



METRO TAC AGENDA
(Technical Advisory Committee to Metro JPA)

TO: Metro TAC Representatives and Metro Commissioners

DATE: Wednesday, July 20, 2016

TIME: 11:00 a.m. to 1:30 p.m.

LOCATION: MWWD, 9192 Topaz Way, (MOC II Auditorium) – Lunch will be provided

****PLEASE DISTRIBUTE THIS NOTICE TO METRO COMMISSIONERS AND METRO TAC REPRESENTATIVES****

1. Review and Approve MetroTAC Action Minutes for the Meeting of [June 15 2016](#) (**Attachment**)
2. Metro Commission/JPA Board Meeting Recap (Standing Item)
3. **PRESENTATION AND POSSIBLE ACTION:** FY 2014 Exhibit E Audit Report (Edgar Patino/MGO) (**Attachment**)
4. **REPORT:** Update from Regional Wastewater Disposal Agreement Flow Commitment Working Group (Greg Humora)
5. **REPORT:** Update from Social Media Working Group (Mike Obermiller)
6. **REPORT:** Update from Sample Rejection Protocol Working Group
7. Metro Wastewater Update (Standing Item)
8. Metro Capital Improvement Program and Funding Sources (Standing Item) (Tung Phung)
9. Financial Update (Standing Item) (Karyn Keese)
10. MetroTAC Work Plan (Standing Item) (Greg Humora) (**Attachment**)
11. Point Loma Permit Renewal (Standing Item) (Greg Humora)
12. Review of Items to be Brought Forward to the Regular Metro Commission/Metro JPA Meeting (**August 4, 2016**)
13. Other Business of Metro TAC
14. Adjournment ([To the next Regular Meeting August 17, 2016](#))

Metro TAC 2016 Meeting Schedule

January 20	May 18	September 21
February 17	June 15	October 19
March 16	July 20	November 16
April 20	August 17	December 21

Item 1

June 15, 2016

Minutes

Metro TAC
(Technical Advisory Committee to Metro Commission/JPA)

ACTION MINUTES

DATE OF MEETING: June 15, 2016

TIME: 11:00 AM

LOCATION: MOC II Auditorium

MEETING ATTENDANCE:

Greg Humora, La Mesa	Raina Amen, City of San Diego
Roberto Yano, Chula Vista	Brett Eidson, City of San Diego
Ed Walton, Coronado	John Helminski, City of San Diego
Eric Minicilli, Del Mar	Peggy Merino, City of San Diego
Yazmin Arellano, El Cajon	Edgar Patino, City of San Diego
Dennis Davies, El Cajon	Peter Vroom, City of San Diego
Chris Helmer, Imperial Beach	
Mike James, Lemon Grove	
Dexter Wilson, Lemon Grove	
Kuna Muthusamy, National City	
Steven Beppler, Otay WD	
Kevin Koepper, Otay WD	
Al Lau, Padre Dam MWD	
Mark Niemiec, Padre Dam MWD	
Mike Obermiller, Poway	
Terry Zaragoza, Poway	
Dan Brogadir, County of San Diego	
Karyn Keese, The Keze Group, LLC	
Lori Anne Peoples, Metro Comm/Metro JPA/MetroTAC	

Vice Chair Davies called the meeting to order at 11:05 a.m. and had those present introduce themselves.

1. Review and Approve MetroTAC Action Minutes for the Meeting of May 18, 2016

Roberto Yano moved approval of the May 18, 2016 minutes. The motion was seconded by Mike Obermiller and the minutes were approved unanimously.

2. Metro Commission/JPA Board Meeting Recap (Standing Item)

Karyn Keese provided a recap of the June 2, 2016 Metro Commission/Metro JPA meeting. She noted that they had heard the 3rd section in a training series which she provided on Metro Finance 101 which she had previously presented to TAC.

Also, that the JPA budget was reviewed and approved along with the City of San Diego Metro Wastewater budget and the contracts and agreements for those who support the JPA. The Board also heard the Pure Water presentation by John Helminski.

3. ACTION: Consideration and Possible Action to Approve the SCCWRP – 9th Amendment

Peter Vroom, City of San Diego Department Director of Environmental Monitoring and Services Division, provided a brief verbal report and Power Point presentation (see Attachment A to these minutes). He noted that the Southern California Coastal Water Research Project (SCCWRP) Authority was a joint powers authority (JPA), created in 1969 to enhance the scientific foundation for management of Southern California's ocean and associated coastal watershed resources. The study area extends from the coastline of the US/Mexico border to the Santa Barbara County Line. By virtue of the JPA entered into by the four Signatories to the agreement: City of San Diego; City of Los Angeles; Orange County Sanitation District and the County Sanitation District of Los Angeles, they agreed to provide annual funding for research conducted and coordinated by this agency.

The SCCWRP is governed by a ten member Commission composed of representatives from the US Environmental Protective Agency Region IX; State Water Resources Control Board; three Regional Water Quality Control Boards representing the San Diego, Los Angeles and Santa Ana County Regions; County Sanitation Districts of Los Angeles; Orange County Sanitation District; Bureau of Sanitation City of Los Angeles; City of San Diego's Public Utilities Department; and the California Resources Agenda, Ocean Protection Council.

This Ninth Amendment to the JPA will provide for the continuation of SCCWRP for another four years beginning with fiscal year 2018.

The total not to exceed amount is \$1,850,000 to be expended as follows:

FY 2018 = \$425,000
FY 2019 = \$450,000
FY 2020 = \$475,000
FY 2021 = \$500,000

Annual reports are put out and are available on the SCCWRP website.

Edgar Patino stated that the cost to the PA's is already included in the estimated annual billing.

Upon motion by Roberto Yano and seconded by Eric Minicilli, the item was approved unanimously for forwarding to the Metro Commission/Metro JPA.

4. ACTION: Consideration and Possible Action to Establish a Sample Rejection Protocol Working Group

Raina Amen stated that the City of San Diego had hired Brown & Caldwell to perform a review of the Metro strength based billing procedures in 2012. They had come up with 19 recommendations of which 18 were implemented. The one remaining recommendation, the sample rejection protocol, has been under discussion at Metro TAC for several months. Staff found certain pros and cons regarding this recommendation and therefore is requesting the establishment of a working group to review them.

Karyn Keese stated she is in agreement with the establishment of a working group so that these issues can be worked out without holding up the close of the FYE 2014 and FYE 2015 Audits.

MetroTAC Chair Greg Humora stated that he personally felt since this is such a complicated issue due to the change in sampling in FY 2014, that the City of San Diego's recommendation to leave the FYE 2014, 2015 and 2016 sampling procedures as is and take a year to review and make a determination for all future years was a good one. Thus the working group would take up FYE 2017.

Upon motion by Greg Humora and seconded by Mike James, to approve the City of San Diego recommendation that a working group be established and any protocol recommendations not be implemented until FY 2017 allowing existing audits in process, to be completed and time to further study the impacts of the change implementations, was approved unanimously.

The following MetroTAC members volunteered to be on the working group: Dan Brogadir, Dennis Davies, Mark Niemiec or Al Law and Dexter Wilson.

5. REPORT: Update from Regional Wastewater Disposal Agreement Flow Commitment Working Group

Yazmin Arellano, City of El Cajon, reported that the working group had held their 1st meeting prior to this MetroTAC meeting to review the agreement. They have also initiated contact with the San Diego County Water Authority to see if they had any provisions in their agreement for withdrawal of participants.

6. REPORT: Update from Social Media Working Group

Mike Obermiller, City of Poway, thanked those who had forwarded their media policies to him for review. He has started crafting a policy and hopes to have the draft available for review at the next MetroTAC meeting.

7. Metro Wastewater Update (Standing Item)

1. John Helminski, City of San Diego, provided an update on the Pure Water presentation and noted that a few actions would be coming forward. Montgomery Watson was given task orders on the Pure Water Program EIR and is moving forward to present to San Diego Council in September so MetroTAC will hear the outcome in July and the Metro Commission/Metro JPA in August.
2. Brett Eidson, City of San Diego, stated that SB163 had gutted the original bill and threw in wastewater requirements. Staff is working with those in Sacramento to oppose this legislation. Amendments in June changed the bill, some were good, but most were bad. (See Attachment B to these minutes).

8. Metro Capital Improvement Program and Funding Sources (Standing Item)

No report given.

9. Financial Update (Standing Item)

No report given.

10. MetroTAC Work Plan (Standing Item)

Chair Humora stated that the working groups were filling up and requested those present review the list attached to the Work Plan and get signed up on one or two as it is "the thing to do!"

11. Point Loma Permit Renewal (Standing Item)

Chairman Humora stated that they are still working with San Diego staff to get the cost allocation information out. The working group has seen this once in draft form with the Phase 1 being facilities list location, water or wastewater cost. Phase 2 is cost avoidance and figuring out how to share costs long term. Phase 3 is any agencies interested in keeping their wastewater. . The original 15mgd in North City is now 30 mgd and he wants to be sure to get the updates to everyone and catch up on communications.

John Helminski stated that at the next meeting he will present Phase 1 Cost Allocation.

Greg Humora inquired of John Helminski, since water uses a lot of power, won't going to Pure Water reduce the greenhouse gasses for everyone. John stated it would and there would be a net offset between energy uses statewide. Further, that this topic will be addressed in the Climate Action Plan.

12. Review of Items to be Brought Forward to the Regular Metro Commission/Metro JPA Meeting (August 4, 2016)

None

18. Other Business of Metro TAC

None.

19. Adjournment to the next Regular Meeting, July 20, 2015

At 11:58 the meeting was adjourned.

Item 3

FY 2014 Exhibit E
Audit Report

**METRO JPA/TAC
Staff Report
Date: July 15, 2016**

Project Title: Schedule of Allocation for Billing to Metropolitan Wastewater Utility and Independent Auditors Report (Exhibit E Audit)

Requested Action: Review and accept Auditor's Report and year-end reconciliation

Recommendations: Accept Auditor's Report and year-end reconciliation

Metro TAC:	July 20, 2016
IROC:	N/A
Prior Actions: (Committee/Commission, Date, Result)	

Fiscal Impact:

Is this projected budgeted?	Yes ☒ No ☐
Cost breakdown between Metro & Muni:	See attached year-end reconciliation
Fiscal impact to the Metro JPA:	(\$2,555,142) total. See Table B for individual agency fiscal impact.

Capital Improvement Program:

New Project?	Yes ☐ No ☐ N/A ☐
Existing Project?	Yes ☐ No ☐ Upgrade/addition ☐ Change ☐

Previous TAC/JPA Action: None

Additional/Future Action: Metro Finance Committee and Metro JPA/Commission

City Council Action: N/A

Background:

FYE 2014's "Schedule of Allocation for Billing to Metropolitan Wastewater Utility and Independent Auditors Report" (Exhibit E Audit) was completed on June 27, 2016. A copy of the Auditor's Report and the Reconciliation of FYE 2014 based on the audited numbers are attached to this staff report.

CHANGES IN BILLING/RECONCILIATION

There were two major changes to the billing and reconciliation that occurred this year:

- For FYE 2014 the SS and COD percentages were determined from a new sample data set taken during the fiscal year and annual monitored flow and not cumulative sampling as previously done in prior audits. PUD staff will add data set points until the most recent 5-year rolling samples are obtained and used to determine the SS and COD. This is per the agreed upon Brown

& Caldwell (B&C) recommendation from their 2013 Study. Comparing FY13 and FY14 with regards to loadings is not a good comparison based on the explanation above in implementing the B&C recommendation.

- In addition, in FYE 2014 the participating agencies (PAs) Operating Reserve was short of the 45 day requirement per the Admin Protocol. As done in the past the necessary individual PA contribution was withheld in order to be in compliance. This can be found on Table B of the reconciliation.

EXPENDITURES AND INCOME CREDITS

The final operating and capital expenses can be found on Page 3 of the Auditor's Report. The year-end total \$185,843,139 is only \$1.8 million (.97%) higher than FYE 2013. Highlights of the increase areas of expenditures for the year are:

- Treatment costs increased at Pt. Loma due to such things as a new contract for cleaning Pt Loma's digesters (\$2,543,974), purchase of a 25-year easement Navy owned land (\$741,000), and an Increase in Ferrous Chloride use (\$382,203) which was necessary to meet regulatory limits while two digesters were out of service.
- Engineering cost increased due to work on many new contracts, including the South and North Metro Interceptors, the Condition Assessment of Large Pipelines and Pump Stations, Operation Optimization, and Pure Water Project (PWP). The total amount spent in the new contracts was \$2,461,227.
- General and Administrative costs increased due to IT Data Center costs (\$400K), purchase of IT software (\$500K), a one-time audit finding of \$416K as discussed under the Findings section of this staff report, and additional required security services of \$677K.

There was a major offset to the CIP and overall annual expenses by an increase to Metro Revenue of \$6.5 million over FYE 2013 which was due to more SRF reimbursements being received for the Pt Loma Grit Processing Project, SRF Loan # C-06-4395-110. Many FY13 expenditures were not reimbursed until FY14 by the State.

FINDINGS

As in prior years MGO issued a clean unqualified opinion. There were four findings out of all the samples tested which totaled \$1,048,890.71. The total of these finding increased the annual Metro operating expense this year. There were two minor findings totaling (\$16,448.82). The two major findings were:

- It was discovered that the enterprise funds (water, wastewater, etc.) had not been charged for the annual MGO audit since 2008. All audit expenses have been paid by the San Diego General Fund in error. The statute of limitations of four years capped the Metro expense at \$416,068.77 with San Diego Muni customers assuming the costs of the other years
- Chemicals that have been injected into the East Mission Bay Trunk Sewer for odor control and pre-treatment where charged in error to Muni when this is a Metro facility. The total adjustment for three years was \$649,270.76.

YEAR END RECONCILIATION

Table B of the year-end reconciliation shows the total PA share of the FYE 2014 operations and CIP costs and income credits of \$62,365,396. The PAs had collectively been billed \$65,361,075 and thus the total refund of \$2,995,679 is due to the PAs. As discussed earlier the operations reserve is \$440,536 short and this has been deducted leaving the total refund to the PAs of \$2,555,142. Table B shows the individual amounts paid by each PA and the individual year-end prorate share of the expenses

Discussion: *N/A*

Bid Results: *N/A*

**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, 2014



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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, 2014

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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, 2014, 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, 2014, 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 June 27, 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.

Macias Gini & O'Connell LLP

San Diego, California

June 27, 2016

CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT
Schedule of Allocation for Billing to Metropolitan Wastewater Utility
For the Fiscal Year Ended June 30, 2014

	Operating Expenses		
	Municipal System	Metropolitan System	Total
Transmission			
Main Cleaning	\$ 12,632,918	\$ -	\$ 12,632,918
Sewer Pump Stations.....	5,163,749	649,271	5,813,020
Other Pump Stations.....	6,571,755	847,429	7,419,184
Pump Station 1.....	-	2,690,863	2,690,863
Pump Station 2.....	-	6,970,950	6,970,950
Other Muni Agencies.....	2,251,963	-	2,251,963
Pipeline Maintenance & Repair.....	11,993,632	2,241	11,995,873
Wastewater Collection (WWC) Engineering and Planning.....	2,602,691	-	2,602,691
Total Transmission.....	41,216,708	11,160,754	52,377,462
Treatment and Disposal			
Point Loma Wastewater Treatment Plant (PTLWWTP).....	-	28,076,266	28,076,266
North City Water Reclamation Plant (NCWRP).....	-	8,719,116	8,719,116
South Bay Water Reclamation Plant (SBWRP).....	-	7,740,000	7,740,000
Metropolitan Biosolids Center (MBC).....	-	15,701,359	15,701,359
Gas Utilization Facility (GUF).....	-	2,518,440	2,518,440
Wastewater Treatment and Disposal (WWTD) Plant Engineering.....	-	596,425	596,425
Total Treatment and Disposal.....	-	63,351,606	63,351,606
Quality Control			
Sewage Testing and Control.....	2,663,889	465,138	3,129,027
Marine Biology and Ocean Operations.....	-	5,373,330	5,373,330
Wastewater Chemistry Services.....	190	5,751,872	5,752,062
Industrial Permitting and Compliance.....	3,316,064	-	3,316,064
Total Quality Control.....	5,980,143	11,590,340	17,570,483
Engineering			
Program Management and Review.....	3,456,006	5,514,918	8,970,924
Environmental Support.....	1,315,207	236,092	1,551,299
Total Engineering.....	4,771,213	5,751,010	10,522,223
Operational Support			
Central Support: Clean Water Operations Management Network (Comnet).....	176,517	3,218,559	3,395,076
Operational Support.....	1,486,015	6,495,295	7,981,310
Total Operational Support.....	1,662,532	9,713,854	11,376,386
General and Administration			
Business Support Administration.....	24,471,554	19,373,163	43,844,717
Operating Division Administration.....	6,987,216	5,530,846	12,518,062
Total General and Administration.....	31,458,770	24,904,009	56,362,779
TOTAL OPERATING EXPENSES.....	85,089,366	126,471,573	211,560,939
CAPITAL IMPROVEMENT EXPENSE.....	54,100,755	21,365,868	75,466,623
DEBT SERVICE ALLOCATION.....	47,696,663	53,192,903	100,889,566
METROPOLITAN SYSTEM INCOME CREDITS.....			
Operating Revenue.....	-	(5,547,245)	(5,547,245)
CIP - Revenue Bond Issue.....	-	-	-
Operating - Grant Revenue.....	-	-	-
CIP - Grant/State Revolving Fund (SRF) Revenue.....	-	(9,639,960)	(9,639,960)
TOTAL METROPOLITAN SYSTEM INCOME CREDITS.....	-	(15,187,205)	(15,187,205)
TOTAL ALLOCATION FOR BILLING PURPOSES.....	\$ 186,886,784	\$ 185,843,139	\$ 372,729,923

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, 2014

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

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.
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.

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, 2014

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 represents 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 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 2014 are not included in the fiscal year 2014 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. Beginning in fiscal year 2014, the percentages were determined from a new sample data set taken during the fiscal year and annual 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.

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 2014 was credited to the operating reserve, which ended the fiscal year with a 45-day reserve. In fiscal year 2014, the Participating Agencies contributed \$440,536 to meet the 45-days reserve.

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, 2014

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 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 fiscal year 2015, final agreement consensus was reached regarding how to account for the City's flow through the North City Water Reclamation Plant and correction was made for fiscal years 2009 through 2012 as part of the audit and closeout procedures.



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Century City

Encino

Newport Beach

San Diego

**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, 2014, and the related notes to the Schedule, and have issued our report thereon dated June 27, 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.

Macias Gini & O'Connell LLP

San Diego, California
June 27, 2016

TABLE A

CITY OF SAN DIEGO - METROPOLITAN WASTEWATER DEPARTMENT
FISCAL YEAR 2014 UNIT COSTS
FUNCTIONAL-DESIGN COST ALLOCATION METHOD

TREATMENT PARAMETER	FY 2014 ACTUALS		UNITS		COST PER UNIT
WASTEWATER FLOW	AMOUNT	%			
	\$88,906,555	47.8%	59,537	(a)	\$1,493.30 /per Million Gallons
SUSPENDED SOLIDS	\$51,894,997	27.9%	164,246	(b)	\$315.96 /per Thousand Pounds
CHEMICAL OXYGEN DEMAND	\$45,041,587	24.2%	323,616	(c)	\$139.18 /per Thousand Pounds
TOTAL	\$185,843,140	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
DISTRIBUTION OF SYSTEM WASTEWATER ACTUALS - FISCAL YEAR 2014
FUNCTIONAL-DESIGN BASED ALLOCATION METHOD

AGENCY	ALLOCATION OF COSTS BY FLOW, SUSPENDED SOLIDS AND CHEMICAL OXYGEN DEMAND				TOTAL PAID FOR FY 2014	DIFFERENCE	Operating Reserve	NET
	FLOW (a)	SS (a)	COD (a)	TOTAL FLOW, SS & COD				
CHULA VISTA	\$9,033,393	\$5,065,774	\$4,590,982	\$18,690,149	\$19,481,364	(\$791,215)	\$132,589	(\$658,626)
CORONADO	904,945	566,049	421,652	1,892,646	\$2,109,324	(\$216,678)	\$13,282	(\$203,396)
DEL MAR	313,830	232,394	116,562	662,786	\$668,267	(\$5,481)	\$4,606	(\$875)
EAST OTAY MESA	29,230	15,567	13,367	58,164	\$138,634	(\$80,470)	\$429	(\$80,041)
EL CAJON	4,258,294	2,804,414	2,289,503	9,352,211	\$8,167,074	\$1,185,137	\$62,502	\$1,247,639
IMPERIAL BEACH	1,262,728	565,051	471,395	2,299,174	\$2,381,975	(\$82,801)	\$18,534	(\$64,267)
LA MESA	2,660,752	1,085,973	976,191	4,722,916	\$4,865,426	(\$142,510)	\$39,054	(\$103,456)
LAKESIDE/ALPINE	1,574,841	983,679	775,252	3,333,772	\$3,690,304	(\$356,532)	\$23,115	(\$333,417)
LEMON GROVE	1,191,394	561,351	507,339	2,260,084	\$2,295,056	(\$34,972)	\$17,487	(\$17,485)
NATIONAL CITY	2,279,339	1,176,694	1,186,535	4,642,568	\$5,000,290	(\$357,722)	\$33,455	(\$324,267)
OTAY	121,620	395,481	160,279	677,380	\$1,021,725	(\$344,345)	\$1,785	(\$342,560)
PADRE DAM	1,488,558	1,426,451	1,120,003	4,035,012	\$3,634,940	\$400,073	\$21,849	\$421,921
POWAY	1,595,344	913,413	685,078	3,193,835	\$3,712,868	(\$519,033)	\$23,416	(\$495,617)
SPRING VALLEY	2,763,095	1,386,934	1,228,985	5,379,014	\$7,305,882	(\$1,926,868)	\$40,556	(\$1,886,312)
WINTERGARDENS	536,662	349,031	279,992	1,165,685	\$887,946	\$277,739	\$7,877	\$285,616
SUBTOTAL PARTICIPATING AGENCIES	\$30,014,025	\$17,528,256	\$14,823,115	\$62,365,396	\$65,361,075	(\$2,995,679)	\$440,536	(\$2,555,142)
SAN DIEGO	\$58,892,528	\$34,366,742	\$30,218,471	\$123,477,741				
TOTAL	\$88,906,553	\$51,894,998	\$45,041,586	\$185,843,137				

(a) Allocations based on estimated annual flows and strength loadings - See Table C

TABLE C

CITY OF SAN DIEGO - METROPOLITAN WASTEWATER DEPARTMENT
SYSTEM WASTEWATER CHARACTERISTICS - FISCAL YEAR 2014
SYSTEM STRENGTH LOADINGS INCLUDED

AGENCY	WASTEWATER CHARACTERISTICS			UNADJUSTED ANNUAL USE			ADJUSTED ANNUAL USE		
	AVERAGE FLOW - mgd (a)	SS mg/l (b)	COD mg/l (b)	2014 FLOWS million gallons	SS thousand pounds	COD thousand pounds	2014 FLOWS million gallons	SS thousand pounds	COD thousand pounds
CHULA VISTA	15.466	268	746	5,645.097	12,644	35,132	5,686.558	16,033	32,985
CORONADO	1.549	299	684	565.513	1,413	3,227	569.667	1,792	3,029
DEL MAR	0.537	354	545	196.117	580	892	197.557	736	837
EAST OTAY MESA	0.050	255	671	18.266	39	102	18.400	49	96
EL CAJON	7.291	315	789	2,661.069	7,000	17,520	2,680.614	8,876	16,450
IMPERIAL BEACH	2.162	214	548	789.097	1,410	3,607	794.893	1,788	3,387
LA MESA	4.555	195	538	1,662.742	2,711	7,470	1,674.954	3,437	7,014
LAKESIDE/ALPINE	2.696	299	722	984.141	2,455	5,933	991.369	3,113	5,570
LEMON GROVE	2.040	226	625	744.519	1,401	3,882	749.988	1,777	3,645
NATIONAL CITY	3.902	247	764	1,424.392	2,937	9,080	1,434.853	3,724	8,525
OTAY	0.208	1,556	1,934	76.002	987	1,227	76.560	1,252	1,152
PADRE DAM	2.549	459	1,104	930.222	3,560	8,571	937.054	4,515	8,047
POWAY	2.731	274	630	996.954	2,280	5,242	1,004.276	2,891	4,922
SPRING VALLEY	4.731	240	653	1,726.698	3,462	9,405	1,739.380	4,390	8,830
WINTERGARDENS	0.919	311	766	335.368	871	2,143	337.831	1,105	2,012
SUBTOTAL PARTICIPATING AGENCIES	51.387	280	725	18,756.198	43,750	113,432	18,893.954	55,476	106,501
SAN DIEGO	100.830	279	753	36,802.789	85,779	231,244	37,073.089	108,770	217,114
REGIONAL SLUDGE RETURNS	9.781	332	208	3,570.065	9,880	6,187			
FLOW DIFFERENCE	1.118	7,294	(8,002)	408.057	24,837	(27,247)			
TOTAL	163.115	331	651	59,537.108	164,246	323,616	55,967.043	164,246	323,616

(a) Flows based on metered, housecounts and inter-agency flow, net adjustment to City of San Diego (Centrate (MBC Return) & North City Recycled Water)

(b) SS and COD characteristics based on standard deviation cumulative samples taken by MWWd's Environmental Monitoring and Technical Services Division up to 06-30-14. East Otay Mesa SS & COD is an average of Lakesid/Alpine, Spring Valley and Wintergardens.

TABLE D

CITY OF SAN DIEGO - METROPOLITAN WASTEWATER DEPARTMENT
ALLOCATION OF FISCAL YEAR 2014 ACTUALS
FUNCTIONAL-DESIGN BASED ALLOCATION METHOD

DESCRIPTION	FY 2014 ACTUALS	ALLOCATION OF COSTS						
		FLOW %	FLOW COSTS	SS %	SS COSTS	COD %	COD COSTS	TOTAL COSTS
<u>OPERATION AND MAINTENANCE :</u>								
TRANSMISSION AND SYSTEM MAINTENANCE	\$11,160,754	100.0%	\$11,160,754	0.0%	\$0	0.0%	\$0	\$11,160,754
OPERATIONS & MAINTENANCE	60,236,741	36.8%	22,171,030	34.4%	20,727,097	28.8%	17,338,613	60,236,741
TECHNICAL SERVICES	11,125,202	30.0%	3,337,561	40.0%	4,450,081	30.0%	3,337,561	11,125,202
COGENERATION	1,144,608	0.0%	0	60.0%	686,765	40.0%	457,843	1,144,608
METRO ADMIN & GENERAL EXPENSES - 41508	22,057,274	43.8%	9,667,167	30.9%	6,818,530	25.3%	5,571,577	22,057,274
METRO ADMIN & GENERAL EXPENSES - 41509	17,815,049	43.8%	7,807,903	30.9%	5,507,138	25.3%	4,500,008	17,815,049
TOTAL OPERATIONS AND MAINTENANCE	\$123,539,626	43.83%	\$54,144,414	30.91%	\$38,189,611	25.26%	\$31,205,601	\$123,539,626
<u>CAPITAL IMPROVEMENT PROGRAM :</u>								
PAY-AS-YOU-GO METRO 41508	8,101,340	55.8%	4,520,129	22.0%	1,782,114	22.2%	1,799,096	8,101,339
PAY-AS-YOU-GO METRO 41509	1,009,270	55.8%	563,121	22.0%	222,017	22.2%	224,133	1,009,271
DEBT SERVICE	53,192,903	55.8%	29,678,891	22.0%	11,701,255	22.2%	11,812,757	53,192,903
TOTAL CAPITAL IMPROVEMENT PROGRAM	\$62,303,513	55.8%	\$34,762,141	22.0%	\$13,705,386	22.2%	\$13,835,986	\$62,303,513
TOTAL O&M & CAPITAL IMPROVEMENT PROGRAM	\$185,843,139	47.8%	\$88,906,555	27.9%	\$51,894,997	24.2%	\$45,041,587	\$185,843,139

Item 10

MetroTAC Work Plan

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

Active Items	Description	Member(s)
Sample Rejection Protocol Working Group	<i>7/16: The sample rejection protocol from the B&C 2013 report has been under discussion between PUD staff and Metro TAC. A working group was formed to deal with this highly technical issue and prepare draft recommendations on any changes to current sampling procedures. Any protocol recommendations will not be implemented until FY 2017.</i>	Dennis Davies Dan Brogadir Al Lau Dexter Wilson SD staff
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
Flow Commitment Working Group	6/16: Upon the request of Metro Com Chair Jim Peasley Chairman Humora created a working group to review the Flow Commitment section of the Regional Agreement and make recommendations on the fiscal responsibilities of members who might withdraw their flow from the Metro System. The Work Group held their first meeting June 24, 2016. Yazmin Arellano will chair the work group. <i>7/16: The work group continues to meet prior to Metro TAC meetings.</i>	Greg Humora Yazmin Arellano Roberto Yano Eric Minicilli Al Lau SD staff Karyn Keese
Social Media Working Group	6/16: Upon the request of Metro Com Chair Jim Peasley Chairman Humora created a working group to research and provide input on the creation of policies and procedures for Metro JPA social media. Mike Obermiller will chair this work group. He sent out an email to all Metro TAC members requesting copies of their agency's policies. <i>7/16: Mike will present a draft of the policy to Metro TAC at their July 2016 meeting.</i>	Greg Humora Mike Obermiller
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 6/16: Pursuit of Federal Legislation will be held off until after the November 2016 election.	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. 6/16: FYE 2013 audit accepted by Metro Commission; FYE 2014 and FYE 2015 will be completed by end of the summer 2016. <i>7/16: FYE 2014 audit completed June 27, 2016.</i>	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
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. <i>7/16: Need an update.</i>	Bob Kennedy Steve Beppler Greg Humora
"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
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. <i>7/16: Need to update.</i>	Greg Humora Scott Tulloch Karyn Keese
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

**Metro TAC Work Plan
Completed Items
2016**

Completed 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. 6/16: Presentation is on JPA Website	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. 5/16: Paula de Sousa Mills reviewed the attached presentation with the Metro Commission/JPA members. 6/16. Presentation is on JPA Website.	Greg Humora Paula de Sousa Mills
Board Members Orientation	Metro Revenues, Metro Rates, Exhibit E Audit. 6/16: Karyn Keese reviewed the budgets, audits, and history of the JPA finances as well as the City of San Diego Metro and PAs portion of same. Presentation attached to this month's work plan and on JPA website.	Greg Humora 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
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
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. 6/16: FYE 2017 JPA budget adopted by the Metro Commission at their June 2016 meeting.	Greg Humora Paula de Sousa Mills Karyn Keese
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

**Metro TAC Work Plan
Completed Items
2016**

Completed Items	Description	Member(s)
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
Rate Case	6/12: San Diego hired Black & Veatch as their rate consultant. 2/13: Preliminary results were reported at the IROC Meeting of 2/19/13. 3/13: Karyn Keese attended a joint workshop with IROC to review the draft revenue requirement for the Rate Case. 6/13: San Diego is only moving forward with Water Rate Case due to needed rate increase. Wastewater does not appear to need a rate adjustment for two years.	Karyn Keese
Debt finance and reserve coverage fiscal Issues	The debt finance and reserve coverage issues have been resolved. Refunds totaling \$12.3 million were sent to most of the PA's. 10/26/11: 2010 will be the first year where the PAs will be credited with interest on the debt service reserve and operational fund balances. Interest will be applied as an income credit to Exhibit E when that audit is complete.	Greg Humora Karen Jassoy Karyn Keese
2012 Metro JPA Strategic Plan	2/2011: committee to meet 2/28/11 to plan for retreat to be held on 5/5/11. Retreat held and wrap up presented to the Commission at their June Meeting. JPA strategic planning committee to meet to update JPA Strategic Plan and prepare action items. 1/12: Draft strategic plan reviewed by Board and referred to Metro TAC for input. MetroTAC has created a subcommittee to work on this project. 2/12: Metro TAC has completed their final review. Forwarded to Commission. 4/12: Adopted at April 2012 Metro JPA Meeting. Project complete.	Augie Caires Ernie Ewin
2012 Recycled Water Study	As part of the 2010 secondary waiver process, San Diego agreed to perform a recycled water study within the Metro service area. MetroTAC representatives participated in the working groups. TM #8 Costs estimates are out and PAs provided comments on TM#8 and have asked for a technical briefing. 3/12: Final draft available for comments 5/12 PUD staff presented the Recycled Water Study to the Metro JPA at their May meeting. Metro JPA approved the Study as a planning document. Study moved forward to SD City Council in July 2012 with letter of support from JPA. 7/12: City of San Diego approved the Recycled Water Study; Study submitted on time to Coastal Commission. Final report uploaded to JPA website. 11/12: San Diego received a letter from the Coastal Commission. Metro Commission consensus was that based on the tone of the Coastal Commission letter the region may be seeing some time line changes relative to San Diego's projections on the implementation of IPR and that the MetroTAC needs to manage all aspects including the Coastal Commission and multiple issues such as desalination water, Coastal Commissions attitude at this point and pending IPR programs we have heard about.	Scott Huth Al Lau Scott Tulloch Karyn Keese

**Metro TAC Work Plan
Completed Items
2016**

Completed Items	Description	Member(s)
IRWMP	4/12: Metro TAC received a presentation from Cathy Pieroni (City of San Diego) on the Integrated Regional Water Management Program (IRWMP). Group is still relatively informal but plans to become more structured during its upcoming 2 year plan update. There is a governance & finance work group that starts in the 3rd quarter of 2012 and at that point the JPA role will be examined. Padre Dam and Chula Vista are regular participants. 9/19: Cathy Pieroni gave an update. Recommendation by IRWM to the RAC to include a seat for the Metro JPA. Bob Kennedy will attend the October 3, 2012 meeting representing the JPA. 11/12: At their November 2012 meeting the Metro Commission unanimously appointed Bob Kennedy of Otay Water District as primary and Metro TAC Chairman Greg Humora as alternate to the IRWMP RAC. 2/13: On February 6, 2013 Bob Kennedy attended the IRWMP meeting. Metro JPA has been added as a permanent member of the Water Quality subcommittee of the RAC. Closed 4/12 as the Metro JPA has become a member.	Bob Kennedy Greg Humora
Ebola Protocol for Protection of Wastewater Staff	11/14: Members of Metro TAC discussed their concerns over protecting their wastewater crews from exposure to viruses such as Ebola. A recent panel of AWWA experts came to a conclusion that there are no current guidelines available from the CDC. Ann Sasaki stated that she will find if San Diego has a protocol on this and report back. It was suggested that ADS might have a protocol and should be contacted. SCAP has not released anything as well. 12/14: Tom Howard reported that the CDC has provided guidelines and will provide a copy of it to be included in the December minutes. 3/15: continued guidelines are being released.	Mike Obermiller Tom Howard
JPA Website Update	5/13: The Metro TAC would like to update the current website as it is outdated. A review of the current website and its limitations will be on the Metro TAC agenda in the next couple months. 9/13: Greg & Karyn have been working with Vision Internet to finalize a scope of work and contract. These will go to the JPA for approval at their October meeting. 1/14: The contract has been negotiated and approved and Vision has started on the framework for the website. 3/15: New website has launched.	Greg Humora Karyn Keese Lori Peoples
Role of Metro JPA regarding Recycled Water	As plans for water reuse unfold and projects are identified, Metro JPA's role must be defined with respect to water reuse and impacts to the various regional sewer treatment and conveyance facilities 2/12: Scott Huth removed as member due to new position. JPA/Metro TAC needs to appoint a new representative. 4/13: Scott Tulloch added to this subcommittee. Metro TAC member needed. 5/13: Greg Humora added to this work group. 6/13: This group was formalized by the JPA as the PLWTP Ad Hoc Technical Advisory Committee.	Greg Humora Karyn Keese Scott Tulloch
San Diego Wastewater 50th Anniversary Celebration	5/13: Cheryl Lester presented the draft plan for the Anniversary celebration. She requested Metro Commission/JPA participation. Commission Parks will represent the Commission/JPA. 9/13: The celebration was a big success and was well attended.	Sherryl Parks

**Metro TAC Work Plan
Completed Items
2016**

Completed Items	Description	Member(s)
Salt Creek Diversion	9/2010: OWD, Chula Vista and San Diego met to discuss options and who will pay for project; Chula Vista and OWD are reviewing options. 2/2011: OWD and PBS&J reviewed calculations with PUD staff; San Diego to provide backup data for TAC to review. This option is also covered in the Recycle Water Study.10/26/11: Back-up information has still not been received from staff. 8/12: San Diego to conduct business case evaluation and add to Capital Improvement Program as recommend by Metro Commission to San Diego City Council on July 17, 2012 in support of the Recycled Water Study.5/14: PUD staff has prepared and presented a Business Case. This has been discussed at the March, April, & May Metro TAC meetings. 5/14: Metro TAC agreed with PUD staff recommendation that this project should not be pursued at this time. Otay abstained from the vote.	Roberto Yano Bob Kennedy Karyn Keese Rita Bell

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		
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County of San Diego	Dan Brogadir		
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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

