prepare for and attend additional meetings beyond what is included in Section I.
- C. Attendance at IROC in support of the Metro JPA/Commission representatives.
- D. Provide additional follow-up on the additional items identified.
- E. Provide additional technical support on specific projects as directed by the Metro TAC, Finance Committee, and Metro JPA/Commission Chairmen.
- F. Provide technical support, as requested, to fulfill other Metro JPA/Commission objectives.

III. PROPOSED BUDGET

The proposed budget for the described scope of services is a not-to-exceed amount of \$65,120 for Fiscal Year Ending 2017. The hours and fees per task is summarized in Attachment A to this scope of services. The hourly billing rate is \$160.

Attachment A
Summary of Costs by Tasks
The Keze Group Metro JPA Contract FYE 2017

Task	Description	FYE2016 Adopted Budget	Proposed FYE2017 Budget	Reduction	FYE 2017 Hours
1	Routine Meetings	\$19,580	\$ 12,000	\$ (7,580)	75
2	Exhibit E Audit Review	\$16,000	\$ 9,600	\$ (6,400)	60
3	Review of PUD Budget	\$5,120	\$ 2,560	\$ (2,560)	16
4	FYE 2017 Water and Wastewater Rate Case	\$6,400	\$ 2,560	\$ (3,840)	16
5	FYE 2017 Recycled Water Financial Projects				
	a. Continued Support and Resolution of Recycled Water Issues	\$6,400	\$ -	\$ (6,400)	-
	b. Review of Recycled Water Pricing Study	\$6,400	\$ -	\$ (6,400)	-
	c. Pure Water Program Cost Allocation	\$19,200	\$ 19,200	\$ -	120
6	Metro TAC Staff Support	\$19,200	\$ 19,200	\$ -	120
	TOTAL	\$98,300	\$ 65,120	\$ (33,180)	407
Reduction in Scope/Fee from FYE 2016					-34%

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

THIS ~~SECOND~~THIRD AMENDMENT is made and entered into this ____ day of _____, ~~2015~~2016, by and between the Metro Wastewater Joint Powers Authority (hereinafter 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 (hereinafter referred to as the “District”).

RECITALS

A. WHEREAS, Metro JPA and the District did enter into an agreement for treasurer services (hereinafter referred to as the “Agreement”) on July 1, 2013 for the District to provide treasurer services to Metro JPA until June 30, 2014; 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, On May 1, 2014, Metro JPA and the District entered into a first amendment to the Agreement (“First Amendment”) to mutually amend the Agreement to extend the end date of Padre Dam’s treasurer services until June 30, 2015; and

D. WHEREAS, On June 4, 2015, Metro JPA and the District entered into a second amendment to the Agreement (“Second Amendment”) to mutually amend the Agreement to extend the end date of Padre Dam’s treasurer services until June 30, 2016, and to increase the total amount that may be charged by the District for services to a not-to-exceed amount of \$19,000; and

~~D.E.~~ WHEREAS, Both Metro JPA and the District mutually desire to further amend the Agreement, as amended by the First Amendment and Second Amendment, to extend the time of performance for services provided by the District ~~and to increase the total amount that may be charged by the District for the services.~~

NOW THEREFORE, in consideration of the mutual obligations of the parties herein expressed, Metro JPA and the District agree as follows:

1. Section 4 of the Agreement, as amended by the First Amendment and Second Amendment, is further amended as necessary to extend the end date of Padre Dam’s treasurer services until June 30, ~~2016~~2017.

2. Section 5 of the Agreement, as amended by the First Amendment and Second Amendment, is further amended as necessary to ~~increase~~maintain the not-to-exceed amount of \$19,000 as the total amount that may be charged ~~to a not-to-exceed amount of \$19,000 by the District~~ for services provided during the term of the extension provided for in this

~~Second~~Third Amendment.

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

~~[Signatures on following page]~~

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

METRO WASTEWATER JPA:

PADRE DAM MUNICIPAL WATER DISTRICT:

By: _____
Jim Peasley
Chairperson

By: _____
Allen Carlisle
General Manager

APPROVED AS TO FORM:

Paula C. P. de Sousa Mills
General Counsel
METRO WASTEWATER JPA

**FIRST AMENDMENT TO AGREEMENT FOR
PROFESSIONAL SERVICES BETWEEN METRO
WASTEWATER JOINT POWERS AUTHORITY AND
VISION INTERNET PROVIDERS**

THIS FIRST AMENDMENT ("Amendment") is made and entered into as of _____, 2016, by and between the METRO WASTEWATER JOINT POWERS AUTHORITY (hereinafter referred to as the "Metro JPA"), a joint powers authority organized and operating pursuant to California Government Code section 6500 *et seq.*, and VISION TECHNOLOGY SOLUTIONS, LLC dba VISION INTERNET PROVIDERS, a Delaware limited liability company (hereinafter referred to as "Consultant"). Metro JPA and Consultant are sometimes referred to individually as "Party" and collectively as "Parties."

RECITALS

A. Metro JPA and Consultant entered into an Agreement for Professional Services (hereinafter referred to as the "Agreement") on February 5, 2014, for the Consultant to provide web hosting and as-needed maintenance, security, and technical support services.

B. Section 5 of the Agreement provides that the term of the Agreement expires on June 30, 2016, but it may be extended by a written amendment approved and executed by both Parties.

C. Both Metro JPA and the Consultant now seek to extend the term of the Agreement to June 30, 2017, and continuing thereafter on a month-to-month basis, unless terminated as provided for in the Agreement.

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

1. Section 5 of the Agreement is amended as necessary to extend the term of the Agreement to June 30, 2017, and commencing July 1, 2017, the term of the Agreement shall continue on a month-to-month basis, unless terminated by either Party pursuant to the terms of the Agreement.

2. Except as expressly stated in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

[Signatures on following page]

IN WITNESS WHEREOF, this First Amendment to the Agreement for Professional Services between Metro JPA and Vision Internet Providers is executed by Metro JPA and the Consultant on the day and year first written above.

METRO WASTEWATER JPA:

**VISION TECHNOLOGY SOLUTIONS, LLC
dba VISION INTERNET PROVIDERS**

By: _____
Jim Peasley
Chairperson

By: _____
David M. Nachman
Chief Executive Officer

APPROVED AS TO FORM:

Paula C. P. de Sousa Mills
General Counsel
METRO WASTEWATER JPA

**FIRST AMENDMENT TO THE AGREEMENT FOR
ADMINISTRATIVE SUPPORT SERVICES
BY AND BETWEEN
THE METRO WASTEWATER JOINT POWERS AUTHORITY
AND LORI ANNE PEOPLES**

THIS FIRST AMENDMENT ("Amendment") is made and entered into this ____ day of _____, 2016, by and between the Metro Wastewater Joint Powers Authority, existing and organized pursuant to the provisions of Government Code section 6500 *et seq.* ("Metro JPA") and Lori Anne Peoples ("Ms. Peoples"). Metro JPA and Ms. Peoples are sometimes individually referred to herein as the "Party" and collectively as the "Parties."

RECITALS

A. Metro JPA and Ms. Peoples entered into an Agreement for Administrative Support Services on April 11, 2014 ("Agreement") for Ms. Peoples to provide clerical support and related services to facilitate monthly Metro JPA, Metro JPA Committees, Metro Commission, and Metro TAC meetings, and any special meetings, as further described in the Agreement.

B. Section 2 of the Agreement provides that the Term of the Agreement may be extended in a writing signed by both Parties.

C. Both Metro JPA and Ms. Peoples mutually desire to extend the Term of the Agreement to June 30, 2018.

D. Section 4 of the Agreement states that Ms. Peoples will spend approximately twenty (20) hours per month providing Administrative Services to Metro Commission during the Term of the Agreement, and approximately four (4) hours per month providing Administrative Services to Metro JPA and Metro TAC during the Term of the Agreement.

E. Section 4 of the Agreement provides that upon mutual agreement of the Parties, the estimated monthly hours may be extended or modified to obtain increased or amended Administrative Services from Ms. Peoples as necessary.

F. Both Metro JPA and Ms. Peoples mutually desire to amend the Agreement to increase the estimated number of hours Ms. Peoples will spend providing Administrative Services to Metro JPA and Metro TAC to reflect that Ms. Peoples will assume the Metro TAC minute preparation function beginning on July 1, 2016.

NOW THEREFORE, in consideration of the mutual obligations of the parties herein expressed, Metro JPA and Ms. Peoples agree as follows:

1. Section 2 of the Agreement is amended to extend the Term of the Agreement to terminate on June 30, 2018.

2. Section 4 of the Agreement is amended to increase the estimated monthly hours Ms. Peoples will spend providing Administrative Services to Metro JPA and Metro TAC from four (4) hours to ten (10) hours.

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

IN WITNESS WHEREOF, this First Amendment to the Agreement for Administrative Support Services is executed by Metro JPA and by Ms. Peoples on the day and year first written above.

METRO WASTEWATER JPA:

LORI ANNE PEOPLES:

By: _____
Jim Peasley
Chairperson

By: _____
Lori Anne Peoples

APPROVED AS TO FORM:

Paula C. P. de Sousa Mills
General Counsel
METRO WASTEWATER JPA

Attachment 8

FY 2013 Exhibit E Audit

**CITY OF SAN DIEGO PUBLIC
UTILITIES DEPARTMENT**

Schedule of Allocation for Billing to Metropolitan
Wastewater Utility and Independent Auditor's Reports

For the Fiscal Year Ended June 30, 2013



Certified
Public
Accountants

CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT
Schedule of Allocation for Billing to Metropolitan Wastewater Utility
and Independent Auditor's Reports
For the Fiscal Year Ended June 30, 2013

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Independent Auditor's Report on the Schedule of Allocation for Billing to Metropolitan Wastewater Utility

To the Honorable Mayor and City
Council of the City of San Diego
San Diego, California

Report on the Schedule

We have audited the accompanying Schedule of Allocation for Billing to Metropolitan Wastewater Utility (the Schedule) of the City of San Diego Public Utilities Department (PUD), an enterprise fund of the City of San Diego, California (the City) for the fiscal year ended June 30, 2013, and the related notes to the Schedule.

Management's Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of the Schedule in accordance with the modified cash basis of accounting described in Note 3; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the Schedule in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Schedule based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Schedule referred to above presents fairly, in all material respects, the modified cash basis allocation of billing to the Metropolitan Wastewater Utility of the PUD pursuant to the Regional Wastewater Disposal Agreement (Agreement) between the City and the Participating Agencies in the Metropolitan Wastewater System dated May 18, 1998 and amended on May 15, 2000 and June 3, 2010, for the fiscal year ended June 30, 2013, in accordance with the modified cash basis of accounting described in Note 3.

Basis of Accounting

We draw attention to Note 3 of the Schedule, which describes the basis of accounting. The Schedule is prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2016 on our consideration of the PUD's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over the Schedule and compliance and the results of that testing, and not to provide an opinion on internal control over the Schedule or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the PUD's internal control over the Schedule and compliance.

A handwritten signature in blue ink that reads "Macias Gini & O'Connell LLP". The signature is written in a cursive, flowing style.

San Diego, California
April 22, 2016

CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT
Schedule of Allocation for Billing to Metropolitan Wastewater Utility
For the Fiscal Year Ended June 30, 2013

	Operating Expenses		
	Municipal System	Metropolitan System	Total
Transmission			
Main Cleaning	\$ 11,004,826	\$ -	\$ 11,004,826
Sewer Pump Stations.....	5,134,321	-	5,134,321
Other Pump Stations.....	5,965,141	786,603	6,751,744
Pump Station 1.....	-	2,263,634	2,263,634
Pump Station 2.....	-	7,247,501	7,247,501
Other Muni Agencies.....	3,266,434	-	3,266,434
Pipeline Maintenance and Repair.....	9,550,440	1,619	9,552,059
Wastewater Collection (WWC) Engineering and Planning.....	2,151,394	-	2,151,394
Total Transmission.....	37,072,556	10,299,357	47,371,913
Treatment and Disposal			
Point Loma Wastewater Treatment Plant (PTLWWTP).....	-	22,354,603	22,354,603
North City Water Reclamation Plant (NCWRP).....	-	7,577,722	7,577,722
South Bay Water Reclamation Plant (SBWRP).....	-	7,242,551	7,242,551
Metropolitan Biosolids Center (MBC).....	-	14,757,955	14,757,955
Gas Utilization Facility (GUF).....	-	1,848,547	1,848,547
Wastewater Treatment and Disposal (WWTD) Plant Engineering.....	-	819,172	819,172
Total Treatment and Disposal.....	-	54,600,550	54,600,550
Quality Control			
Sewage Testing and Control.....	2,303,815	424,406	2,728,221
Marine Biology and Ocean Operations.....	-	5,593,666	5,593,666
Wastewater Chemistry Services.....	-	5,599,723	5,599,723
Industrial Permitting and Compliance.....	3,240,053	-	3,240,053
Total Quality Control.....	5,543,868	11,617,795	17,161,663
Engineering			
Program Management and Review.....	2,295,455	2,757,735	5,053,190
Environmental Support.....	1,387,450	100,807	1,488,257
Total Engineering.....	3,682,905	2,858,542	6,541,447
Operational Support			
Central Support: Clean Water Operations Management Network (Comnet).....	249,669	3,970,487	4,220,156
Operational Support.....	1,455,715	7,583,942	9,039,657
Total Operational Support.....	1,705,384	11,554,429	13,259,813
General and Administration			
Business Support Administration.....	21,582,594	17,264,932	38,847,526
Operating Division Administration.....	8,388,235	5,387,324	13,775,559
Total General and Administration.....	29,970,829	22,652,256	52,623,085
TOTAL OPERATING EXPENSES.....	77,975,542	113,582,929	191,558,471
CAPITAL IMPROVEMENT EXPENSE.....	92,343,850	23,558,956	115,902,806
DEBT SERVICE ALLOCATION.....	47,327,214	55,910,778	103,237,992
METROPOLITAN SYSTEM INCOME CREDITS.....			
Operating Revenue.....	-	(5,837,310)	(5,837,310)
CIP - Revenue Bond Issue.....	-	-	-
Operating - Grant Revenue.....	-	(8,797)	(8,797)
CIP - Grant/SRF Revenue.....	-	(3,145,264)	(3,145,264)
TOTAL METROPOLITAN SYSTEM INCOME CREDITS.....	-	(8,991,371)	(8,991,371)
TOTAL ALLOCATION FOR BILLING PURPOSES.....	\$ 217,646,606	\$ 184,061,292	\$ 401,707,898

See Accompanying Notes to the Schedule of Allocation for Billing to Metropolitan Wastewater Utility.

CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT
Notes to the Schedule of Allocation for Billing to Metropolitan Wastewater Utility
For the Fiscal Year Ended June 30, 2013

Note 1 – General

The City of San Diego Public Utilities Department (the PUD) operates and maintains the Metropolitan Wastewater System (the Metropolitan System) and the Municipal Wastewater Collection System (the Municipal System). The Participating Agencies and the City of San Diego (the City) have entered into the Regional Wastewater Disposal Agreement dated May 18, 1998 and amended on May 15, 2000 and June 3, 2010, for their respective share of usage and upkeep of the Metropolitan Wastewater Utility. The accompanying Schedule of Allocation for Billing to Metropolitan Wastewater Utility (the Schedule), represents the allocation of expenses for billing related to the Metropolitan Wastewater Utility of the Participating Agencies.

The Metropolitan System and Municipal System are accounted for as enterprise funds and reported in the Sewer Utility Fund in the City's Comprehensive Annual Financial Report.

Note 2 – Participating Agencies

The Participating Agencies consist of the following municipalities and districts:

City of Chula Vista	City of National City
City of Coronado	City of Poway
City of Del Mar	Lemon Grove Sanitation District
City of El Cajon	Otay Water District
City of Imperial Beach	Padre Dam Municipal Water District
City of La Mesa	San Diego County Sanitation District

The San Diego County Sanitation District was formed on July 1, 2011. The following former districts were reorganized and combined to form the San Diego County Sanitation District:

- East Otay Mesa Sewer Maintenance District
- Lakeside Sanitation District
- Alpine Sanitation District
- Winter Gardens Sewer Maintenance District
- Spring Valley Sanitation District

The reorganization does not affect the allocation of expenses for billing related to the Metropolitan System.

Note 3 – Summary of Significant Accounting Policies

Basis of Presentation

The Schedule has been prepared for the purpose of complying with the Regional Wastewater Disposal Agreement between the City and the Participating Agencies as discussed in Note 1 above, and is presented on a modified cash basis of accounting. As a result, the Schedule is not intended to be a presentation of the changes in the financial position of the City or the PUD in conformity with generally accepted accounting principles. The more significant differences are:

1. Purchases of capital assets are presented as capital improvement expenses.
2. Depreciation expense on capital assets is not reported in the Schedule.
3. Payments of principal and interest related to long-term debt are reported as debt service allocation.

CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT
Notes to the Schedule of Allocation for Billing to Metropolitan Wastewater Utility (Continued)
For the Fiscal Year Ended June 30, 2013

4. Exclusion in the Schedule for unbudgeted expenses related to compensated absences, liability claims, capitalized interest, pollution remediation, other postemployment benefits, net pension obligation, and landfill closure and postclosure care costs.

The preparation of the Schedule requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 4 –Capital Improvement Expense

Construction costs incurred during the fiscal year to maintain and improve the Metropolitan Wastewater Utility and equipment purchases used in the maintenance of the Metropolitan Wastewater Utility are included in capital improvement expense.

Metropolitan Wastewater Utility capital improvement income credits include, if any, contributions-in-aid-of-construction received from Federal and State granting agencies and reimbursements from bond proceeds.

Note 5 –Debt Service Allocation

Debt service allocation represent a portion of the principal and interest payments relating to the Senior Sewer Revenue Bonds Series 2009A, the Senior Sewer Revenue Refunding Bonds Series 2009B and 2010A, and the outstanding State Revolving Fund (SRF) loans from the State of California.

Note 6 – Metropolitan System Income Credits

Metropolitan System income credits are revenues earned by the Metropolitan System for costs incurred during the current or previous fiscal years. The PUD has agreed to share the income credits from the South Bay Water Reclamation Facility in accordance with the 1998 Regional Wastewater Disposal Agreement. An agreement was reached in the fiscal year 2015 regarding revenue generated from the South Bay Water Reclamation Facility and revenue sharing payments were issued for the fiscal years from 2006 through 2014 to Participating Agencies. Hence, the revenue sharing payments for fiscal year 2013 are not included in the fiscal year 2013 Schedule.

Note 7 – Total Allocation for Billing Purposes

Costs to be billed to Participating Agencies include all individual construction projects costs and operation and maintenance expenses attributable to the Metropolitan System. Costs are apportioned back to the Participating Agencies based on their percentage of each of the totals of flow, suspended solids and chemical oxygen demand (COD). Each Participating Agency and the City are sampled quarterly, with plants sampled daily. The percentages are determined from cumulative samples and monitored flow.

For construction projects, percentages were allocated to flow, suspended solids and COD based on each of the project's design and function. The percentages are weighted by total project costs and combined to determine the final three derived percentages. Total annual costs are then allocated based on the three derived percentages and the measured flow, suspended solids and COD of each Participating Agency.

Operation and maintenance (O&M) costs as a percentage of flow, suspended solids and COD are evaluated based on four cost categories: pump stations, plant operations, technical services and cogeneration. These percentages are weighted by the annual O&M costs for each category, and combined to determine a derived percentage for administrative costs. All O&M costs are then allocated based on the measured flow, suspended solids and COD of each Participating Agency.

CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT

Notes to the Schedule of Allocation for Billing to Metropolitan Wastewater Utility (Continued)
For the Fiscal Year Ended June 30, 2013

Note 8 – Administrative Protocol

In May 2010, the City of San Diego and all Participating Agencies signatory to the Regional Wastewater Disposal Agreement established an Administrative Protocol (Protocol) which was effective beginning in fiscal year 2010. The Protocol established a requirement that the Participating Agencies maintain a 1.2 debt service coverage ratio on parity debt, fund a 45 day operating reserve, and earn interest on the operating and unrestricted reserve accounts. All interest earned during fiscal year 2013 was credited to the operating reserve, which ended the fiscal year with a 45-day reserve.

Note 9 – Subsequent Events

Padre Dam Overbilling Sludge Issue

The City of San Diego investigated an issue submitted by Padre Dam regarding possible overcharges and in April 2011, confirmed that Padre Dam was indeed overcharged. Thereafter, beginning in May 2011, the overcharge issue was generally discussed by the City of San Diego, Padre Dam and all other Participating Agencies, at many, if not all, Metro TAC meetings until April 2013, with the hope and goal of resolving the issue to the satisfaction of all parties. On December 5, 2013, Padre Dam and the City of San Diego issued a proposal with two options for consideration to Participating Agencies. In the fiscal year 2015 an agreement was reached regarding the Padre Dam overcharge and corrections were issued for the fiscal years 2009 through 2012 as part of the audit and closeout procedures.

North City Wastewater Treatment Plant Billing Issue

In February 2013, the City of San Diego discovered an additional billing issue associated with the North City Water Reclamation Plant wherein the City of San Diego may have omitted flow and under billed itself. In the fiscal year 2015, final agreement consensus was reached regarding how to account for the City's flow through the North City Reclamation Plant and correction was made for the fiscal years 2009 through 2012 as part of the audit and closeout procedures.



**Independent Auditor's Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of the Schedule
of Allocation for Billing to Metropolitan Wastewater Utility Performed
in Accordance with *Government Auditing Standards***

To the Honorable Mayor and City
Council of the City of San Diego
San Diego, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Schedule of Allocation for Billing to Metropolitan Wastewater Utility (the Schedule) of the City of San Diego Public Utilities Department (PUD), an enterprise fund of the City of San Diego, California (the City), for the fiscal year ended June 30, 2013, and the related notes to the Schedule, and have issued our report thereon dated April 22, 2016. Our report contained an explanatory paragraph indicating that the Schedule was prepared for the purpose of complying with, and in conformity with, the accounting practices prescribed by the Regional Wastewater Disposal Agreement between the City of San Diego and the Participating Agencies in the Metropolitan Wastewater System dated May 18, 1998 and amended on May 15, 2000 and June 3, 2010.

Internal Control over Financial Reporting

In planning and performing our audit of the Schedule, we considered the PUD's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedule, but not for the purpose of expressing an opinion on the effectiveness of the PUD's internal control. Accordingly, we do not express an opinion on the effectiveness of the PUD's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the PUD's Schedule is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of Schedule amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Macias Gini & O'Connell LLP". The signature is written in a cursive, flowing style.

San Diego, California

April 22, 2016

TABLE A

CITY OF SAN DIEGO - METROPOLITAN WASTEWATER DEPARTMENT
FISCAL YEAR 2013 UNIT COSTS
FUNCTIONAL-DESIGN COST ALLOCATION METHOD

TREATMENT PARAMETER	FY 2013 BUDGET	UNITS	COST PER UNIT	
WASTEWATER FLOW	AMOUNT \$90,083,602	% 48.9%	62,402 (a)	\$1,443.60 /per Million Gallons
SUSPENDED SOLIDS	\$49,713,890	27.0%	172,265 (b)	\$288.59 /per Thousand Pounds
CHEMICAL OXYGEN DEMAND	\$44,263,800	24.0%	322,443 (c)	\$137.28 /per Thousand Pounds
TOTAL	\$184,061,292	100%		

- (a) Units of Flow - Million Gallons Per Year
 (b) Units of SS - Thousands of Pounds per Year
 (c) Units of COD - Thousands of Pounds per Year

TABLE B

CITY OF SAN DIEGO - METROPOLITAN WASTEWATER DEPARTMENT
PROJECTED DISTRIBUTION OF SYSTEM WASTEWATER COSTS - FISCAL YEAR 2013
FUNCTIONAL-DESIGN BASED ALLOCATION METHOD

AGENCY	ALLOCATION OF COSTS BY FLOW, SUSPENDED SOLIDS AND CHEMICAL OXYGEN DEMAND			TOTAL FLOW, SS & COD	TOTAL PAID FOR FY 2013	DIFFERENCE
	FLOW (a)	SS (a)	COD (a)			
CHULA VISTA	\$8,906,346	\$5,048,619	\$4,543,864	\$18,498,829	\$18,527,820	(\$28,991)
CORONADO	\$911,971	\$361,648	\$349,898	1,623,518	\$2,104,076	(\$480,558)
DEL MAR	\$311,979	\$182,786	\$140,936	635,701	\$790,380	(\$154,679)
EAST OTAY MESA	\$18,411	\$9,019	\$7,746	35,176	\$75,840	(\$40,664)
EL CAJON	\$4,027,522	\$1,723,497	\$1,605,872	7,356,891	\$8,840,232	(\$1,483,341)
IMPERIAL BEACH	\$1,223,822	\$597,409	\$497,218	2,318,450	\$2,379,436	(\$60,986)
LA MESA	\$2,561,488	\$1,090,629	\$963,397	4,615,514	\$4,990,204	(\$374,690)
LAKEVIEW/ALPINE	\$1,798,047	\$798,093	\$686,708	3,282,847	\$3,493,160	(\$210,313)
LEMON GROVE	\$1,159,342	\$482,715	\$491,460	2,133,518	\$2,291,448	(\$157,930)
NATIONAL CITY	\$2,217,448	\$1,095,163	\$1,085,171	4,397,782	\$4,863,816	(\$466,034)
OTAY	\$89,743	\$407,834	\$134,795	632,372	\$1,009,692	(\$377,320)
PADRE DAM	\$1,200,277	\$1,158,076	\$672,032	3,030,385	\$3,905,820	(\$875,435)
POWAY	\$1,619,310	\$847,495	\$628,654	3,095,459	\$3,522,780	(\$427,321)
SPRING VALLEY	\$3,841,540	\$1,918,667	\$1,538,548	7,298,754	\$7,491,184	(\$192,430)
WINTERGARDENS	\$522,330	\$219,893	\$164,619	906,842	\$955,904	(\$49,062)
SUBTOTAL PARTICIPATING AGENCIES	\$30,409,576	\$15,941,543	\$13,510,918	\$59,862,037	\$65,241,792	(\$5,379,755)
SAN DIEGO	\$59,674,027	\$33,772,347	\$30,752,881	\$124,199,255		
TOTAL	\$90,083,602	\$49,713,890	\$44,263,800	\$184,061,292		

TABLE C

1,000

expressed in percents;

22426

4.7178

(a) Flows based on metered, housecounts and inter-agency flow, adjustment to City of San Diego flow for central, chemical additions reduction, plus an addition for recycled water.
(b) SS and COD characteristics based on samples taken by PUD's Environmental Monitoring and Technical Services Division through June 30, 2013 - proportionate share of return flow loadings calculated in the ADOUSTED ANNUAL USE BOX.

(c) Flow difference between metered/housecount and facility totals

TABLE D

CITY OF SAN DIEGO - METROPOLITAN WASTEWATER DEPARTMENT
ALLOCATION OF FISCAL YEAR 2013 ACTUAL COSTS
FUNCTIONAL-DESIGN BASED ALLOCATION METHOD

DESCRIPTION	FY 2013 ACTUAL COSTS	ALLOCATION OF COSTS						TOTAL COSTS
		FLOW %	FLOW COSTS	SS %	SS COSTS	COD %	COD COSTS	
<u>OPERATION AND MAINTENANCE :</u>								
TRANSMISSION AND SYSTEM MAINTENANCE	\$10,299,357	100.0%	\$10,299,357	0.0%	\$0	0.0%	\$0	\$10,299,357
OPERATIONS & MAINTENANCE	51,932,831	36.5%	18,939,316	34.3%	17,802,846	29.3%	15,190,669	51,932,831
TECHNICAL SERVICES	11,193,389	30.0%	3,358,017	40.0%	4,477,356	30.0%	3,358,017	11,193,389
COGENERATION	328,354	0.0%	0	60.0%	197,012	40.0%	131,342	328,354
METRO ADMIN & GENERAL EXPENSES - 41508	21,043,873	44.2%	9,300,665	30.5%	6,413,321	25.3%	5,329,887	21,043,873
METRO ADMIN & GENERAL EXPENSES - 41509	13,985,306	44.2%	6,181,022	30.5%	4,262,155	25.3%	3,542,129	13,985,306
TOTAL OPERATIONS AND MAINTENANCE	\$108,783,110	44.20%	\$48,078,377	30.48%	\$33,152,690	25.33%	\$27,552,043	\$108,783,110
<u>CAPITAL IMPROVEMENT PROGRAM :</u>								
PAY-AS-YOU-GO METRO 41508	0	55.8000%	0	22.0000%	0	22.2000%	0	0
PAY-AS-YOU-GO METRO 41509	19,367,404	55.8000%	10,807,012	22.0000%	4,260,829	22.2000%	4,299,564	19,367,404
DEBT SERVICE	55,910,778	55.8000%	31,198,214	22.0000%	12,300,371	22.2000%	12,412,193	55,910,778
TOTAL CAPITAL IMPROVEMENT PROGRAM	\$75,278,182	55.8%	\$42,005,226	22.0%	\$16,561,200	22.2%	\$16,711,756	\$75,278,182
TOTAL O&M & CAPITAL IMPROVEMENT PROGRAM	\$184,061,292	48.9%	\$90,083,602	27.0%	\$49,713,890	24.0%	\$44,263,800	\$184,061,292

Attachment 10

MetroTAC Update/Report

**Metro TAC Work Plan
Active & Pending Items
2016**

Active Items	Description	Member(s)
Board Members Orientation	Point Loma Permit Facility Negotiation History, This is the first part of a three part series. This item is to help Board Members understand the History and the issues surrounding the Pt. Loma waiver process and the waiver from Secondary Treatment under which PT. Loma currently operates. It is scheduled to be presented in April 2016. 4/16: Alan Langworthy and Tom Zeleny gave the attached presentation at the Metro Com/JPA meeting of April 7, 2016.	Greg Humora Paula de Sousa Mills
Board Members Orientation	1998 Regional Wastewater Disposal Agreement History. 4/16: This presentation will be given at the May 2016 Metro Com/JPA Meeting. <i>5/16: Paula de Sousa Mills reviewed the attached presentation with the Metro Commission/JPA members</i>	Greg Humora Paula de Sousa Mills
Board Members Orientation	Metro Revenues, Metro Rates, Exhibit E Audit	Greg Humora Paula de Sousa Mills Karyn Keese
PLWTP Permit Ad Hoc Work Group	8/15: Greg Humora and Scott Tulloch continue to meet with stakeholders. Cost allocation subcommittee continues to meet with City staff. Milestones are included in each month Metro TAC and Commission agenda packet.	Greg Humora Scott Tulloch SD staff & consultants Enviro members
Secondary Equivalency	5/14: Definition of secondary equivalency for Point Loma agreed to be enviros 12/14: Cooperative agreement signed between San Diego and enviros to work together to pass legislation for secondary equivalency (until 8/1/19) San Diego indicated that passage of Federal legislation is not possible under the current political environment. San Diego is exploring options for State legislation 9/15: Letter received from EPA endorsing modified permit for Point Loma	Greg Humora Scott Tulloch
Pure Water Program Cost Allocation Ad Hoc Work Group	A small working group was formed to discuss options to allocate PLWTP offset project costs among the water and wastewater rate payers. The goal is to have numbers in December 2015.	Greg Humora Scott Tulloch Roberto Yano Karyn Keese SD staff & consultants
Pure Water Program Cost Allocation Metro TAC Work Group	5/14: Draft facility plan and cost allocation table provided to Metro TAC working group 3/15: Draft cost allocation presentation provided to Metro TAC	Greg Humora Scott Tulloch Rick Hopkins Roberto Yano Al Lau Bob Kennedy Karyn Keese
Exhibit E Audit	10/15: FY13 and FY14 expected to be complete by end of 2015.	Karyn Keese Karen Jassoy

**Metro TAC Work Plan
Active & Pending Items
2016**

Active Items	Description	Member(s)
Amend Regional Wastewater Disposal Agreement	The addition of Pure Water facilities and costs will likely require the amendment of the 1998 Regional Wastewater Disposal Agreement. The Padre Dam billing errors have led to a need to either amend the Agreement and/or develop administrative protocols to help resolve potential future billing errors. The goal is to begin this effort in December 2015.	Greg Humora Roberto Yano Dan Brogadir Paula de Sousa Mills Karyn Keese
SDG&E Rate Plan	SDG&E has submitted a Rate Plan that would not only change some rate structures but will also shorten the off peak hours for users such as utilities. BBK will continue to monitor and update Metro TAC and Commission/JPA members on protest measures.	Paula de Sousa Mills
Industrial Waste Program Update	9/13: A performance audit was performed on the PUD's IWCP. The audit produced two findings and made 8 recommendations. PUD has hired Brown & Caldwell to perform a fee study and assist implementation of an updated program. A subcommittee of the Metro TAC was formed to work with PUD staff and the consultant.	Roberto Yano Ed Walton
Management of Non-Disposables in Wastewater	9/13: Eric Minicilli handed out a position paper prepared by the NEWEA. 6/15 Chairman Humora provided attached from SCAP. 2/16: Chairman Humora distributed Robbins Geller Rudman & Dowd memorandum.	Eric Minicilli
2015/16 Transportation Rate Update	5/14: Metro TAC approved 2014 transportation rate w/caveat that PUD staff hires a consultant to review/revise methodology for 2015.	Al Lau Dan Brogadir Karyn Keese
IRWMP	8/15 RAC minutes included in August Metro TAC agenda. Padre Dam received a \$6 million grant for their project.	Bob Kennedy Steve Beppler Greg Humora
Recycled Water Revenue	The Regional Wastewater Disposal Agreement states that revenues from South Bay are to be sewer revenues and proportionally shared with PA's. North City has similar requirements however the debt from the optimized system must first be repaid. 7/15: Recycled revenues from South Bay dispersed to PAs in June 2015. Karyn Keese will work with City staff to determine the remaining balance on the optimized system debt. 10/15: Reconciliation will be part of the FYE Exhibit E audit process.	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 pharmaceutical collection events within the region sponsored by law enforcement.	Greg Humora
Strength Based Billing Evaluation	San Diego will hire a consultant every three years to audit the Metro metered system to insure against billing errors.	Al Lau Dan Brogadir Karyn Keese
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.	Eric Minicilli
Padre Dam Mass Balance Correction	8/15: Final reconciliation was approved and checks/bills were sent in June 2015. 10/15: Administrative protocol is being crafted by PAs attorney's group to establish 4 year from the date of discovery as the statute of limitations for billing errors.	Greg Humora Karyn Keese Rita Bell
Point Loma Modified NPDES Permit	1/15: Permit was submitted. EPA has commented that they do not expect to review until 2016 and expect to issue permit in August 2016.	Greg Humora Scott Tulloch Karyn Keese

**Metro TAC Work Plan
Active & Pending Items
2016**

Active Items	Description	Member(s)
City of San Diego Recycled Water Pricing	8/15: PUD staff presented recycled water rate study to SD Environmental Committee, IROC, and Metro TAC with two options: a unitary rate and a zone rate. Metro TAC approved the unitary rate and requested SD open negotiations with their wholesale customers on a wholesale rate. 9/15: Metro Commission recommended zone rate. 11/17/15: San Diego Council approved unitary rate.	Karyn Keese Rita Bell
Changes in water legislation	Metro TAC and the Board should monitor and report on proposed and new legislation or changes in existing legislation that impact wastewater conveyance, treatment, and disposal, including recycled water issues	Paula de Sousa Mills
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.	Bill Sandke Ed Spriggs
City of San Diego Revised Procurement Process	8/12: San Diego City Engineer James Nagelvoort reported on recent changes to San Diego's procurement process to move projects through more quickly. San Diego no longer needs Council approval to award CIP projects under \$30 million and professional services contracts under \$1 million. TAC and the JPA still requested to review any contract awards. San Diego to prepare an approval threshold spreadsheet for Metro consideration.	Metro TAC
JPA 2017 Budget	The FYE 2017 Metro Com/JPA budget will be presented to the Metro TAC and Finance Committee in May 2016 at their regular meetings and to the Metro Com/JPA at their regular June 2017 meeting.	Greg Humora Paula de Sousa Mills Karyn Keese

History of Regional Wastewater Disposal Agreement

Metro Wastewater JPA

PRESENTED BY

Paula de Sousa Mills

General Counsel, Metro Wastewater JPA
Partner, Best Best & Krieger LLP

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History of Regional Wastewater Disposal Agreement

- What led up to the Regional Wastewater Disposal Agreement (“Regional Agreement”):
 - A whole lot:
 - The Participating Agencies (“PAs”) contracted with the City of San Diego for treatment and disposal through the Metro System but the PAs did not have:
 - A voice or role in governance
 - The ability to provide input on or undertake review of operations
 - The opportunity to undertake financial review
 - though the PAs paid 1/3 of the cost

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History of Regional Wastewater Disposal Agreement

- What led up to the Regional Agreement (cont.)
 - The PAs also did not have:
 - The ability to provide input on or undertake review of the \$2.5 Billion CIP
 - Confidence on accuracy of cost allocation between Muni and Metro
 - Any guaranteed share of new capacity



Special Act District

- In the early 1990's there was a shift
 - The San Diego Wastewater Management District (aka "Special Act District") was formed:
 - SB 1225 (1992), effective January 1, 1993
 - All PAs plus the City of San Diego were included
 - Governed by a 19 member board
 - Was intended to serve as a regional entity to possibly take over the ownership and operation of the Metro System



Special Act District

- A draft agreement was prepared, negotiated and debated
- Due to policy disagreements, the Special Act District Board concluded that it was not a viable entity to own and operate the Metro System
- Several member agencies withdrew:
 - City of San Diego
 - City of Chula Vista
 - City of El Cajon
 - City of La Mesa
 - County of San Diego



AFFORD

- Breakdown of Special Act District led to formation of “AFFORD”
 - Agencies for Fair & Objective Rate Determination
 - This was at a time where the PAs and City of San Diego were not communicating
 - Some PAs refused to pay their bills
 - AFFORD was getting ready to initiate litigation against the City of San Diego
 - “Cooler Heads Prevailed”
 - Resulted in “Principals of Understanding”



AFFORD Principles of Understanding

- “AFFORD” Leads to New Regional Wastewater Disposal Agreement (“Regional Agreement”)
 - Based on negotiated “Principles of Understanding”
 - Principle #1: Establishment of “Metro Commission”
 - Principle #2: PAs pay fair share based on flow for entire Metro System
 - Principle #3: City of SD would consider re-purchase of excess PA capacity and permit transfer of capacity
 - Principle #4: City of SD and PAs will continue to pursue legislative and regulatory remedies to minimize the cost of operation of the Metro System while meeting science based prudent ocean discharge requirements



AFFORD Principles of Understanding

- Principle #4: City of SD and PAs will continue to pursue legislative and regulatory remedies to minimize the cost of operation of the Metro System while meeting science based prudent ocean discharge requirements
- Principle #5: City of SD and PAs agree that an additional 15 mgd of reclaimed water capacity is required by the Ocean Pollution Reduction Act of 1994 (“OPRA”)
- Principle #7: City of SD agrees not to move forward with South Bay Water Reclamation Plant and related facilities until a joint engineering study is completed



AFFORD Principles of Understanding

- Principle #9: PAs will share in CIP and O&M costs for primary and secondary treatment at North City Reclamation Plant
- Principle #10 and #11: PAs will not pay for City of SD right-of-way charges and the City of SD will stabilize Metro invoicing, establishing a quarterly billing process
- Principle #12: City of SD would rebate penalty fees charged to PAs due to billing dispute
- Principle #13: Negotiation of new long-term uniform sewage disposal agreement(s)



Regional Agreement

- Principles of Understanding Memorialized in the New Regional Agreement
 - Key Terms of Regional Agreement:
 - Effective on May 18, 1998
 - Terminates on December 31, 2050
 - PAs and City of SD to start discussions on new agreement starting on December 31, 2040
 - PAs' Contract Capacity Rights survive termination of the Agreement
 - City of SD may abandon the Metro System after December 31, 2050 with 10 years advance notice to the PAs



Key Terms of Regional Agreement

- Metro Commission was established
- Right to provide input on:
 - Master Planning
 - CIP
 - Annual budget
 - Right to Audit
- Distinguished Metro from Muni Systems



Key Terms of Regional Agreement

- PAs own capacity in Metro System
 - May purchase more capacity (if approved by City of SD, and if no imbalance results)
 - May transfer capacity to another PA (if approved by the City of SD and if no imbalance)
- PAs pay for Metro System Facilities
- PAs also pay for O&M
 - Exceptions related to North City Water Reclamation Plant



Key Terms of Regional Agreement

- Charges based in Strength and Flow
 - Monitored by City of SD
 - Frequency and nature of monitoring of strength the same for PAs and City of SD
 - City of SD must provide its plans for monitoring to the PAs for review and comment prior to implementing

Key Terms of Regional Agreement

- System of Charges
 - Sewer System Charge (SSC)
 - Metro System Costs – Revenues
 - Existing Capacity Charge (ECC)
 - Established in Exhibit “C”
 - New Contract Capacity Charge (NCCC)
 - Cost of the New Capacity

Key Terms of Regional Agreement

- Sewer System Charge (SSC)
 - Metro System Costs less Revenues
 - Metro System Costs
 - Unless a listed “excluded cost” costs associated with administration, operation, maintenance, replacement, annual debt service costs and other periodic financing costs and charges, capital improvement, insurance premiums, claims payments and claims administration costs of the Metro System, including projected overhead
 - Fines or penalties imposed on the City of SD as a result of the operation of the Metro System, unless the fine/penalty is allocated to the City of SD or a PA
 - Costs incurred by the City of SD, including attorneys' fees, necessary to implement the terms of the Agreement



Key Terms of Regional Agreement

- Sewer System Charge (SSC)
 - Metro System Costs less Revenues
 - Costs Excluded from “Metro System Costs”
 - Muni System Costs
 - Costs for treating Non-PA sewage
 - Costs related to the City of SD’s inspection and monitoring program for the industrial dischargers
 - Right-of-way charges for the use of public streets of the City of SD or any PA
 - Capital Improvement Costs of any non-Metro System facility
 - Capital Improvement Costs for which an New Contract Capacity Charge is paid
 - Excluded Operation and Maintenance Cost for NCWRP



Key Terms of Regional Agreement

- Sewer System Charge (SSC)
 - Metro System Costs less Revenues
 - Metro System Revenues
 - Any grant or loan receipts or receipts that are attributable to the Metro System, including all compensation or receipts from the sale, lease, or other conveyance or transfer of any asset of the Metro System
 - All revenue from the sale, conveyance or transfer of any Metro System by-products, including, but not limited to gas, electrical energy, sludge products, and Reclaimed Water excepting therefrom any receipts related to sale of Reclaimed Water from NCWRP
 - Any portion of a New Contract Capacity Charge that constitutes reimbursement of costs previously paid for by the City and PAs
 - Penalties for discharge beyond Contract Capacity

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Key Terms of Regional Agreement

- Sewer System Charge (SSC)
 - Metro System Costs less Revenues
 - Revenues Excluded from Metro System Revenues
Include:
 - Capital Improvement Costs for which New Contract Capacity Charge is Paid
 - Proceeds from the issuance of debt for Metro system projects
 - Proceeds from the sale of Reclaimed Water used to pay for the Reclaimed Water Distribution System

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Key Terms of Regional Agreement

- Sewer System Charge (SSC)
 - The unit SSC rate determined by allocating costs (Metro Costs less Metro System Revenues) between parameters of:
 - Flow
 - Strength
 - COD-Chemical Oxygen Demand
 - SS-Suspended Solids

QUESTIONS?

City of San Diego
Metropolitan Sewerage System

Metro Facilities

I. Original Facilities

- Pt. Loma Wastewater Treatment Plant
- Pt. Loma Ocean Outfall
- Pump Station #1
- Pump Station #2
- South Metro Interceptor
- North Metro Interceptor
- Metro Force Mains 1 & 2
- Digested Sludge Pipeline
- Fiesta Island Sludge Processing Facility
- Fiesta Island Centrate Pipeline.

II. Fiesta Island Replacement Project (FIRP) And State Ocean Plan (SOP) Compliance Facilities

- Pt. Loma Outfall Extension
- Fiesta Island Replacement Project Digested Sludge Pipeline
- Fiesta Island Replacement Project Pump Station
- Metro Biosolids Center (FIRP Facilities)

III. Other Metro Facilities

- North City Water Reclamation Plant
- Metro Biosolids Center (NCWR Plant Related Facilities)
- North City Tunnel Connector
- North City Raw Sludge Pipeline
- Centrate Pipeline
- Rose Canyon Parallel Trunk Sewer
- Second Rose Canyon Trunk Sewer
- East Mission Bay Trunk Sewer
- Morena Blvd. Interceptor
- South Bay Water Reclamation Plant
- Dairy Mart Road & Bridge Rehab¹
- Grove Avenue Pump Station
- Grove Avenue Pump Station Sewer Pipeline

¹ The City and the Participating Agencies shall continue their joint effort to seek federal funding for the Dairy Mart Road and Bridge Rehabilitation Project with a goal of requiring 60% federal participation.

City of San Diego
Metropolitan Sewerage System

Metro Facilities

III. Other Metro Facilities (continued)

- South Bay Raw Sludge Pipeline
- South Bay Land/Ocean Outfall²
- Environmental Monitoring & Technical Services Laboratory
- Centrate Treatment Facility at Metropolitan Biosolids Center
- Sludge & Biosolids Management Facility (Monofill)
- Metro Operations Center (MOC) Complex
- Additional 8 mgd Water Reclamation Treatment Capacity

IV. Additional Metro Facilities

- A. Note: The below listed facilities will be required as part of the Metro System for hydraulic capacity, good engineering practices and/or compliance with applicable law, rules or regulations, including OPRA, and the continuation of the City's waiver of applicable treatment standards at the Point Loma Wastewater Treatment Plant ("Waiver").
- South Bay Sludge Processing Facility
 - South Bay Secondary Treatment Plant, Phase I (21 MGD)
 - South Bay Secondary Sewers, Phase I
- B. Note: These facilities will be required as part of the Metro System for hydraulic capacity, good engineering practices, compliance with OPRA, and to maintain the City's Waiver. In the event that hydraulic capacity demands, or the obligations of OPRA (or its successor) or the terms of the City's Waiver change, these facilities may not be required or may be modified or supplemented, as appropriate, pursuant to the terms of this Agreement.
- South Bay Secondary Treatment Plant, Phase II (28 MGD)
 - South Bay Secondary Sewers, Phase II

² The South Bay Land/Ocean Outfall is jointly owned by the International Boundary and Water Commission, U.S. Section (60.06%) and the City of San Diego (39.94%). The capacity of the City's portion of the outfall as of the date of this Agreement is 74 MGD average dry weather flow, of which the Metro System has a capacity right to 69.2 MGD and the City has an exclusive right to 4.8 MGD.

Metro TAC Participating Agencies Selection Panel Rotation

Agency	Representative	Selection Panel	Date Assigned
Padre Dam	Neal Brown	IRWMP – Props 50 & 84 Funds	2006
El Cajon	Dennis Davies	Old Rose Canyon Trunk Sewer Relocation	9/12/2007
La Mesa	Greg Humora	As-Needed Piping and Mechanical	11/2007
National City	Joe Smith	MBC Additional Storage Silos	02/2008
Otay Water District	Rod Posada	As-Needed Biological Services 2009-2011	02/2008
Poway	Tom Howard	Feasibility Study for Bond Offerings	02/2008
County of San Diego	Dan Brogadir	Strategic Business Plan Updates	02/2008
Coronado	Scott Huth	Strategic Business Plan Updates	09/2008
Coronado	Scott Huth	As-needed Financial, HR, Training	09/2008
PBS&J	Karyn Keese	As-needed Financial, Alternate HR, Training	09/2008
Otay Water District	Rod Posada	Interviews for Bulkhead Project at the PLWTP	01/2009
Del Mar	David Scherer	Biosolids Project	2009
Padre Dam	Neal Brown	Regional Advisory Committee	09/2009
County of San Diego	Dan Brogadir	Large Dia. Pipeline Inspection/Assessment	10/2009
Chula Vista	Roberto Yano	Sewer Flow Monitoring Renewal Contract	12/2009
La Mesa	Greg Humora	Sewer Flow Monitoring Renewal Contract	12/2009
Poway	Tom Howard	Fire Alarm Panels Contract	12/2009
El Cajon	Dennis Davies	MBC Water System Improvements D/B	01/2010
Lemon Grove	Patrick Lund	RFP for Inventory Training	07/2010
National City	Joe Smith	Design/Build water replacement project	11/2010
Coronado	Scott Huth	Wastewater Plan update	01/2010
Otay Water District	Bob Kennedy	RFP Design of MBC Odor Control Upgrade/Wastewater Plan Update	02/2011
Del Mar	Eric Minicilli	Declined PS 2 Project	05/2011
Padre Dam	Al Lau	PS 2 Project	05/2011
County of San Diego	Dan Brogadir	RFP for As-Needed Biological Services Co.	05/2011
Chula Vista	Roberto Yano	North City Cogeneration Facility Expansion	07/2011
La Mesa	Greg Humora	confined space RFP selection panel	10/2011
Poway	Tom Howard	COSS's for both Water and WW	10/2011
El Cajon	Dennis Davies	Independent Accountant Financial Review & Analysis – All Funds	01/2012

Lemon Grove	Mike James	MBC Dewatering Centrifuges Replacement (Passed)	01/2012
National City	Joe Smith	MBC Dewatering Centrifuges Replacement (Passed)	01/2012
Coronado	Godby, Kim	MBC Dewatering Centrifuges Replacement (Passed)	01/2012
Otay Water District	Bob Kennedy	MBC Dewatering Centrifuges Replacement (Accepted)/Strategic Planning Rep	01/2012
Del Mar	Eric Minicilli	New As Need Engineering Contract	02/2012
Padre Dam	Al Lau	PA Rep. for RFQ for As Needed Design Build Services (Passed)	05/2012
County of San Diego	Dan Brogadir	PA Rep. for RFQ for As Needed Design Build Services (Cancelled project)	05/2012
Chula Vista	Roberto Yano	As-Needed Condition Assessment Contract (Accepted)	06/2012
La Mesa	Greg Humora	New programmatic wastewater facilities condition (Awaiting Response)	11/2012
Poway	Tom Howard	Optimization Review Study	01/2013
El Cajon	Dennis Davies	PUD 2015 Annual Strategic Plan	1/15/14
Lemon Grove	Mike James	As-Needed Engineering Services (Passed)	7/25/14
National City	Kuna Muthusamy	As-Needed Engineering Services	7/25/14
Coronado	Ed Walton	Strategic Planning	01/2014
Otay Water District	Bob Kennedy	Strategic Planning (Volunteered, participated last year)	01/2014
Del Mar	Eric Minicilli	Pure Water Program Manager Services	9/1/14
Padre Dam	Al Lau	Pure Water Program Manager Services	9/1/14
County of San Diego	Dan Brogadir	As-Needed Condition Assessment Contract	3/24/2015
Chula Vista	Roberto Yano	Out on Leave	6/10/15
La Mesa	Greg Humora	North City to San Vicente Advanced Water Purification Conveyance System	6/10/15
Poway	Mike Obermiller	Real Property Appraisal, Acquisition, and Relocation Assistance for the Public Utilities Department	11/30/15
El Cajon	Dennis Davies	PURE WATER RFP for Engineering Design Services	12/22/15
Lemon Grove	Mike James	PURE WATER RFP Engineering services to design the North City Water reclamation Plant and Influence conveyance project	03/16/15
National City	Kuna Muthusamy	Passes	04/04/2016
Coronado	Ed Walton	As-Needed Environmental Services - 2 Contracts	04/04/2016
Otay Water District	Bob Kennedy	As Needed Engineering Services Contract 1 & 2	04/11/2016
Del Mar	Eric Minicilli		
Padre Dam	Al Lau		
County of San Diego	Dan Brogadir		
Chula Vista	Roberto Yano		
La Mesa	Greg Humora		
Poway	Tom Howard		
El Cajon	Dennis Davies		
Lemon Grove	Mike James		

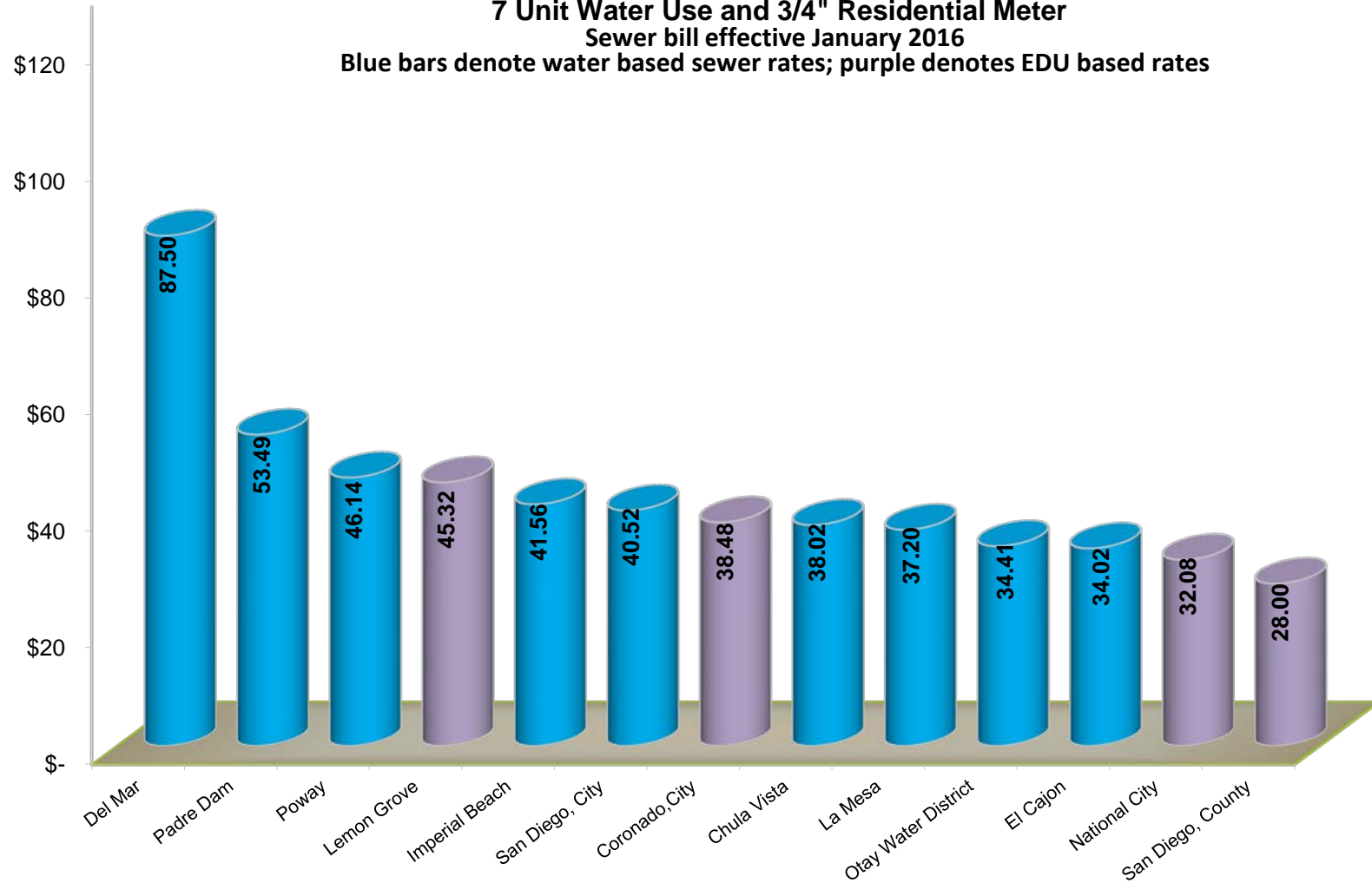
National City	Kuna Muthusamy		
Coronado	Ed Walton		
Otay Water District	Bob Kennedy		
Del Mar	Eric Minicilli		
Padre Dam	Al Lau		
County of San Diego	Dan Brogadir		
Chula Vista	Roberto Yano		
La Mesa	Greg Humora		
Poway	Mike Obermiller		
El Cajon	Dennis Davies		
Lemon Grove	Mike James		
National City	Kuna Muthusamy		
Coronado	Ed Walton		

Metro Member Agencies Sewer Rate Comparison

7 Unit Water Use and 3/4" Residential Meter

Sewer bill effective January 2016

Blue bars denote water based sewer rates; purple denotes EDU based rates



Attachment 11

Pt. Loma Permit Renewal Update

Point Loma Permit/Potable Reuse KEY MILESTONE DATES



04/28/2016

DATE	TASK	FOLLOW UP ACTION/STATUS
January	Begin outreach to regulators, legislators, key stakeholders and public	San Diego signed contract with Katz Assoc. 5/14
01/23/2014	San Diego meet with JPA on cost allocation. 1) Agree on methodology 2) Insert construction costs from facilities plan	San Diego to look at comparing PR facilities construction through secondary to secondary at Point Loma.
February	First draft of legislative language	Draft prepared
03/05/2014	San Diego (Ann, Brent, Bob, Allan) meet with EPA staff	Pure Water program was well received by EPA
10/08/2014	City of San Diego Environmental Committee	Consideration of Pt Loma Permit
10/16/2014	Metro Commission - VOTE on Supporting Permit	
11/18/2014	City of San Diego City Council Meeting	Consideration of Pt Loma Permit and Side Agreement. Passed 9-0
2015		
January	Submit NPDES Permit to the Environmental Protection Agency	Submitted! Regional Board expected to act on permit 9/16 or 11/16
	Prepare proposed lang for administrative fix to Clean Water Act	
	Be ready to provide lang for legislative fix to Clean Water Act	
05/20/2015	Present Phase 1 of cost allocation to Metro TAC	
06/04/2015	Metro JPA Strategic Planning Meeting at Pt Loma	
07/01/2015	Water Reliability Coalition Potable Reuse Media Training	
07/15/2015	Cost allocation meeting	
09/15/2015	City of San Diego City Council Request to set Prop 218 Public Hearing for water rate increase	218 Notice for water rates approved to be mailed out
09/17/2015	Letter received from EPA endorsing Pt Loma modified permit	
10/20/2015	Stakeholders meeting	
11/17/2015	City of San Diego Public Hearing for water rate increases	Water rate increases approved
11/23/2015	Cost allocation meeting	
2016		
04/19/2016	Stakeholders meeting	
06/21/2016	Stakeholders meeting	
	Finalize Phase 2 of cost allocation	
	Begin drafting updated wastewater disposal agreement	

Milestone Progress Dashboard

