



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

**AGENDA**

**Thursday, November 2, 2023 - 12:00 p.m.**

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

*"The Metro JPA's mission is to create an equitable partnership with the San Diego City Council and Mayor on regional wastewater issues. Through stakeholder collaboration, open dialogue, and data analysis, the partnership seeks to ensure fair rates for participating agencies, concern for the environment, and regionally balanced decisions."*

**NOTE: ANY MEMBER OF THE PUBLIC MAY ADDRESS THE METRO WASTEWATER JPA/COMMISSION ON ANY AGENDA ITEM. PLEASE COMPLETE A SPEAKER SLIP AND SUBMIT IT TO THE BOARD SECRETARY PRIOR TO THE START OF THE MEETING, IF POSSIBLE, OR IN ADVANCE OF THE SPECIFIC ITEM BEING CALLED. COMMENTS ARE LIMITED TO THREE (3) MINUTES PER INDIVIDUAL**

**Documentation  
Included**

1. **ROLL CALL**
2. **PLEDGE OF ALLEGIANCE TO THE FLAG**
3. **PUBLIC COMMENT:**  
*Persons speaking during Public Comment may address the Metro Wastewater JPA/Metro Commission on any subject matter within the jurisdiction of the Metro Wastewater JPA/Metro Commission that is not listed as an agenda item. Comments are limited to three (3) minutes.*
4. **ACTION: APPROVAL OF AGENDA** (Chair Jones)
- X 5. **ACTION: CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE MINUTES OF THE REGULAR MEETING OF [October 5, 2023](#)** (Attachment)
- X 6. **ACTION: CONSIDERATION AND POSSIBLE ACTION TO APPROVE A FIRST AMENDMENT WITH ANON RISK INSURANCE SERVICES WEST FOR THE OWNER CONTROLLED INSURANCE PROGRAM** (Andrea Demich) (Attachment)
- X 7. **PRESENTATION: FUNCTIONAL DESIGN BASED COST ALLOCATION** (Dexter Wilson) (Attachment)

Documentation  
Included

8. **UPDATE: METRO WASTEWATER (General)** (Lisa Celaya)
  - a. April 2020 Spill Update
  - b. January 2023 Spill Update
9. **UPDATE: PURE WATER PROGRAM** (Amy Dorman)
10. **UPDATE: METRO TAC UPDATE/REPORT (Standing Item)** (Beth Gentry)
  - a. Appointment of Chair and Vice Chair of Metro TAC
11. **REPORT: AD HOC COMMITTEE ON SECOND AMENDED AND RESTATED METRO AGREEMENT** (Chair Jones)
12. **REPORT: IROC** (Chair Jones)
13. **REPORT: FINANCE COMMITTEE** (Bill Baber)
14. **REPORT: GENERAL COUNSEL** (Adriana Ochoa)
15. **PROPOSED AGENDA ITEMS FOR THE NEXT METRO JPA/COMMISSION MEETING December 7, 2023**
16. **METRO COMMISSIONERS AND JPA DIRECTORS COMMENTS**
17. **ADJOURNMENT**

NOTE: The Metro Wastewater JPA and/or Commission may take action on any item listed in this Agenda whether or not it is listed "For Action."

Materials provided to the Metro Wastewater JPA/Metro Commission related to any open-session item on this agenda are available for public review at our website: <https://www.metrojpa.org>

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

*Persons with disabilities that require modifications or accommodations, please contact General Counsel Adriana Ochoa at [adriana.ochoa@procopio.com](mailto:adriana.ochoa@procopio.com) by no later than two hours prior to the meeting to request reasonable modifications or accommodations consistent with the Americans with Disabilities Act and Metro JPA/Commission shall promptly work with you to resolve the matter in favor of accessibility.*

**Metro JPA 2023 Meeting Schedule**

|                 |                  |                   |
|-----------------|------------------|-------------------|
| January 5, 2023 | February 2, 2023 | March 2, 2023     |
| April 6, 2023   | May 4, 2023      | June 1, 2023      |
| July 6, 2023    | August 3, 2023   | September 7, 2023 |
| October 5, 2023 | November 2, 2023 | December 7, 2023  |

# ATTACHMENT 5

Minutes from  
October 5, 2023



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

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

**October 5, 2023**

**Minutes**

Chairman Jones called the meeting to order at 12:03 p.m. A quorum of the Metro JP/Commission was declared, and the following representatives were present:

**1. ROLL CALL**

| <u>Agencies</u>          | <u>Representatives</u> | <u>Alternate</u> |
|--------------------------|------------------------|------------------|
| City of Chula Vista      | Jose Preciado          |                  |
| City of Coronado         | John Duncan            |                  |
| City of Del Mar          | Dwight Worden          |                  |
| City of El Cajon         | Gary Kendrick          |                  |
| City of Imperial Beach   | Mitch McKay (absent)   |                  |
| City of La Mesa          | Bill Baber (absent)    |                  |
| Lemon Grove San District | Jerry Jones            |                  |
| City of National City    | Ditas Yamane           |                  |
| City of Poway            | Peter De Hoff          |                  |
| County of San Diego      | Joel Anderson          |                  |
| Otay Water District      | Mark Robak             |                  |
| Padre Dam MWD            | Karen Jassoy           |                  |

Others present: Metro JPA General Counsel Adriana Ochoa - Procopio; Metro JPA/Commission Board Secretary Lori Anne Peoples; Beth Gentry – City of Chula Vista, MetroTAC Chair; None – City of Coronado; Yazmin Arellano, MetroTAC Vice Chair - City of El Cajon; Eric Minicilli – City of Imperial Beach; None – City of La Mesa; Izzy Murguia – Lemon Grove Sanitation District; None – City of National City; Bob Kennedy – Otay Water District; Peejay Tubongbauna – Padre Dam Municipal Water District; None – City of Poway; Lisa Celaya, Amy Dorman, Doug Campbell - City of San Diego Staff and Doug Owen – City of San Diego Consultant; None – County of San Diego; Metro JPA Staff: Scott Tulloch – NV5; Dexter Wilson, Wilson Engineering

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

Director Anderson, County of San Diego, led the pledge.

**3. PUBLIC COMMENT**

None.

**4. ACTION: APPROVAL OF AGENDA**

Chair Jones requested approval of the agenda.

**ACTION:** Motion by Director Anderson, seconded by Director Duncan to approve the agenda as submitted. Motion carried as follows:

AYES: Preciado, Duncan, Worden, Kendrick, Jones, Yamane, Robak, Jassoy, De Hoff, Anderson  
NAYS: None  
ABSTAIN: None  
ABSENT: McKay, Baber

**5. ACTION: CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE MINUTES OF THE REGULAR MEETING OF August 3, 2023**

**ACTION:** Motion by Director Anderson, seconded by Director Duncan to approve the agenda as submitted. Motion carried as follows:

AYES: Preciado, Duncan, Worden, Kendrick, Jones, Yamane, Robak, Jassoy, De Hoff, Anderson  
NAYS: None  
ABSTAIN: None  
ABSENT: McKay, Baber

**6. PRESENTATION: 2<sup>nd</sup> AMENDED RESTATED AGREEMENT PROCESS**

Dexter Wilson provided a brief verbal overview of his PowerPoint presentation included in the agenda package. It consisted of an ARA flow chart, and he briefly explained each step of the process and protocols noting that it was getting more involved. Currently CIP is based on flow & strength and the proposal is to switch to a fixed charge based on each agency's capacity rights like most other agencies allocate costs to their members. This new system of billing charges is currently being prepared by an outside consultant and has been conceptually agreed upon by the city of San Diego and JPA Negotiating Team. The JPA's General Counsel is working on drafting the 2<sup>nd</sup> ARA with this new methodology incorporated.

**7. PRESENTATION: PEAK WEATHER FLOWS**

Dexter Wilson provided a brief verbal overview of his PowerPoint presentation included in the agenda package. He emphasized several times that this is DRAFT. As he provided the presentation, he covered: peak flow calculations from the existing metering system; different peak flow methodologies; and a revised Exhibit B with the new peak flows capacities. An example using the City of Chula Vista's metering system, along with the proposed Chula Vista peak billing formula, and a dry weather flow comparison was presented. Mr. Wilson noted that they are utilizing the existing Metro metering system that records hourly flows whereas they have only used average yearly previously provided from the metering data. The analysis shown in the presentation reviews five alternatives on how to use the existing system data to determine peak flow capacities for each agency. Mr. Wilson stressed that each of the PAs should set an appointment with him to go over their individual data to see if revisions are needed to the draft capacities contained in draft Exhibit B. He is currently working with Otay, Padre and La Mesa on their respective numbers. The City of San Diego feels Method 4 is the preferred alternative for determining peak flow capacities and annual peak flows as while being one of the most accurate it is the easiest to implement. Currently Alternative 4 uses when peak flows hit Pt. Loma and the time period of 24 hours prior and after that which would provide when each individual agency peaks in the system.

**8. UPDATE: METRO WASTEWATER**

**a. April 2020 Spill Update**

Lisa Celaya noted that Pump Station 1 had been changed to a Design Build.

**b. January 2023 Spill Update**

Lisa Celaya stated she had no update on this item.

Lisa Celaya introduced Doug Campbell who is the new Pure Water Ops Director.

**9. UPDATE: PURE WATER PROGRAM**

**a. Quarterly Update**

Amy Dorman, city of San Diego and Doug Owen of Stantec stated that they were going to the Environmental Commission next Thursday. Doug then provided an overview of the spreadsheet covering the 4<sup>th</sup> quarter of 2023 contract status, included in the agenda package.

**10. UPDATE: METRO TAC REPORT**

MetroTAC Chair Gentry stated that all items had been seen by MetroTAC.

**11. DISCUSSION: DISCUSSION AND POSSIBLE APPROVAL OF AD HOC COMMITTEE FOR METRO ORGANIZATION**

Chair Jones stated he felt it time to look into having a defined manager for the agency. He has spoke with General Counsel in terms of what this would look like and understands that it would require some Bylaw changes. Also, it could be a part-time position. Additionally, he felt that Board participation would help to look into management and reorganization of the JPA.

Chair Jones appointed himself, Director Kendrick, Director Jassoy and Director Preciado to the Reorganization Ad Hoc Committee which he anticipates will hold 2 meetings.

**ACTION:** Motion by Director Duncan, seconded by Director Yamane to approve the formation of an Ad Hoc Committee to look into possible reorganization of the JPA and bringing in a part-time manager. Motion carried as follows:

AYES: Preciado, Duncan, Worden, Kendrick, Jones, Yamane, Robak, Jassoy, De Hoff, Anderson

NAYS: None

ABSTAIN: None

ABSENT: McKay, Baber

**At 1:23 PM Director Worden left the meeting**

**12. REPORT: AD HOC COMMITTEE ON SECOND AMENDED AND RESTATED METRO AGREEMENT**

Chair Jones stated that at the last Ad Hoc meeting they had discussed everything that the JPA board had seen today.

**13. FINANCE COMMITTEE:**

No report.

**14. GENERAL COUNSEL:**

No report.

**15. PROPOSED AGENDA ITEMS FOR THE NEXT METRO JPA/COMMISSION MEETING NOVEMBER 2, 2023**

None.

**16. METRO JPA DIRECTORS' COMMENTS**

None.

General Counsel Ochoa requested a Recess to hold closed session on the following 2 items:

17. **CLOSED SESSION**

CONFERENCE WITH LEGAL COUNSEL – Potential Litigation (Gov. Code 54956.9(d)(4)) One (1) potential matter

18. **CLOSED SESSION**

CONFERENCE WITH LEGAL COUNSEL – Potential Litigation (Gov. Code 54956.9(d)(2)) One (1) potential matter

At 1:25 PM the Directors left the dais and went to a conference room to hold the above closed sessions.

At 2:10 PM The Directors returned to the dais and General Counsel stated there was no report out.

19. **ADJOURNMENT**

Chair Jones declared the meeting adjourned at 2:12 pm.

# ATTACHMENT 6

FIRST AMENDMENT WITH  
ANON RISK INSURANCE  
SERVICES WEST FOR  
THE OWNER CONTROLLED  
INSURANCE PROGRAM

**METRO JPA/TAC**  
**Staff Report**  
**Date: 10/10/2023**

**Project Title:**

First Amendment to the agreement with AON Risk Insurance Services West, Inc. for the Owner Controlled Insurance Program

**Presenter(s) Name:**

Andrea Demich

**Presenter(s) Title:**

Assistant Deputy Director

**Requested Action:**

1. Authorization to execute the First Amendment to the agreement with AON Risk Insurance Services West, Inc. for the Owner Controlled Insurance Program (OCIP) for an additional amount not to exceed \$886,772.04, thus increasing the total not to exceed amount of the agreement to \$1,886,522.04; and
2. Authorization to expend an amount not to exceed \$886,772.04 of which \$164,016.71 is estimated to be spent in Fiscal Year 2024, \$62,326.35 from Fund 700001, Metro Sewer Utility Fund, and \$101,690.36 from Fund 700011, Water Utility Operating Fund, and \$722,755.33 for the remaining contract term, estimated to be \$274,647.03 from Fund 700001, Metro Sewer Utility Fund, and \$448,108.30 from Fund 700011, Water Utility Operating Fund.

**Recommendations:**

Approve actions

|                                                           |                                                                                  |
|-----------------------------------------------------------|----------------------------------------------------------------------------------|
| Metro TAC:                                                | Approve the subject item and forward to Metro JPA/ Metro Commission for approval |
| IROC:                                                     | N/A                                                                              |
| Prior Actions:<br>(Committee/Commission,<br>Date, Result) | N/A                                                                              |

**Fiscal Impact:**

|                                      |                                                                               |
|--------------------------------------|-------------------------------------------------------------------------------|
| Is this projected budgeted?          | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>           |
| Cost breakdown between Metro & Muni: | \$336,973.38 for Pure Water Metro Sewer + \$0 Muni Sewer + \$549,798.66 Water |
| Fiscal impact to the Metro JPA:      | Pure Water Phase 1: 33.5% of Metro cost (~\$112,886.08)                       |

**Capital Improvement Program:**

|                   |                                                                                                                                                          |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| New Project?      | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A <input type="checkbox"/>                                                         |
| Existing Project? | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Upgrade/addition <input type="checkbox"/> Change <input checked="" type="checkbox"/> |

**Previous TAC/JPA Action:**

None

**Additional/Future Action:**

Present item to Metro JPA/ Metro Commission in November 2023

**City Council Action:**

City Council approval expected in November 2023

**Background:** *Provide background information on the need for the project*

Owner-Controlled Insurance Programs (OCIPs) have been utilized in many large public works programs, including the San Diego County Water Authority's recent \$1 billion Emergency Storage Project. The key benefits of an OCIP are economies of scale-driven cost savings on insurance

coverage, centralized claims management, standardized insurance coverage, and a uniform safety program that applies to all construction projects under Phase 1 of the Pure Water Program.

In January 2019, the Public Utilities Department retained AON Risk Insurance Services West, Inc. to be the City's OCIP broker of record to place an OCIP on the City's behalf. Utilizing the OCIP Broker of Record, the City solicited and procured insurance policies for workers compensation, general, excess, pollution liability, and builder's risk insurance to provide insurance coverage for Phase 1 of the Pure Water Program. The insurance obtained provides coverage for the City, the prime contractors, and all subcontractors at all tiers, with some exceptions. The initial insurance coverage period was for five years, effective July 21, 2019, to cover the construction activities from Contractor Notice-To-Proceed (NTP) until Notice of Completion (NOC). At the NOC date, the Builder's Risk policy will end coverage. The General Liability has an additional 10-year completed operations coverage period that complies with California Code of Civil Procedure Sections 337.1 and 337.15, starting at the NOC date, to process claims. At the end of the 10-year "tail," the General Liability policy will end. The City also obtained the option to buy out Workers Comp claims against any future exposure to keep the Workers Compensation claims from being in force as ongoing liability against the City.

In 2019, the Associated General Contractors of America (AGC), San Diego Chapter, filed a lawsuit against the City of San Diego which delayed the implementation of the Pure Water Program by approximately 18 months. As a result of this delay and to provide continuous support of construction, the Public Utilities Department is required to extend the duration of the agreement with AON Risk Insurance Services West, Inc. and there is a cost impact of \$886,772.04.

Amendment No. 1 to the agreement with AON Risk Insurance Services West, Inc. will provide the necessary funding to continue the administration of the OCIP insurance coverage for Phase 1 of Pure Water. The additional cost for this amendment will cover administration services, claims management, safety and loss control services, risk management information system services, and close out services. The amount for Amendment 1 is less than the original agreement amount even though it will provide the same duration of AON services. This is because it is anticipated that services in the later years of when the projects will be in the closeout process, will primarily relate to audits, post construction close out services with contractors, and resolving Workers Compensation claims. Amendment No. 1 is for a total not-to-exceed amount of \$886,772.04 which will increase the total contract amount from \$999,750 to \$1,886,522.04. Amendment No. 1 will also extend the contract term for an additional 5 years to January 7, 2029.

**Discussion:** *Provide information on decisions made to advance the project*

**Bid Results:** *If bidding was done provide bidding format and results*  
N/A

Public Utilities Department

# First Amendment to the Agreement with AON Risk Insurance Services West, Inc. for the Owner-Controlled Insurance Program (OCIP)

Metro TAC

October 18, 2023

# Background

- Retained AON Risk Insurance Services West, Inc. to place an Owner Controlled Insurance Program (OCIP)
- AON solicited and procured insurance policies for different types of coverage
- Covers construction of Pure Water Phase 1
- Current amount: \$999,750
- Current contract duration: 1/2019 - 1/2024

# Requested Action for Amendment No. 1

- Approve Amendment No. 1 - total not to exceed amount of \$886,772.04
  - *Total contract amount from \$999,750 to \$1,886,522.04*
- Extend the contract term for an additional 5 years to January 2029
- The additional cost will cover:
  - *administration services*
  - *claims management*
  - *safety and loss control services*
  - *close out services*

# Questions



# ATTACHMENT 7

## FUNCTIONAL DESIGN BASED COST ALLOCATIONS

NOVEMBER 2023

# FUNCTIONAL DESIGN BASED COST ALLOCATION

# WHAT IS FUNCTIONAL DESIGN BASED COST ALLOCATION (FDBCA)?

## **Amended Restated Agreement (ARA) definition:**

**Functional-Design Methodology** shall mean the process of allocating Operation and Maintenance Costs and Capital Improvement Costs to Fixed and Variable Flow, Brine and Strength parameters recognizing the benefits of both the design criteria and the primary function of a unit process.

## **Water Environment Federation, Manual of Practice 27 on the functional-design cost allocation approaches:**

- The **design-basis cost-allocation** methodology allocates costs based on the design of the system components.
- The **functional cost-allocation** methodology allocates costs based on the function each process serves.

## **What is it:**

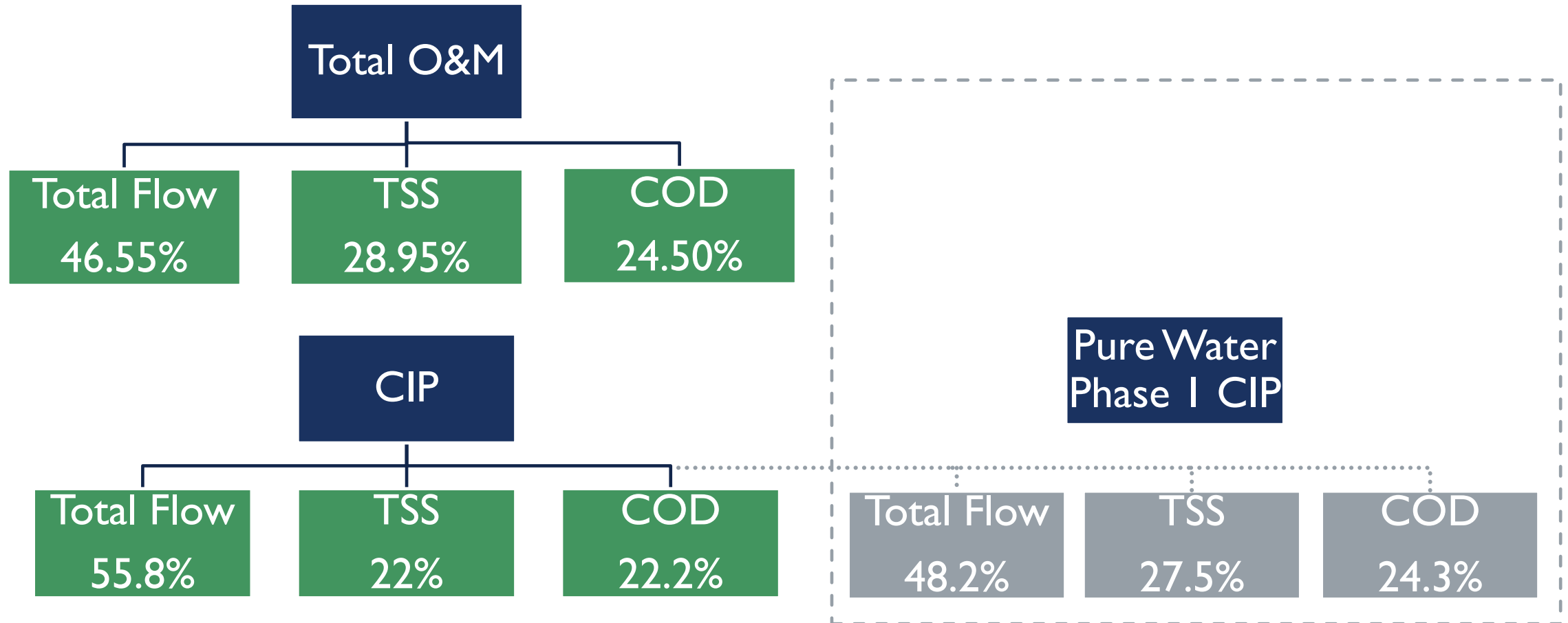
Assigns cost split between flow, COD, and TSS to each unit process in a facility (screens, grit removal, primary clarifiers, etc.)



# CURRENT FUNCTIONAL-DESIGN ALLOCATIONS

- Prepared in 1991 by Montgomery Watson
  - Approved by EPA/SWRCB as basis of the City of San Diego' Clean Water Revenue Program
- Based on planning numbers for Original Clean Water Program facilities
- Has not been modified or updated since 1991
- Metro rates to PA's have been based on only flow and strengths as set in the 1991 Revenue Program
  - Fixed Cost added in ARA for Pure Water Phase I Capital Costs

# HISTORICAL PERSPECTIVE



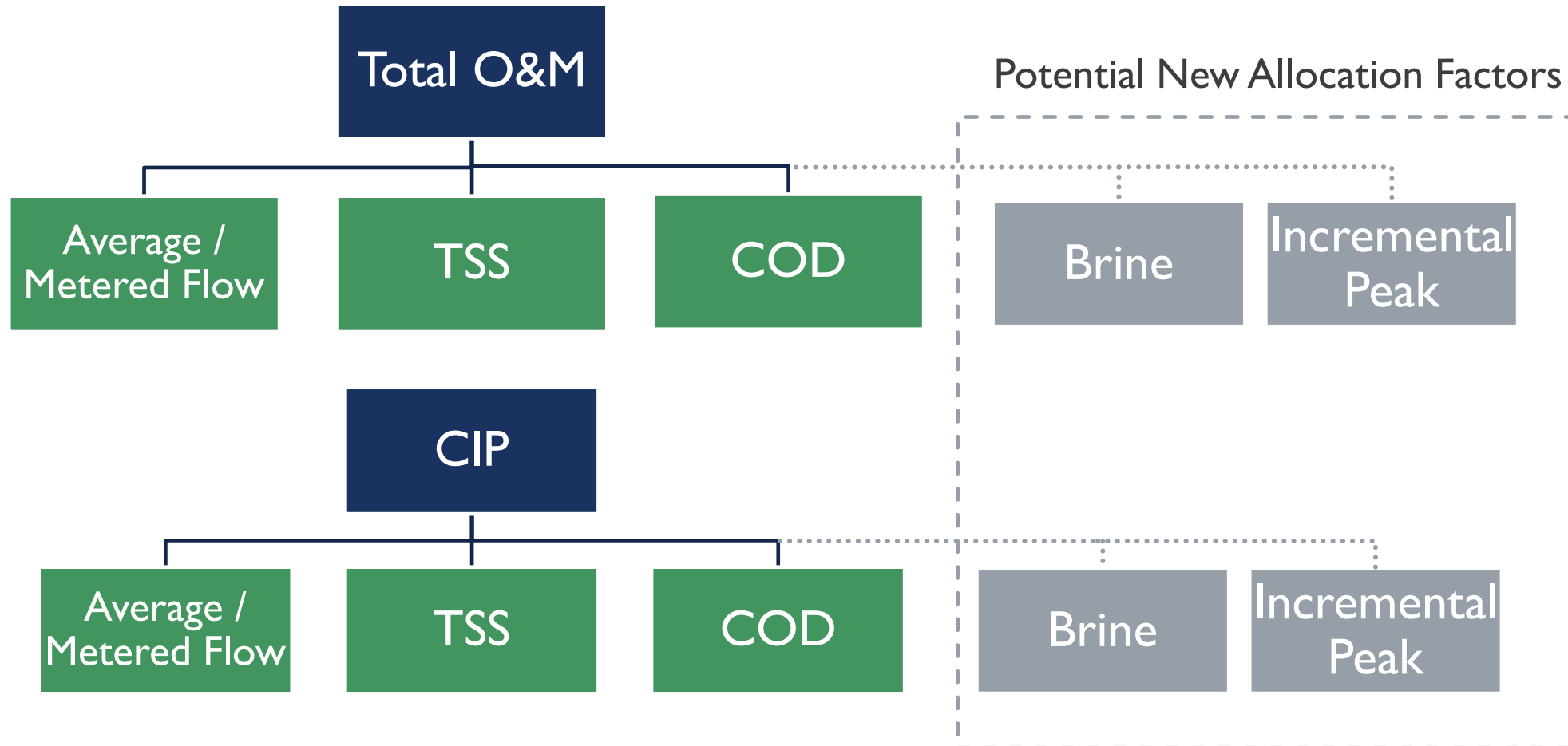
# WHERE/HOW THEY ARE USED NOW

TABLE D

CITY OF SAN DIEGO - PUBLIC UTILITIES DEPARTMENT  
ALLOCATION OF FISCAL YEAR 2024 ESTIMATED BUDGET  
FUNCTIONAL-DESIGN BASED ALLOCATION METHOD

| DESCRIPTION                                     | FY 2024<br>BUDGET<br>COSTS | ALLOCATION OF COSTS |               |         |              |          |              |                |
|-------------------------------------------------|----------------------------|---------------------|---------------|---------|--------------|----------|--------------|----------------|
|                                                 |                            | FLOW<br>%           | FLOW<br>COSTS | SS<br>% | SS<br>COSTS  | COD<br>% | COD<br>COSTS | TOTAL<br>COSTS |
| <u>OPERATION AND MAINTENANCE:</u>               |                            |                     |               |         |              |          |              |                |
| TRANSMISSION AND SYSTEM MAINTENANCE             | \$21,261,112               | 100.0%              | \$21,261,112  | 0.0%    | \$0          | 0.0%     | \$0          | \$21,261,112   |
| OPERATIONS & MAINTENANCE                        | \$73,824,128               | 36.6%               | \$27,047,166  | 33.8%   | \$24,919,210 | 29.6%    | \$21,857,752 | \$73,824,128   |
| TECHNICAL SERVICES                              | \$11,916,276               | 30.0%               | \$3,574,883   | 40.0%   | \$4,766,510  | 30.0%    | \$3,574,883  | \$11,916,276   |
| COGENERATION                                    | \$3,426,573                | 0.0%                | \$0           | 60.0%   | \$2,055,944  | 40.0%    | \$1,370,629  | \$3,426,573    |
| METRO ADMIN & GENERAL EXPENSES - 41508          | \$25,181,048               | 45.7%               | \$11,516,959  | 29.3%   | \$7,384,765  | 24.9%    | \$6,279,325  | \$25,181,048   |
| METRO ADMIN & GENERAL EXPENSES - 41509          | \$29,265,417               | 45.7%               | \$13,385,011  | 29.3%   | \$8,582,574  | 24.9%    | \$7,297,832  | \$29,265,417   |
| PURE WATER O & M                                | \$4,645,891                | 45.7%               | \$2,124,873   | 29.3%   | \$1,362,486  | 24.9%    | \$1,158,532  | \$4,645,891    |
| TOTAL OPERATIONS AND MAINTENANCE                | \$169,520,444              | 46.55%              | \$78,910,003  | 28.95%  | \$49,071,488 | 24.50%   | \$41,538,953 | \$169,520,444  |
| <u>CAPITAL IMPROVEMENT PROGRAM:</u>             |                            |                     |               |         |              |          |              |                |
| PAY-AS-YOU-GO METRO 41509                       | \$32,569,264               | 55.8%               | \$18,171,966  | 22.0%   | \$7,164,513  | 22.2%    | \$7,232,785  | \$32,569,264   |
| DEBT SERVICE                                    | \$53,860,831               | 55.8%               | \$30,051,560  | 22.0%   | \$11,848,184 | 22.2%    | \$11,961,087 | \$53,860,831   |
| TOTAL NON-PUREWATER CAPITAL IMPROVEMENT PROGRAM | \$86,430,095               | 55.8%               | \$48,223,526  | 22.0%   | \$19,012,698 | 22.2%    | \$19,193,871 | \$86,430,095   |
| TOTAL O&M & CAPITAL IMPROVEMENT PROGRAM         | \$255,950,539              | 49.7%               | \$127,133,529 | 26.6%   | \$68,084,185 | 23.7%    | \$60,732,825 | \$255,950,539  |
| PURE WATER CAPITAL RATE COST (PAY-GO)           | \$14,035,210               | 48.2%               | \$6,764,971   | 27.5%   | \$3,859,683  | 24.3%    | \$3,410,556  | \$14,035,210   |

# FUNCTIONAL-DESIGN ALLOCATIONS





# CURRENT RATE STUDY PROCESS

1. Stantec is doing the study
2. Stantec split past CIP costs by facility
3. Worked with SD operations & engineering staff to review functional basis specific to each plant and other CIP
  - Review and affirm allocations based on process and asset changes, and projected staffing and operating costs



# PROPOSED FUNCTIONAL DESIGN ALLOCATIONS

- We used 2019 audited cost for this example
- In FY 2027 and FY 2035 things change with the potable reuse projects
  - Point Loma and Pump Station 2 stand ready to process brine and peak flows from wet weather events
    - Anyone with capacity rights pays some of these costs related to peak weather events even in dry years
    - Cost structure incentivizes potable reuse in the system and tracks the infrastructure treating brine
      - San Diego Water becomes a new large payer into the system
      - Metro benefits if water produced is still cheaper than CWA Water
- Capacity rights now have a cost if capacity is not used and I&I has a bigger impact to waste discharger's cost

# PROPOSED O&M (FUNCTIONAL) ALLOCATIONS

## North City Allocations

| Plant                              | Processes               | Cost Weight | Flow | COD | TSS |
|------------------------------------|-------------------------|-------------|------|-----|-----|
| NORTH CITY WATER RECLAMATION PLANT | Influent Pump Station   | 5%          | 100% | 0%  | 0%  |
| NORTH CITY WATER RECLAMATION PLANT | Screening               | 3%          | 90%  | 0%  | 10% |
| NORTH CITY WATER RECLAMATION PLANT | Grit Removal            | 7%          | 50%  | 0%  | 50% |
| NORTH CITY WATER RECLAMATION PLANT | Primary Sedimentation   | 25%         | 50%  | 0%  | 50% |
| NORTH CITY WATER RECLAMATION PLANT | Aeration                | 40%         | 50%  | 50% | 0%  |
| NORTH CITY WATER RECLAMATION PLANT | Secondary Clarification | 20%         | 50%  | 35% | 15% |

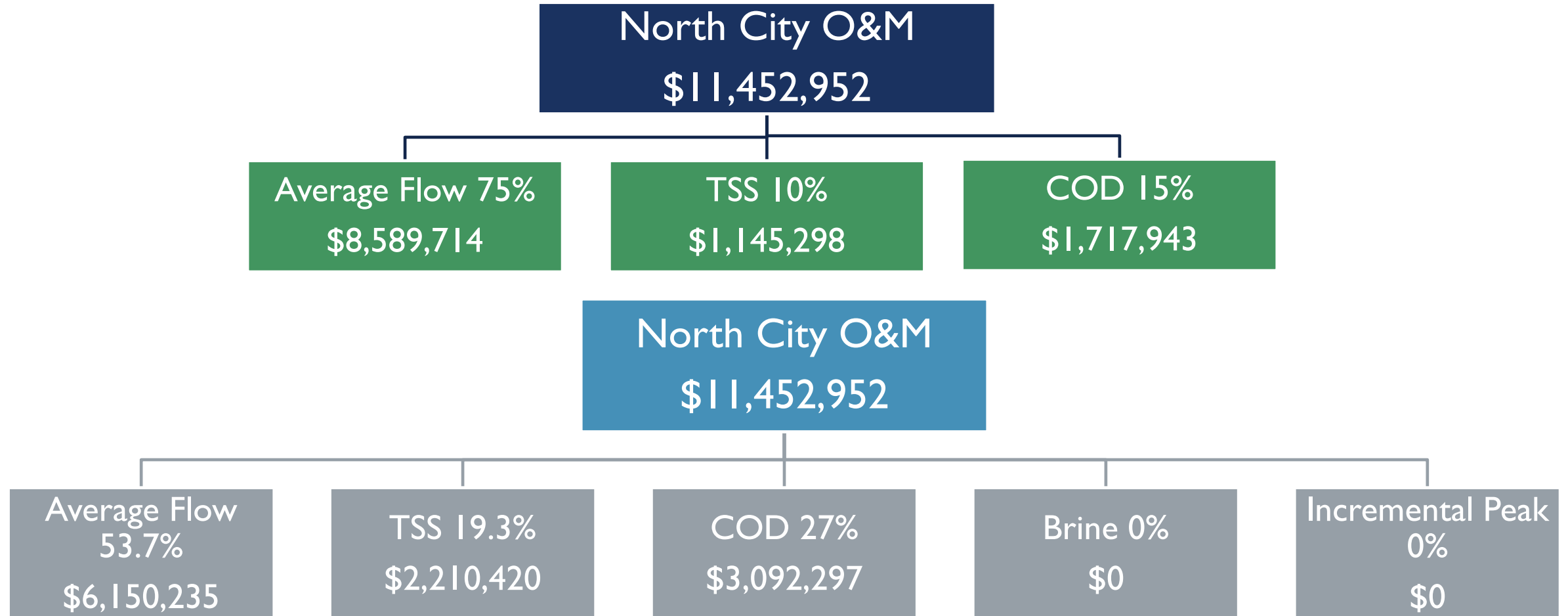
| Asset Allocation Percentages       |        | Flow  | COD   | TSS   | Brine | Incremental Peak Capacity |
|------------------------------------|--------|-------|-------|-------|-------|---------------------------|
| North City Water Reclamation Plant | 100.0% | 53.7% | 27.0% | 19.3% | 0.0%  | 0.0%                      |

## Point Loma Allocations

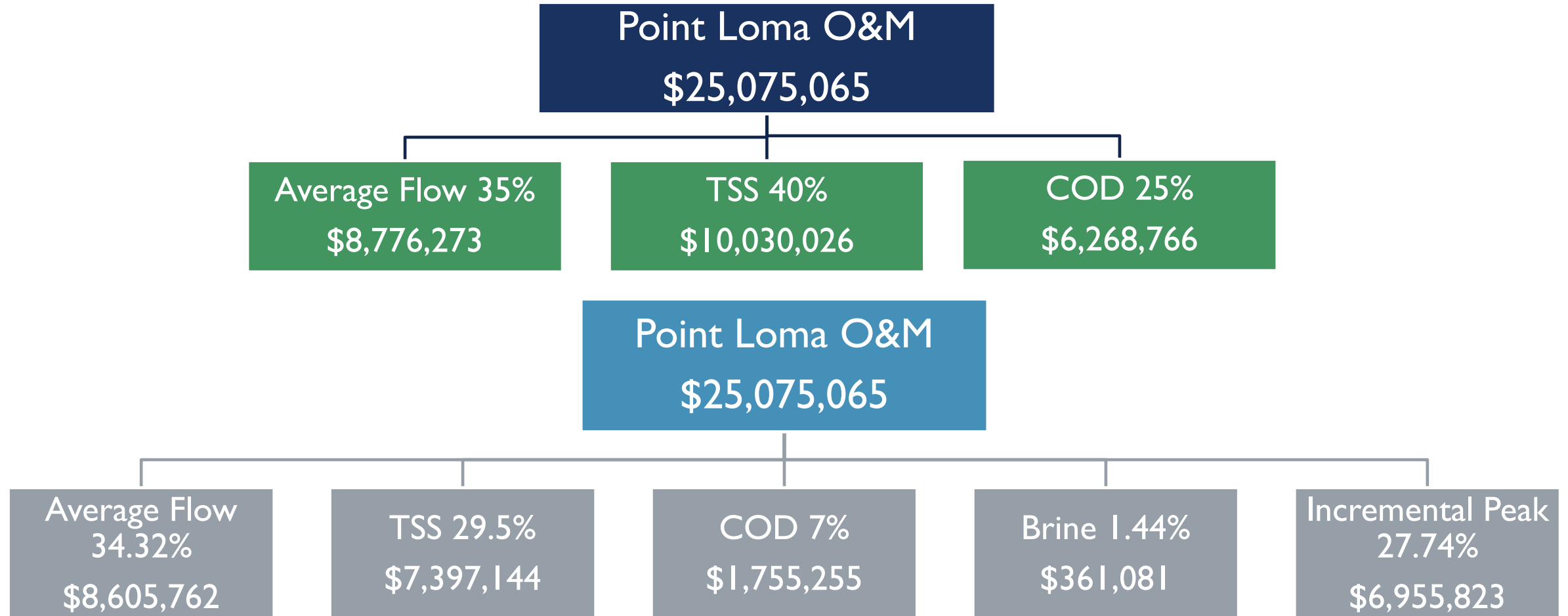
| Plant                                 | Processes         | Cost Weight | Flow | COD | TSS |
|---------------------------------------|-------------------|-------------|------|-----|-----|
| POINT LOMA WASTEWATER TREATMENT PLANT | Screening         | 10%         | 90%  | 0%  | 10% |
| POINT LOMA WASTEWATER TREATMENT PLANT | Grit Removal      | 15%         | 50%  | 0%  | 50% |
| POINT LOMA WASTEWATER TREATMENT PLANT | Primary Clarifier | 50%         | 60%  | 10% | 30% |
| POINT LOMA WASTEWATER TREATMENT PLANT | Chemical Systems  | 20%         | 60%  | 10% | 30% |
| POINT LOMA WASTEWATER TREATMENT PLANT | Post-Clarifier    | 5%          | 100% | 0%  | 0%  |

| Asset Allocation Percentages          |        | Flow  | COD  | TSS   | Brine | Incremental Peak Capacity |
|---------------------------------------|--------|-------|------|-------|-------|---------------------------|
| Point Loma Wastewater Treatment Plant | 100.0% | 34.3% | 7.0% | 29.5% | 1.4%  | 27.7%                     |

# NORTH CITY WRP – FY19 O&M COMPARISON CURRENT VS PROPOSED



# POINT LOMA – FY19 O&M COMPARISON CURRENT VS PROPOSED



# PROPOSED MBC ALLOCATIONS

## O&M (Functional) Allocations

| Plant                  | Processes | Cost Weight | Flow | COD | TSS |
|------------------------|-----------|-------------|------|-----|-----|
| METRO BIOSOLIDS CENTER | 2023      | -           | 5%   | 10% | 85% |
| METRO BIOSOLIDS CENTER | 2027      | -           | 5%   | 25% | 70% |
| METRO BIOSOLIDS CENTER | 2035      | -           | 5%   | 50% | 45% |

2027 = Phase 1 Pure Water goes online and the amount of secondary solids increases

2035 = Phase 2 Pure Water goes online and the amount of secondary solids increases again

# FY19 O&M COMPARISON SUMMARY

| Plant        | Average Flow        | TSS                 | COD                 |
|--------------|---------------------|---------------------|---------------------|
| North City   | \$8,589,714         | \$1,145,295         | \$1,717,943         |
| South Bay    | \$6,967,751         | \$929,033           | \$1,393,550         |
| Point Loma   | \$8,776,273         | \$10,030,026        | \$6,268,766         |
| MBC          | \$0                 | \$8,082,067         | \$8,082,067         |
| <b>TOTAL</b> | <b>\$24,333,737</b> | <b>\$20,186,421</b> | <b>\$17,462,326</b> |

| Plant        | Average Flow        | TSS                 | COD                | Brine            | Incremental Peak   |
|--------------|---------------------|---------------------|--------------------|------------------|--------------------|
| North City   | \$6,150,235         | \$2,210,420         | \$3,092,297        | \$0              | \$0                |
| South Bay    | \$4,807,748         | \$2,043,873         | \$2,438,713        | \$0              | \$0                |
| Point Loma   | \$8,605,762         | \$7,397,144         | \$1,755,255        | \$361,081        | \$6,955,823        |
| MBC          | \$808,207           | \$13,739,513        | \$1,616,413        | \$0              | \$0                |
| <b>TOTAL</b> | <b>\$20,371,952</b> | <b>\$25,390,950</b> | <b>\$8,902,678</b> | <b>\$361,081</b> | <b>\$6,955,823</b> |