



**METRO TAC AGENDA**  
**(Technical Advisory Committee to Metro JPA/Commission)**

**TO:** Metro TAC Representatives

**CC:** Metro Directors (for information only)

**DATE:** Wednesday, April 17, 2024

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

**LOCATION:** Metro TAC is holding its April meeting as a Hybrid. Due to the size of the meeting room, only TAC Primary members, JPA Staff and approved San Diego Staff are authorized to attend in person. All Metro TAC Alternates and staff who wish to view the meeting, may do so via the TEAMS link previously sent.  
*Should you have any questions, please call Board Secretary Lori Peoples at 619.548.2934 Prior to the meeting date.*

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1. **ACTION:** Review and Approve MetroTAC Action Minutes for the Meeting of March 20, 2024 (**Attachment**)
  2. **UPDATE:** Pure Water Program Update (Amy Dorman/Elif Cetin)  
Pure Water Program Update 041124 to Environment Committee (Amy Dorman) (**Attachment**)
    - a. **ACTION:** Consideration And Possible Action to Recommend Approval to the Metro JPA/Commission Of Construction Change In Excess Of \$2M On Morena Pump Station (K-21-1807-DBB-3-A) and Extend the Construction Contract Beyond 5 Years. (Elif Cetin) (**Attachment**)
    - b. **ACTION:** Consideration and Possible Action to Recommend Approval to the Metro JPA/Commission of Construction Change Order (CCO) 9 for K-21-1848-DBB-3 Morena Conveyance North and Extend the Construction Contract Obligations Beyond 5 years (Elif Cetin) (**Attachment**)

3. **ACTION:** Cancellation of June 19, 2024 MetroTAC Regular Meeting as San Diego Offices will be Closed and Consideration of Rescheduling to a Special Meeting, Date to be Discussed/Determined. (Blake Behringer/Karyn Keze)
4. **PRESENTATION:** Metro Wastewater Billing Framework Update: From Strength Based Billing to Functional Allocated Billing (Ben Stewart) **(Attachment)**
5. **INFORMATION:** Metro TAC Upcoming SARA Presentations and Meeting Types (Karyn Keze) **(Attachment)**
6. **UPDATE:** Metro Wastewater (General) (Standing Item) (Lisa Celya)
7. **UPDATE:** Metro Wastewater Financial (Standing Item) (Adam Jones)
8. **UPDATE:** FY 2024 2<sup>nd</sup> Quarter Metro Capital Improvements and Funding Sources (Melissa Faber) **(Attachment)**
9. **UPDATE:** JPA Executive Director (Standing Item) (Karyn Keze) **(Attachment)**
10. **UPDATE:** Metro Commission/JPA Board Meeting Recap (Standing Item) (Blake Behringer)
11. Review of Items to be Brought Forward to the Regular Metro Commission/Metro JPA Meeting **(May 2, 2024)**
12. Other Business of Metro TAC
13. Adjournment **(To the next Regular Meeting May 15, 2024)**

<b><u>Metro TAC 2024 Meeting Schedule</u></b>		
January 17	May 15	September 18
February 21	June ?	October 16
March 20	July 17	November 20
April 17	August 21	December 18

# **Attachment 1**

## **Minutes for the Meeting of March 20, 2024**



## **MetroTAC**

(Technical Advisory Committee to Metro JPA/Commission)

### **ACTION MINUTES**

**DATE OF MEETING:** March 20, 2024  
**TIME:** 11:00 AM  
**LOCATION:** Zoom Meeting held Online

#### **MEETING ATTENDANCE:**

##### **Members Present**

Michael Benozza, Chula Vista  
Leon Firsht, Coronado (absent)  
Joe Bride, Del Mar (absent)  
Blake Behringer, El Cajon  
Juan Larios, Imperial Beach  
Joe Kuhn, La Mesa  
Carley Cubberley, La Mesa  
Izzy Murguia, Lemon Grove  
Carmen Kasner, National City  
Jeff Marchioro, Otay WD  
Peejay Tubongbanua, Padre Dam MWD  
Paul Clarke, Padre Dam MWD  
Alisa Nichols, Poway  
Sumedh Bahl, County of San Diego

##### **San Diego City Staff/Consultants**

Lisa Celaya, City of San Diego  
Adam Jones, City of San Diego  
Orelia DeBraal, City of San Diego  
Craig Boyd, City of San Diego  
David Bryant, City of San Diego  
Doug Campbell, City of San Diego  
David Bryant, City of San Diego  
Doug Campbell, City of San Diego  
Tim Carrol, City of San Diego  
Edgar Patino, City of San Diego  
Renalyn Gamboa, City of San Diego  
Mike Rosenberg, City of San Diego

##### **San Diego Consultants**

Doug Owen, Stantec  
Ben Stewart, Stantec

##### **Staff/Consultants Present**

Karyn Keze, Executive Director, the Keze Group  
Scott Tulloch, NV5  
Kathleen Heitt, Dexter Wilson Engineering  
Lee Ann Jones-Santos, Metro JPA Treasurer  
Lori Anne Peoples, Metro JPA Board Secretary

#### **1. ACTION: Review and Approve MetroTAC Action Minutes for the Meeting of February 21, 2024**

**ACTION:** Motion by Beth Gentry, seconded by Izzy Murguia, the Minutes be approved. Motion carried unanimously.

2. **ACTION: Consideration and Possible Action to Recommend Approval to the Metro JPA/Commission of a Second Amendment to the As-Needed Engineering Services Agreements with Kleinfelder, Inc. for Contract 3 (H187008) and HDR Engineering, Inc. for Contract 4 (H187009)**

Orelia DeBaal, City of San Diego, provided a brief verbal overview of her PowerPoint presentation included in the agenda package.

**ACTION:** Motion by Mike Benozza, seconded by Izzy Murguia, to recommend approval of the Second Amendments with Kleinfelder and HDR to the Metro JPA/Commission. Motion carried unanimously.

3. **ACTION: Consideration and Possible Action to Recommend Approval to the Metro JPA/Commission of Chemical Contracts with Carbon Activated Corporation, Kemira Water Solutions, Inc., and California Water Technologies**

Craig Boyd, City of San Diego, introduced new employee Tim Carrol, Pt. Loma Treatment Plant Lead Operator and provided an overview of his professional background. Together, they then provided a brief verbal overview of their PowerPoint presentation included in the agenda package.

**ACTION:** Motion by Beth Gentry, second by Peejay Tubongbauna, to recommend approval to the Metro JPA/Commission of the three chemical contracts presented. Motion carried unanimously.

4. **ACTION: Consideration and Possible Action to Recommend Approval to the Metro JPA/Commission of the Year-End FY2023 Treasurer's Reports (Unaudited)**

Karyn Keze, Executive Director, provided a brief verbal overview of the report included in the agenda package. She noted that the slight overages would be discussed at next Finance Committee Meeting.

**ACTION:** Motion by Carmen Kazner, seconded by Beth Gentry, to recommend approval to the Metro JPA/Commission of the Year-End FY 2023 Treasurer's Report. Motion carried unanimously.

5. **ACTION: Consideration and Possible Action to Recommend Approval to the Metro JPA/Commission of the Mid-Year FY2024 Treasurer's Report (Unaudited)**

Karyn Keze stated that the next series of JPA audits include FY 2022-2023 and cover these financial statements. She provided a brief verbal overview of her report provided in the agenda. Additionally, she noted that there was an accounting anomaly in the report that made it appear that the JPA auditors were exceeding their audit expenditures but really, they were not. Their contract for \$45,000 was approved after the FY 2024 budget was adopted and they are tracking well within their contract. Additionally, she mentioned that the JPA's cash flow had remained stagnant, and she did not foresee any significant surplus by year-end.

**ACTION:** Motion by Peejay Tubongbauna, seconded by Mike Benozza, to recommend

approval to the Metro JPA/Commission of the Mid-Year FY 2024 Treasurer's Report. Motion carried unanimously.

**6. INFORMATION: Pump Station 2 Emergency Project Status**

Doug Campbell, City of San Diego, provided an informational update on PS2. He then introduced Mike Rosenberg who provided an overview of the PowerPoint presentation included in the agenda package. He noted that it included an emergency declaration for the scope of work and items being repaired and recently completed items repaired. They are working on a separate scope of work to modernize the facility and to update to modern technology.

**7. PRESENTATION: Public Utilities Department Fiscal Year 2025-2029 Five-Year Financial Outlook**

Adam Jones, City of San Diego, provided a brief verbal overview of his PowerPoint presentation on the City of San Diego's Five-Year Financial Outlook and noted that they had only included the Metro portion of their wastewater utility's information for this presentation. Additionally he stated the City expects to issue sewer bonds in July of next year and they had already received \$1.4 million for the demonstration facility and PS2.

**8. UPDATE: Metro Wastewater (General) (Standing Item)**

- a. General Update
- b. Permit Renewal

Lisa Celaya, City of San Diego spoke only to the permit renewal. She stated it was out for public comment and was presented last week to the Regional Water Quality Control Board which focused on the system overview, ocean monitoring and meeting existing state regulations regarding Pure Water. Only one comment was received. She will be working with JPA staff on the language of the new term "collection system". The permit must still go to the Coastal Commission and EPA for final approval. Lastly, she noted that Pt. Loma has the only waiver in the State of California.

**9. UPDATE: Pure Water Program (Standing Item)**

Doug Owen, Stantec, provided a brief verbal overview of the Quarterly construction update chart included in the agenda package. He noted the additional items included at the request of the TAC members such as percentage of completion and a split of the costs on shared projects between water and Metro.

**10. UPDATE: Metro Wastewater Financial (Standing Item)**

- a. FY 2025 Metro Budget Estimate Update

Adam Jones stated that his financial report had already been covered in the Five-Year Projection presentation. He noted his staff had sent out a revised FY 2025 Metro

budget estimates and if any of the PAs have not yet received theirs, he requested they contact him or one of his staff.

Edgar Patino, City of San Diego stated for most PAs, projected flow went down. La Mesa and San Diego County had the largest adjustment upwards in flow based on their submitted data. He will provide FY 2024 year-end budget projections at the next TAC meeting.

**11. UPDATE: JPA Executive Director (Standing Item)**

Karyn Keze provided a brief verbal overview of her staff report included in the agenda package. She noted the schedule for the JPA 2025 budget meetings and stated that she would be including an engineering component to the monthly report in the future.

**12. UPDATE: Industrial Wastewater Control Committee**

MetroTAC Chair, Alisa Nichols, stated there had been no meeting.

**13. UPDATE: Metro Commission/JPA Board Meeting Recap (Standing Item)**

MetroTAC Chair Alisa Nichols stated that all items sent forward from MetroTAC had been approved by the JPA.

She reminded all PAs to get the 4<sup>th</sup> Amendment to the JPA Agreement to their Elected Officials or Boards and signed and returned by June 1st.

**14. Review of Items to be Brought Forward to the Regular Metro Commission/Metro JPA Meeting (March 7, 2024)**

Items 2 through 6, 8 and 9 will be moving forward to the JPA in March.

**15. Other Business of Metro TAC**

None.

**16. Adjournment (To the next Regular MetroTAC Meeting April 17, 2024)**

TAC Chair Alisa Nichols adjourned the meeting at 1:00 p.m.

# **Attachment 2**

## **Pure Water Program Update**



# Pure Water Program Update Morena PS Construction Change Order Morena North Conveyance Construction Change Order

Public Utilities and Engineering & Capital Projects Departments

Metro TAC:  
April 17, 2024



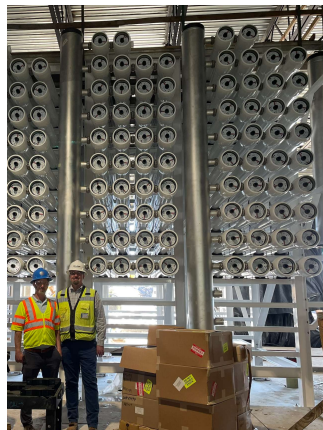
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Public Utilities & Engineering Capital Projects Departments

## Agenda

- Point Loma Permit Renewal
- Pure Water Operations Hiring
- Financing
- Pure Water Phase 1 Contingency
- Pure Water Phase 1 Construction
  - Outreach Activities
  - Recent Change Orders
  - Progress



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## Point Loma Permit Renewal

- Renewal Application Submitted - [March 24, 2022](#)
- Release of Draft Permit for Public Comment - [March 1, 2024](#)
- Coastal Commission Hearing - [TBD](#)
- State Water Board and USEPA Response to Public Comments - [TBD](#)
- Final Permit Adoption - [Late 2024 / Early 2025](#)



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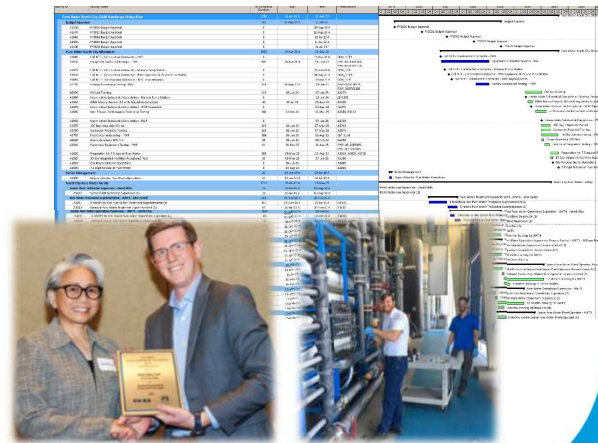
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## Pure Facility Operations Readiness

- Hiring Progress
  - Operations Positions: 7 filled out of 21
  - Maintenance Positions: 9 filled out of 17
  - Engineering & Admin Positions: 4 filled out of 7
- Operator Training and Certification Program
  - Advanced Water Treatment Academy
- Engagement in Construction



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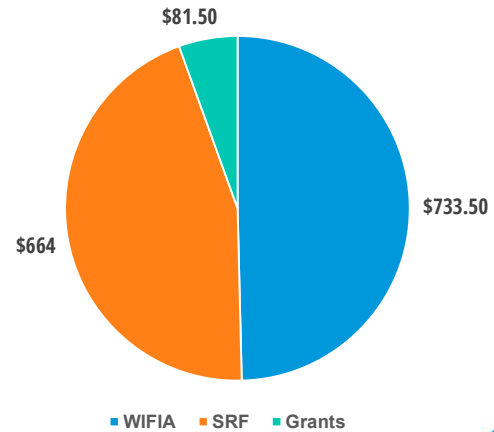
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## Pure Water Phase 1: Funding Overview

- Federal and State Loans totaling ~\$1.4B
  - **USEPA WIFIA loans**
    - \$614 million at 1.29% interest rate
    - \$119.5 million at 1.82 interest rate
    - Reimbursement received to date: **\$251 million**
  - **State Revolving Fund loans**
    - \$664 million at 0.8% to 1.1% interest rates
    - Reimbursement received to date: **\$88 million**
- Grants totaling \$81.5 million



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## Construction Expenditures

Authorized Award Amount: **\$1.2 billion**

Actual Amount Awarded: **\$1.15 billion**

Thru December 31, 2023:

- Total Expenditures: **~\$572 million**
- Total Change Orders: **~\$53.5 million**
- Remaining Pooled Contingency: **~\$61.2 million** (of \$114.7 million Total)

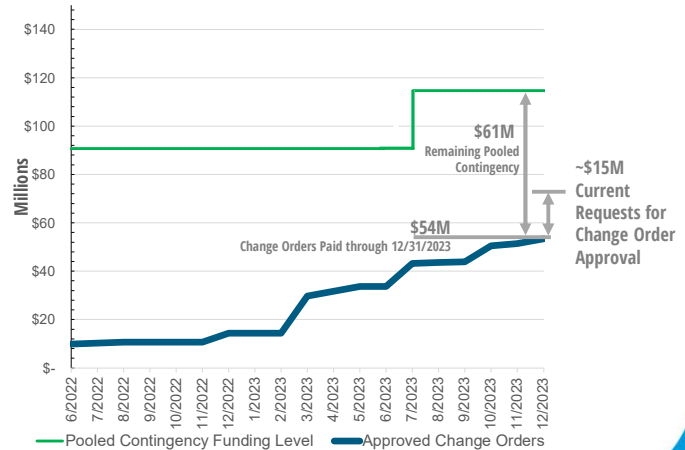
Approaching **50%** Completion

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## Pooled Contingency Status

- Established for use on all Phase 1 construction contracts
- Change orders paid from pooled contingency
- Current budget: \$115 Million
  - ~10% of total construction amount
  - Change orders to date: \$53.5 Million
  - Amount remaining: \$61 Million



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## Pure Water Phase 1 Construction Progress

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## Outreach *(Oct 2023 thru Mar 2024)*

- Outreach to Affected Community Groups
  - Construction Update Presentations – 9
  - Community events – 5, engaged with 3,000 community members
- Community phone inquiries – 100 resolved
- Distributed project and schedule info through door hangers, fliers, social media, email blasts
  - # Opt-in Email Recipients – 4,475



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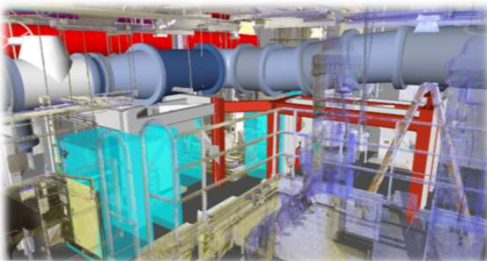
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## Construction Challenges

- **Complex Projects & Coordination**
- **Supply Chain**
- **Changed/Unforeseen Conditions**



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Authority to approve construction change in excess of \$2M on  
Morena Pump Station (K-21-1807-DBB-3-A) and extend the  
construction contract beyond 5 years

Item 5

Public Utilities and Engineering & Capital Projects Departments

Environment Committee:  
April 11, 2024



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Public Utilities & Engineering Capital Projects Departments

## Morena Pump Station Change Order Item 5

### ■ Requested Actions:

1. A Resolution authorizing the Mayor, or his designee, to execute one or more change orders to the construction contract with Flatiron West, Inc., as necessary, in an amount not to exceed \$6,500,000 to cover the additional costs in excess of \$20,000,000 associated with the Morena Pump Station dewatering changed condition; and
2. The Chief Financial Officer is authorized to expend an additional amount not to exceed \$6,500,000 from CIP A-LA.00001 Pure Water Phase 1 (B-21061, PWP Morena Wastewater Pump Station), Fund 700009, Metro Sewer CIP, for one or more change orders to address the dewatering changed condition, contingent upon the Chief Financial Officer furnishing one or more certificates certifying that funds necessary for expenditure are, or will be, on deposit with the City Treasurer; and
3. An Ordinance approving the extension of the contract obligations under construction contract K-21-1801-DBB-3-A with Flatiron West Inc. for an additional 18 months to allow Flatiron to provide construction services in CIP B-21060 "PWP Morena Wastewater Pump Station" beyond five years.

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## Morena Pump Station Change Order-Item 5

Project Scope: 32 mgd Wastewater Pump Station, Diversion Structures, High Purity Oxygen System

Change Order: Dewatering system, soldier beam and lagging shoring system replaced by secant pile shoring system.

Original Contract :\$110.4M

Previous Council Action: \$20M (18.2%)

Current Council Action: \$6.5M (5.9%)

Total Contract Amount: \$137.0M

Authority to extend contract to December 2027



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Authority to Approve Construction Change Order (CCO) 9 for K-21-1848-DBB-3 Morena Conveyance North and Extend the Construction Contract Obligations Beyond 5 years

Item 6

Public Utilities and Engineering & Capital Projects Departments

Environment Committee:  
April 11, 2024



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## Morena Conveyance North Change Order Item 6

### Requested Actions:

1. The Mayor or his designee is authorized to execute Construction Change Order 9 to the construction contract with OHLA USA, Inc. for a total amount of \$8,445,450.00 for the I-805 tunnel unforeseen soil conditions and change to microtunneling at San Clemente Canyon and Rose Canyon tunnels;
2. The Chief Financial Officer is authorized to expend an additional amount of \$8,445,450.00 from CIP ALA00001 Pure Water Program Phase 1 (B-15141, PWP Morena Conveyance North), from Fund 700009, Metro Sewer CIP, and Fund 700010, Water Utility CIP for the construction of the Morena Conveyance North, contingent upon the Chief Financial Officer furnishing one or more certificates certifying that funds necessary for expenditure are, or will be, on deposit with the City Treasurer.
3. An Ordinance to authorize the obligations of the construction contract K-21-1848-DBB-3 with OHLA USA, Inc to provide construction services in CIP B-15141 "PWP Morena Conveyance" to be extended beyond five years, up to an additional 20 months.

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## Morena Conveyance North Change Order-Item 6

Project Scope: 20,870 ft Dual Pipeline, 12'trench, 8'tunnel

Change Order: Unforeseen Soil Conditions, Boulders Encountered



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## Morena Conveyance North Change Order-Item 6

Change Order: Tunneling Equipment Retrofit, Second Tunneling Crew, Concurrent Tunneling Operations to Mitigate Critical Schedule Delays

Original Contract: \$95.2M

Previous Actions: \$9.2M (9.6%)

Current Action: \$8.45M (8.9%)

Total Contract Amount: \$112.8 M

Authority to extend contract to December 2027



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## Construction Progress by Milestones

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## Construction Progress by Milestones

- Approximately 40% of pipeline installation completed (~12 miles)
- Tunneling activities at all major freeway crossings are started



Towne Centre March 1, 2024

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## Construction Progress by Milestones

- Secondary Clarifiers structures complete at the North City Water Reclamation Plant
- All Major structural work completed in the PURE Water Facility
- Piping and equipment installation ongoing



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## Construction Progress by Milestones

- Tunneling completed into the Miramar Reservoir
- Beginning of subaqueous pipe installation



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## Council Action Requests

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## Requested Actions:

### ■ Morena Pump Station Change Order Item 5

1. A Resolution authorizing the Mayor, or his designee, to execute one or more change orders to the construction contract with Flatiron West, Inc., as necessary, in an amount not to exceed \$6,500,000 to cover the additional costs in excess of \$20,000,000 associated with the Morena Pump Station dewatering changed condition; and
2. The Chief Financial Officer is authorized to expend an additional amount not to exceed \$6,500,000 from CIP A-LA.00001 Pure Water Phase 1 (B-21061, PWP Morena Wastewater Pump Station), Fund 700009, Metro Sewer CIP, for one or more change orders to address the dewatering changed condition, contingent upon the Chief Financial Officer furnishing one or more certificates certifying that funds necessary for expenditure are, or will be, on deposit with the City Treasurer; and
3. An Ordinance approving the extension of the contract obligations under construction contract K-21-1801-DBB-3-A with Flatiron West Inc. for an additional 18 months to allow Flatiron to provide construction services in CIP B-21060 "PWP Morena Wastewater Pump Station" beyond five years.

### ■ Morena Conveyance North Change Order Item 6

1. The Mayor or his designee is authorized to execute Construction Change Order 9 to the construction contract with OHLA USA, Inc. for a total amount of \$8,445,450.00 for the I-805 tunnel unforeseen soil conditions and change to microtunneling at San Clemente Canyon and Rose Canyon tunnels;
2. The Chief Financial Officer is authorized to expend an additional amount of \$8,445,450.00 from CIP ALA00001 Pure Water Program Phase 1 (B-15141, PWP Morena Conveyance North), from Fund 700009, Metro Sewer CIP, and Fund 700010, Water Utility CIP for the construction of the Morena Conveyance North, contingent upon the Chief Financial Officer furnishing one or more certificates certifying that funds necessary for expenditure are, or will be, on deposit with the City Treasurer.
3. An Ordinance to authorize the obligations of the construction contract K-21-1848-DBB-3 with OHLA USA, Inc to provide construction services in CIP B-15141 "PWP Morena Conveyance" to be extended beyond five years, up to an additional 20 months.

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## Questions



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## The City of San Diego

### Staff Report

DATE ISSUED: April 11, 2024

TO: City Council

FROM: Public Utilities & Strategic Capital Projects Departments

SUBJECT: Pure Water Program Update

Primary Contact:	Amy Dorman, Assistant Director, Public Utilities Department	Phone: (858) 614-5504
Secondary Contact:	Elif Cetin, Assistant Director, Strategic Capital Projects Department	Phone: (619) 533-5100

Council District(s): Citywide

#### OVERVIEW:

Pure Water San Diego Program (Pure Water) is the largest and most complex Capital Improvements Program ever undertaken by the City of San Diego (City). The overall project will be executed in two phases. The effort, from planning to construction, activation, and commissioning, will span more than two decades. The goal of Pure Water is to provide a safe, secure, and sustainable drinking water supply while simultaneously reducing treated wastewater ocean discharges.

#### PROPOSED ACTIONS:

This item is information only.

#### DISCUSSION OF ITEM:

##### **Background**

Pure Water will: (1) provide a safe, secure, and sustainable local drinking water supply for San Diego, thereby reducing the City's dependence on imported water supplies; and (2) reduce treated discharges from the Point Loma Wastewater Treatment Plant (Point Loma). Legislation that recognizes Pure Water as equivalent to meeting full secondary treatment standards is currently under consideration by Congress. Its adoption, together with Pure Water implementation, will help the City avoid costly treatment upgrades to Point Loma. Such upgrades are estimated to be on the order of \$2 billion.

Pure Water is the first project permitted under the State's regulations for indirect potable reuse with a reservoir (adopted in 2018). To demonstrate the Pure Water concept's feasibility, the City performed extensive reservoir modeling studies and treatment testing (2009-2015) with the oversight of an independent panel of scientific experts. State regulators participated as observers in the panel review process and were able to draw from the City's large body of technical work, in the crafting of their regulatory requirements.

Pure Water includes two phases: Phase 1 (North City), which is at the midpoint of construction and will deliver 30 million gallons per day (mgd) of purified water into the City's potable (drinking) water

system; and Phase 2 (Central Area), which is in the planning stage and will deliver 53 mgd in 2035. Based on the most recent water demand projections, Pure Water is projected to provide nearly half of the City's drinking water supply upon the completion of both Pure Water phases.

The last Pure Water Program update was presented to the Environment Committee on October 12, 2023.

This update will cover:

- Phase 1 Construction
- Pooled Contingency
- Phase 1 Financing
- Construction Outreach
- Point Loma Permit Renewal
- Upcoming Council Action Items

### **Phase 1 Construction**

Pure Water Phase 1 construction is estimated to be 50% complete. City Council authorized up to \$1.2 billion for construction and \$114 million in pooled contingency for change orders. As of December 31, 2023, total construction expenditures were \$572 million. There have been \$53.5 million in change orders and the remaining amount in pooled contingency is \$61.2 million. Attachment 1 to this report includes information about the individual contracts. The funding sources for Pure Water expenditures are the water and metro wastewater enterprise funds.

Relative to schedule, construction is on track for meeting major program milestones:

- ✓ Begin commissioning the partial Phase 1 system that includes the North City Water Reclamation and Pure Facilities, as well as the Pure Water Pump Station and Pipeline: Mid/Late 2026
- ✓ Complete construction of all Phase 1 projects: June 2027
- ✓ Begin operation of the entire Phase 1 system to produce 30 mgd of Pure Water: December 31, 2027

Since the Pure Water Program Update to the Environment Committee in October 2023, the Pure Water Facility's process building structure has been completed. The contractor put the roof in place in December; this allowed equipment installation to be done continuously through the rainy season.

Another major milestone has been the completion of the secant wall at the Morena Pump Station. This resolves the dewatering changed condition that was encountered in the Spring of 2022, but more importantly it has allowed the contractor to resume construction of the station. Attachment 2 to this report includes individual project summary sheets and photos of progress.

In addition to the above milestones, all 12 construction contracts in Phase 1 are progressing, and they are progressing in spite of challenges like:

- Constructing in every area of a facility that must stay in operation through construction (North City Water Reclamation Plant)
- Tunneling new pipeline under Interstate 805 and Interstate 15, as well as at seven other locations where open-trench installation is not feasible. These tunnels are 8 feet in diameter and up to 100 feet deep.
- Installing 30 miles of pipeline in high-traffic roadways where access to residences, businesses, and schools must be maintained; 12 miles are complete thus far.



- Installing one mile of pipeline at the bottom of Miramar Reservoir (referred to as the “Subaqueous Pipeline”) as part of the North City Pure Water Pipeline project.
- Building a 30-mgd purification facility on a site that was originally master planned for a 15-mgd facility (North City Pure Water Facility).

### **Pooled Contingency**

The pooled contingency was established for construction change orders and can be utilized for any of the Phase 1 construction contracts. In contrast, the majority of City CIP projects have their own unique contingencies that no other projects can use. The Phase 1 projects are tightly interrelated and are all essential to the integrated system that will ultimately produce pure water. The pooled contingency allows for flexibility and increased efficiency in the processing of change orders, which in turn helps minimize project delays that can impact the entire Phase 1 completion schedule. In November 2018, the Pure Water team indicated that Pooled Contingency was expected to be 10% of the construction contract award amounts, estimated to be \$100 million at that time. In November 2021, the Pure Water team returned to Council – after the Project Labor Agreement was fully executed in response to the May 2019 lawsuit filed by the Associated General Contractors – and indicated that 10% of the construction costs was now estimated at \$114.7 million due to an increase in construction contract estimates over the three-year-old initial estimates. The amount budgeted in pooled contingency increased to \$114.7 million.

Phase 1 construction is both large and complex, and changed conditions have been encountered on all of the contracts. The construction management and design teams have been able to resolve them such that the contingency drawdown has been at a rate commensurate with the pace of construction. About 53% (\$61.2 million) of the pooled contingency remains, with about 50% of construction still to be completed; however, two factors could prompt the need to increase the contingency:

- The cost of many change orders reflects current pricing, which has been affected by inflation since construction contracts were awarded. The Consumer Price Index (CPI) for the San Diego region shows an increase of 12.3% from November 2021 to January 2024. CPI since construction award is expected to continue rising.
- Major changes to design or construction methods, which include significant direct material and installation costs and related contractor delays, result in higher-than-usual change order amounts. Such changes accelerate the draw down of pooled contingency. Two examples of this are the Morena Pump Station dewatering and the Morena Conveyance North Interstate 805 tunneling change orders. Both will be presented as separate requests for City Council approval. If approved, these items will total \$35 million and account for over 30% of the total contingency pool.

### **Financing**

The City has worked aggressively to secure very advantageous financing to support Pure Water delivery and limit impacts to ratepayers. The State Water Resources Control Board’s (SWRCB) Clean Water State Revolving Fund (SRF) Loan Program offers low-cost financing to a wide range of water quality projects. The SWRCB approved four separate loans totaling \$664 million to support Pure Water Phase 1 construction. These SRF loans have very favorable interest rates between 0.8 and 1.1%. As of November 2023, the City received \$88 million from the SRF loans and paid off the \$43 million revolver upon receipt of the first construction reimbursement from the state. In addition, the City received \$251 million of Water Infrastructure Finance and Innovation Act proceeds.

In January 2024, the Metropolitan Biosolids Center Improvements Project received final budget approval of \$9.9 million from the SWRCB. This approval means that all construction budgets have

now been approved by the SWRCB and the City can submit for construction reimbursements for all SRF loans.

### **Outreach**

Proactive, robust construction outreach is ongoing as part of the Pure Water Phase 1 projects in Linda Vista, Clairemont, University City, Miramar, and Scripps Ranch. In addition, programmatic outreach continues citywide.

Between October 2023 and March 2024, the program and construction outreach teams have:

- Provided construction update presentations to the Linda Vista Planning Group, Clairemont Town Council, University City Planning Group, University City Civic Association, Mira Mesa Community Planning Group, Mira Mesa Town Council, Scripps Ranch Planning Group, and Scripps Ranch Civic Association.
- Fielded and resolved approximately 100 construction-related stakeholder inquiries via the three community phone lines and dedicated email address ([purewatersd@sandiego.gov](mailto:purewatersd@sandiego.gov)).
- Distributed project and schedule information via construction notices, website updates, social media content, fliers, doorhangers, and e-blasts, including 18 e-blast construction notifications to approximately 4,475 opt-in email recipients.
- Completed the [2023 Pure Water Annual Report](#).
- Engaged with a total of nearly 3,000 community members at five events: the Walter Munk Oceans Day, December Nights, Tet Festival, Chinese New Year Festival, and San Diego Festival of Science and Engineering Expo.
- Participated in nine presentations to community groups, informing approximately 360 people in various community organizations, including the Pure Water Working Group members.
- Provided 18 tours and presentations to industry group members and community stakeholders, including California Natural Resources Secretary Wade Crowfoot, City of San Diego employees, Inland Empire Utilities Agency, Association of Metropolitan Water Agencies, Australia Research Fellow, San Diego State University Division of Environmental Health and Division of Global Health, San Diego City College Physical Sciences Department, San Diego Diplomacy Council, State of California Division of Drinking Water, League of Women Voters, I Love a Clean San Diego, San Diego County Water Authority, City of Phoenix, national organization of public finance leaders, Water Services Association of Australia, and Coastkeeper.

### **Pure Water Operations**

Pure Water Operations (PWO) continues to implement wide-reaching, industry-targeted advertisement of open positions as well as attending recruitment events. The division recently completed the hiring and onboarding of one Senior Pure Water Plant Operator, one Plant Technician III, and one Associate Engineer. The division is currently in the hiring process for additional Senior Pure Water Plant Operators and Pure Water Plant Operators. A full summary of hiring efforts to date and the future hiring schedule can be found in Attachment 4: Pure Water Operations Hiring Status Table.

An Instrumentation and Control Supervisor in the Pure Water Operations Division, Ruby Dela Cruz, was selected by the California Water Environment Association (CWEA) as the first-place winner for the Electrical Instrumentation Person of the Year Award. The award recognizes significant contributions to the field and an individual's contribution to CWEA. Ruby Dela Cruz has a 22-year record of outstanding public service for the City of San Diego, with nearly all that time spent in the field of instrumentation and control. She has developed her technical expertise at Miramar Water



Treatment Plant and Otay Water Treatment Plant before joining the Pure Water Operations Division in February 2021. In her current role, Ruby has been training new hires, reviewing nearly 200 contractor submittals, providing feedback during the construction of the North City Pure Water Facility, and continuing to provide project-based support to other workgroups. Above all else, the most impactful addition that Ruby Dela Cruz brings to the table is her positive, forward-thinking attitude.

### **Point Loma Permit Renewal**

In addition to the ongoing activities to address regulatory requirements for the Phase 1 Pure Water facilities, the renewal of the National Pollutant Discharge Elimination System permit for the Point Loma Wastewater Treatment Plant is underway. The Point Loma Wastewater Treatment Plant has a modified permit for enhanced primary treatment that is issued by the U.S. Environmental Protection Agency and the San Diego Regional Water Quality Control Board (RWQCB). Pure Water will play a key role in reducing Point Loma's ocean discharges; program milestone dates are in both the current permit and the draft Tentative Order. The RWQCB released a draft Tentative Order for public comment on March 1, 2024. After responding to public comment, the RWQCB will prepare and adopt a Final Order. Future Pure Water updates will include the status of the permit.

### **Upcoming Council Action Items**

1. Request to increase authorized amount for the Morena Pump Station Dewatering Changed Condition
2. Request to authorize a construction change order for the Morena North Conveyance Project
3. Phase 1 Program Management Contract Amendment No. 5. The contract will expire in January 2025. The proposed action will extend it another five years and increase the amount.
4. Design Contract Amendments for the Metro Biosolids Center Improvements, North City Water Reclamation Plant Expansion, and North City Pure Water Facility.

### **Conclusion**

The Public Utilities and Strategic Capital Projects Departments are working together for the successful delivery of the City's largest and most complex capital project. The team understands the numerous important benefits the future Pure Water facilities will bring to present and future San Diegans. The team is committed to transparency, providing both the City Council and the public information concerning execution of the complete Pure Water effort. The next programmatic update is planned for Fall 2024.

### **City of San Diego Strategic Plan:**

Pure Water San Diego is the City's 20-year program to provide a safe, secure, and sustainable local drinking water supply for San Diego. Awarding and funding the construction contracts for Phase 1 and Phase 2 of the project directly support the Strategic Plan's Priority Area: Championing Sustainability, by diversifying San Diego's water supply and reducing dependence on imported water while reducing ocean discharges.

### **Fiscal Considerations:**

N/A

### **Charter Section 225 Disclosure of Business Interests:**

N/A; there is no contract associated with the action.

Environmental Impact:

N/A

Climate Action Plan Implementation:

The Pure Water Program supports the City's CAP Strategy 5: Resilient Infrastructure and Healthy Ecosystems, Measure 5.3 Action: Develop local water supply and reduce dependence on imported water. At completion, the Pure Water Program will add 33,000 acre-feet per year of a drought-proof, local water supply to the City's water portfolio. In addition, the utilization of wastewater supplies by the Pure Water Program will help mitigate future wastewater spills that have the potential to impact the local waterways, native habitats, and other preserve areas as well as reducing treated wastewater ocean discharges.

Equal Opportunity Contracting Information (if applicable):

N/A

Previous Council and/or Committee Actions:

The most recent progress update on the Pure Water Program was presented at the October 12, 2023 Environment Committee Meeting.

Planning Commission Action:

N/A

Key Stakeholders and Community Outreach Efforts:

The stakeholders for the Pure Water Program include the San Diego Coastkeeper, the San Diego Chapter of the Surfrider Foundation, the Coastal Environmental Rights Foundation, the San Diego Audubon Society, the Metro Wastewater Participating Agencies, the Independent Rates Oversight Committee, Pure Water Working Groups, and water and wastewater ratepayers.

Attachments

1. Phase 1 Construction Contracts List
2. Individual Construction Project Summary Sheets
3. Project Labor Agreement (PLA) Statistics
4. Pure Water Operations Hiring Status Table

Lisa Celaya

Executive Public Utilities Department Director

Kris McFadden

Deputy Chief Operating

# **Attachment 2a**

**Construction  
Change In Excess  
Of \$2M On Morena  
Pump Station  
(K-21-1807-DBB-3-  
A) and Extend the  
Construction  
Contract Beyond 5  
Years**



## The City of San Diego

### Staff Report

DATE ISSUED: 2/15/2024

TO: City Council

FROM: Strategic Capital Projects Department

SUBJECT: Authority to approve construction change in excess of \$2M on Morena Pump Station (K-21-1807-DBB-3-A) and extend the construction contract beyond 5 years.

Primary Contact: Akram Bassyouni Phone: (619) 533-3616

Secondary Contact: Nicole George Phone: (619) 533-7443

Council District(s): 2, 7

#### OVERVIEW:

This project will construct a new 37.7 million gallons per day (MGD) Morena Wastewater Pump Station at the southwest corner of Sherman Street and Custer Street off Morena Boulevard. The Pump Station Project is one of **twelve** construction contracts that make up Phase 1 of the City's Pure Water Program and will divert flows to the new North City Pure Water Facilities for purification. The project also includes the construction of diversion and overflow sewer structures on Friars Road.

The City Council previously authorized construction change order(s) not to exceed \$20,000,000 to address the changed condition related to dewatering. This item is being brought forward to request additional authorization to issue construction change orders up to \$6,500,000, as the total amount of requested change orders for the dewatering changed condition is \$26,500,000 or 24% increase from the original award amount of \$110,386,350.00. Additionally, these changed conditions have resulted in the need for additional time to complete the contract obligations, and so this item seeks authorization to extend the obligations for an additional 18 months from June 2026 to December 2027.

#### PROPOSED ACTIONS:

1. A Resolution authorizing the Mayor, or his designee, to execute one or more change orders to the construction contract with Flatiron West, Inc., as necessary, in an amount not to exceed \$6,500,000 to cover the additional costs in excess of \$20,000,000 associated with the Morena Pump Station dewatering changed condition; and
2. The Chief Financial Officer is authorized to expend an additional amount not to exceed \$6,500,000 from CIP A-LA.00001 Pure Water Phase 1 (B-21061, PWP Morena Wastewater Pump Station), Fund 700009, Metro Sewer CIP, for one or more change orders to address the dewatering changed condition, contingent upon the Chief Financial Officer furnishing one or more certificates certifying that funds necessary for expenditure are, or will be, on deposit with the City Treasurer; and

3. An Ordinance approving the extension of the contract obligations under construction contract K-21-1801-DBB-3-A with Flatiron West Inc. for an additional 18 months to allow Flatiron to provide construction services in CIP B-21060 "PWP Morena Wastewater Pump Station" beyond five years.

#### DISCUSSION OF ITEM:

The Morena Pump Station project consists of the demolition of existing facilities at the proposed Morena Pump Station site, the construction of a new 37.7 MGD pump station facility, including odor control systems, electrical building, screening facility, high purity oxygen system, maintenance building, associated civil site work including storm drainage, yard piping, perimeter walls, access gates, pavement, landscaping, and other appurtenances. The project also includes the construction of 48-inch, 60-inch & 66-inch diversion and overflow sewers, three diversion structures with slide gates and one junction structure on Friars Rd.

On April 28, 2021, the City Council approved the award contract #K-21-1801-DBB-3-A to Flatiron West, Inc. for the purposes of providing construction services for the Morena Pump Station for an amount not to exceed \$110,386,350.00 by Resolution R-312062. The original contract duration was 925 working days with a Notice to Proceed (NTP) date of June 14, 2021 and a projected day of completion date of February 20, 2025.

As previously reported to Council, the initial dewatering system and soldier beam and lagging shoring system were ineffective in dewatering the pump station site for construction as originally designed. On August 1, 2022, the City Council granted authority to approve construction change orders, for a total amount not to exceed \$20,000,000, to address the dewatering changed condition. The initial dewatering system and soldier beam and lagging shoring system have since been removed and replaced by a secant pile shoring system. The secant pile shoring system has significantly reduced the amount of groundwater entering the excavation and dewatering efforts have been successful, allowing construction of the pump station to progress.

At the time of the initial request for Council authority to issue construction change orders up to \$20,000,000.00, it was made known to Council that the impact to the Contractor's critical path schedule and inefficiencies to construction operations from the changed shoring method were not completely known. The contractor's original proposal called for an open excavation with large excavators; however, steel struts were installed within the excavation to support the secant wall which required a more time-consuming excavation method. In addition, the rate of the Contractor's Time Related Overhead (TRO) was unknown. TRO compensates the contractor for overhead costs, including field and home office overhead, due to schedule delays. To date there have been a total of 355 days of delays due to the changed condition and Staff anticipates additional delays up to 135 days. With the extent of the construction delays and associated TRO established by the City, the initial \$20,000,000.00 authorization will be exceeded.

This action will authorize the Mayor, or his designee to execute one or multiple construction change orders with Flatiron West, Inc. for an agreed amount not to exceed \$6,500,000.00 for unforeseen conditions that were encountered during construction which resulted in additional costs. The additional costs associated with this changed condition include:

- Prime and Sub's Time Related Overhead (TRO) costs due to impacts to critical path.
- Construction Inefficiencies due to Secant Wall Shoring system

A final true-up audit of project time impacts will be conducted upon completion of construction activities, and any additional time impacts associated with the dewatering changed condition will be presented in a subsequent change order, as required, once the impacts have been determined. The Total Construction cost to date including approved change orders is \$130,914,465.49. Total projected construction cost including \$26,500,000.00 to address the dewatering changed condition is approximately \$139,500,000.00. Full accounting of all Pure Water Phase I construction contracts, including all

construction change orders to date will be provided to the Environment Committee as part of the bi-annual Pure Water update.

The original contract duration was 44 months and was scheduled to complete in February 2025. The Contractor provided a recovery schedule to address the dewatering changed condition, and the projected completion date is anticipated in March 2027. Not all the delays associated with the dewatering changed condition have been fulfilled and projections may fall short of the actual time it takes the Contractor to complete the project. As a result of these challenges and the potential of further unforeseen challenges on a project of this complexity, it is necessary to extend the contract an additional 18 months for a projected completion date of December 2027. As previously reported to Council, this delay to the Morena Pump Station does affect the overall commissioning of the Pure Water Phase 1 program as the ability to produce 30 MGD of pure water is contingent on the completion of the Morena Pump Station. A partial commissioning plan is being implemented that will deliver Pure Water to Miramar Reservoir in 2026.

Per City Charter Section 99, Article VII, "No contract, agreement or obligation extending for a period of more than five years may be authorized except by ordinance adopted by a two-thirds' majority vote of the members elected to the Council." This Action will allow time for the completion of the remaining work which includes addressing the dewatering changed condition, completion of the pump station and Friars Road offsite work, final testing and commissioning.

This action will not add any additional funding or working days outside what has been authorized in the executed construction contract and approved change orders.

City Strategic Plan Goal(s)/Objective(s):

Pure Water San Diego is the City's 20-year program to provide a safe, secure, and sustainable local drinking water supply for San Diego. Awarding and funding the construction contracts for Phase 1 and Phase 2 of the project directly supports the Strategic Plan's Priority Area: Championing Sustainability, by diversifying San Diego's water supply and reducing dependence on imported water.

Fiscal Considerations:

The total cost of the original construction amount of \$110,386,350.00 was previously authorized per Resolution R-312062. The total cost of the contract to date is \$130,914,465.49 which includes thirteen executed change orders.

The total cost of this action is \$6,500,000 and is available in CIP P-19002, Pure Water Pooled Contingency, Fund 700009, Metro Sewer CIP.

Charter Section 225 Disclosure of Business Interests:

N/A; the contract is with a publicly traded company.

Environmental Impact:

This activity is adequately addressed in the Final Environmental Impact Report/Environmental Impact Statement (EIR/EIS) prepared for the Pure Water San Diego Program, North City Project (Project No. 499621/SCH No. 2016081016) which was certified by City Council on April 10, 2018 by Resolution R-311671. This activity is part of a series of subsequent discretionary actions and is therefore not considered to be a separate project for the purposes of CEQA review as defined in CEQA Guidelines Sections 15378(c) and 15060(c)(3). Pursuant to Public Resources Code Section 21166 and CEQA Guidelines Section 15162, there is no change in circumstance, additional information, or project changes to warrant additional environmental review for this action.

Climate Action Plan Implementation:

Pure Water Program is not specified in the Climate Action Plan, but it supports climate resiliency, Strategy 5, by providing a diversified, sustainable, and drought-proof source of water supply to the City of San Diego.

Equal Opportunity Contracting Information (if applicable):

This agreement is subject to the City's Equal Employment Opportunity Outreach Program (San Diego Ordinance No. 18173, Municipal Code Sections 22.2701 through 22.2708) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

Previous Council and/or Committee Actions:

On April 29, 2014, City Council adopted Resolution Number R-308906 in support of the Pure Water Program.

On April 10, 2018, City Council passed Resolution Number R-311671 which certified the Environmental Impact Report (EIR) No. 499621 and adopted the Mitigation Monitoring and Reporting Program (MMRP).

On April 10, 2018, City Council passed Resolution Number R-311672 granting the Site Development Permit (SDP) and a Multi-Habitat Planning Area Boundary Line Adjustment for the Pure Water North City Project.

On November 15, 2018, City Council adopted Resolution Number R-312062 authorizing the Mayor to advertise and execute Pure Water Program construction contracts to the lowest responsible and reliable bidders and to expend funds for City Forces.

On December 4, 2018, City Council adopted Ordinance Number O-21029 authorizing the Mayor to execute construction change orders up to \$1,000,000.

On October 26, 2021, City Council adopted Resolution Number R-313764 authorizing the Mayor to execute construction change orders up to \$2,000,000.

On August 1, 2022, City Council adopted Resolution Number R-314277 authorizing the Mayor to issue one or more change orders to address the dewatering changed condition to the construction contract for an amount not to exceed \$20,000,000 for additional construction operations.

This action will be heard by the Environmental Committee prior to full Council.

Key Stakeholders and Community Outreach Efforts:

There are many stakeholders for the Pure Water Program including the environmental, labor, and business communities, the Metro Wastewater Participating Agencies, the Independent Rates Oversight Committee, Pure Water Working Groups, and water and wastewater ratepayers.

In April 2014, the City formed a Pure Water Working Group to provide diverse viewpoints and input on the City's efforts to provide a safe and reliable local drinking water supply. The group included representatives from community planning groups, businesses, City Council offices, environmental groups, and water coalitions. The Pure Water Program has offered engagement opportunities through facility tours, direct contact at community events, written and electronic materials, traditional and social media, stakeholder interviews and speakers bureau presentations.

Outreach activities initiated in 2010 continue. As of April 2023, the number of attendees at tours at the Pure Water Demonstration Facility has reached over 20,000; 970 groups (cumulatively more than 20,000 people) have participated in speaking engagements; over 12,500 people have signed up for email alerts and nearly 5,000 people have pledged support for the program.

The stakeholders in this Program include San Diego Coastkeeper, San Diego Chapter of the Surfrider Foundation, San Diego Audubon Society, Environmental Rights Foundation, Metro Wastewater Participating Agencies, the Independent Rates Oversight Committee, Pure Water Working Group, and Water and Wastewater Ratepayers. The Stakeholders continue to play an important role in the development of the Pure Water Program.

Elif Cetin

Assistant Department Director

Alia Khouri

Deputy Chief Operating Officer



# **Attachment 2b**

**Construction  
Change Order  
(CCO) 9 for  
K-21-1848-DBB-3  
Morena  
Conveyance North  
and Extend the  
Construction  
Contract  
Obligations  
Beyond 5 years**



## The City of San Diego

### Staff Report

DATE ISSUED: 2/14/2024

TO: City Council

FROM: Engineering & Capital Projects Department

SUBJECT: Authority to Approve Construction Change Order (CCO) 9 for K-21-1848-DBB-3 Morena Conveyance North and Extend the Construction Contract Obligations Beyond 5 years

Primary Contact: Akram Bassyouni Phone: (619) 533-3616  
Secondary Contact: Richard Fernandez Phone: (619) 455-1010

Council District(s): 1, 6

#### OVERVIEW:

This action will adopt a Resolution authorizing the Mayor, or his designee to issue construction change order 9 for the Morena Conveyance North Project K-21-1848-DBB-3 to address unforeseen conditions at the I-805 tunnel and change to microtunneling at San Clemente Canyon and Rose Canyon tunnels for a total lump sum of \$8,445,450.00 or 8.9% increase from the original contract award amount of \$95,243,645.12. Additionally, this action will approve an Ordinance authorizing the extension of the obligations under Contract K-21-1848-DBB-3 beyond five years, from an additional 20 months from April 2026 to December 2027 to allow for project start-up, commissioning, and completion.

#### PROPOSED ACTIONS:

1. A Resolution authorizing the Mayor, or his designee, to execute Construction Change Order 9 to the construction contract with OHLA USA, Inc. for a total amount of \$8,445,450.00 or 8.9% increase from the original contract award amount of 95,243,645.12 for the I-805 tunnel unforeseen soil conditions and change to microtunneling at San Clemente Canyon and Rose Canyon tunnels.
2. The Chief Financial Officer is authorized to expend an additional amount of \$8,445,450.00 from CIP ALA00001 Pure Water Program Phase 1 (B-15141, PWP Morena Conveyance North), \$7,009,723.50 from Fund 700009, Metro Sewer CIP, and \$1,435,726.50 from Fund 700010, Water Utility CIP for the construction of the Morena Conveyance North.
3. An Ordinance approving the extension of the obligations under construction contract K-21-1848-DBB-3 with OHLA USA, Inc to provide construction services in CIP B-15141 "PWP Morena Conveyance" to be extended beyond five years, up to an additional 20 months.

#### DISCUSSION OF ITEM:

The Morena Conveyance North project includes the installation of a 48-inch wastewater pipeline and 30-inch brine/centrate conveyance pipeline (both approximately 20,870 linear feet or LF each) along Genesee Avenue, Nobel Drive, Towne Centre Drive, and Executive Drive to the North City Water

Reclamation Plant. The project also includes boring tunnels under I-805, San Clemente Canyon, and Rose Canyon.

The City entered into a construction contract for the Morena Conveyance North (K-21-1848-DBB-3) project with OHLA USA, Inc. on April 30, 2021, for an amount not to exceed \$95,243,645.12 as authorized by Resolution R-312062. The original contract provided 800 working days with a Notice to Proceed (NTP) date of June 14, 2021 to start construction activities.

Tunnel construction is necessary on the project in locations where open-cut trench installation is not feasible and ability to obtain geotechnical data required for design is similarly limited. The limitations are due to the freeways and the restrictions per CalTrans to conduct geotechnical investigations that are customary at other sites. Due to this uncertainty in site conditions/tunnel construction, geological and construction risks are inherently greater compared to the more common open-trench installation approach. Effective risk management strategies are being implemented, including risk assessments and additional geotechnical review, to address risks as much as practicable.

The tunneling subcontractor began tunneling under the I-805 freeway on April 3, 2023 and was only able to perform 19% of the tunneling (197 of 1,050 LF) when work was halted on August 17, 2023. The lack of progress was mainly due to unforeseen soil conditions at I-805 from what was the geotechnical information available and subsequently provided in the contract documents. Tunneling under I-805, San Clemente Canyon, and Rose Canyon is part of the Morena Conveyance North project's baseline critical path schedule and I-805 is the first tunnel in the sequence. Therefore, there might be significant potential schedule delays resulting from the unforeseen condition if not mitigated.

In order to mitigate any potential schedule delays and any other risks related to soil conditions, a change to a microtunnel boring machine (MTBM) is required for the San Clemente Canyon and Rose Canyon tunnels, which would address potential groundwater and hard rock at these locations. This work would be performed using a closed-face MTBM instead of an open-shield TBM to address the new geotechnical information now available. This will also allow two tunneling operations to occur simultaneously, rather than in sequence, which minimizes additional costs related to schedule delays. A construction change order is required to address the unforeseen condition and associated impacts to the project schedule and meet the overall program schedule.

This action would authorize the Mayor, or his designee to execute construction change order 9 with OHLA USA, Inc. for an agreed amount of \$8,445,450.00 or 8.9% increase from the original contract award amount of \$95,243,645.12 and 181 working days for unforeseen conditions encountered during construction which resulted in additional costs to complete tunneling of the I-805, San Clemente Canyon, and Rose Canyon tunnels. The total construction contract amount to date is \$104,358,687.44. With this Construction Change Order, total construction contract cost will be increased to \$112,804,137.44.

Full accounting of all Pure Water Phase I construction contracts, including all construction change orders to date will be provided to the Environment Committee as part of the bi-annual Pure Water update.

The Morena Conveyance North project was previously projected to be completed in October 2024. The unforeseen condition related to I-805 prevented the contractor from being able to complete the work within the contract duration of 43 months.

Under San Diego Charter Section 99, "No contract, agreement or obligation extending for a period of more than five years may be authorized except by ordinance adopted by a two-thirds' majority vote of the members elected to the Council." To comply with this section, Staff is requesting that Council authorize the contract obligations to extend beyond five years, for an additional period of 20 months, to be completed no later than December 2027, beyond the current period approved through April 2026. This will provide Mayoral staff with the authority to issue future change orders to add working days to the

construction contract without seeking further Council approval, if staff determines it is appropriate to do so.

Although this delay does not impact the overall Pure Water Phase 1 program schedule, additional time will be needed to account for delays to the Morena Pump Station to commission the system upon its completion and deliver 30 million gallons per day to Miramar Reservoir, since the Morena Conveyance pipelines connect the Morena Pump Station to the North City Water Reclamation Plant. A partial commissioning plan is being implemented that will deliver Pure Water to Miramar Reservoir in 2026.

City Strategic Plan Goal(s)/Objective(s):

Pure Water San Diego is the City's 20-year program to provide a safe, secure, and sustainable local drinking water supply for San Diego. Awarding and funding the construction contracts for Phase 1 and Phase 2 of the project directly supports the Strategic Plan's Priority Area: Championing Sustainability, by diversifying San Diego's water supply and reducing dependence on imported water.

Fiscal Considerations:

The total cost of the original construction amount of \$95,243,645.12 was previously authorized per Resolution R-312062. The total cost of the contract to date is \$104,358,687.44 which includes eight executed change orders.

The total cost for this unforeseen condition is \$8,445,450.00 and is available in CIP ALA00001 Pure Water Program Phase 1 (B-15141, PWP Morena Conveyance North), estimated to be \$7,009,723.50 from Fund 700009, Metro Sewer CIP, and \$1,435,726.50 from Fund 700010, Water Utility CIP.

Charter Section 225 Disclosure of Business Interests:

N/A; the contract is with a publicly traded company.

Environmental Impact:

This action, is adequately addressed in the Final EIR prepared for the Pure Water San Diego Program, North City Project (No. 499621/SCH No. 2016081016), which was certified on April 10, 2018 by City Council Resolution R-311671. This activity is a subsequent discretionary action and therefore not considered a separate project for the purposes of CEQA pursuant to State CEQA Guidelines Section 15378(c), and there is no change in circumstance, additional information, or project changes to warrant additional environmental review.

Climate Action Plan Implementation:

Pure Water Program is not specified in the Climate Action Plan, but it supports climate resiliency, Strategy 5, by providing a diversified, sustainable, and drought-proof source of water supply to the City of San Diego.

Equal Opportunity Contracting Information (if applicable):

The construction contract is subject to the City's Equal Employment Opportunity Outreach Program (San Diego Ordinance No. 18173, San Diego Municipal Code Sections 22.2701 through 22.2708) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

Previous Council and/or Committee Actions:

On April 29, 2014, City Council adopted Resolution Number R-308906 in support of the Pure Water Program.

On April 10, 2018, City Council passed Resolution Number R-311671 which certified the Environmental Impact Report (EIR) No. 499621 and adopted the Mitigation Monitoring and Reporting Program (MMRP).

On April 10, 2018, City Council passed Resolution Number R-311672 granting the Site Development Permit (SDP) and a Multi-Habitat Planning Area Boundary Line Adjustment for the Pure Water North City Project.

On November 15, 2018, City Council adopted Resolution Number R-312062 authorizing the Mayor to advertise and execute Pure Water Program construction contracts to the lowest responsible and reliable bidders and to expend funds for City Forces.

On December 4, 2018, City Council adopted Ordinance Number O-21029 authorizing the Mayor to execute construction change orders up to \$1,000,000.

On October 26, 2021, City Council adopted Resolution Number R-313764 authorizing the Mayor to execute construction change orders up to \$2,000,000.

On February 2, 2022 City Council adopted Resolution Number R-313876 authorizing the Mayor to execute construction change order No. 1 in the amount of \$5,900,000 to OHL USA, Inc. and extend the contract by an additional 44 days for Settlement v. City of San Diego, San Diego Superior Court Case No. 37- 2021-00047189-CU-CO-CTL, Risk No. 28375.

This action will be heard by the Environmental Committee prior to full Council.

Key Stakeholders and Community Outreach Efforts:

There are many stakeholders for the Pure Water Program including the environmental, labor, and business communities, the Metro Wastewater Participating Agencies, the Independent Rates Oversight Committee, Pure Water Working Groups, and water and wastewater ratepayers.

In April 2014, the City formed a Pure Water Working Group to provide diverse viewpoints and input on the City's efforts to provide a safe and reliable local drinking water supply. The group included representatives from community planning groups, businesses, City Council offices, environmental groups, and water coalitions. The Pure Water Program has offered engagement opportunities through facility tours, direct contact at community events, written and electronic materials, traditional and social media, stakeholder interviews and speakers bureau presentations.

Outreach activities initiated in 2010 continue. As of April 2023, the number of attendees at tours at the Pure Water Demonstration Facility has reached over 20,000; 970 groups (cumulatively more than 20,000 people) have participated in speaking engagements; over 12,500 people have signed up for email alerts and nearly 5,000 people have pledged support for the program.

The stakeholders in this Program include San Diego Coastkeeper, San Diego Chapter of the Surfrider Foundation, San Diego Audubon Society, Environmental Rights Foundation, Metro Wastewater Participating Agencies, the Independent Rates Oversight Committee, Pure Water Working Group, and Water and Wastewater Ratepayers. The Stakeholders continue to play an important role in the development of the Pure Water Program.

Elif Cetin

Assistant Department Director

Alia Khouri

Deputy Chief Operating Officer

# **Attachment 4**

## **Metro Wastewater Billing Framework Update: From Strength Based Billing to Functional Allocated Billing**

1

PARTICIPATING AGENCY BILLING SYSTEM



# Metro Wastewater Billing Framework Update:

*From Strength Based Billing to Functional Allocated Billing*

*Unique situation, unique system, unique framework  
Based on sound engineering principles*

April 17, 2024

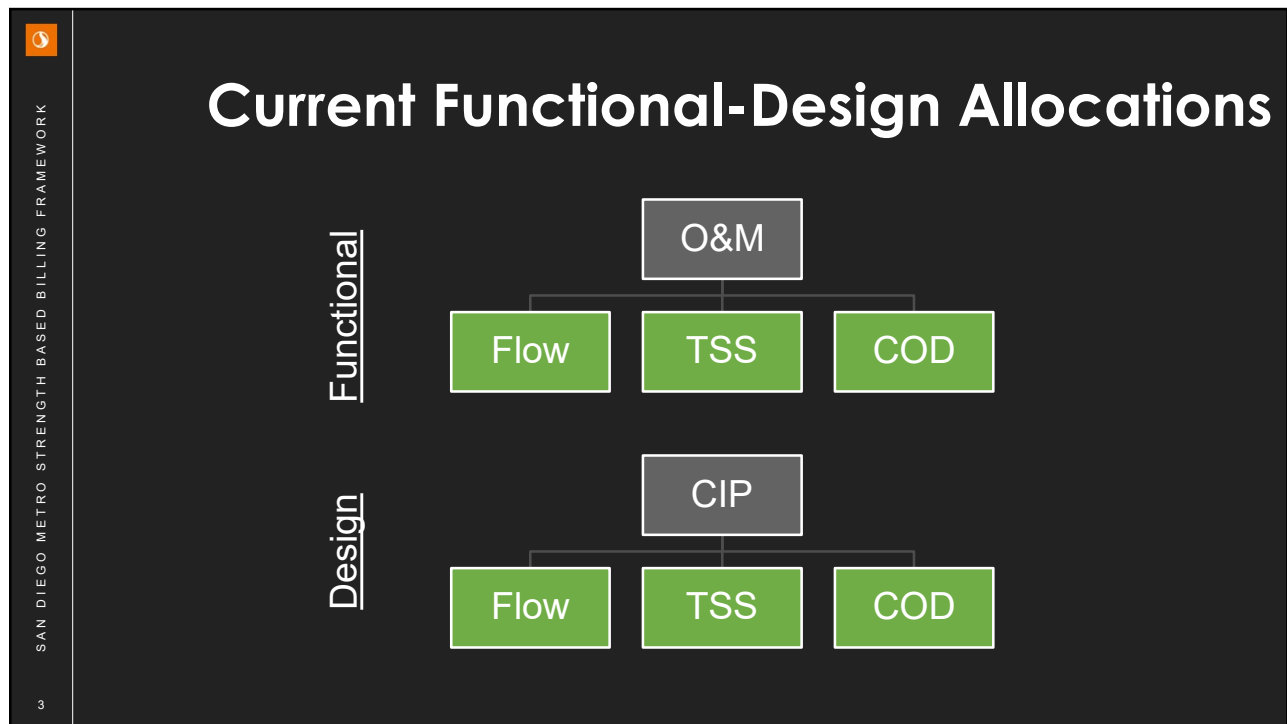
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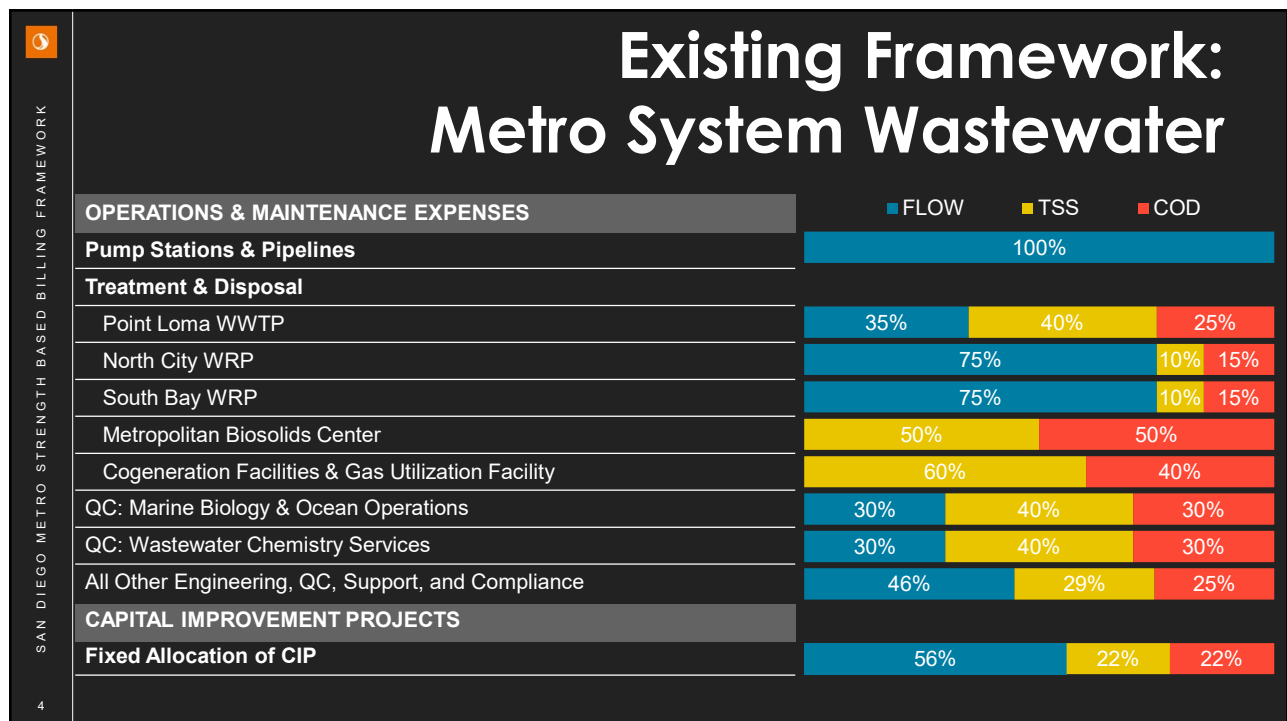
SAN DIEGO METRO STRENGTH BASED BILLING FRAMEWORK

# Current and Future Framework

2



3



4





# Why Make Changes?

## Update Allocation Basis:

1. Current allocations developed in 1998
2. Updated with Pure Water elements in 2019, implemented in 2023
  - Melded Percentage (Exhibit G)
  - Pure Water Capital Cost Rate (Exhibit F)
  - Pure Water Revenue Share (Exhibit F)

## Changing System Dynamics:

1. Pt. Loma: Cornerstone Treatment Facility → Brine & Peaking Plant
2. City and PA Advanced Water Treatment
3. Evolving Flows & Loads

5



# How did we get here?

**2018:** Identified the agreement and billing system would require updating

- Included a specific need for a fixed charge and a capacity basis
- Recognized East County's future reduced flows

**2021:** Goals of ARA update agreed upon

- Fair to all parties
- Increase capacity-based user charge
- Strive to keep charges near current costs
- Etc.

**2022-Present:** Develop Exhibit B


- Ownership units of service for average flow, incremental peak, brine, COD and TSS

**2022:** Presentation on approach to billing framework update

**2023:** Consensus on functional-design allocation percentages

**2024:** Presented approach to allocating brine-related costs at Pt Loma and PS2


6



SAN DIEGO METRO STRENGTH BASED BILLING FRAMEWORK

# Project Approach

7

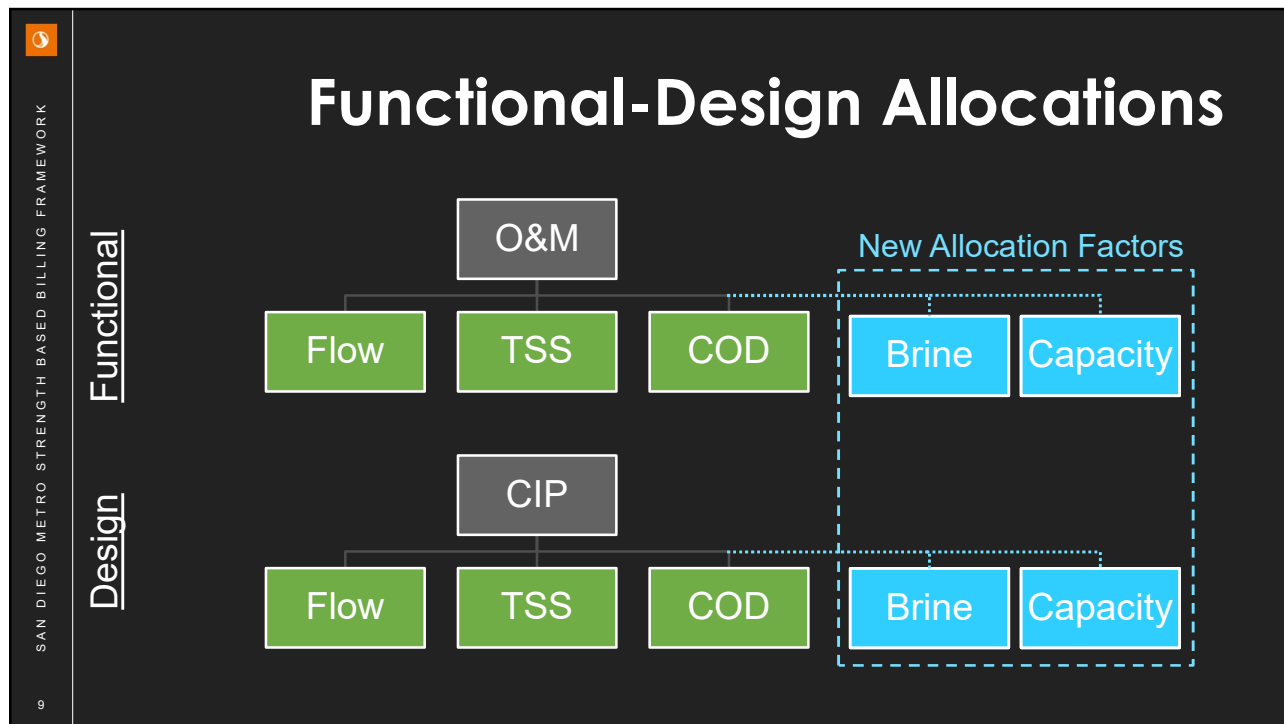


SAN DIEGO METRO STRENGTH BASED BILLING FRAMEWORK

# Four Key Changes

- Update Allocations**
  - Presented in October 2023
- Incorporate Municipal Brine Discharges**
  - Presented in February 2024
- Recover Costs Associated with Capacity Needs**
  - To be discussed today
- Add a Fixed Charge to Billing Framework**
  - To be discussed today

8



9

**Functional-Design Allocations**


**Design Basis**

- Detailed review of physical assets
  - Allocations by plant and by function/process
  - Allocating asset value to parameters
- Similar approach for capital projects

**Functional Basis**

- Detailed review of entire O&M budget
- Allocate direct O&M budget by plant
  - Functional allocation of assets
  - Question: "What kinds of things will change?"
- Work with operations & engineering staff to review functional basis
  - Review and affirm allocations based on process and asset changes, and projected staffing and operating costs

10



SAN DIEGO METRO STRENGTH BASED BILLING FRAMEWORK

11

# Allocation Workshop

Contract Working Group gathered in person in PUD offices

- City Engineers & Operations Staff
- City Finance Staff
- PA Engineering & Financial Consultants
- City Engineering & Financial Consultants

Reviewed modeling approach & developed allocations


- Estimated relative value of each unit process for each plant
- Allocated unit processes to parameters
- **Led to consensus on all allocation factors at October 18 Metro TAC meeting**

Discussed potential for brine allocation basis

- Provided background for potential brine allocation
- Discussed findings of studies of brine on chemicals, aeration, retention time, etc.
- **Determined a brine cost recovery approach, final numbers to be determined**

**Unique situation, unique system, unique framework needed  
Based on sound engineering principles**

11



SAN DIEGO METRO STRENGTH BASED BILLING FRAMEWORK

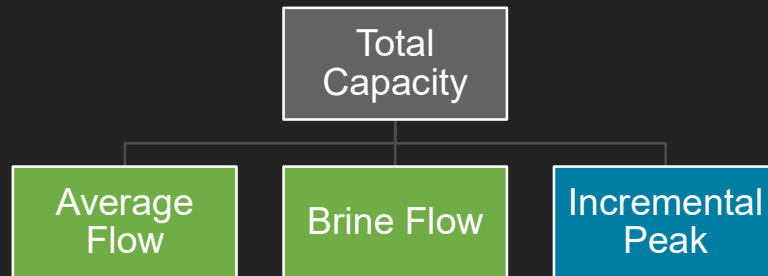
12

# Capacity Cost Allocations

12



## Incremental Peak Capacity

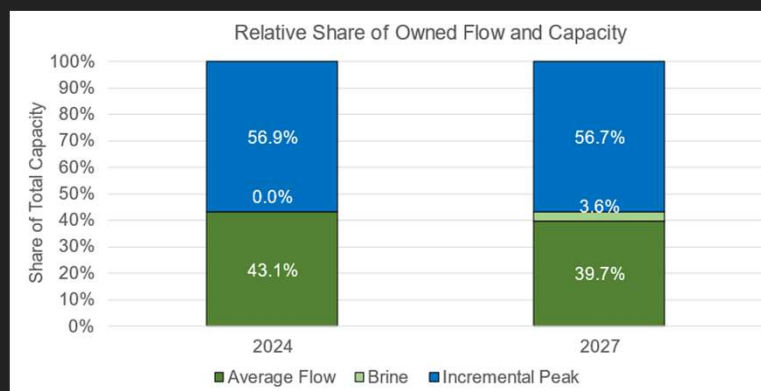


Incremental Peak allocations only apply at Pt Loma and Pump Station 2.  
Equitably allocate system costs to specific system uses and needs.

13



## Example: Share of Total Owned Capacity



Based on current estimates and projections of Owned flow and capacity

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## Basis for Allocating Capacity

### Goal:

- Allocate and recover costs of maintaining capacity at Pump Station 2 and Point Loma for peak events while flows decline

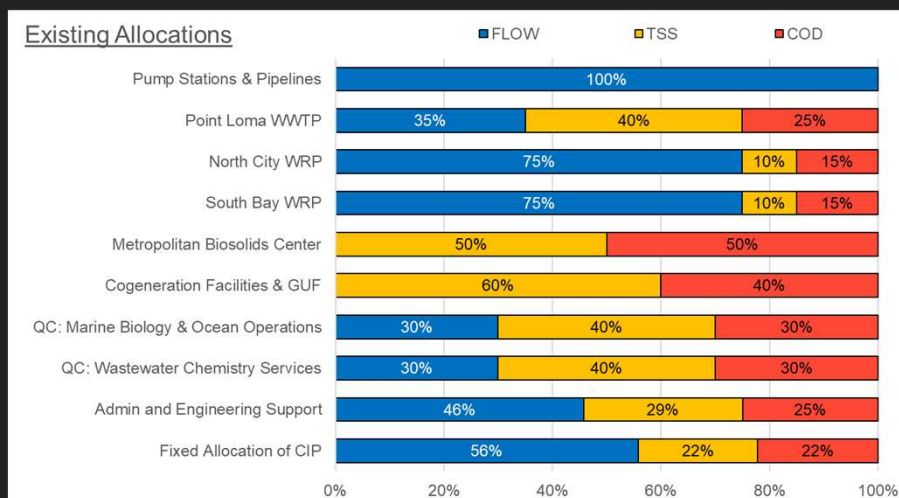
### Approach:

- Only allocate costs to capacity at Pump Station 2 and Point Loma
- Incremental peak allocation determined by relative share of total capacity
- Relationship between flow and incremental peak to remain fixed until a “significant event”

15



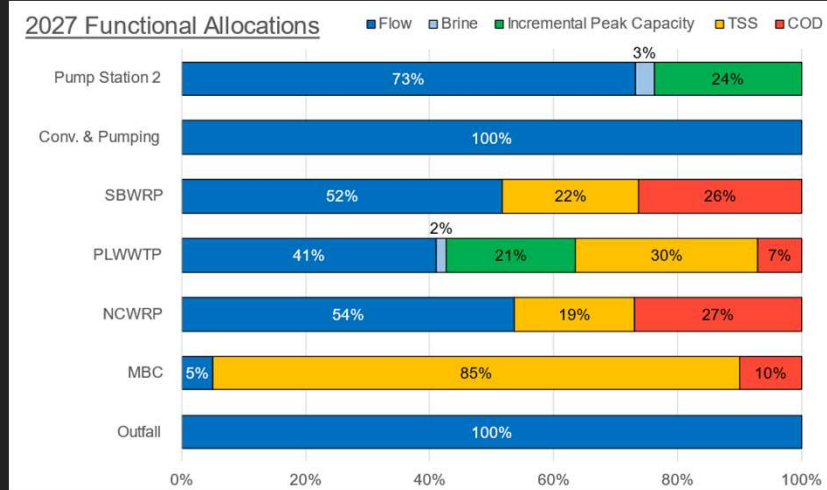
## Existing Framework: Metro System Wastewater



16



## Example: 2027 Functional Allocations (O&M)

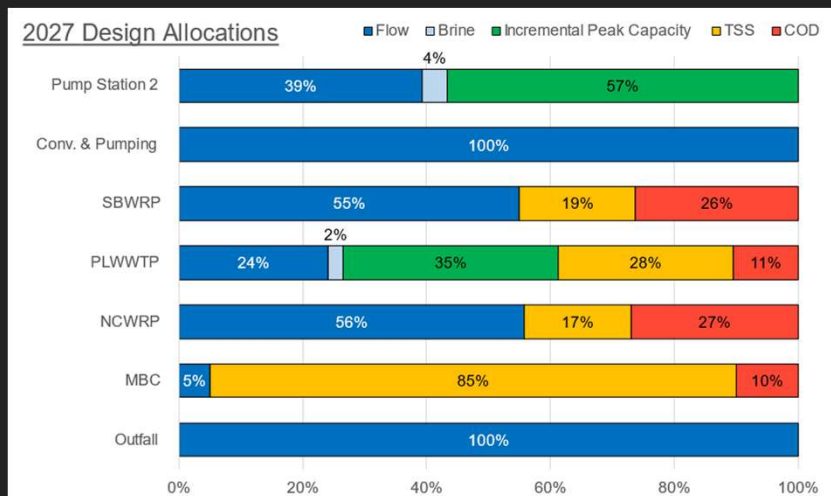


*Assumes the East County AWP is online by 2027*

17




## Example: 2027 Design Allocations (Capital)



*Assumes the East County AWP is online by 2027*

18




SAN DIEGO METRO STRENGTH BASED BILLING FRAMEWORK

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# Fixed Charges

19



SAN DIEGO METRO STRENGTH BASED BILLING FRAMEWORK

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# Incorporation of Fixed Charges

**Goal:**

- Develop fixed charges in alignment with the original goals of the updated agreement

**Approach:**

- Base fixed billable units on Exhibit B
- Recover future capital costs (debt service and PAYGO) through fixed charges
  - Existing outstanding debt service recovered through the existing method (Metered Flow, COD, TSS)
- Recover a portion of O&M costs, specifically maintenance, through fixed charges

20





## Methods of Determining Fixed Charges

### Capital Cost Component

- Current outstanding debt service – 100% variable charge consistent with historical method
- Future debt service and PAYGO – 100% fixed charge based on allocation of funded projects

### O&M Cost Component

- **Alternative 1 – A System-based Approach**
  - Monitoring, sampling, compliance, etc. costs 100% fixed
  - Maintenance costs allocated to incremental peak capacity 100% fixed
  - All other costs recovered through variable charges
- **Alternative 2 – A Fixed Cost Recovery Approach**
  - Estimate percent fixed O&M costs at each facility
  - Recover fixed costs through fixed charges

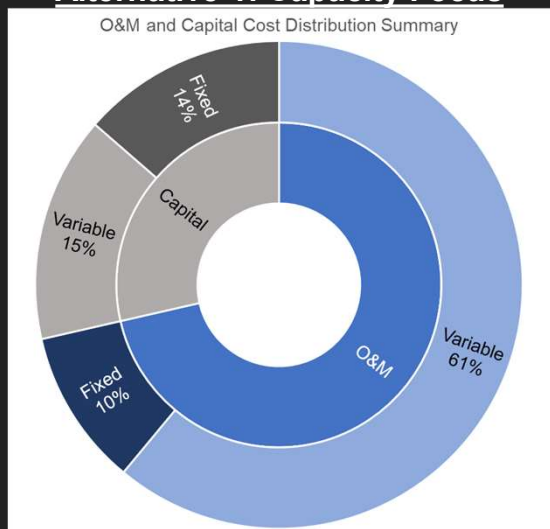
*Fixed charges to be determined on a cost-causative basis*

21



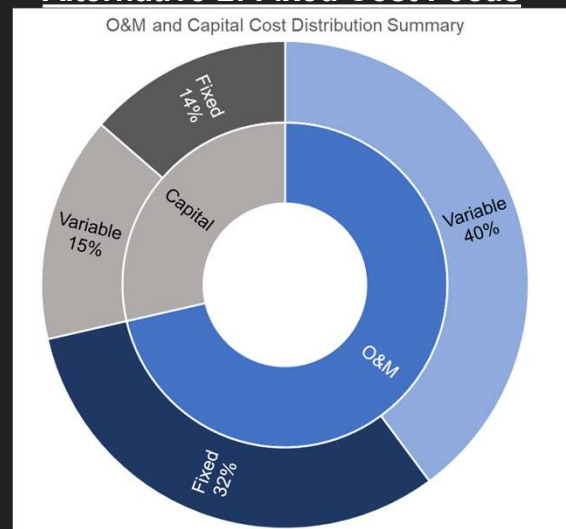
## Comparison of Alternatives: 2024 Expenses, 2027 Units

### Alternative 1: Capacity Focus



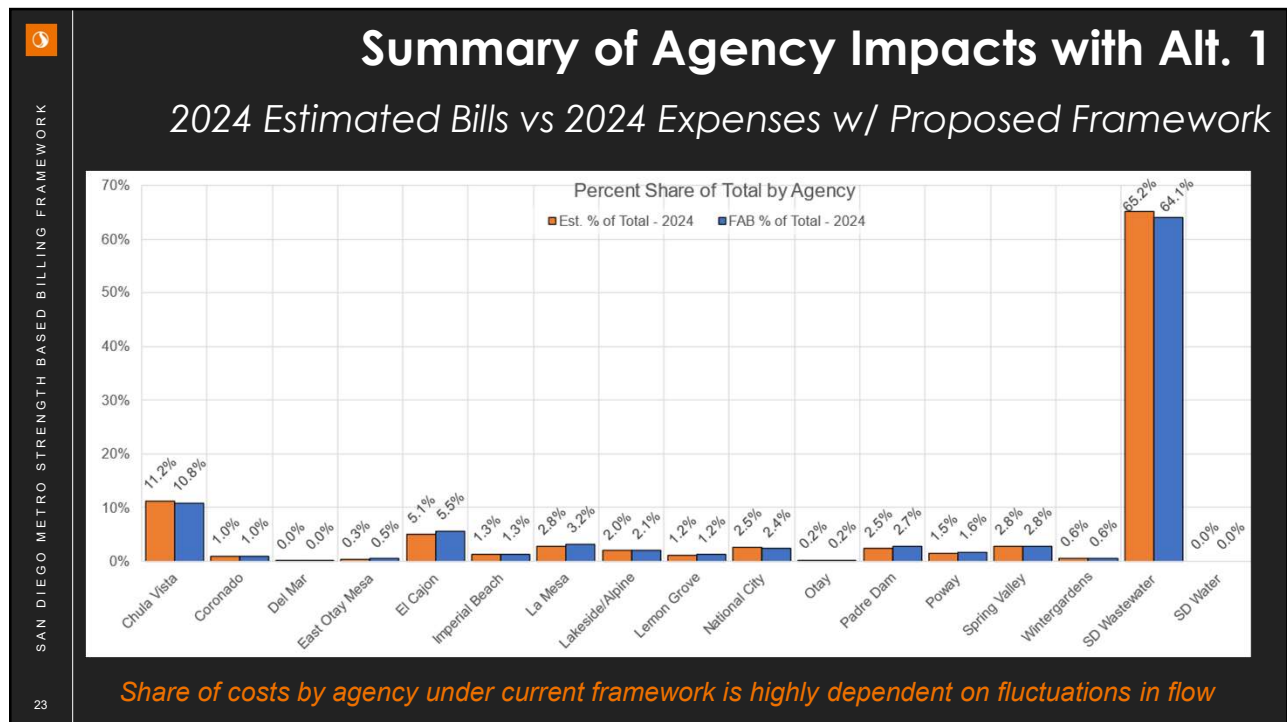
**24% Fixed**

### Alternative 2: Fixed Cost Focus

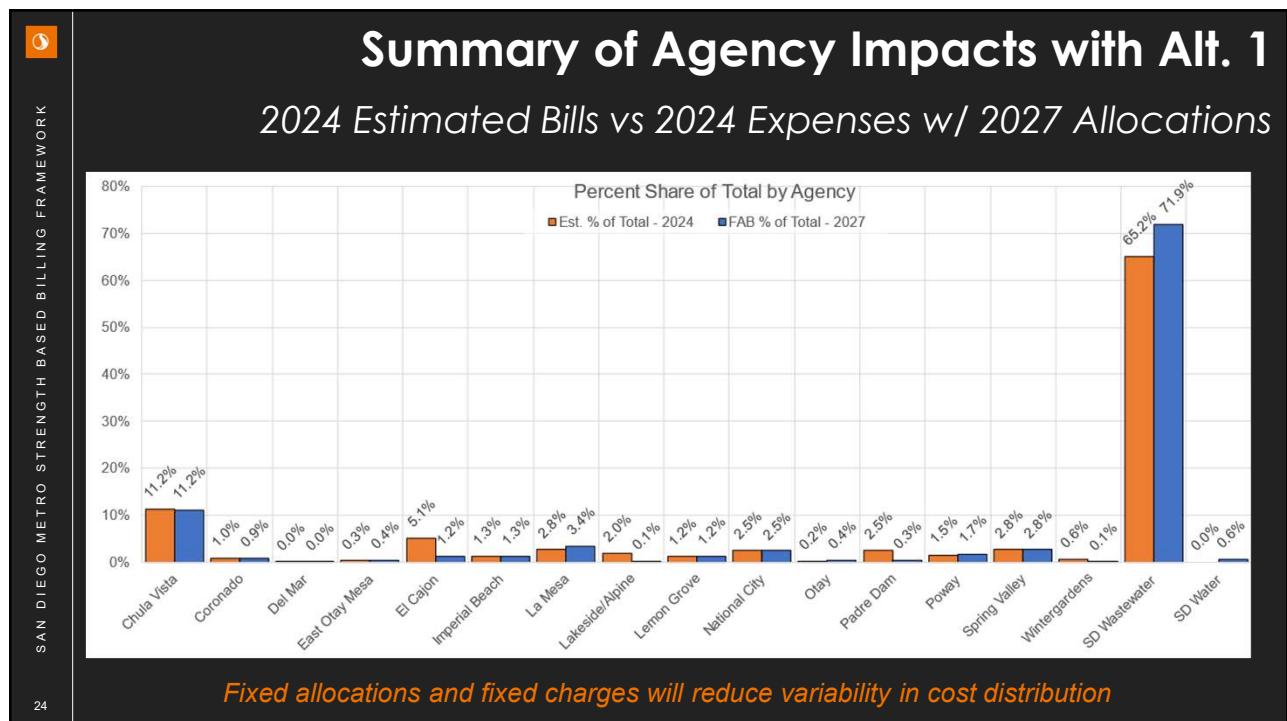


**46% Fixed**


22



23



24



SAN DIEGO METRO STRENGTH BASED BILLING FRAMEWORK

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# Thank you

**Benjamin Stewart**  
Senior Manager  
Sacramento, California  
[Benjamin.A.Stewart@Stantec.com](mailto:Benjamin.A.Stewart@Stantec.com)

# **Attachment 5**

## **Metro TAC Upcoming SARA Presentations and Meeting Types**



## **METRO WASTEWATER JOINT POWERS AUTHORITY STAFF REPORT**

**Item : 5**

**Date : April 17, 2024**

**To : Metro TAC Members**

**From : Karyn Keze, Executive Director**

**Re: Metro TAC Upcoming SARA Presentations and Meeting Types**

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During the last TAC Meeting, members requested a review of two items to be revisited in the upcoming April TAC meeting:

1. Conduct a survey to gauge TAC members' preferences between continuing with Zoom meetings or transitioning to in-person meetings.
2. Develop a preliminary schedule for TAC agenda items, focusing on upcoming presentations related to the Second Amended and Restated Agreement (SARA) provisions and the Functional Allocated Billing (FAB) methodology.

Following the survey for Item 1, the results indicated:

- Seven TAC members favored continuing with Zoom meetings, while five preferred in-person meetings. However, there was broad support for "Hybrid" meetings, allowing members with scheduling constraints to attend remotely alongside primary TAC members attending in person.
- Two members suggested that in-person meetings should be reserved for significant items, particularly those involving numerical outputs from SARA or FAB. Quarterly in-person meetings could be considered if hybrid options are unavailable.
- Four members appreciated Hybrid meetings as they allowed primary TAC members to attend in person while supporting staff could participate remotely, thereby engaging more PA staff members.

Considering these survey findings, a draft schedule of upcoming meetings was prepared, indicating the meeting format (In-Person, Zoom, or hybrid) for each session. The objective for the forthcoming meetings, centered around the introduction of SARA and FAB, is to cultivate an interactive educational process, actively seeking input from members as we advance towards implementing SARA by the end of 2024.

Topic	Metro TAC	Meeting Format	Comment
FAB - New Billing System (Stantec)	April	Hybrid	
Exhibit B, Peak Flows, Pooled Capacity & Automatic Transfers	May	Hybrid	
New Metro System Billing Table D - CIP/Debt	June	Zoom	City closed for Holiday
Pretreatment & Administrative Agreements	July	Zoom	
Full draft SARA	August	Zoom	Room Booked: No Hybrid Available
SARA Exhibits & Questions	September	Zoom/Hybrid	Zoom/Hybrid

The displayed schedule is highly tentative and adaptable. These topics are essential for discussion, and the dates are selected based on when the necessary documents/presentations will be ready for review. This schedule is designed to be flexible. It's possible that certain items may require multiple meetings for thorough discussion or may need to be revisited later. In such cases, the schedule will be adjusted accordingly and included each month in the TAC agenda. Additionally, new topics may arise and will be incorporated into upcoming meetings as needed and meeting formats may be revised.

During this schedule development it was noted that the June Metro TAC meeting coincides with Juneteenth, a city-observed holiday. Two options are suggested:

- Reschedule or cancel the June meeting, especially if this holiday is recognized by other Public Authorities (PAs).
- Proceed with the meeting but exclude the usual City updates and action/informational items, which may not be advisable.

This matter will be considered during the April Metro TAC meeting, and a decision on the alternative will be made and the schedule adjusted accordingly.

# **Attachment 8**

## **FY 2024 2nd Quarter Metro Capital Improvements and Funding Sources**



THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: March 29, 2024

TO: Metro Technical Advisory Committee (Metro TAC)

FROM: Keli Balo, Deputy Director, Public Utilities Department

SUBJECT: FY2024 Capital Improvements Projects (CIP) Report – 2nd Quarter

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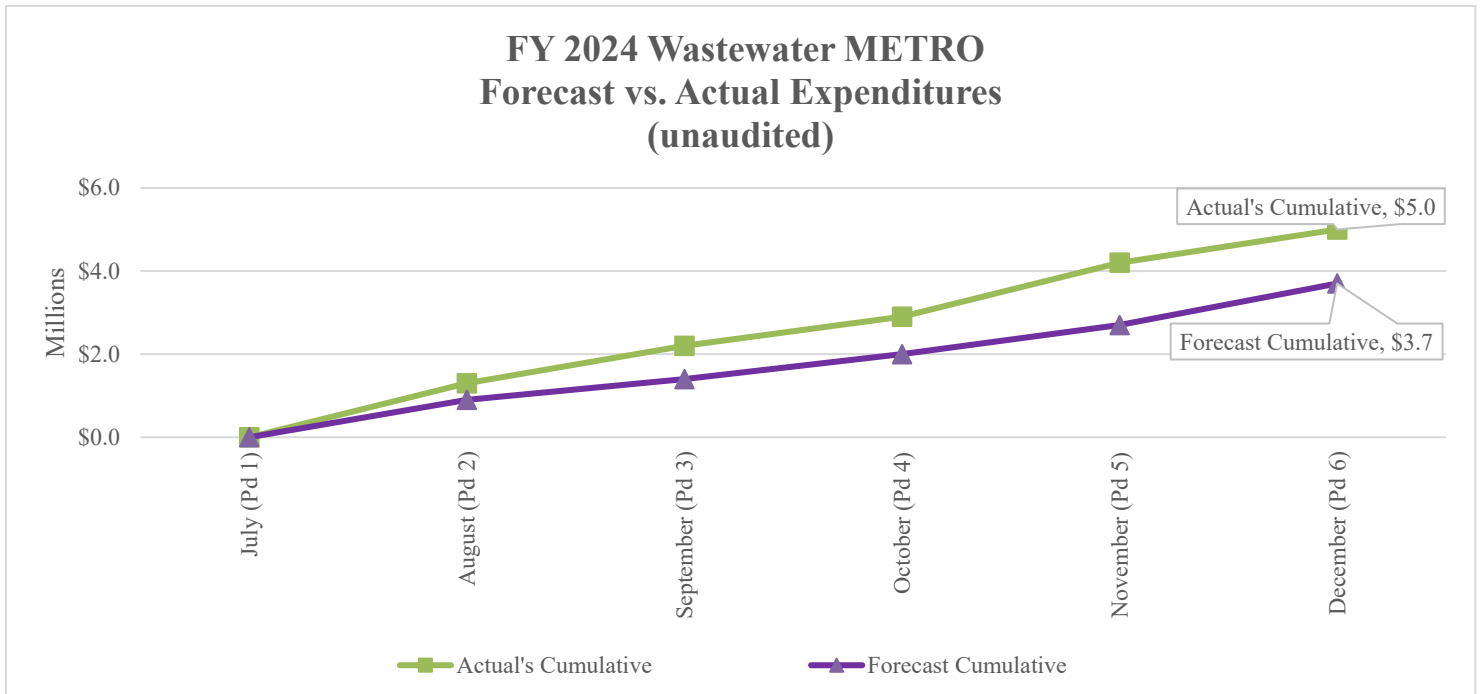
The Public Utilities Department hereby submits the FY2024 CIP updates for the period of October 1, 2023 through December 31, 2023.

The report includes the following:

- Forecast Versus Actual Expenditures Figure
- Wastewater Projects Expenditure Table
- Project Highlight (Storm Drain Diversion at the Metropolitan Biosolids Center)



## METRO FORECAST VERSUS ACTUAL EXPENDITURES UPDATE



The forecasted vs actual expenditure graph above shows an over expenditure of \$2M due to the ongoing construction of the Storm Water Diversion at the MBC project. The contractor is making good progress (no delays), therefore, the actual expenditures (\$2.1M) exceeded the projected expenditures (\$71K).

WASTEWATER PROJECTS

FY 2024 - 2nd Quarter (October 1, 2023 to December 31, 2023)

Note: BO/BU = Beneficial Occupancy/Beneficial Use

WASTEWATER PROJECTS										Design Phase		Construction Phase		
WBS	Project Name	Status	Estimated Total Project Cost	Project to Date Expenditures FY24, Pd 6	Encumbrance at FY24, Pd 6	Project Balance (Revised Proj Cost less Expenditures less Encumbrances)	% Spent (Expenditures /Revised Project Cost)	Actuals (FY 24, PD 1- PD 6)	Projected Expenditures (FY 24, PD 1- Pd 6 )	Design Start	Design Finish	Baseline BO/BU	Current BO/BU	BO/BU Variance
	LARGE SEWER PUMP STATIONS - METRO													
S00312	<b>PS2 Power Reliability &amp; Surge Protection</b> Improve power reliability and provide standby power at the pump station, thus protecting against surges during outages and ultimately preventing sewage spills.	Construction	\$76,100,800	\$68,788,610	\$4,576,248	\$2,735,942	90.39%	\$973,090	\$853,800	2/1/2011	9/20/2016	10/20/2021	12/31/2024	1168
L24000.1	<b>Pump Station 1 Improvement and Modernization</b> Upgrade mechanical screens, rehab wet well #1 and #2, replacement of pumps, rotating assembly, and motors. Replacement of existing motors starters and Liquid Rheostats with Variable Frequency Drives (VFD), replacement of suction pipes, replacement of (6) 48-inch suction gate valves, replacement of (6) 36-inch discharge gate valves, replacement of 30-inch pump cone valve actuators, replacement of venturi flow meters with new modern flow meter and design and installation of new pump bypass system.	Design	\$16,323,000	\$0	\$0	\$16,323,000	0.00%	\$0	\$0	2/24/2022	2/4/2025	4/17/2026	10/16/2026	182
L24000.2	<b>Pump Station 2 Improvement and Modernization</b> Repair liner and concrete in influent channel, replace corroded top supports for mechanical screens 1 through 4, rehab wet well #1 and #2, repair cooling tower pads, pipes, and pipe supports. Rehab 7 of 8 pumps except #4 and upgrade pump packed seal to mechanical seal, replacement of liquid rheostat with variable frequency drives (VFD), refurbishment/replacement of all suction valves, refurbishment/replacement of all discharge valve, replacement of suction pipes for pump #2.	Design	\$13,736,000	\$0	\$0	\$13,736,000	0.00%	\$0	\$0	2/24/2022	6/2/2026	6/26/2026	2/2/2028	586
	OTHER - METRO													
B20001	<b>STORM WATER DIVERSION AT THE PLWTP</b> Divert storm water discharge to comply with the Consent Decree to reduce pollutants in the storm water discharges at the Point Loma Wastewater Treatment Plant.	Design	\$12,922,725	\$1,887,472	\$379,345	\$10,655,908	14.61%	\$282,711	\$145,389	11/7/2019	10/1/2024	12/30/2022	6/18/2026	1266
B20002	<b>STORM WATER DIVERSION AT THE SBWRP</b> Divert storm water discharge to comply with the Consent Decree to reduce pollutants in the storm water discharges at the South Bay Water Reclamation Plant.	Construction	\$5,796,442	\$2,098,550	\$2,729,705	\$968,187	36.20%	\$595,400	\$704,894	11/1/2019	4/15/2022	9/30/2022	5/1/2024	579
B19197	<b>STORM DRAIN DIVERSION AT THE MBC</b> Divert storm water discharge to comply with the Consent Decree to reduce pollutants in the storm water discharges at the Metro Biosolids Center.	Construction	\$9,664,552	\$4,086,302	\$4,285,744	\$1,292,506	42.28%	\$2,146,054	\$71,166	10/1/2019	5/25/2022	11/30/2022	12/31/2024	762
S00319	<b>EMT&amp;S Boat Dock Esplanade</b> Construct one (1) acre esplanade between the existing EMTS building and channel.	Bid / Award	\$3,400,851	\$937,919	\$62,961	\$2,399,970	27.58%	\$58,692	\$1,423,801	10/1/2018	10/31/2023	3/25/2022	5/1/2025	1133

WASTEWATER PROJECTS  
FY 2024 - 2nd Quarter (October 1, 2023 to December 31, 2023)

Note: BO/BU = Beneficial Occupancy/Beneficial Use

WASTEWATER PROJECTS										Design Phase		Construction Phase		
WBS	Project Name	Status	Estimated Total Project Cost	Project to Date Expenditures FY24, Pd 6	Encumbrance at FY24, Pd 6	Project Balance (Revised Proj Cost less Expenditures less Encumbrances)	% Spent (Expenditures /Revised Project Cost)	Actuals (FY 24, PD 1- PD 6)	Projected Expenditures (FY 24, PD 1- Pd 6 )	Design Start	Design Finish	Baseline BO/BU	Current BO/BU	BO/BU Variance
	SEWER TREATMENT PLANTS - METRO													
B20137	<b>PLWTP Scum Injection Concentrators Improvements</b> Remove existing scum concentrators and replace with scum screens, a decanter and associated piping so that the scum can be injected into the digesters.	Design	\$3,357,302	\$321,555	\$473,964	\$2,561,783	9.58%	\$17,437	\$32,837	8/13/2020	5/20/2024	4/19/2024	2/9/2026	661
B20121	<b>Metro Biosolids Ctr Gas Detection Syst Replacement</b> Replace the existing gas sensors with the most up-to-date gas sensors and ensure compatibility with the existing system.	Construction	\$5,691,771	\$1,072,896	\$3,842,386	\$776,489	18.85%	\$317,346	\$23,012	8/13/2020	3/28/2023	12/29/2023	8/9/2024	224
B19066	<b>SBWRP Variable Frequency Drive Repl</b> Remove and replace two 600 HP Variable Frequency Drive and one 200 HP Variable Frequency Drive at the South Bay Wastewater Treatment Plant.	Construction	\$1,359,792	\$965,072	\$76,596	\$318,124	70.97%	\$48,698	\$258,655	1/29/2020	4/2/2020	8/31/2020	7/29/2023	1062
B20122	<b>SBWRP Reverse Osmosis System</b> Remove two existing trailer mounted Electrodialysis Reversal (EDR) units and replace the entire EDR system with a two new slab mounted Reverse Osmosis Units.	Design	\$10,700,000	\$1,482,986	\$388,173	\$8,828,841	13.86%	\$542,972	\$120,000	9/18/2020	8/30/2024	12/17/2024	6/30/2026	560
B20148	<b>NCWRP - Chiller Replacement</b> Replace three (3) chillers and two (2) cooling towers, including the integration into the Distributed Controls System (DCS) at North City Water Reclamation Plant. This project also includes the installation of 65 Linear Feet (LF) of 12-inch Ductile Iron (DI) pipe and 35 LF of 16-inch DI pipe.	Design	\$3,705,121	\$446,203	\$344,769	\$2,914,149	12.04%	\$67,003	\$27,919	9/1/2020	3/5/2024	9/30/2022	5/5/2025	948
								\$5,049,404	\$3,661,474					

## Project Highlights

Project	Total Project Cost	Status
Storm Drain Diversion at the MBC	\$9,664,552	Construction

This project diverts and reduces pollutants in the stormwater discharges at the Metro Biosolids Center to comply with the Consent Decree. The project scope includes the installation of a new pumping facility, wet well structure, underground stormwater storage structure, diversion structure, hydrodynamic separator, and sewer force main.



**Figure 1.** On the left, installation of the Hydrodynamic Separator (10' diameter), the Hydrodynamic separator will remove sediment out of incoming storm water. On the right, the contractor has installed the first bottom rings of the wet well structure (17' diameter).



**Figure 2.** Placement of the second row of the underground storm water storage structure (48'x56'x15').

# **Attachment 9**

## **JPA Executive Director Update**



## Monthly Executive Director's Report March 2024

During the month of March, the Executive Director and Team were engaged in several key initiatives:

1. **Completion of JPA FY 2023 year-end and FY 2024 mid-year JPA Treasurer's Report:** This month's energies focused on bringing all the JPA's financial statements up to date. With a brief pause between the FY 2020-2021 and FY 2022-23 audits the Treasurer was able to prepare year-end and mid-year financial statements for the JPA (Treasurer's Reports). These have been reviewed and approved by Metro TAC and the Finance Committee and are included in the JPA/Commission agenda.
2. **Continuation of FY2025 JPA Budget Planning:** The Executive Director and Treasurer prepared a preliminary budget for the JPA, encompassing various new programs and potential adjustments to contracts. These additions include a strategic planning initiative, allocation for the contingency reserve, and potential modifications to the contracts of the Treasurer and Administrative Assistant. The Finance Committee met to examine the preliminary budget, offering guidance not only on the new programs but also suggesting alterations in other areas. The Finance Committee is scheduled to meet again in April for a secondary assessment of the preliminary budget, preceding its presentation to the Metro JPA/Commission during their May meeting.
3. **Second Amended and Restated Agreement (SARA) Negotiations Continue:** The SARA Negotiations Team met to discuss changes to some of the SARA language as we move towards finalization of the draft document.
4. **Continuation of Financial Implementation Group (FIG) Meetings:** Regular bi-weekly meetings of the FIG have been ongoing, ensuring progress on SARA and Metro financial matters.
5. **Continuation of FAB Workgroup Meetings:** Ongoing bi-weekly meetings with the City of San Diego project team and Stantec consultants have been maintained to advance the Functional Allocated Billing project. An additional meeting was held to start preparation of the April TAC presentation.



## Upcoming Month Preview:

1. **Preparation of Meeting Schedules:** Members of Metro TAC requested that a schedule of topics that will be presented at upcoming meetings on the SARA document and the FAB system of charges be prepared. This will be included in the April TAC agenda packet and will be prepared for the JPA/Commission meetings as well.
2. **Potential Transition to Hybrid Meetings for Metro TAC:** As we collectively progress with the development of the draft SARA agreement, our aim is to facilitate efficient and convenient meetings and foster effective communications within the Metro JPA/Commission and Metro TAC. Our principal objective is to ensure maximal participation in all meetings, regardless of the format, enabling attendees to engage with presentations and pose questions as we delve into the various components of the draft SARA over the forthcoming months.

Currently TAC meetings are held monthly via Zoom. While it's evident that Zoom meetings facilitate maximum attendance, we've received requests to conduct in-person meetings to enhance discussions on these crucial matters. Conversely, several members of the TAC have expressed their preference for maintaining the Zoom format due to scheduling constraints, despite their desire to participate actively.

One potential solution is to introduce hybrid meetings encompassing both on-site and Zoom elements. However, this is contingent upon the City of San Diego's ability to furnish suitable facilities and trained personnel to facilitate such meetings. While PUD staff is diligently working towards this goal, it remains a work in progress. Additionally, the current room designated for hybrid meetings has a capacity limit of 30 attendees. A poll was sent out in March to determine whether TAC members prefer in-person or zoom form of meetings. It is anticipated that the April TAC meeting will be held either in person or through some form of hybrid meeting.

3. **Expansion of Monthly Executive Director's Report:**
  - *Engineering Updates:* Updates on engineering matters will be incorporated.