



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

**Thursday, February 8, 2007
12:00 p.m.**

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

AGENDA

“The mission of the Metro Commission is to create an equitable partnership with the San Diego City Council on wastewater issues in the San Diego region that ensures fair rates for participating agencies, concern for the environment, and regionally balanced decisions through data analysis, collaboration among all stakeholders, and open dialogue.”

Documentation
Included

1. ROLL CALL
2. PUBLIC COMMENT
- X 3. **ACTION** - APPROVE MINUTES OF JANUARY 11, 2007
4. METRO WASTEWATER DEPARTMENT UPDATE
5. METRO TAC UPDATE
- X 6. **ACTION** – CONSIDERATION AND POSSIBLE ACTION ON OPRA/SECONDARY TREATMENT RECOMMENDATION
- X 7. **ACTION** - CONSIDER FOR APPROVAL TREASURER’S REPORT FOR SIX MONTHS ENDED DECEMBER 31, 2006

- X 8. **ACTION** - POINT LOMA WASTEWATER TREATMENT PLANT AND SOUTH BAY WATER RECLAMATION PLANT – ADDITIONAL FUNDING FOR ANNUAL ALLOCATIONS, CIP NO. 46-119.0 AND 45-932.0
9. **ACTION** – APPROVE DATE AND LOCATION FOR 2007 STRATEGIC PLANNING WORKSHOP
- Thursday, May 3, 2007
 - Dempsey Holder Safety Center in Imperial Beach
10. REGIONAL JOINT GOVERNANCE AD HOC COMMITTEE
11. FINANCE AD HOC COMMITTEE
12. PROPOSED AGENDA ITEMS FOR THE NEXT METRO COMMISSION/WASTEWATER JPA MEETING (MARCH 1, 2007)
13. METRO COMMISSIONERS’ AND JPA BOARD MEMBERS’ COMMENTS
14. ADJOURNMENT OF METRO COMMISSION AND JPA

*Item 2 - This portion of the agenda provides an opportunity for members of the public to address the Commission and/or JPA items within the jurisdiction of the Commission and/or JPA that have not previously been before the Commission and/or JPA. Comments are limited to three (3) minutes per individual. **Note:** Any member of the Public may address the Commission and/or JPA on any Agenda Item. Please complete a Speaker’s Slip in advance of the specific item being called. For alternative agenda format or disabled access to Metro Commission, please call M. Barrett at (619) 236-6585.

*The Metro Commission and/or JPA may take action on any item listed in this Agenda whether or not it is listed “For Action.” All items are for Metro Commission and JPA consideration unless otherwise specified.

**Metro Commission and
Metro Wastewater JPA Meeting
City of Chula Vista Public Works Center
(Lunch Room/Administration Building)
1800 Maxwell Road
Chula Vista, CA 91911**

**January 11, 2007
Draft Minutes**

Chairman Abarbanel called the meeting to order at 12:03 p.m. A quorum of the Metro Wastewater JPA was declared, and the following representatives were present:

1. ROLL CALL

<u>Agencies</u>	<u>Representatives</u>		<u>Alternate</u>
City of Chula Vista	Cheryl Cox (arrived at 12:10)	X	Scott Tulloch
City of Coronado	Al Ovrom	X	
City of Del Mar	Henry Abarbanel	X	
City of El Cajon	Mark Lewis	X	
City of Imperial Beach	Mayda Winter	X	
City of La Mesa	Ernie Ewin	X	
Lemon Grove Sanitation District	Jerry Jones		Majed Al-Ghafry (arrived at 12:06)
City of National City	Luis Natividad	X	
City of Poway	Merrilee Boyack		Jim Howell (arrived at 12:05)
City of San Diego	Tim Bertch	X	
County of San Diego	Dianne Jacob		Daniel Brogadir
Otay Water District	Mark Robak	X	
Padre Dam MWD	Augie Scalzitti	X	
Metro TAC Chair	Scott Huth	X	
Public Utilities Advisory Commission	Chuck Spinks	X	

2. PUBLIC COMMENT

There was no public comment.

3. INTRODUCTION OF DR. TIMOTHY BERTCH, Ph.D., WASTEWATER DEPARTMENT DIRECTOR FOR THE CITY OF SAN DIEGO

Chairman Abarbanel introduced Dr. Timothy Bertch, Wastewater Department Director for the City of San Diego. Also introduced was Commissioner Al Ovrom who represents the City of Coronado.

4. APPROVE MINUTES FROM THE MEETING OF DECEMBER 14, 2006

Upon motion by Vice Chair Winter, seconded by Commissioner Ewin, with the City of Poway and the Lemon Grove Sanitation District absent, the minutes for the meeting of December 14, 2006 were approved.

5. METRO WASTEWATER DEPARTMENT UPDATE

Dr. Timothy Bertch reported that discussions on Proposition 218 have been completed. Rate increases are expected to be voted on at a later date. Discussions continue regarding the waiver process.

(Note: Alternate Representatives Howell and Al-Ghafry arrived.)

At this time, Chairman Abarbanel recognized Majed Al-Ghafry, Alternate Representative for the Lemon Grove Sanitation District, with a plaque for his service to Metro TAC and the Metro Commission/Wastewater JPA. Mr. Al-Ghafry has accepted the position of Public Works Director for the City of North Las Vegas and will begin working for them on February 5th.

6. METRO TAC UPDATE

There was no report.

7. STATUS UPDATE ON CHULA VISTA'S MEMBERSHIP TO THE METRO WASTEWATER JPA

Mr. Scott Tulloch reported this item will be presented to Chula Vista's City Council meeting in February.

(Note: Commissioner Cox arrived.)

8. ELECTION OF OFFICERS

Upon motion by Commissioner Scalzitti, seconded by Commissioner Natividad, the Commissioners unanimously approved to re-elect Commissioner Abarbanel as Chair.

Upon motion by Chairman Abarbanel, seconded by Commissioner Ewin, the Commissioners unanimously approved to re-elect Commissioner Winter as Vice Chair.

Upon motion by Alternate Representative Howell, seconded by Chairman Abarbanel, the Commissioners unanimously approved to elect Mr. David Scherer, Public Works Director for the City of Del Mar, as Secretary.

9. APPOINTMENT OF TWO PUAC REPRESENTATIVES

The Commissioners unanimously approved the appointment of Alternate Representative Scott Tulloch and Commissioner Al Ovrom as PUAC representatives. The meetings are held the third Monday of the month, 8:30 a.m. to 10:30 a.m., at MOC II.

10. CONTINUATION OF DISCUSSION TO GIVE THE CITY OF SAN DIEGO A RECOMMENDATION ON THE FOLLOWING:

- a. Continue enhanced ocean monitoring program.
 - b. Continue technical studies on optimizing the secondary treatment alternatives for Point Loma.
 - c. Use the established State and Federal environmental review processes under CEQA (EIR) and NEPA (EIS) as a method to guide the future decisions regarding modified permits (waivers) for Point Loma.
 - d. Pursue Consent Decree.
- These items will be voted on at the February 8th meeting.
 - Metro TAC was instructed to prepare a draft letter to Mayor Sanders regarding the JPA's position on the waiver, which will also be voted on at the February 8th meeting.
 - Chairman Abarbanel made a request that he and Vice Chair Winter be allowed to be present in the City's discussion regarding the waiver. Dr. Bertch commented that he welcomes their input.
 - Participating agencies were encouraged to discuss this with their Councils and Boards and be prepared to share their suggestions at the next meeting.

11. REGIONAL JOINT GOVERNANCE AD HOC COMMITTEE

There was no report.

12. FINANCE AD HOC COMMITTEE

The minutes from the January 4th meeting were distributed and reviewed. The Chair followed up with some questions previously asked of counsel. A bonding sequence timeline for potential JPA bonding will be available at the February 8th Metro Commission/Wastewater JPA meeting.

13. PROPOSED AGENDA ITEMS FOR THE NEXT METRO COMMISSION/WASTEWATER JPA MEETING (February 8, 2007)

- OPRA/Secondary Treatment Recommendation
- Point Loma Wastewater Treatment Plant and South Bay Water Reclamation Plant – Additional Funding for Annual Allocations, CIP No. 46-119.0 And 45-932.0

14. METRO COMMISSIONERS' AND JPA BOARD MEMBERS' COMMENTS

- Commissioner Cox welcomed everyone to the City of Chula Vista.
- Commissioner Lewis thanked Chula Vista for hosting today's meeting and commented how nice the facility is.
- Commissioner Natividad commented that National City would like to host a future meeting.

15. ADJOURNMENT OF METRO COMMISSION AND JPA

At 12:50 p.m., there being no further business, Chairman Abarbanel declared the meeting adjourned. The next regular meeting is February 8, 2007 at noon.

Recording Secretary

CONTINUATION OF THE DISCUSSION REGARDING CONSIDERATION OF THE METRO WASTEWATER COMMISSION AND JPA'S POLICY ON THE SECONDARY TREATMENT/WAIVER FOR THE POINT LOMA WASTEWATER TREATMENT PLANT

ISSUE: Whether to accept the proposed recommendation(s) as to the policy to be pursued regarding: (1) the initiation of the process to obtain a waiver extension from the EPA to continue operating the Point Loma Wastewater Treatment Plant as an advanced primary treatment facility; (2) the continued implementation of the enhanced Ocean Monitoring Program; (3) the continued technical evaluations for optimizing the Biological Aerated Filtration (BAF) technology and other emerging technologies; and (4) engaging in dialogue with stakeholders to identify mutually agreeable and economically sound solutions regarding the Point Loma Wastewater Treatment Plant.

RECOMMENDATION: The METRO TAC is recommending that the Board encourage the City of San Diego to: (1) initiate the waiver application process; (2) continue to implement the enhanced Ocean Monitoring Program; (3) continue with technical evaluations for optimizing the Biological Aerated Filtration (BAF) technology and other emerging technologies; and (4) engage in dialogue with identified stakeholders. It is further recommended that we support the City of San Diego in its efforts to secure federal and state grant funds to support these efforts.

FISCAL IMPACT: Partial funding for the enhanced Ocean Monitoring Program has been included in the current monitoring program for those items underway, while future items/special studies will come back to the board as they are developed. Funding for the technical evaluations for optimizing the BAF technology and other emerging technologies has yet to be determined. Scope and proposed costs will come back to the board for further review. San Diego staff is exploring alternative funding options which would include grants and possibly special legislative funding.

BACKGROUND: The Metro Wastewater Commission and JPA (Metro JPA) have a vested interest in the proper operation, maintenance and expansion of the Point Loma Wastewater Treatment Plant (PLWWTP). Currently, the PLWWTP operates under a waiver granted by the United States Environmental Protection Agency (EPA) that permits the City of San Diego to operate the facility as an advanced primary treatment facility rather than a secondary treatment facility. The waiver expires June 30, 2008.

On December 14, 2006 the Metro JPA unanimously agreed to recommend to the City of San Diego to initiate the process to obtain a waiver extension from the EPA to operate the PLWWTP as an advanced primary treatment facility. Discussion occurred on the following items: Continuation of the enhanced ocean monitoring program, the continuation of technical evaluations for optimizing the Biological Aerated Filtration (BAF) technology and other emerging technologies, the use of the CEQA (EIR) and NEPA (EIS) process as a method to guide future decisions on the secondary treatment/waiver issue, and the Consent Decree process. No consensus was reached.

On January 11, 2007 the Metro JPA continued the discussions on the items listed above. Staff was directed to draft a letter to Mayor Sanders regarding the JPA's position. The Participating Agencies were encouraged to discuss this item with their Councils and Boards and to be prepared to share their feedback at the February meeting. On January 17, 2007, the METRO TAC reviewed this item in great detail and recommended that the Board approve the recommendations put forth in the proposed letter to Mayor Sanders.

DISCUSSION

Enhanced Ocean Monitoring Program: As a result of an agreement between the City of San Diego and the Bay Council concerning the last waiver renewal, the Scripps Institution of Oceanography (SIO) was asked to conduct a review of the PLWWTP ocean monitoring program. The review resulted in recommendations for enhancements to the program. Although not a condition of the agreement, the City of San Diego, in consultation with the Metro Commission/JPA, has been voluntarily implementing the recommendations presented in the study. Whereas the City has already implemented many of the recommendations, in addition to the required regulatory monitoring requirements, the following additional ocean monitoring and related activities from the SIO study may also be voluntarily implemented during the next five year waiver period:

- Deep ocean site characterization activities, phase II;
- Sediment budget and transport studies;
- Wastewater plume transport and dispersion studies;
- Rapid micro-biological development study participation;
- Completion of Endocrine Disrupting Compound assessment;
- Final integration of Point Loma Ocean Outfall and South Bay Ocean Outfall ocean monitoring programs into a regional program to insure linkage of littoral cells and to account for regional input sources; and
- Bio-marker/bio-indicator and sensitive fingerprinting technique assessment evaluation.

Continuation of this enhanced program provides useful data that continues to support the observation that Point Loma's advanced treatment discharge does not adversely impact the ocean.

Optimization of BAF and Other Emerging Technologies: Also a condition of the agreement with the Bay Council, Biological Aerated Filtration (BAF) was initially pilot tested at PLWWTP. The goal was to investigate the viability of this technology and its operational intricacies, and to ascertain if the PLWWTP effluent treated with BAF technology could meet the EPA requirements for secondary treatment. The pilot test was a success in achieving these goals. However, the test did not address optimizing the BAF technology regarding implementation and operation costs at PLWWTP, and it did not consider other emerging and innovative technologies. Prudent facilities planning would address these issues of optimizing new and innovative treatment technologies with the processes in place at PLWWTP in the event secondary treatment becomes necessary.

Environmental Impact Analyses: Environmental impacts related to acquiring additional land adjacent to the PLWWTP, constructing new treatment technologies, such as BAF, and the associated on-going impacts are not known at this time. Conducting both federal and state environmental analyses on possible impacts will provide a comparison of the environmental impacts among possible expansion alternatives with current operations, and also include the estimated costs of the possible alternatives. Completing these studies will allow the public an opportunity to review and comment on the alternatives and provide additional information when determining which alternative(s) to pursue regarding the operation of the PLWWTP.-

EPA Consent Decree Negotiations: If the conversion of the PLWWTP to a secondary treatment facility becomes inevitable, the Metro Commission/JPA, in consultation with the City of San Diego, may consider establishing criteria to include in a possible consent decree with the EPA. In anticipation of a consent decree, the Metro Commission/JPA may want to identify specific trigger points that would nullify a consent decree. Such items may include, but are not limited to:

- A timeline to study, test, select and implement an acceptable technology;
- Cost and economic criteria and/or limits; and
- Interim activities to enhance ocean quality.

The previous two items were identified primarily to obtain critical input from all the stakeholders (San Diego, PAs, Regulatory Agencies, Navy, Environmental Groups and the Public at large) as part of the decision process as the waiver issue evolves. A variety of individuals and groups have a vested interest in the most efficient, economical and prudent operation, maintenance and expansion of the PLWWTP. Engaging in dialogue early on with the stakeholders will identify key issues that must be addressed over the next few years, and assist the City of San Diego as it makes decisions regarding the PLWWTP.

ATTACHMENTS:

Draft Letter to Mayor Sanders

Comments and letters from PAs regarding this item

February 8, 2007

Mayor Jerry Sanders
City of San Diego
City Administration Building
202 C Street, 11th Floor
San Diego, California 92101

Dear Mayor Sanders:

The Metro Wastewater Commission and JPA (Metro JPA) have a vested interest in the proper operation, maintenance and expansion of the Point Loma Wastewater Treatment Plant (PLWWTP). We understand that the waiver granted by the United States Environmental Protection Agency (EPA) to operate the PLWWTP as an advanced primary treatment facility will expire on June 30, 2008. In anticipation of this deadline, the City of San Diego will need to evaluate several options and which course of action to pursue regarding the continued operation of the PLWWTP.

Having considered several possibilities and options, the Metro JPA board unanimously offers the following recommendations to you and your staff:

- The City of San Diego and the Metropolitan Wastewater Department (MWWD) should initiate the process to obtain a waiver extension from the EPA to continue to operate the PLWWTP as an advanced primary wastewater treatment facility;
- The City of San Diego and MWWD should continue the enhanced ocean monitoring program as recommended by the Scripps Institution of Oceanography;
- The City of San Diego and MWWD should continue with technical evaluations for optimizing the Biological Aerated Filtration (BAF) technology and other emerging and innovative technologies for treating the PLWWTP effluent to meet or exceed regulatory requirements; and
- The City of San Diego and MWWD should engage in and continue dialogue with stakeholders (specifically including environmental organizations) to identify economically sound and mutually agreeable solutions for the ongoing operation and maintenance of the PLWWTP.

The Metro JPA values our relationship with the City of San Diego and we see our relationship as being one of a long-term partnership with the City. We look forward to working together to support your efforts on these issues.

Sincerely,

Henry Abarbanel
Councilmember, City of Del Mar
Chair, Metro Wastewater JPA

Mayda Winter
Councilmember, City of Imperial Beach
Vice Chair, Metro Wastewater JPA

cc: Participating Agencies
Mr. Timothy Bertch, Director MWWD

DRAFT



CITY OF CORONADO

OFFICE OF THE MAYOR
1825 STRAND WAY
CORONADO, CA 92118

TOM SMISEK
MAYOR
(619) 522-7322

November 28, 2006

Mayor Jerry Sanders
City of San Diego
City Administration Building
11th Floor, 202 C Street
San Diego, California 92101

Subject: Application for Waiver, Point Loma Wastewater Treatment Plant

Dear Mayor Sanders:

At its November 7, 2006 City Council meeting, the Council for the City of Coronado voted on the City's policy on secondary treatment and the application for a waiver for the Point Loma Wastewater Treatment Plant.

The City of Coronado encourages the City of San Diego to apply for a waiver of the secondary treatment requirement at the Point Loma Wastewater Treatment Plant. The City of Coronado also recommends that the City of San Diego work with the Participating Agencies in the City of San Diego's Metropolitan Wastewater System towards implementing secondary treatment or other alternative technologies to meet the requirements of the Clean Water Act and the Ocean Pollution Reduction Act.

The City of Coronado supports your efforts in this regard.

Sincerely,

Thomas Smisek
Mayor



City of Imperial Beach, California

www.cityofib.com

OFFICE OF THE MAYOR

January 31, 2007

Henry Abarbanel, Chair
San Diego Metropolitan Wastewater Joint Powers Authority
P.O. Box 719003
Santee, CA 92072-9003

RE: Policy on Secondary Treatment/Waiver for the Point Loma Wastewater Treatment Plant

Dear Chair Abarbanel:

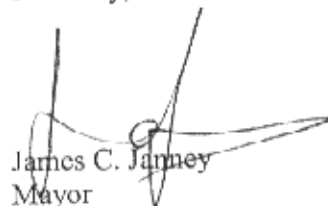
On January 17, 2006, our City Council discussed the four options under consideration by the Metro Commission for future policy direction on the Point Loma Wastewater Treatment Plant.

It was our unanimous thinking that it is prudent to use the state and federal processes under CEQA and NEPA as a method to guide the future decision regarding modified permits (waivers) for Point Loma, and to pursue a consent decree. Further, we consider it worthwhile to continue enhanced ocean monitoring and technical studies on optimizing the secondary treatment alternatives for Point Loma.

In summary, we believe all four options are worthy endeavors and worthy of the Commission's careful consideration.

Thank you for the opportunity to comment on the future of the Point Loma Plant.

Sincerely,


James C. Jarney
Mayor

cc: City Council



RUTH STERLING
Vice Mayor

City of La Mesa

AGENDA ITEM NO. 6

PAGE 8 OF 9

January 31, 2007

Metro Commissioners
Metro Wastewater JPA
P.O. Box 719003
Santee, CA 92072

Re: The City of La Mesa's Recommendation to the City of San Diego to Pursue a
Secondary Treatment Waiver for the Point Loma Treatment Plant

Dear Commissioners:

At the City Council meeting held on November 28, 2006, the La Mesa City Council voted in favor of a recommendation to encourage the City of San Diego to pursue a secondary treatment waiver for the Point Loma Treatment Plant while simultaneously exploring emerging technologies.

The City Council recognized the need to go to secondary treatment in the future. They also recognized that emerging wastewater treatment technologies may provide the region a lower cost alternative to traditional treatment methods and that more time is needed to fully explore the viability of such alternatives. Pursuing the waiver would give the City the additional time needed to investigate new technologies.

Thank you for your consideration on this very important regional issue.

Sincerely,

Ruth Sterling
Vice Mayor



PADRE DAM
Municipal Water District

51800 Foothill Parkway
Santee, CA 92071
T 619 449 9111
F 619 449 9489

PO Box 718003
Santee, CA 92072-9003
WWW.PADREDAM.ORG

January 26, 2007

Metro Commissioners
Metro Wastewater JPA
PO Box 719003
Santee, CA 92072

Re > Padre Dam's Position on the Additional Recommendations for the Point Loma
Wastewater Treatment Plant



Dear Commissioners:

At your December 14 meeting, the Commission/JPA requested each Participating Agency obtain direction from its governing body in regards to additional recommendations considered by the Commission/JPA, and submit a position letter for consideration at your February meeting.

The Padre Dam Municipal Water District Board of Directors discussed the four additional items being considered by the Commission/JPA, and is in favor of recommending to the City of San Diego the following:

1. Continue the enhanced ocean monitoring as recommended by Scripps Institute.
2. Continue technical evaluations for optimizing Biological Aerated Filtrations (BAF) technology and other emerging technologies.
3. Use the established state and federal environment review processes under CEQA (EIR) and MEPA (EIS) as a method to guide the future decisions regarding modified permits (waivers) for Point Loma.

However, Padre Dam does not support the fourth item, which states: "The City of San Diego should enter into negotiations with the U.S. EPA to draft a consent decree clearly stating the milestones and a timeline to implement secondary treatment at Point Loma."

Padre Dam believes it sends a contradictory message to the EPA that we wish to pursue Secondary Treatment while also recommending that the City seek an additional waiver allowing Advance Primary Treatment at the Point Loma facility. Agreeing to a Secondary Treatment timeline would certainly prejudice the recommendation of continuing with Advance Primary while also pursuing new technologies.

The primary recommendation to the City already recommends continuing the pursuit of alternative new technologies without spending the very significant investment for Secondary Treatment. The science (Scripps Institute of Oceanography) has continued to report that the current Advance Primary Treatment is not degrading the ocean. In Padre Dam's opinion, the region and its customers should not have to pay several billion dollars to upgrade a system which is not needed.

Thank you for your consideration to this very important regional issue.

Sincerely,

Douglas S. Wilson
General Manager

BOARD OF DIRECTORS

JESSE T. DIXON Division 1

AUDIE SCALZITTI Division 2

ANDREW J. MENSHEK Division 3

LEX BOSWELL Division 4

JOEL ANDERSON Division 5

Treasurer's Report
Six months ending December 31, 2006
Unaudited

Metro Wastewater JPA

Treasurer's Report
Six Months Ended December 31, 2006
Unaudited

<u>Beginning Cash Balance at July 1, 2006</u>	\$ 76,570
<u>Operating Results</u>	
Membership dues & Interest income	\$ 108,536
Expenses	<u>\$ (139,402)</u>
Net Income (Loss)	\$ (30,866)
Net change in receivables & payables (see cash flow statement)	<u>\$ 57,225</u>
Cash provided (used) from operating activities	\$ 26,359
<u>Ending Cash Balance at December 31, 2006</u>	<u>\$ 102,929</u>

Submitted by:

Doug Wilson, Treasurer

Jan 24, 2007

Metro Wastewater JPA - C/O Padre Dam MWD

Balance Sheet

As of December 31, 2006

	<u>Dec 31, 06</u>	<u>Jun 30, 06</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Checking/Savings			
California Bank & Trust	101,078	76,070	25,008
California Bank - checking	1,851	499	1,352
Total Checking/Savings	<u>102,929</u>	<u>76,570</u>	<u>26,360</u>
Accounts Receivable			
Accounts Receivable	63,176	0	63,176
Total Accounts Receivable	<u>63,176</u>	<u>0</u>	<u>63,176</u>
Total Current Assets	<u>166,105</u>	<u>76,570</u>	<u>89,536</u>
TOTAL ASSETS	<u>166,105</u>	<u>76,570</u>	<u>89,536</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	26,915	14,161	12,754
Total Accounts Payable	<u>26,915</u>	<u>14,161</u>	<u>12,754</u>
Other Current Liabilities			
Deferred Income - Survey	2,750	2,750	0
Unearned Membership Billings	107,647	0	107,647
Total Other Current Liabilities	<u>110,397</u>	<u>2,750</u>	<u>107,647</u>
Total Current Liabilities	<u>137,312</u>	<u>16,911</u>	<u>120,401</u>
Total Liabilities	<u>137,312</u>	<u>16,911</u>	<u>120,401</u>
Equity			
Retained Earnings	59,659	38,383	21,276
Net Income	-30,866	21,276	-52,141
Total Equity	<u>28,793</u>	<u>59,659</u>	<u>-30,866</u>
TOTAL LIABILITIES & EQUITY	<u>166,105</u>	<u>76,570</u>	<u>89,536</u>

Metro Wastewater JPA - C/O Padre Dam MWD
Profit & Loss Budget vs. Actual
July through December 2006

	<u>Jul - Dec 06</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Ordinary Income/Expense			
Income			
Membership Dues	107,647	107,647	0
Interest_ Income	890	125	764
Total Income	<u>108,536</u>	<u>107,772</u>	<u>764</u>
Expense			
PBS&J	70,404	47,520	22,884
Capacity Valuation study	23,485	25,000	(1,515)
Public Information	18,512	17,902	610
Legal	9,699	7,000	2,699
Per Diem - Agency	6,600	6,000	600
Administrative Support - Padre	4,563	7,000	(2,437)
Financial Consulting	2,422	0	2,422
Metro/JPA/TAC meeting expenses	1,898	3,196	(1,298)
Per Diem - Chairman	1,350	1,350	0
Miscellaneous	253	104	149
Bank charges	177	0	177
Office Supplies	39	30	9
Automobile Expense	0	24	(24)
Supplies	0	225	(225)
Contingencies	0	1,500	(1,500)
Other expense	0	59	(59)
Total Expense	<u>139,402</u>	<u>116,910</u>	<u>22,492</u>
Net Ordinary Income	<u>(30,866)</u>	<u>(9,138)</u>	<u>(21,728)</u>
Net Income	<u><u>(30,866)</u></u>	<u><u>(9,138)</u></u>	<u><u>(21,728)</u></u>

Metro Wastewater JPA - C/O Padre Dam MWD
Statement of Cash Flows
July through December 2006

	<u>Jul - Dec 06</u>
OPERATING ACTIVITIES	
Net Income	-30,866
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	-63,176
Accounts Payable	12,754
Unearned Membership Billings	107,647
Net cash provided by Operating Activities	<u>26,360</u>
Net cash increase for period	26,360
Cash at beginning of period	<u>76,570</u>
Cash at end of period	<u><u>102,929</u></u>

Metro Wastewater JPA - C/O Padre Dam MWD
A/R Aging Summary
As of December 31, 2006

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>> 90</u>	<u>TOTAL</u>
City of Chula Vista	0.00	0.00	0.00	0.00	32,138.00	32,138.00
County of San Diego	0.00	0.00	0.00	0.00	31,038.00	31,038.00
TOTAL	0.00	0.00	0.00	0.00	63,176.00	63,176.00

Metro/JPA - two year budget									
Agency Billings Detail									
FY 2006-07 Assessment									
<i>Year 2 of 2-year budget</i>									
Agency	Metro Comission	JPA	Per Diem	Less Surplus Cash	Total Assessment	Suppliment Billing - Capacity Valuation	REVISED BILLINGS	Last fiscal yr	% change
Chula Vista	\$ 31,125	\$ -	\$ 225	\$ (3,850)	\$ 27,500	\$ 4,638	\$ 32,138	40,300	-20%
Coronado	\$ 4,178	\$ 1,886	\$ 1,725	\$ 311	\$ 8,100	\$ 4,638	\$ 12,738	7,900	61%
County of SD	\$ 20,193	\$ 9,118	\$ 225	\$ (3,136)	\$ 26,400	\$ 4,638	\$ 31,038	34,400	-10%
Del Mar	\$ 1,219	\$ 550	\$ 1,725	\$ 3,906	\$ 7,400	\$ 4,638	\$ 12,038	2,300	423%
El Cajon	\$ 14,368	\$ 6,488	\$ 1,725	\$ (1,181)	\$ 21,400	\$ 4,638	\$ 26,038	25,100	4%
Imperial Beach	\$ 3,821	\$ 1,725	\$ 1,725	\$ (471)	\$ 6,800	\$ 4,638	\$ 11,438	8,100	41%
La Mesa	\$ 8,852	\$ 3,997	\$ 1,725	\$ 226	\$ 14,800	\$ 4,638	\$ 19,438	15,200	28%
Lemon Grove	\$ 3,997	\$ 1,805	\$ 1,725	\$ (427)	\$ 7,100	\$ 4,638	\$ 11,738	8,300	41%
National City	\$ 8,739	\$ 3,946	\$ 1,725	\$ 2,490	\$ 16,900	\$ 4,638	\$ 21,538	12,700	70%
Otay Water District	\$ 522	\$ 236	\$ 225	\$ (83)	\$ 900	\$ 4,638	\$ 5,538	1,000	454%
Padre Dam MWD	\$ 6,615	\$ 2,987	\$ 225	\$ (1,527)	\$ 8,300	\$ 4,638	\$ 12,938	11,900	9%
Poway	\$ 6,725	\$ 3,036	\$ 1,725	\$ (2,086)	\$ 9,400	\$ 4,638	\$ 14,038	14,200	-1%
Total	\$ 110,354	\$ 35,775	\$ 14,700	\$ (5,829)	\$ 155,000	\$ 55,662	\$ 210,662	181,400	16%
City of San Diego						\$ 4,638	\$ 4,638		
						\$ 60,300			
					rounding	-6	-6		
					\$ 155,000	\$ 60,294	\$ 215,294		

**CITY OF SAN DIEGO
METROPOLITAN WASTEWATER DEPARTMENT**

Project Name: Point Loma Wastewater Treatment Plant and South Bay Water Reclamation Plant – Additional Funding for Annual Allocations, CIP No. 46-119.0 and 45-932.0

Name of Project Presenter: Jim Wageman, Senior Civil Engineer

Background:

The Metropolitan Wastewater Department (MWWD) uses annual allocations to fund minor renovations and upgrades of equipment and facilities at its treatment plants and pump stations. Due to budget constraints related to a lack of bond financing, MWWD conducted a review of proposed Capital Improvement Projects at all of its treatment plants and pump stations and updated its list of priority projects. Based on the revised priority list, there are insufficient funds in the Annual Allocations for the Point Loma Treatment Plant and Related Facilities (CIP 46-119.0) and the South Bay Water Reclamation Plant (CIP 45-932.0) to implement priority projects at these facilities. This request is to transfer funds from the lower priority projects into these two Annual Allocations. Funds are available in the Annual Allocation – Metropolitan System Pump Stations (CIP 41-926.0) for the transfer.

Discussion:

Approval is requested to transfer appropriations in the amount of \$1,500,000 from Sewer Fund 41509, CIP 41-926.0, Annual Allocation – Metropolitan System Pump Stations, of which \$750,000 is to be transferred to Sewer Fund 41508, CIP 46-119.0, Annual Allocation – Point Loma Treatment Plant and Related Facilities, and \$750,000 is to be transferred to Sewer Fund 41509, CIP 45-932.0, Annual Allocation – South Bay Water Reclamation Plant.

Funding for Point Loma Treatment Plant will be used for construction of the south use areas improvements and seismic retrofit of the 84-inch penstock. Funding for the South Bay Water Reclamation Plant will be used for installation of a third reclaimed water pump, motor and variable frequency drive, a reclaimed water drain line and telemetry systems.

At the November 2006 TAC meeting, additional information was requested. With regard to priority lists, a FY2006 list was presented to the JPA in February 2006, see update attached. The updated FY2007 priority list also is attached. There was very little change between the lists other than moving the two Point Loma projects mentioned above from medium to high priority.

At the TAC meeting, a question was asked if the Water Department will pay for the reclaimed water improvements at the South Bay Water Reclamation Plant. MWWD is responsible for all capital costs at the plant. Per our review of the Regional Wastewater Disposal Agreement between the City and the Participating Agencies, the South Bay Water Reclamation Plant is part

of the Metro Facilities, and all Participating Agencies will share in the capital costs. Additionally, the South Bay plant allows us to meet the requirement of the Ocean Pollution Reduction Act to have in place the capacity to produce 45 mgd of reclaimed water by 2010, which is a benefit to all Participating Agencies.

Cost:

The total amount of this request is \$1,500,000. Funds are available from Sewer Fund 41509, CIP 41-926.0, Annual Allocation – Metropolitan System Pump Stations.

Schedule:

Construction of these improvements is scheduled to begin in May of 2007.

PRIORITY LIST FOR METRO PROJECTS - FY 2007 (1/11/07)

PRIORITY NO.	PROJECT	DOLLAR AMOUNT	TOTAL
1	PT. LOMA GRIT AERATION SYSTEM	\$1,400,000.00	\$1,400,000.00
2	SBWRP 3RD RECLAIMED WATER PUMP	\$780,000.00	\$2,180,000.00
3	MBC LIME MIXER	\$90,000.00	\$2,270,000.00
4	SBWRP SURGE ANTICIPATOR / PRESSURE REDUCING STA	\$100,000.00	\$2,370,000.00
5	SMI-INTERCEPTOR / INSPECTION REPAIR	\$1,000,000.00	\$3,370,000.00
6	NCWRP-SCUM SPRAY	\$200,000.00	\$3,570,000.00
7	PT. LOMA SOUTH USE AREA	\$700,000.00	\$4,270,000.00
8	MBC CENTRATE ACCESS PORT	\$250,000.00	\$4,520,000.00
9	PT. LOMA SEISMIC RETROFIT	\$600,000.00	\$5,120,000.00
10	MBC - COMNET UPGRADE	\$500,000.00	\$5,620,000.00
11	PT. LOMA PENSTOCK	\$300,000.00	\$5,920,000.00
12	MBC ACCESS ROAD	\$100,000.00	\$6,020,000.00
13	MBC PROCESS WATER ISO VALVE	\$200,000.00	\$6,220,000.00
14	NCWRP FOUL AIR IMPROVEMENTS	\$250,000.00	\$6,470,000.00
15	DESIGN (MBC-CENTRATE F.M., BIOSOLID SILO, CENTRIFUGE FEED, BLENDING TANK WASTEWATER F.M. EXT, CHEMICAL SYSTEM)	\$500,000.00	\$6,970,000.00
16	PS1 SCREEN ROOM LINER	\$330,000.00	\$7,300,000.00
17	PS 64 ELECTRICAL	\$250,000.00	\$7,550,000.00
18	NCWRP RAW SLUDGE CATHODIC PROTECTION	\$530,000.00	\$8,080,000.00
19	NCWRP EFFLUENT P.S. CORROSION DESIGN	\$100,000.00	\$8,180,000.00
20	SBWRP DRAINLINE DESIGN	\$50,000.00	\$8,230,000.00
21	PS 1/2 ELECTRICAL DESIGN	\$100,000.00	\$8,330,000.00
22	MBC ODOR CONTROL DESIGN	\$300,000.00	\$8,630,000.00
23	WW PS BACKUP POWER DESIGN	\$100,000.00	\$8,730,000.00

Project List Presented to Metro Commission on February 9, 2006, with updates as of January 10, 2007

Metro Projects Deferred in FY 2005 – Current Status

Projects previously scheduled to be awarded by June 30, 2005, per December 21, 2004 memo to Mayor and Council from R. Mendes

CIP	Project	Total Project Cost	New Total Project Cost	Priority	Status	Status as of January 10, 2007
45-943.0	Point Loma Grit Processing Facility	\$29,269,316		Medium	The Grit Processing Facility is on hold pending resolution of its sue of secondary treatment at Pt. Loma. Since a final decision has not been made on secondary treatment, this project is not impacted by the delay in financing.	Project scheduled for FY09
45-943.0	Point Loma Gas Aeration System	NA	\$2,163,160	High	This project was initiated to handle the most critical portions of the Grit Processing Project. The Gas Aeration Project was approved by the Metro Commission in April 2004 and again on December 1, 2005. City Council approval is expected in February 2006.	Project under construction
46-192.7	Point Loma 84-inch Penstock Improvements	\$415,021		Medium	This project is designed and waiting funding.	Project scheduled to begin construction in FY07
46-193.4	FIRP Phase B, C, D Cathodic Protection	\$1,046,473	\$1,472,000	High	This project was approved by the Metro Commission on December 1, 2005. City Council Approval expected in February 2006. The increase in the project cost is related to increased investigation and design costs of \$170,000 and an increased construction estimate of \$219,000 based on the final design.	Project under construction
46-199.2	Pt Loma South Use Area	\$590,000		Medium	This project is designed and waiting funding.	Project scheduled to begin construction in FY07
Total Project Cost		\$31,320,810	\$3,635,160 funded and underway			

Project List Presented to Metro Commission on February 9, 2006, with updates as of January 10, 2007

Current Year Projects 2006 –Status

Projects previously scheduled to be awarded between July 1, 2005 to December 31, 2005, per December 21, 2004 memo to Mayor and Council from R. Mendes

CIP	Project	Total Project Cost	New Total Project Cost	Priority	Status	Status as of January 10, 2007
41-926.0	AA- Pump Station 1 & 2, Electrical System Upgrade	\$1,110,000		High	This project is currently in design. Ready to issue a request for qualifications for a Design Build project	Issue Request for Qualifications in FY07
41-929.6	AA- Pump Station 1 & 2, Security System	\$750,000		Medium	The Department is reviewing its direction on security and safety and costs for alternatives.	Project under construction
41-929.9	AA – Pump Station 1 & 2, PS 1 Screen Room Liner Improvements	\$330,000		Medium	This project is currently being designed in-house.	Project scheduled to begin construction in FY07
41-930.8	AA – Pump Station 1 & 2, Spill Containment	\$500,000		Medium	This project is designed and waiting funding.	Project scheduled for FY08
42-914.4	AA – MBC, Isolation Valves and Waste Bin Level Sensors	\$250,000		High	This project is currently in design.	Project bid and awaiting award of contract to Balboa Construction
42-914.5	AA – MBC, Carbon Tower Bracing	\$275,000		Medium	This project is designed and waiting funding.	Project scheduled for FY08
42-916.2	AA – MBC, Lime Mixer Bypass	\$350,000		High	This project is designed and waiting funding.	Project under construction
42-916.3	AA – MBC, Truck Load Out Control Booth	\$175,000	\$80,000	High	This project is under construction. Funding was provide from the O&M Division Bid-to-Goal Assurance Fund (Savings)	Project completed
42-926.6	AA – North City, New Scum Spray Valves	\$60,000		High	This project is currently being designed in-house. Final plans will be completed by June 2006	Project scheduled to begin construction in FY07
46-187.0	Environmental Monitoring and Technical Services Lab Boat Dock	\$2,146,781		Medium	This project is on hold pending resolution of the boat channel contamination issues and a review of the boat dock to consider joint use with San Diego State.	Project scheduled for FY08
Total Project Costs		\$5,936,781	\$80,000 funded and underway			