



Metro Finance Committee
(Finance Advisory Committee to Metro JPA)

TO: Finance Committee Members and Metro Commissioners

DATE: Wednesday, September 25, 2019

TIME: 10:00 a.m.

LOCATION: PUD MOC 11, 9192 Topaz Way, (Conf. Room 2F – Second Floor) – Breakfast will be provided

THIS NOTICE HAS BEEN DISTRIBUTED TO THE METRO COMMISSIONERS AND FINANCE COMMITTEE MEMBERS

1. **Roll Call**
2. **Public Comments**
Persons speaking during Public Comment may address the Metro Finance Committee on any subject matter within the jurisdiction of the Metro Finance Committee that is not listed as an agenda item. Comments are limited to three (3) minutes. Please complete a Speaker Slip and submit it prior to the meeting.
3. **ACTION:** Approval of Minutes from the April 23, 2019 Special Finance Committee Meeting (**Attachment**)
4. **ACTION:** Consideration and Possible Action to Recommend Approval to the Metro Commission/Metro JPA of the FY 2017 Exhibit E Audit (MGO/Charles Modica) (**Attachment**)
5. **ACTION:** Consideration and Possible Action to Recommend Approval to the Metro Commission/Metro JPA of the FY 2017 JPA Budget Reconciliation (Karyn Keese) (**Attachment**)
6. Review of Items to be Brought Forward to the Metro Commission/Metro JPA
7. Other Business of the Finance Committee
8. Adjournment

The Metro Finance Committee may take action on any item listed on the Agenda whether or not it is listed "for action".

Materials provided to the Metro Finance Committee related to any open-session item on this agenda are available for public review by contacting Karyn Keese (619) 733-8876 during normal business hours.

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

The Metro Finance Committee of The Metro Commission/Metro Wastewater JPA requests individuals who require alternative agenda format or special accommodations to access, attend, and/or participate in the Metro Commission/ Metro Wastewater JPA meetings, contact E. Patino at (858) 292.6321, at least forty-eight hours in advance of the meeting.

Attachment 3
Action Minutes
of
April 23, 2019

Attachment 4

Exhibit E Audit

Fiscal Year 2017 Exhibit E Summary Staff Report

Fiscal Year 2017's "Schedule of Allocation for Billing to Metropolitan Wastewater Utility and Independent Auditors Report" (Exhibit E Audit) was completed on August 26, 2019. A copy of the Auditor's Report and the Reconciliation of Fiscal Year 2017 based on the audited numbers are attached to this report.

EXPENDITURES & INCOME CREDITS

The final operating and capital expenses can be found on Page 3 of the Auditor's Report. The year-end total \$204.3 million is approx. (\$23.1) million (12%) higher than Fiscal Year 2016. The major variances in the areas of expenditures & Income Credits for the year are:

Transmission:

- Transmission costs increased at Pump Station 1 and 2 due to electricity billings. In Fiscal Year 2016 San Diego received large credits and suspended billing from SDGE. As anticipated regular fiscal years SDGE billings return in Fiscal Year 2017 to historical levels plus a slight increase due to energy rates increases. Increase \$4.7 Million.

Treatment & Disposal:

- Increase in Point Loma and North City Water Reclamation Plants due to SDGE electricity billings, as explained above. North City also had a small increase due to planned O&M expense to chemically clean and refurbish filter media. Increase \$3.3 Million.

Engineering:

- Increase in Engineering is related to contracts for Qualcomm Stadium Wetland Mitigation and Alvarado Sewer Long-Term Access projects. Increase \$2.6 Million.

Debt Service:

- The increase over last fiscal year is due to the start of repayment period on previous received SRF loans proceeds. SRF Loans when made have a grace repayment start window and this increase is due to several loans entering repayment status and increases in payments of bond principal & interest. Increase \$2 Million.

INCOME CREDITS

- There was an approx. \$10 Million decrease in income credits related to SRF. This decrease in income credits over Fiscal Year 2016 has a direct correlation to the net increase in Capital Expense, even though the capital expenses remained the same from the previous year. Decrease \$10 Million.

ADDITIONAL HIGHLIGHTS

- Total Pure Water Program – Metropolitan Wastewater Fund costs \$ 12,541,546 Pure Water O&M & related CIP costs. The final cost allocation of O&M task orders, as well as capital improvement projects, is currently in progress and is expected to be finalized in FY 2020.

TABLE B

- The year-end reconciliation shows the total PA share of the Fiscal Year 2017 operations and CIP costs less income credits of \$67,709,134. The PAs had collectively been billed \$65,000,080 which results in deficit of \$2,709,054 owed to San Diego. Table B reflects the individual PA's annual contributions, actual expenses, and reflect either a credit amount (refund) or debit owed.

**CITY OF SAN DIEGO PUBLIC
UTILITIES DEPARTMENT**

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

For the Fiscal Year Ended June 30, 2017



Certified
Public
Accountants

CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT
Schedule of Allocation for Billing to Metropolitan Wastewater Utility
and Independent Auditor's Reports
For the Fiscal Year Ended June 30, 2017

Table of Contents

	<i>Page</i>
Independent Auditor's Report on the Schedule of Allocation for Billing to Metropolitan Wastewater Utility	1
Schedule of Allocation for Billing to Metropolitan Wastewater Utility	3
Notes to the Schedule of Allocation for Billing to Metropolitan Wastewater Utility	4
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Schedule of Allocation for Billing to Metropolitan Wastewater Utility Performed in Accordance with <i>Government Auditing Standards</i>	7



Certified
Public
Accountants

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

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

Report on the Schedule

We have audited the accompanying Schedule of Allocation for Billing to Metropolitan Wastewater Utility (the Schedule) of the City of San Diego Public Utilities Department (PUD), an enterprise fund of the City of San Diego, California (the City) for the fiscal year ended June 30, 2017, and the related notes to the Schedule.

Management's Responsibility for the Schedule

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the Schedule referred to above presents fairly, in all material respects, the allocation for billing to the Metropolitan Wastewater Utility of the PUD pursuant to the Regional Wastewater Disposal Agreement (Agreement) between the City and the Participating Agencies in the Metropolitan Wastewater System dated May 18, 1998 and amended on May 15, 2000 and June 3, 2010, for the fiscal year ended June 30, 2017, in accordance with the modified cash basis of accounting as described in Note 3.

Basis of Accounting

We draw attention to Note 3 of the Schedule, which describes that the Schedule is prepared for the purpose of complying with the Regional Wastewater Disposal Agreement between the City and the Participating Agencies and is presented on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 2019 on our consideration of the PUD's internal control over financial reporting as it relates to the Schedule and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the PUD's internal control over financial reporting or on compliance related to the Schedule. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the PUD's internal control over financial reporting and compliance related to the Schedule.

Macias Gini & O'Connell LLP

San Diego, California
August 12, 2019

CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT
Schedule of Allocation for Billing to Metropolitan Wastewater Utility
For the Fiscal Year Ended June 30, 2017

	Operating Expenses		
	Municipal System	Metropolitan System	Total
Transmission			
Main Cleaning	\$ 11,993,427	\$ -	\$ 11,993,427
Sewer Pump Stations	5,191,001	-	5,191,001
Other Pump Stations	5,024,582	1,028,728	6,053,310
Pump Station 1	-	2,114,571	2,114,571
Pump Station 2	-	7,988,676	7,988,676
Other Muni Agencies	4,543,332	-	4,543,332
Pipeline Maintenance and Repair	11,651,181	274,785	11,925,966
Wastewater Collection (WWC) Engineering and Planning	2,269,817	-	2,269,817
Total Transmission	40,673,340	11,406,760	52,080,100
Treatment and Disposal			
Point Loma Wastewater Treatment Plant (PTLWWTP)	-	23,643,991	23,643,991
North City Water Reclamation Plant (NCWRP)	-	11,572,782	11,572,782
South Bay Water Reclamation Plant (SBWRP)	-	8,613,917	8,613,917
Metropolitan Biosolids Center (MBC)	-	15,633,318	15,633,318
Cogeneration Facilities	-	1,005,521	1,005,521
Gas Utilization Facility (GUF)	-	1,621,478	1,621,478
Wastewater Treatment and Disposal (WWTD) Plant Engineering	-	803,809	803,809
Total Treatment and Disposal	-	62,894,816	62,894,816
Quality Control			
Sewage Testing and Control	545,280	361,480	906,760
Marine Biology and Ocean Operations	-	5,609,300	5,609,300
Wastewater Chemistry Services	861,499	5,539,084	6,400,583
Industrial Permitting and Compliance	4,407,922	-	4,407,922
Total Quality Control	5,814,701	11,509,864	17,324,565
Engineering			
Program Management and Review	3,584,738	9,952,115	13,536,853
Environmental Support	3,046,395	181,373	3,227,768
Total Engineering	6,631,133	10,133,488	16,764,621
Operational Support			
Central Support: Clean Water Operations Management Network (Comnet)	132,258	2,656,461	2,788,719
Operational Support	1,420,808	6,405,180	7,825,988
Total Operational Support	1,553,066	9,061,641	10,614,707
General and Administrative			
Business Support Administration	23,023,262	19,632,847	42,656,109
Operating Division Administration	5,264,783	4,941,342	10,206,125
Total General and Administrative	28,288,045	24,574,189	52,862,234
TOTAL OPERATING EXPENSES	82,960,285	129,580,758	212,541,043
CAPITAL IMPROVEMENT EXPENSE	96,474,215	24,960,756	121,434,971
DEBT SERVICE ALLOCATION	40,806,459	66,757,571	107,564,030
METROPOLITAN SYSTEM INCOME CREDITS			
Operating Revenue	-	(12,329,428)	(12,329,428)
Capital Improvement Project (CIP) - Revenue Bond Issue	-	-	-
Operating - Grant Revenue	-	-	-
Capital Improvement Project (CIP) - Grant/SRF Revenue	-	(4,628,718)	(4,628,718)
TOTAL METROPOLITAN SYSTEM INCOME CREDITS	-	(16,958,146)	(16,958,146)
TOTAL ALLOCATION FOR BILLING PURPOSES	\$ 220,240,959	\$ 204,340,939	\$ 424,581,898

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

CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT
Notes to the Schedule of Allocation for Billing to Metropolitan Wastewater Utility
For the Fiscal Year Ended June 30, 2017

Note 1 – General

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

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

Note 2 – Participating Agencies

The Participating Agencies consist of the following municipalities and districts:

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

Note 3 – Summary of Significant Accounting Policies

Basis of Presentation

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

1. Purchases of capital assets are presented as capital improvement expense.
2. Depreciation expense on capital assets is not reported in the Schedule.
3. Payments of principal and interest related to long-term debt are reported as debt service allocation.
4. Unbudgeted expenses related to compensated absences, liability claims, capitalized interest, pollution remediation, other postemployment benefits, net pension obligation, and landfill closure and postclosure care costs are excluded from the Schedule.

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

CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT

Notes to the Schedule of Allocation for Billing to Metropolitan Wastewater Utility (Continued)
For the Fiscal Year Ended June 30, 2017

Note 4 – Capital Improvement Expense

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

Note 5 – Debt Service Allocation

Debt service allocation represents a portion of the principal and interest payments relating to the Senior Sewer Revenue Bonds Series 2009A, the Senior Sewer Revenue Refunding Bonds Series 2009B, 2015, and 2016A, and the outstanding State Revolving Fund (SRF) loans from the State of California.

Note 6 – Metropolitan System Income Credits

Metropolitan System income credits are revenues earned by the Metropolitan System for costs incurred during the current or previous fiscal years. The PUD has agreed to share the income credits from the South Bay Water Reclamation Facility in accordance with the 1998 Regional Wastewater Disposal Agreement. An agreement was reached in FY2015 regarding revenue generated from the South Bay Water Reclamation Facility and revenue sharing payments were issued for FY2006 through FY2014 to the Participating Agencies. During the fiscal year ended June 30, 2017, revenue sharing payments for FY2017 of approximately \$3.34 million were transferred from the City's Water Fund and are included in the Schedule as part of the income credits.

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

Note 7 – Total Allocation for Billing Purposes

Costs to be billed to Participating Agencies include all individual construction projects costs and operation and maintenance expenses attributable to the Metropolitan System. Costs are apportioned back to the Participating Agencies based on their percentage of each of the totals of flow, suspended solids and chemical oxygen demand (COD). Each Participating Agency and the City are sampled quarterly, with plants sampled daily. Beginning in FY2014, the percentages were determined from a new sample data set taken during the fiscal year and annual monitored flow.

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

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

CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT
Notes to the Schedule of Allocation for Billing to Metropolitan Wastewater Utility (Continued)
For the Fiscal Year Ended June 30, 2017

Note 8 – Administrative Protocol

In May 2010, the City of San Diego and all Participating Agencies signatory to the Regional Wastewater Disposal Agreement established an Administrative Protocol (Protocol) which was effective beginning in fiscal year 2010. The Protocol established a requirement that the Participating Agencies maintain a 1.2 debt service coverage ratio on parity debt, fund a 45-day operating reserve, and earn interest on the operating and unrestricted reserve accounts. All interest earned during fiscal year 2017 was credited to the operating reserve, which ended the fiscal year with the required 45-day reserve.

Note 9 – Pure Water Program

In 2014 the City of San Diego began planning for the Pure Water Program. The Pure Water Program is the City's phased, multi-year program that will provide one-third, or 83 million gallons per day (MGD), of San Diego's water supply locally by 2035. The Pure Water Program uses proven technology to clean recycled water to produce safe, high-quality drinking water while providing the benefit of continuing advanced primary treatment at the Point Loma Wastewater Treatment Plant. This program is being jointly funded by both water and wastewater ratepayers, and the Participating Agencies represent approximately 35% of the wastewater portion of this program. During FY2017 the following Pure Water Program costs were incurred that were charged to the Metropolitan Wastewater Fund:

	FY2017 Pure Water Program Costs
Total operating and maintenance costs	\$ 5,642,510
Capital improvement costs:	
Morena Blvd. Pump Station and Pipelines	3,280,849
North City Water Reclamation Plant Expansion	3,482,119
Metropolitan Biosolids Center (MBC) Improvements	136,068
Total capital improvement costs	6,899,036
Total Pure Water Program – Metropolitan Wastewater Fund costs	\$ 12,541,546

Pure Water O&M costs consist of task orders for various engineering consultants and other support services that cannot be directly capitalized into a capital improvement project. The final cost allocation of O&M task orders, as well as capital improvement projects is currently in progress and is expected to be finalized in FY2020. At that time, if changes to the draft cost allocation of project costs between water and wastewater is needed, an adjustment will be made during the FY2020 audit of the Schedule.

TABLE A

CITY OF SAN DIEGO - PUBLIC UTILITIES DEPARTMENT
FISCAL YEAR 2017 ESTIMATED UNIT COSTS
FUNCTIONAL-DESIGN COST ALLOCATION METHOD

TREATMENT PARAMETER	FY 2017 BUDGET		UNITS	COST PER UNIT
WASTEWATER FLOW	AMOUNT	%		
	\$102,202,543	50.0%	60,489 (a)	\$1,689.61 /per Million Gallons
SUSPENDED SOLIDS	\$53,767,100	26.3%	184,871 (b)	\$290.84 /per Thousand Pounds
CHEMICAL OXYGEN DEMAND	\$48,371,296	23.7%	291,864 (c)	\$165.73 /per Thousand Pounds
TOTAL	\$204,340,938	100%		

(a) Units of Flow - Million Gallons Per Year

(b) Units of SS - Thousands of Pounds per Year

(c) Units of COD - Thousands of Pounds per Year

TABLE B

CITY OF SAN DIEGO - PUBLIC UTILITIES DEPARTMENT
PROJECTED DISTRIBUTION OF SYSTEM WASTEWATER COSTS - FISCAL YEAR 2017
FUNCTIONAL-DESIGN BASED ALLOCATION METHOD

AGENCY	ALLOCATION OF COSTS BY FLOW, SUSPENDED SOLIDS AND CHEMICAL OXYGEN DEMAND				TOTAL PAID FOR FY 2017	DIFFERENCE
	FLOW (a)	SS (a)	COD (a)	TOTAL FLOW, SS & COD		
CHULA VISTA	\$10,138,757	\$5,556,853	\$4,980,500	\$20,676,110	\$19,122,748	\$1,553,362
CORONADO	\$920,901	\$521,138	\$379,495	\$1,821,534	\$3,096,524	(\$1,274,990)
DEL MAR	\$345,054	\$223,302	\$108,712	\$677,067	\$69,112	\$607,955
EAST OTAY MESA	\$34,298	\$18,737	\$15,540	\$68,576	\$153,912	(\$85,336)
EL CAJON	\$4,833,579	\$3,023,131	\$2,289,572	\$10,146,282	\$9,287,824	\$858,458
IMPERIAL BEACH	\$1,382,814	\$574,542	\$507,804	\$2,465,159	\$2,457,692	\$7,467
LA MESA	\$3,102,616	\$1,421,081	\$1,180,736	\$5,704,433	\$5,033,900	\$670,533
LAKESIDE/ALPINE	\$1,819,139	\$1,089,562	\$876,439	\$3,785,140	\$3,504,564	\$280,576
LEMON GROVE	\$1,063,643	\$462,368	\$452,289	\$1,978,301	\$2,529,200	(\$550,899)
NATIONAL CITY	\$2,554,048	\$1,191,484	\$1,200,069	\$4,945,601	\$5,791,748	(\$846,147)
OTAY	\$380,088	\$316,511	\$175,864	\$872,463	\$690,984	\$181,479
PADRE DAM	\$1,818,303	\$1,756,729	\$1,268,654	\$4,843,687	\$3,853,808	\$989,879
POWAY	\$1,748,977	\$924,985	\$696,031	\$3,369,994	\$3,027,316	\$342,678
SPRING VALLEY	\$2,558,779	\$1,349,870	\$1,135,577	\$5,044,225	\$5,216,832	(\$172,607)
WINTERGARDENS	\$624,511	\$390,413	\$295,638	\$1,310,562	\$1,163,916	\$146,646
SUBTOTAL PARTICIPATING AGENCIES	\$33,325,507	\$18,820,706	\$15,562,921	\$67,709,134	\$65,000,080	\$2,709,054
SAN DIEGO	\$68,877,036	\$34,946,393	\$32,808,375	\$136,631,805		
TOTAL	\$102,202,543	\$53,767,100	\$48,371,296	\$204,340,938		

TABLE C

CITY OF SAN DIEGO - PUBLIC UTILITIES DEPARTMENT
SYSTEM WASTEWATER CHARACTERISTICS - FISCAL YEAR 2017
SYSTEM STRENGTH LOADINGS INCLUDED

AGENCY	WASTEWATER CHARACTERISTICS			UNADJUSTED ANNUAL USE			ADJUSTED ANNUAL USE				
	AVERAGE FLOW - mgd (a)	SS mg/l (b)	COD mg/l (b)	2017 FLOWS million gallons	SS thousand pounds	COD thousand pounds	2017 FLOWS million gallons	Flow Difference (c)	FY 2017 Billing Flows	SS thousand pounds	COD thousand pounds
CHULA VISTA	15.567	281	745	5,681.857	13,336	35,323	6,098.585	(97.939)	6,000.646	19,107	30,051
CORONADO	1.414	290	625	516.082	1,251	2,691	553.933	(8.896)	545.037	1,792	2,290
DEL MAR	0.530	332	478	193.371	536	771	207.554	(3.333)	204.221	768	656
EAST OTAY MESA	0.053	280	687	19.221	45	110	20.631	(0.331)	20.300	64	94
EL CAJON	7.421	321	718	2,708.784	7,255	16,238	2,907.456	(46.692)	2,860.764	10,395	13,815
IMPERIAL BEACH	2.123	213	557	774.942	1,379	3,602	831.779	(13.358)	818.421	1,975	3,064
LA MESA	4.764	235	577	1,738.736	3,411	8,374	1,866.261	(29.971)	1,836.290	4,886	7,124
LAKESIDE/ALPINE	2.793	307	731	1,019.463	2,615	6,216	1,094.234	(17.573)	1,076.661	3,746	5,288
LEMON GROVE	1.633	223	645	596.076	1,110	3,208	639.794	(10.275)	629.519	1,590	2,729
NATIONAL CITY	3.921	239	713	1,431.313	2,860	8,511	1,536.291	(24.672)	1,511.619	4,097	7,241
OTAY	0.584	427	702	213.005	760	1,247	228.628	(3.672)	224.956	1,088	1,061
PADRE DAM	2.792	496	1,058	1,018.995	4,216	8,998	1,093.731	(17.565)	1,076.167	6,040	7,655
POWAY	2.685	271	604	980.144	2,220	4,936	1,052.031	(16.895)	1,035.136	3,180	4,200
SPRING VALLEY	3.929	271	673	1,433.964	3,240	8,054	1,539.136	(24.718)	1,514.419	4,641	6,852
WINTERGARDENS	0.959	321	718	349.982	937	2,097	375.651	(6.033)	369.618	1,342	1,784
SUBTOTAL PARTICIPATING AGENCIES	51.167	290	708	18,675.933	45,169	110,377	20,045.694	(321.921)	19,723.774	64,713	93,904
SAN DIEGO	105.752	260	722	38,599.351	83,870	232,687	41,430.368	(665.344)	40,765.024	120,159	197,960
REGIONAL SLUDGE RETURNS	11.509	260	168	4,200.778	9,113	5,889					
FLOW DIFFERENCE	(2.705)			(987.265)	46,719	(57,089)					
TOTAL	165.723	366	578	60,488.797	184,871	291,864	61,476.062	(987.265)	60,488.797	184,871	291,864

(a) Flows based on metered, housecounts and inter-agency flow, adjustment to City of San Diego flow for centrate, chemical additions reduction, plus an addition for recycled water.

(b) SS and COD characteristics based on samples taken by PUD's Environmental Monitoring and Technical Services Division through June 30, 2017 - proportionate share of return flow loadings calculated in the "ADJUSTED ANNUAL USE" BOX.

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

TABLE D

CITY OF SAN DIEGO - PUBLIC UTILITIES DEPARTMENT
ALLOCATION OF FISCAL YEAR 2017 ESTIMATED BUDGET
FUNCTIONAL-DESIGN BASED ALLOCATION METHOD

DESCRIPTION	FY 2017 ACTUAL COSTS	ALLOCATION OF COSTS						TOTAL COSTS
		FLOW %	FLOW COSTS	SS %	SS COSTS	COD %	COD COSTS	
<u>OPERATION AND MAINTENANCE :</u>								
TRANSMISSION AND SYSTEM MAINTENANCE	\$11,406,760	100.0%	\$11,406,760	0.0%	\$0	0.0%	\$0	\$11,406,760
OPERATIONS & MAINTENANCE	\$59,464,008	39.4%	\$23,415,421	32.4%	\$19,292,925	28.2%	\$16,755,662	\$59,464,008
TECHNICAL SERVICES	\$11,148,384	30.0%	\$3,344,515	40.0%	\$4,459,354	30.0%	\$3,344,515	\$11,148,384
COGENERATION	\$1,065,804	0.0%	\$0	60.0%	\$639,482	40.0%	\$426,322	\$1,065,804
METRO ADMIN & GENERAL EXPENSES - 41508	\$25,301,759	45.9%	\$11,622,857	29.4%	\$7,427,993	24.7%	\$6,250,909	\$25,301,759
METRO ADMIN & GENERAL EXPENSES - 41509	\$11,407,197	45.9%	\$5,240,119	29.4%	\$3,348,881	24.7%	\$2,818,197	\$11,407,197
TOTAL OPERATIONS AND MAINTENANCE	\$119,793,912	45.94%	\$55,029,672	29.36%	\$35,168,635	24.71%	\$29,595,605	\$119,793,912
<u>CAPITAL IMPROVEMENT PROGRAM :</u>								
PAY-AS-YOU-GO METRO 41508	\$1,519,741	55.8%	\$847,937	22.0%	\$334,309	22.2%	\$337,495	\$1,519,741
PAY-AS-YOU-GO METRO 41509	\$16,269,715	55.8%	\$9,077,660	22.0%	\$3,578,975	22.2%	\$3,613,080	\$16,269,715
DEBT SERVICE	\$66,757,571	55.8%	\$37,247,274	22.0%	\$14,685,180	22.2%	\$14,825,117	\$66,757,571
TOTAL CAPITAL IMPROVEMENT PROGRAM	\$84,547,026	55.8%	\$47,172,871	22.0%	\$18,598,464	22.2%	\$18,775,691	\$84,547,026
TOTAL O&M & CAPITAL IMPROVEMENT PROGRAM	\$204,340,938	50.0%	\$102,202,543	26.3%	\$53,767,100	23.7%	\$48,371,296	\$204,340,938

Attachment 5
FY 2017
Budget
Reconciliation

JPA Budget Reconciliation -- FY 2017

Agency	Adopted/Billed FY '17		Audited FY'17		
	Commission Flow Distribution %	Total Agency Billings	Audit Flow/Strength Distribution	Total Agency Billings Per Audit	Over/ (Under) Budget
Chula Vista	31.48%	\$ 35,777	30.54%	\$ 34,705	\$ (1,072)
Coronado	3.10%	\$ 3,524	2.69%	\$ 3,057	\$ (467)
County of SD	15.05%	\$ 17,106	15.08%	\$ 17,135	\$ 29
Del Mar	1.11%	\$ 1,258	1.00%	\$ 1,136	\$ (122)
El Cajon	14.48%	\$ 16,454	14.99%	\$ 17,031	\$ 577
Imperial Beach	4.31%	\$ 4,899	3.64%	\$ 4,138	\$ (761)
La Mesa	8.74%	\$ 9,936	8.42%	\$ 9,575	\$ (361)
Lemon Grove	4.15%	\$ 4,713	2.92%	\$ 3,321	\$ (1,392)
National City	7.89%	\$ 8,961	7.30%	\$ 8,301	\$ (660)
Otay Water District	0.42%	\$ 472	1.29%	\$ 1,464	\$ 992
Padre Dam MWD	4.15%	\$ 4,721	7.15%	\$ 8,130	\$ 3,409
Poway	5.13%	\$ 5,829	4.98%	\$ 5,657	\$ (172)
Total Flow & Strength	100.00%	\$ 113,650	100.00%	\$ 113,650	\$ 0