



Regular Meeting of the Metro Commission and Metro Wastewater JPA

AGENDA

Thursday August 6, 2020 - 12:00 p.m.

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

DUE TO THE STAY AT HOME ORDER IN CALIFORNIA AND IN ACCORDANCE WITH THE GOVERNOR'S EXECUTIVE ORDERS N-25-20 AND N-29-20, MEMBERS OF THE METRO COMMISSION/METRO JPA WILL BE PARTICIPATING REMOTELY FOR THIS MEETING AND THERE WILL BE NO LOCATION FOR IN-PERSON ATTENDANCE. METRO COMMISSION/METRO JPA IS PROVIDING ALTERNATIVES TO IN-PERSON ATTENDANCE FOR OBSERVING AND PARTICIPATING IN THE MEETING. FURTHER DETAILS ARE BELOW.

Note: Any member of the public may provide comments to the Metro Commission/Metro JPA on any agenda item or on a matter not appearing on the agenda, but within the jurisdiction of the Commission/JPA. Public comments must be submitted to lpeoples@chulavistaca.gov. Please indicate whether your comment is on a specific agenda item or a non-agenda item. When providing comments to the Commission/JPA, it is requested that you provide your name and city of residence for the record. Commenter's are requested to address their comments to the Commission/JPA as a whole through the Chair. Comments are limited to four hundred (400) words. If you have anything that you wish to be distributed to the Commission/JPA, please provide it to the Secretary via lpeoples@chulavistaca.gov, who will distribute the information to the members. It is requested that comments and other information be provided at least two (2) hours before the start of the meeting. All comments received by such time will be provided to the Commission/JPA members in writing. In the discretion of the Chair, the first five (5) comments received on each agenda item, or on non-agenda matters, may be read into the record at the meeting. Comments received after the two (2) hour limit will be collected, sent to the Commission/JPA members in writing, and be part of the public record.

The public may participate using the following remote options:

Teleconference Meeting Webinar

<https://us02web.zoom.us/j/82005415795>

Meeting ID: 820 0541 5795

Telephone (Audio Only)

One tap mobile

+16699009128,,82005415795# US (San Jose)

August 6, 2020

Metro Commission/Metro
Wastewater JPA Meeting Agenda

Documentation
Included

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE TO THE FLAG
3. PUBLIC COMMENT
Opportunity for members of the public to provide comments to the Commission/JPA on any items not on the agenda but within the jurisdiction of the Commission/JPA. Members of the public may use the e-mail noted above to provide a comment.
- X 4. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE MINUTES OF THE REGULAR MEETING OF [June 4, 2020](#) (**Attachment**)
- X 5. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FY 2018 EXHIBIT E AUDIT (Charles Modica/Edgar Patino/MGO) (**Attachment**)
- X 6. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FY 2018 JPA BUDGET RECONCILIATION (Karen Jassoy/Karyn Keese) (**Attachment**)
- X 7. **REPORT:** PURE WATER PHASE II UPDATE (John Stufflebean/Doug Owen) (**Attachment**)
- X 8. **REPORT:** RESIDUAL AGREEMENT UPDATE (Allen Carlisle) (**Attachment**)
- X 9. METRO TAC UPDATE/REPORT (Standing Item) (Roberto Yano) (**Attachment**)
10. CITY OF SAN DIEGO SECONDARY EQUIVALENCY LEGISLATION (Standing Item) (Shauna Lorange)
11. PURE WATER PROGRAM UPDATE (Standing Item) (Shauna Lorange)
12. IROC UPDATE (Standing Item) (Jerry Jones)

Documentation
Included

13. PURE WATER AD HOC COMMITTEE UPDATE (Standing Item) (Jerry Jones)
14. FINANCE COMMITTEE (Standing Item) (John Mullin)
15. REPORT OF GENERAL COUNSEL (Standing Item)
16. PROPOSED AGENDA ITEMS FOR THE NEXT METRO COMMISSION/METRO WASTEWATER JPA MEETING **September 3, 2020**
17. METRO COMMISSIONERS' AND JPA BOARD MEMBERS' COMMENTS
18. ADJOURNMENT OF METRO COMMISSION AND METRO WASTEWATER JPA
(NOTE: SANDIST TO MEET IMMEDIATELY FOLLOW THIS MEETING)

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

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

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

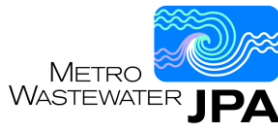
The Metro Commission/Metro Wastewater JPA requests individuals who require alternative agenda format or special accommodations to participate in the Metro Commission/ Metro Wastewater JPA meetings, contact Lori Peoples at lpeoples@chulavistaca.gov. Requests for disability-related modifications or accommodations require different lead times and should be provided at least 72-hours in advance of a meeting.

Metro JPA 2020 Meeting Schedule

January 2, 2020	February 6, 2020	March 5, 2020
April 2, 2020	May 7, 2020	June 4, 2020
July 2, 2020	August 6, 2020	September 3, 2020
October 1, 2020	November 5, 2020	December 3, 2020

ATTACHMENT 4

ACTION MINUTES FOR THE MEETING OF JUNE 4, 2020



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

Zoom Meeting Held On Line

**June 4, 2020
Minutes**

Chairman Jones called the meeting to order at 12:02p.m. A quorum of the Metro Wastewater JPA and Metro Commission was declared, and the following representatives were present:

1. ROLL CALL

<u>Agencies</u>	<u>Representatives</u>	<u>Alternate</u>
City of Chula Vista	Jill Galvez	
City of Coronado	Whitney Benzian	(No representative)
City of Del Mar	Sherryl Parks	
City of El Cajon	Gary Kendrick	
City of Imperial Beach	Ed Spriggs	
City of La Mesa	Bill Baber	
Lemon Grove San District	Jerry Jones	
City of National City	Ron Morrison	
City of Poway	John Mullin	
County of San Diego	Dianne Jacob	(No representative)
Otay Water District	Mark Robak	
Padre Dam MWD	Jim Peasley	
Metro TAC Chair	Roberto Yano	

Others present: Metro JPA Assistant General Counsel Nicholaus Norvell - BBK Law; Metro JPA Secretary Lori Anne Peoples; Beth Gentry – City of Chula Vista; Ed Walton – City of Coronado; Yazmin Arellano – City of El Cajon; Eric Minicilli – City of Imperial Beach; Hamed Hashemian – City of La Mesa; Mike James – Lemon Grove Sanitation District; Roberto Yano – City of National City; Bob Kennedy – Otay Water District; Allen Carlisle, Karen Jassoy, Michael Hindle, Augie Scalzitti – Padre Dam Municipal Water District; Angelina Martin, Jessica Parks, Bill Valle – Poway; Tom Rosales, Pam Galan, Peter Vroom, Ryan Kempster, Ami Latker, Edgar Patino, Charles Modica - City of San Diego and Christine Leone – Chief Deputy City Attorney, City of San Diego; Dan Brogadir – County of San Diego; Carmen Kasner & Scott Tulloch – NV5 and Dexter Wilson – Dexter Wilson Engineering; Karyn Keese – The Keze Group, LLC, Peter Wong.

2. PLEDGE OF ALLEGIANCE TO THE FLAG

Commissioner Baber, City of La Mesa, led the pledge.

3. PUBLIC COMMENT

None

Commissioner Baber spoke regarding the peaceful protest that turned into a riot in his City and thanked the cities of National City, Chula Vista, Coronado and El Cajon for assisting in police and sheriffs' protection.

4. **ACTION: CONSIDERATION AND POSSIBLE ACTION TO APPROVE MINUTES OF THE REGULAR MEETING OF MARCH 5, 2020**

ACTION: Motion by Vice Chair Peasley, seconded by Commissioner Parks to approve the Minutes. The motion carried unanimously.

5. **ACTION: CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE COASTAL REMOTE SENSING SPECIAL STUDY OF THE POINT LOMA OCEAN OUTFALL (PLOO) AND SOUTH BAY OCEAN OUTFALL (SBOO) REGIONS (2020-2023)**

Ryan Kempster, Sr. Marine Biologist with the City of San Diego provided an overview of his PowerPoint presentation.

ACTION: Motion by Commissioner Galvez, seconded by Commissioner Spriggs, to approve the study. The motion carried unanimously.

6. **ACTION: CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE TENTH AMENDED JOINT POWERS AGREEMENT (JPA) CONFIRMING THE CREATION OF AN AGENCY KNOWN AS SOUTHERN CALIFORNIA COASTAL WATER RESEARCH PROJECT (SCCWRP)**

Peter Broom, Deputy Public Utilities Director and Ryan Kempster, Sr. Marine Biologist City of San Diego, provided an overview of their staff report and PowerPoint Presentation

ACTION: Motion by Commissioner Baber, seconded by Commissioner Kendrick, to approve the amendment. The motion carried unanimously.

Commissioner Mullin inquired as to whether there was an overlap of wastewater and stormwater. Mr. Vroom responded that the wastewater agencies will have a ¼ vote.

Commissioner Baber left the meeting at 12:30 p.m.

7. **ACTION: CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE EXPENDITURE OF \$105,796,509 OVER TEN YEARS FOR AN AGREEMENT WITH SAN DIEGO LANDFILL SYSTEMS, LLC FOR SERVICES TO COLLECT, TRANSPORT AND DISPOSE OF BIOSOLIDS GENERATED AT THE METROPOLITAN BIOSOLIDS CENTER (MBC)**

Tom Rosales, Interim Assistant Director City of San Diego Public Utilities Department provided a brief overview the staff report and PowerPoint presentation.

ACTION: Motion by Vice Chair Peasley, seconded by Commissioner Kendrick, to approve the agreement. The motion carried unanimously.

8. **ACTION: CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE CONTRACT WITH NMS MANAGEMENT INC., FOR JANITORIAL MAINTENANCE SERVICE AT VARIOUS PUBLIC UTILITIES DEPARTMENT (PUD) FACILITIES AND TREATMENT PLANTS (RFP NO. 10089561-19-L)**

Pamela Galan, Interim Program Manager, City of San Diego Public Utilities Department, provided a brief overview the staff report and PowerPoint presentation.

ACTION: Motion by Vice Chair Peasley, seconded by Commissioner Kendrick, to approve the agreement. The motion carried unanimously.

9. **FINANCE COMMITTEE:**

ACTION: REVIEW AND CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FY 2021 METRO WASTEWATER JPA BUDGET AND VARIOUS SERVICE AGREEMENTS

Finance Committee Chair Mullin made a brief introduction of the item noting that all had been reviewed by the MetroTAC and Finance Committee and approved to bring to the JPA for final approval.

Assistant General Counsel Norvell stated that the items could be handled with a single motion or individually.

Commissioner Spriggs requested each contract be talked about briefly.

Metro JPA Treasurer Karen Jassoy walked the members through the budget and noted that they were well under the forecast for last year as some items had been postponed until next year. She had spoken with all consultants and updated those numbers needing updating. She noted the projected fund balance at 6/30/20 was \$511,454. She had initially reduced the Per Diem amount but left it at that of the prior year (\$18,000) after discussion at the Finance Committee. Additionally she noted that the reserve balance was well over the required level and so it was used to offset the Membership dues by \$125,000 for one year.

Finance Committee Chair Mullin asked that the scopes of work be reviewed by Karyn Keese. Ms. Keese noted that the Treasurers contract was reduced by \$1,000; NV5 was reduced by \$20,000 as they were not doing any other work than that of Scott Tullock; Dexter Wilson's contract was up \$2,400 due to additional work helping review cost allocation audits with Karyn plus a COLA adjustment. The BBK and Procopio contracts have annual COLA adjustments only. The other contracts had no change.

Chair Jones noted that Karyn's contract had no change and how critical her services were to the organization as she reviews all costs assigned us as well as oversees the budget.

There was one additional item, the website hosting. MetroTAC Finance Committee representative Minicilli and Assistant General Counsel Norvell got everything straightened out with Granicus and they will continue with hosting only and not require a software upgrade. Metro Secretary Peoples worked with City of Poway IT staff and have resolved the issues she was having. There will be a slight increase to Granicus contract of \$350 for next year.

Finance Committee Chair Mullin thanked Karyn Jassoy, Karyn Keese and Eric Minicilli for assisting in the budget preparation and review.

ACTION: Motion by Commissioner Mullin, seconded by Commissioner Kendrick, to approve the Metro Wastewater JPA FY 2021 budget. Motion carried unanimously.

- a. **ACTION: CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FY 2021 METRO WASTEWATER JPA BUDGET**
- b. **ACTION: CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE AMENDMENT TO THE TREASURERS CONTRACT WITH PADRE DAM MUNICIPAL WATER DISTRICT FOR FY 2021**
- c. **ACTION: CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FY 2021 PROFESSIONAL SERVICES AGREEMENT WITH THE KEEZ GROUP, LLC FOR FINANCIAL MANAGEMENT SERVICES**

- d. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FY 2021 PROFESSIONAL SERVICES AGREEMENT NV5 CONTRACT FOR ENGINEERING SERVICES
- e. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FY 2021 PROFESSIONAL SERVICES AGREEMENT WITH DEXTER WILSON ENGINEERING FOR ENGINEERING SERVICES
- f. **ACTION:** CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE FY 2021 PROFESSIONAL SERVICES AGREEMENT WITH GRANICUS FOR WEBSITE HOSTING
- g. **REVIEW:** FY 2021 BUDGETS FOR LEGAL COUNSEL (BEST BEST & KRIEGER LLP AND PROCOPIO, CORY, HARGREAVES AND SAVITCH LLP)

10. METRO TAC UPDATE/REPORT

MetroTAC Chair Yano stated that in addition to the items discussed today, the MetroTAC had continued discussion on the Amended/Restated Agreement which is still being held up by the 2 PAs who are negotiating the Residuals Agreement. They have committed to signing upon approval of the Residuals agreement and have agreed to bring an update to the June MetroTAC meeting.

11. CITY OF SAN DIEGO SECONDARY EQUIVALENCY LEGISLATION

Tom Rosales, Interim Assistant Director City of San Diego Public Utilities Department stated that there was no update.

12. PURE WATER PROGRAM UPDATE & PHASE II UPDATE

Tom Rosales, Interim Assistant Director City of San Diego Public Utilities Department stated that John Stufflebean was newly appointed and would be providing future updates and working with the JPA. He noted that the PLA negotiations were nearing completion; the NPDES discharge into Miramar had been approved by the Water Quality Control Board; workshops on Phase II were almost complete and they are hoping to bring them to the July MetroTAC meeting and lastly that the Public Utilities Department will be able to keep the Mission Valley site.

13. IROC UPDATE

Yazmin Arellano stated that there had been no meetings and thus no update.

14. PURE WATER AD HOC COMMITTEE UPDATE

Chair Jones stated there had not been a meeting and he had no update.

15. FINANCE COMMITTEE

Finance Committee Chair Mullin stated he had nothing further to report.

16. REPORT OF GENERAL COUNSEL

Assistant General Counsel Norvell stated that he had no report.

17. PROPOSED AGENDA ITEMS FOR THE NEXT METRO COMMISSION/METRO WASTEWATER SPECIAL JPA MEETING July 2, 2020

None.

18. METRO COMMISSIONERS' AND JPA BOARD MEMBERS' COMMENTS

Chair Jones requested Secretary Peoples provide the Commissioners with a PDF Per Diem form for use during Covid.

19. ADJOURNMENT

At 1:29 p.m., there being no further business, Chair Jones declared the meeting adjourned.

Recording Secretary

ATTACHMENT 5

FY 2018 Exhibit E Audit

- A. Staff Report
- B. Auditor's Reports
- C. Year-End
Reconciliation

Fiscal Year 2018 Exhibit E Summary Staff Report

Fiscal Year 2018's "Schedule of Allocation for Billing to Metropolitan Wastewater Utility and Independent Auditors Report" (Exhibit E Audit) was completed on June 26, 2020. A copy of the Auditor's Report and the Reconciliation of Fiscal Year 2018 based on the audited numbers are attached.

The final operating and capital expenses can be found on Page 3 of the Auditor's Report. The fiscal year-end total \$231.4 million is approximately (\$28.5) million (14%) higher than Fiscal Year 2017. The major variances in the areas of expenditures & Income Credits for the year are:

EXPENDITURES & INCOME CREDITS

Transmission:

- Transmission costs decreased due to Pump Station 1 and 2 overhauled maintenance expenses that were incurred in Fiscal Year 2017. Decrease \$2.4 Million.

Capital Improvement Expense:

- Increase in design, engineering and property acquisition costs for various Pure Water Projects. Increase in construction and engineering costs related to the PS2 Power Reliability Project. Increase \$24 Million.

Debt Service:

- The increase over last fiscal year is due to the start of repayment period on SRF loans and bond principal and interest. Increase \$8.2 Million.

Income Credits:

- There was a decrease in income credits related to SRF. This decrease in income credits over Fiscal Year 2018 has a direct correlation to the increase in Capital Expense, it is anticipated that Fiscal Year 2019 will see an increase in income credits due to timing of reimbursements. Decrease \$5 Million.

PURE WATER

- Metropolitan Wastewater Fund costs \$ 31.7 million for Pure Water O&M and related CIP costs. The final cost allocation of O&M task orders, as well as capital improvement projects is currently in progress. Once finalized, if changes to the draft cost allocation of project costs between water and wastewater is necessary, an adjustment will be made during the Exhibit E audit.

TABLE B

- The year-end reconciliation shows the total PA share of the Fiscal Year 2018 operations and CIP costs less income credits of \$74.4 million. Fiscal Year 2018 PAs were collectively been billed \$70 million which results in deficit of \$4.4 million 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, 2018



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, 2018

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

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

Report on the Schedule

We have audited the accompanying modified cash basis 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, 2018, and the related notes to the Schedule, as listed in the table of contents.

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 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 as amended on May 15, 2000 and June 3, 2010, respectively, for the fiscal year ended June 30, 2018, 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 June 26, 2020 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.

A handwritten signature in black ink that reads "Macias Gini & O'Connell LLP". The signature is written in a cursive, flowing style.

San Diego, California
June 26, 2020

CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT
Schedule of Allocation for Billing to Metropolitan Wastewater Utility
For the Fiscal Year Ended June 30, 2018

	Operating Expenses		
	Municipal System	Metropolitan System	Total
Transmission			
Main Cleaning	\$ 12,307,306	\$ -	\$ 12,307,306
Sewer Pump Stations.....	4,753,959	-	4,753,959
Other Pump Stations.....	5,525,618	571,506	6,097,124
Pump Station 1.....	-	1,918,982	1,918,982
Pump Station 2.....	-	6,359,493	6,359,493
Other Muni Agencies.....	5,972,933	-	5,972,933
Pipeline Maintenance and Repair.....	11,962,739	103,314	12,066,053
Wastewater Collection (WWC) Engineering and Planning.....	2,317,947	-	2,317,947
Total Transmission.....	42,840,502	8,953,295	51,793,797
Treatment and Disposal			
Point Loma Wastewater Treatment Plan (PTLWWTP).....	-	23,376,544	23,376,544
North City Water Reclamation Plant (NCWRP).....	-	11,232,382	11,232,382
South Bay Water Reclamation Plant (SBWRP).....	-	9,292,184	9,292,184
Metropolitan Biosolids Center (MBC).....	-	16,607,023	16,607,023
Cogeneration Facilities.....	-	295,004	295,004
Gas Utilization Facility (GUF).....	-	723,547	723,547
Wastewater Treatment and Disposal (WWTD) Plant Engineering.....	-	810,195	810,195
Total Treatment and Disposal.....	-	62,336,879	62,336,879
Quality Control			
Sewage Testing and Control.....	350,426	393,017	743,443
Marine Biology and Ocean Operations.....	2	5,231,075	5,231,077
Wastewater Chemistry Services.....	960,307	5,832,956	6,793,263
Industrial Permitting and Compliance.....	4,940,359	31,408	4,971,767
Total Quality Control.....	6,251,094	11,488,456	17,739,550
Engineering			
Program Management and Review.....	2,971,482	8,961,584	11,933,066
Environmental Support.....	2,771,977	245,715	3,017,692
Total Engineering.....	5,743,459	9,207,299	14,950,758
Operational Support			
Central Support: Clean Water Operations Management Network (Comnet)...	175,550	3,162,673	3,338,223
Operational Support.....	1,293,278	6,082,028	7,375,306
Total Operational Support.....	1,468,828	9,244,701	10,713,529
General and Administrative			
Business Support Administration.....	23,394,744	25,088,359	48,483,103
Operating Division Administration.....	6,204,464	5,088,880	11,293,344
Total General and Administrative.....	29,599,208	30,177,239	59,776,447
TOTAL EXPENSES.....	85,903,091	131,407,869	217,310,960
CAPITAL IMPROVEMENT EXPENSE.....	68,608,811	48,914,684	117,523,495
DEBT SERVICE ALLOCATION.....	33,744,804	75,045,785	108,790,589
METROPOLITAN SYSTEM INCOME CREDITS.....			
Operating Revenue.....	-	(13,616,591)	(13,616,591)
Capital Improvement Project (CIP) - Revenue Bond Issue.....	-	-	-
Operating - Grant Revenue.....	-	-	-
CIP - Grant/SRF Revenue.....	-	(10,306,385)	(10,306,385)
TOTAL METROPOLITAN SYSTEM INCOME CREDITS.....	-	(23,922,976)	(23,922,976)
TOTAL ALLOCATION FOR BILLING PURPOSES.....	\$ 188,256,706	\$ 231,445,362	\$ 419,702,068

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

CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT
Notes to the Schedule of Allocation for Billing to Metropolitan Wastewater Utility
For the Fiscal Year Ended June 30, 2018

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 a Regional Wastewater Disposal Agreement dated May 18, 1998 as amended on May 15, 2000 and June 3, 2010, respectively, 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, other postemployment benefits, and net pension obligation 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, 2018

Note 4 – Capital Improvement Expense

Construction and related costs incurred during the fiscal year (FY) to maintain and improve the Metropolitan and Municipal 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 FY 2015 regarding revenue generated from the South Bay Water Reclamation Facility and revenue sharing payments were issued for FY 2006 through FY 2014 to the Participating Agencies. During the fiscal year ended June 30, 2018, revenue sharing payments for FY 2018 of approximately \$3.4 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 FY 2014, the percentages were determined from a new sample data set taken during the fiscal year and annual monitored flow.

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

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

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, 2018

Note 8 – Administrative Protocol

In May 2010, the City and all Participating Agencies signatory to the Regional Wastewater Disposal Agreement established an Administrative Protocol (Protocol) which was effective beginning in FY 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 FY 2018 was credited to the operating reserve, which ended the fiscal year above the required 45-day reserve.

Note 9 – Pure Water Program

In 2014 the City 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 FY 2018 the following Pure Water Program costs were incurred that were charged to the Metropolitan Wastewater Fund:

	<u>FY 2018 Pure Water Program Costs</u>
Total operating and maintenance costs	<u>\$ 6,012,202</u>
Capital improvement costs:	
Morena Blvd. Pump Station and Pipelines	13,105,870
North City Water Reclamation Plant Expansion	9,302,856
Metropolitan Biosolids Center (MBC) Improvements	3,322,308
Total capital improvement costs	<u>25,731,034</u>
Total Pure Water Program – Metropolitan Wastewater Fund costs	<u><u>\$ 31,743,236</u></u>

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. Once finalized, if changes to the draft cost allocation of project costs between water and wastewater is needed, an adjustment will be made during the audit of the Schedule.



**Independent Auditor's Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of the Schedule
of Allocation for Billing to Metropolitan Wastewater Utility Performed
in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Schedule of Allocation for Billing to Metropolitan Wastewater Utility (the Schedule) of the City of San Diego Public Utilities Department (PUD), an enterprise fund of the City of San Diego, California (the City), for the fiscal year ended June 30, 2018, and the related notes to the Schedule, and have issued our report thereon dated June 26, 2020. Our report contains an explanatory paragraph indicating that the Schedule was prepared for the purpose of complying with, and in conformity with, the accounting practices prescribed by the Regional Wastewater Disposal Agreement between the City and the Participating Agencies in the Metropolitan Wastewater System dated May 18, 1998 as amended on May 15, 2000 and June 3, 2010, respectively.

Internal Control Over Financial Reporting

In planning and performing our audit of the Schedule, we considered the PUD's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedule, but not for the purpose of expressing an opinion on the effectiveness of the PUD's internal control related to the Schedule. Accordingly, we do not express an opinion on the effectiveness of the PUD's internal control related to the Schedule.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the PUD's Schedule is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the Regional Wastewater Disposal Agreement between the City and the Participating Agencies dated May 18, 1998 as amended on May 15, 2000 and June 3, 2010, respectively, noncompliance with which could have a direct and material effect on the determination of Schedule amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, including the requirements of the Regional Wastewater Disposal Agreement between the City and the Participating Agencies dated May 18, 1998 as amended on May 15, 2000 and June 3, 2010, respectively.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the PUD's internal control or on compliance related to the Schedule. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the PUD's internal control and compliance related to the Schedule. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Macias Gini & O'Connell LLP". The signature is written in a cursive, flowing style.

San Diego, California
June 26, 2020

TABLE A

CITY OF SAN DIEGO - PUBLIC UTILITIES DEPARTMENT
FISCAL YEAR 2018 ESTIMATED UNIT COSTS
FUNCTIONAL-DESIGN COST ALLOCATION METHOD

TREATMENT PARAMETER	FY 2018 BUDGET		UNITS	COST PER UNIT
WASTEWATER FLOW	AMOUNT	%		
	\$115,904,233	50.1%	56,409 (a)	\$2,054.71 /per Million Gallons
SUSPENDED SOLIDS	\$60,271,912	26.0%	180,265 (b)	\$334.35 /per Thousand Pounds
CHEMICAL OXYGEN DEMAND	\$55,269,218	23.9%	335,931 (c)	\$164.53 /per Thousand Pounds
TOTAL	\$231,445,362	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 2018
FUNCTIONAL-DESIGN BASED ALLOCATION METHOD

AGENCY	ALLOCATION OF COSTS BY FLOW, SUSPENDED SOLIDS AND CHEMICAL OXYGEN DEMAND				TOTAL PAID FOR FY 2018	DIFFERENCE
	FLOW (a)	SS (a)	COD (a)	TOTAL FLOW, SS & COD		
CHULA VISTA	\$11,603,651	\$6,152,883	\$5,672,837	\$23,429,371	\$21,512,440	\$1,916,931
CORONADO	\$1,039,050	\$617,180	\$430,533	\$2,086,763	\$3,204,904	(\$1,118,141)
DEL MAR	\$203,795	\$121,322	\$64,356	\$389,473	\$40,768	\$348,705
EAST OTAY MESA	\$191,673	\$99,982	\$86,054	\$377,710	\$216,824	\$160,886
EL CAJON	\$4,829,294	\$3,176,159	\$2,449,849	\$10,455,302	\$9,978,712	\$476,590
IMPERIAL BEACH	\$1,557,258	\$635,259	\$558,650	\$2,751,167	\$2,670,648	\$80,519
LA MESA	\$3,221,801	\$1,549,577	\$1,276,639	\$6,048,017	\$5,312,344	\$735,673
LAKESIDE/ALPINE	\$2,160,879	\$1,212,854	\$1,024,236	\$4,397,969	\$3,821,460	\$576,509
LEMON GROVE	\$1,187,640	\$526,989	\$507,116	\$2,221,745	\$2,781,944	(\$560,199)
NATIONAL CITY	\$2,850,892	\$1,308,894	\$1,351,747	\$5,511,534	\$4,921,664	\$589,870
OTAY	\$234,597	\$320,360	\$142,853	\$697,810	\$589,748	\$108,062
PADRE DAM	\$1,839,590	\$1,735,937	\$1,318,092	\$4,893,619	\$4,721,564	\$172,055
POWAY	\$1,753,296	\$903,115	\$693,595	\$3,350,006	\$3,272,536	\$77,470
SPRING VALLEY	\$3,258,489	\$1,649,453	\$1,436,844	\$6,344,786	\$5,675,048	\$669,738
WINTERGARDENS	\$691,899	\$422,875	\$324,940	\$1,439,715	\$1,280,412	\$159,303
SUBTOTAL PARTICIPATING AGENCIES	\$36,623,805	\$20,432,837	\$17,338,343	\$74,394,985	\$70,001,016	\$4,393,969
SAN DIEGO	\$79,280,428	\$39,839,075	\$37,930,874	\$157,050,377		
TOTAL	\$115,904,233	\$60,271,912	\$55,269,218	\$231,445,362		

TABLE C

CITY OF SAN DIEGO - PUBLIC UTILITIES DEPARTMENT
SYSTEM WASTEWATER CHARACTERISTICS - FISCAL YEAR 2018
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)	2018 FLOWS million gallons	SS thousand pounds	COD thousand pounds	2018 FLOWS million gallons	Flow Difference (c)	FY 2018 Billing Flows	SS thousand pounds	COD thousand pounds
CHULA VISTA	15.516	278	743	5,663.402	13,155	35,108	6,023.836	(376.503)	5,647.332	18,402	34,480
CORONADO	1.389	312	630	507.130	1,319	2,665	539.405	(33.714)	505.691	1,846	2,617
DEL MAR	0.273	313	480	99.467	259	398	105.797	(6.613)	99.184	363	391
EAST OTAY MESA	0.256	274	682	93.550	214	533	99.504	(6.219)	93.285	299	523
EL CAJON	6.458	345	771	2,357.037	6,790	15,162	2,507.045	(156.696)	2,350.349	9,499	14,890
IMPERIAL BEACH	2.082	214	545	760.052	1,358	3,457	808.423	(50.528)	757.895	1,900	3,396
LA MESA	4.308	252	602	1,572.466	3,313	7,901	1,672.542	(104.538)	1,568.005	4,635	7,760
LAKESIDE/ALPINE	2.889	295	720	1,054.662	2,593	6,339	1,121.783	(70.114)	1,051.669	3,627	6,225
LEMON GROVE	1.588	233	649	579.652	1,127	3,138	616.543	(38.535)	578.008	1,576	3,082
NATIONAL CITY	3.812	241	721	1,391.437	2,798	8,366	1,479.992	(92.503)	1,387.489	3,915	8,216
OTAY	0.314	717	925	114.500	685	884	121.787	(7.612)	114.175	958	868
PADRE DAM	2.460	495	1,089	897.850	3,711	8,158	954.991	(59.689)	895.302	5,192	8,011
POWAY	2.344	270	601	855.732	1,931	4,293	910.193	(56.889)	853.304	2,701	4,216
SPRING VALLEY	4.357	266	670	1,590.373	3,526	8,892	1,691.588	(105.728)	1,585.860	4,933	8,733
WINTERGARDENS	0.925	321	714	337.696	904	2,011	359.188	(22.450)	336.737	1,265	1,975
SUBTOTAL PARTICIPATING AGENCIES	48.973	293	719	17,875.005	43,684	107,305	19,012.618	(1,188.332)	17,824.286	61,112	105,384
SAN DIEGO	106.012	264	727	38,694.451	85,174	234,749	41,157.070	(2,572.410)	38,584.660	119,153	230,547
REGIONAL SLUDGE RETURNS	9.864	342	194	3,600.231	10,263	5,824					
FLOW DIFFERENCE	(10.303)			(3,760.742)	41,144	(11,948)					
TOTAL	154.545	383	714	56,408.946	180,265	335,931	60,169.687	(3,760.742)	56,408.946	180,265	335,931

TABLE D

CITY OF SAN DIEGO - PUBLIC UTILITIES DEPARTMENT
ALLOCATION OF FISCAL YEAR 2018 ESTIMATED BUDGET
FUNCTIONAL-DESIGN BASED ALLOCATION METHOD

DESCRIPTION	FY 2018 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	\$8,953,295	100.0%	\$8,953,295	0.0%	\$0	0.0%	\$0	\$8,953,295
OPERATIONS & MAINTENANCE	\$60,508,133	39.0%	\$23,575,215	32.6%	\$19,706,586	28.5%	\$17,226,332	\$60,508,133
TECHNICAL SERVICES	\$11,064,031	30.0%	\$3,319,209	40.0%	\$4,425,612	30.0%	\$3,319,209	\$11,064,031
COGENERATION	(\$389,270)	0.0%	\$0	60.0%	(\$233,562)	40.0%	(\$155,708)	(\$389,270)
METRO ADMIN & GENERAL EXPENSES - 41508	\$24,775,500	44.7%	\$11,082,947	29.8%	\$7,388,680	25.4%	\$6,303,873	\$24,775,500
METRO ADMIN & GENERAL EXPENSES - 41509	\$14,696,994	44.7%	\$6,574,479	29.8%	\$4,383,015	25.4%	\$3,739,500	\$14,696,994
TOTAL OPERATIONS AND MAINTENANCE	\$119,608,682	44.73%	\$53,505,146	29.82%	\$35,670,331	25.44%	\$30,433,206	\$119,608,682
<u>CAPITAL IMPROVEMENT PROGRAM :</u>								
PAY-AS-YOU-GO METRO 41508	\$885,683	55.8%	\$494,165	22.0%	\$194,831	22.2%	\$196,687	\$885,683
PAY-AS-YOU-GO METRO 41509	\$35,905,212	55.8%	\$20,033,253	22.0%	\$7,898,348	22.2%	\$7,973,612	\$35,905,212
DEBT SERVICE	\$75,045,785	55.8%	\$41,871,669	22.0%	\$16,508,403	22.2%	\$16,665,713	\$75,045,785
TOTAL CAPITAL IMPROVEMENT PROGRAM	\$111,836,680	55.8%	\$62,399,087	22.0%	\$24,601,581	22.2%	\$24,836,012	\$111,836,680
TOTAL O&M & CAPITAL IMPROVEMENT PROGRAM	\$231,445,362	50.1%	\$115,904,233	26.0%	\$60,271,912	23.9%	\$55,269,218	\$231,445,362

ATTACHMENT 6

FY 2018

Metro Wastewater JPA
Budget Reconciliation

METRO WASTEWATER JPA
FINAL AGENCY BILLING FY '21 (WITH FY '18 TRUE-UP)

	FY '21 BUDGET SPLIT		REVISED AGENCY BILLING	
	Initial %	Allocation \$	FY '18 Audit Adjustment	Adjusted Billing
Chula Vista	30.63%	\$ 88,624	\$ 2,995	\$ 91,619
Coronado	3.45%	\$ 9,974	\$ (6,972)	\$ 3,002
County of SD *	16.44%	\$ 47,561	\$ 4,630	\$ 52,191
Del Mar	0.06%	\$ 165	\$ 1,829	\$ 1,994
El Cajon	14.87%	\$ 43,033	\$ (792)	\$ 42,241
Imperial Beach	3.78%	\$ 10,931	\$ (460)	\$ 10,471
La Mesa	8.39%	\$ 24,270	\$ 2,125	\$ 26,395
Lemon Grove	3.43%	\$ 9,932	\$ (3,882)	\$ 6,050
National City	7.21%	\$ 20,866	\$ 1,485	\$ 22,351
Otay Water District	0.70%	\$ 2,040	\$ 375	\$ 2,415
Padre Dam MWD	6.72%	\$ 19,432	\$ (657)	\$ 18,775
Poway	4.33%	\$ 12,522	\$ (676)	\$ 11,846
Total (FY '21 Budget)	100.00%	\$ 289,350	\$ -	\$ 289,350

* County of SD includes East Otay Mesa, Lakeside/Alpine, Spring Valley and Wintergardens

FY '18 AUDIT ADJUSTMENT CALCULATION					
Agency	Adopted/Billed FY '18		Audited FY'18		
	Estimated Flow/Strength Distribution	Total Agency Billings	Audited Flow/Strength Distribution	Revised Agency Billings Per Audit	Adjustment
Chula Vista	30.73%	\$ 120,806	31.49%	\$ 123,801	\$ 2,995
Coronado	4.58%	\$ 17,998	2.80%	\$ 11,026	\$ (6,972)
County of SD	15.71%	\$ 61,737	16.88%	\$ 66,367	\$ 4,630
Del Mar	0.06%	\$ 229	0.52%	\$ 2,058	\$ 1,829
El Cajon	14.26%	\$ 56,037	14.05%	\$ 55,245	\$ (792)
Imperial Beach	3.82%	\$ 14,997	3.70%	\$ 14,537	\$ (460)
La Mesa	7.59%	\$ 29,832	8.13%	\$ 31,957	\$ 2,125
Lemon Grove	3.97%	\$ 15,622	2.99%	\$ 11,740	\$ (3,882)
National City	7.03%	\$ 27,638	7.41%	\$ 29,123	\$ 1,485
Otay Water District	0.84%	\$ 3,312	0.94%	\$ 3,687	\$ 375
Padre Dam MWD	6.74%	\$ 26,515	6.58%	\$ 25,858	\$ (657)
Poway	4.67%	\$ 18,377	4.50%	\$ 17,701	\$ (676)
Total Flow & Strength	100.00%	\$ 393,100	100.00%	\$ 393,100	\$ -

ATTACHMENT 7

Pure Water Phase II

Pure Water Phase 2 Planning Update

Metro Wastewater JPA
July 15, 2020

Doug Owen, Stantec
Consultant Team Manager
Pure Water Program

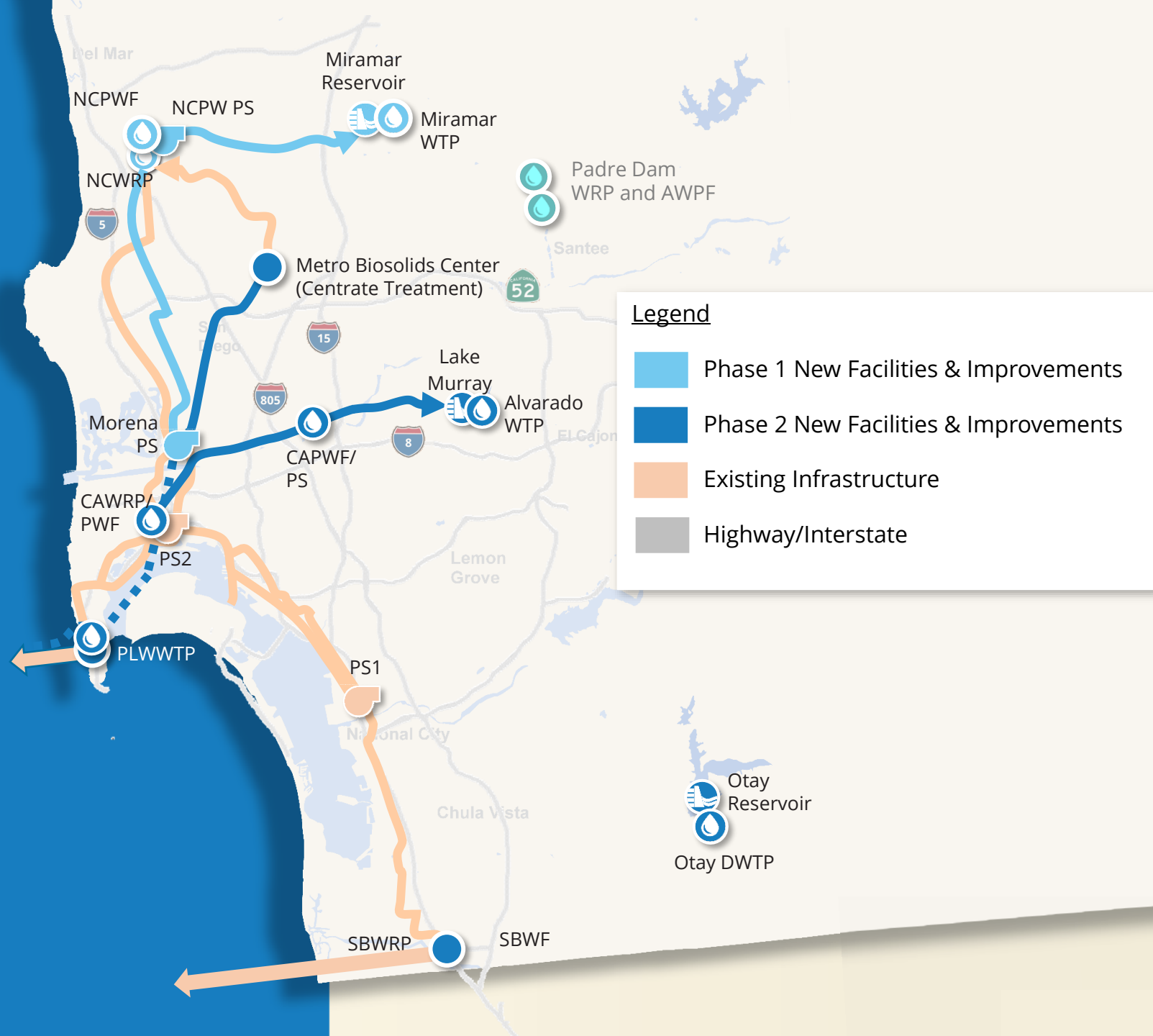
Roberto Yano, National City
Dexter Wilson, Dexter Wilson Engineering
Scott Tulloch, Consultant (NV5)

John Stufflebean, City of San Diego
Amer Barhoumi , City of San Diego
Lubna Arikat, City of San Diego
Victor Occiano, Brown and Caldwell
Christine Waters, CityWorks
Sean McCarty, West Coast Civil

- Review of Phase 2 Alternatives
- Alternatives Refinement Update
 - *Treatment*
 - *Conveyance*
- Next Steps

Alternative Development includes combinations of:

- Water Reclamation Plant
 - Point Loma
 - Harbor Drive
- Purified Water Facility
 - Harbor Drive
 - Mission Valley
- With and Without Waiver/Secondary Equivalency
- Brine/Centrate bypass of PLWTP directly to ocean outfall
- Padre Dam 11.5 mgd ECAWP facility a part of a “regional” 83 mgd solution





Summary of Alternatives

Alt	Secondary Equiv	Brine/Treated Centrate Bypass	Regional Purified Water Production	CAWRP/CAPWF Combined at Harbor Dr	Phase 2 Pure Water Production (mgd)
1A	X				53
1B					53
1C	X	X			53
1D		X			53
1E	X		X		41.5
1F		X	X		41.5
1G	X		X	X	41.5
1H		X	X	X	41.5
3A	X	X			53
3B		X			53
3C	X	X	X		41.5
3D		X	X		41.5

- Develop Alternatives Selected for Refinement
- Conduct Initial Studies

Pure Water Distribution

Treatment and Innovations

Tunneling

Planning Requirements

Centrate Treatment

Impacts to Receiving Waters

Failure Scenarios

Power Supply

- Refine Alternatives
- Prepare Conceptual-Level Cost Estimates
- Prepare Alternatives Evaluation Matrix
- Develop Phase 2 Central Area Delivery Schedule

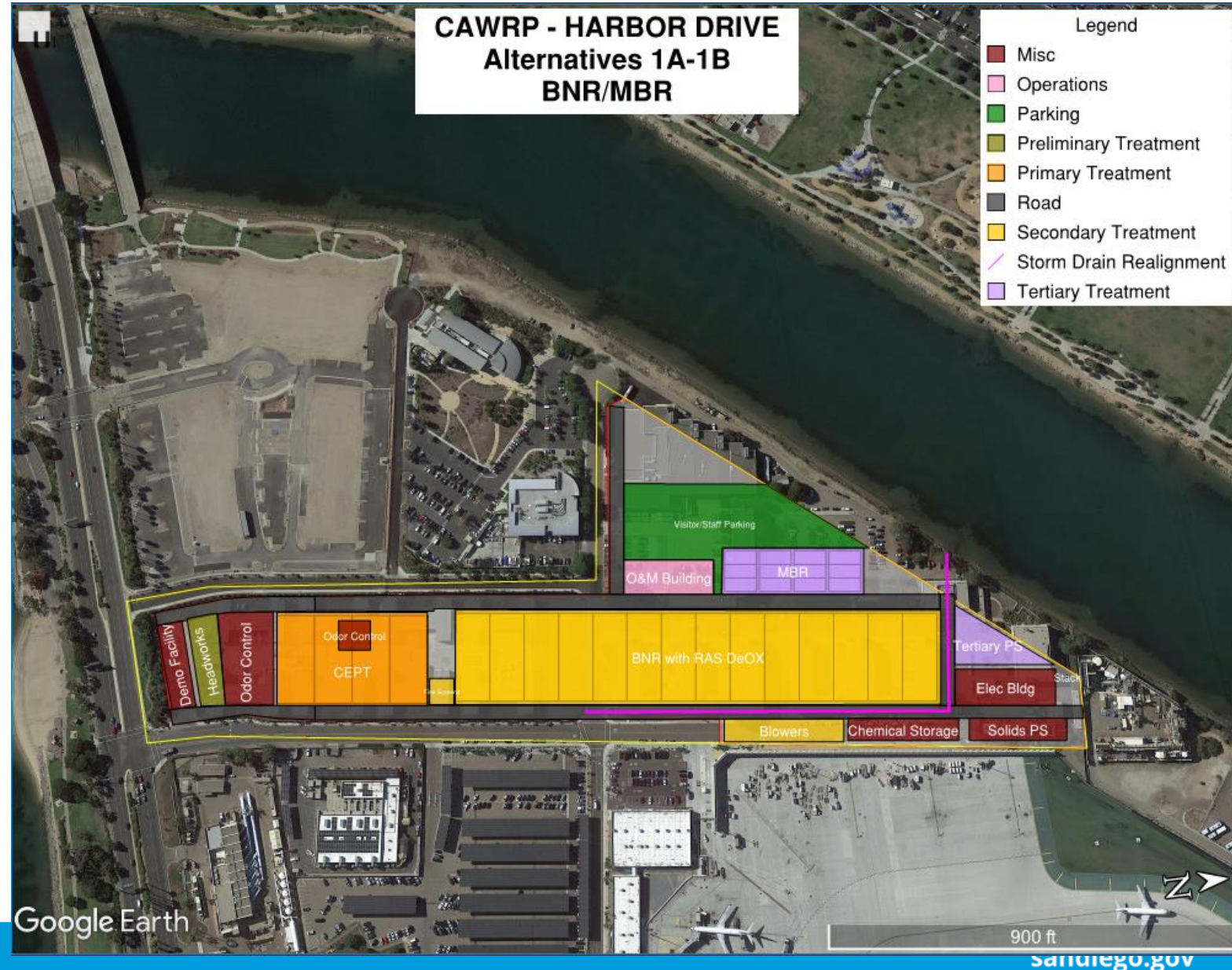
Treatment Layouts

- Discharge to Murray Reservoir
 - *Direct Potable Reuse – Raw Water Augmentation*
- Water Reclamation Plant
 - *Enhanced primary treatment – CEPT or Densadeg*
 - *Biological nutrient removal*
 - *Membrane Bioreactors*
- Purified Water Facility
 - *Ozone/biologically active carbon*
 - *Membrane filtration*
 - *Reverse Osmosis*
 - *UV/AOP*
 - *Pipeline chlorination*

SD Alternative 1 - Harbor Drive CAWRP Site Plan

- Treatment options for:
 - *Primary Treatment*
 - CEPT (as shown)
 - DensaDeg
 - *CAWRP Secondary/Tertiary Treatment*
 - **BNR/Secondary Clarifiers/Tertiary Filters** (insufficient land)
 - **Fine Screens**/BNR/MBR (as shown)

Alt	Influent AADF (mgd)
1A, 1B	69
1E	53



Alternative 1 – Mission Valley CAPWF Site Plan

■ Treatment processes include:

- *Ozone*
- *BAC*
- *MF*
- *RO*
- *UV/AOP*
- *Post Treatment*

Alt	CAPWF Influent (mgd)
1A-1D	66
1E	52



SD Alternative 1 – PLWTP Site Plan (Full Secondary)

■ Treatment options for:

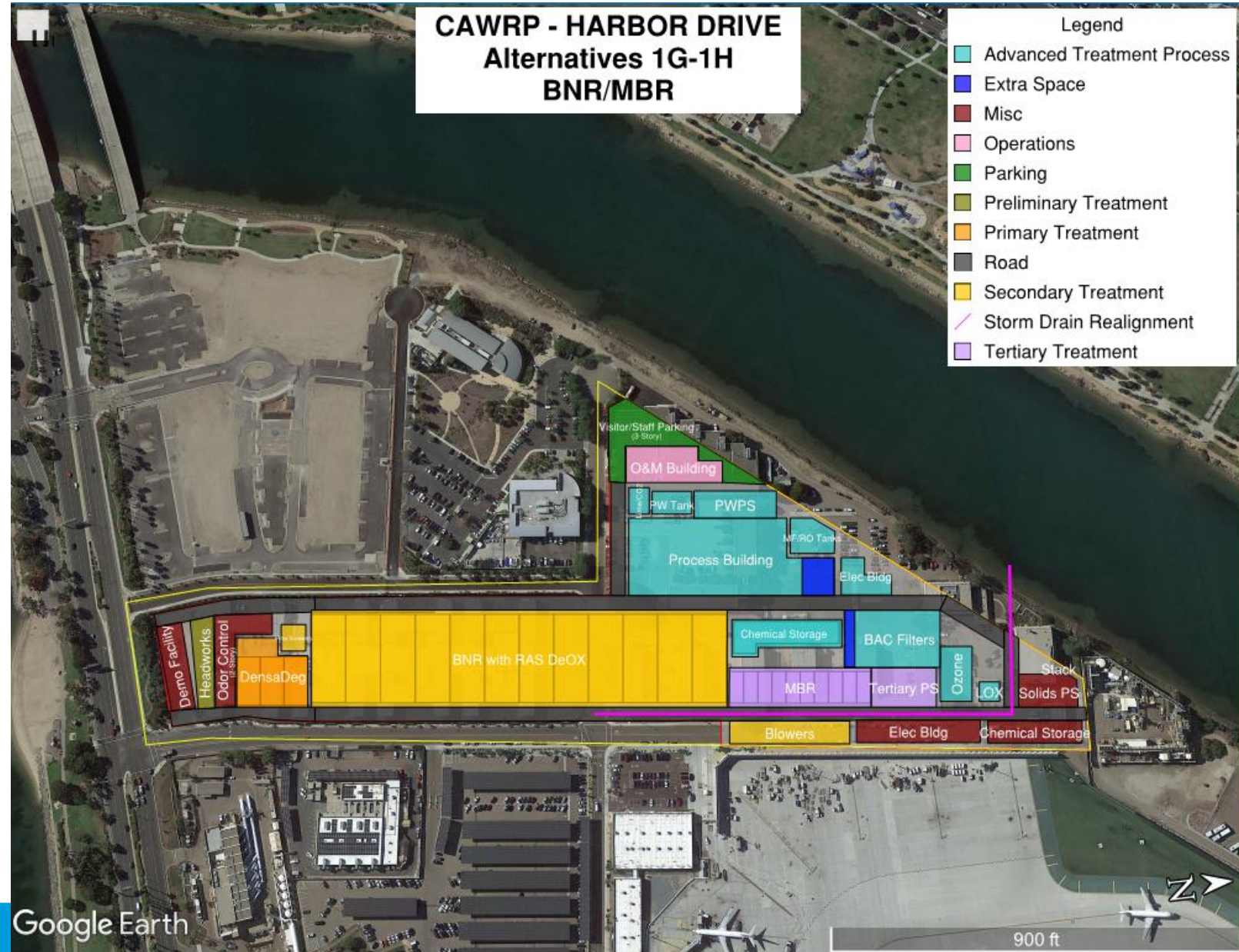
- *PLWTP Primary Treatment*
 - CEPT (evaluating)
 - DensaDeg (as shown)
- *PLWTP Secondary Treatment*
 - Fine Screens/BAF
- *Sludge Thickeners*
 - Gravity Thickeners

Alt	Influent PWWF (mgd)	Sludge Flow (mgd)
1B	273	7.0



- Considered treatment options for:
 - *Primary Treatment*
 - CEPT (insufficient land)
 - DensaDeg (as shown)
 - *CAWRP Secondary/Tertiary Treatment*
 - BNR/Secondary Clarifiers/Tertiary Filters (insufficient land)
 - Fine Screens/BNR/MBR (as shown)
- No flexibility for expansion to 53 mgd in the future.

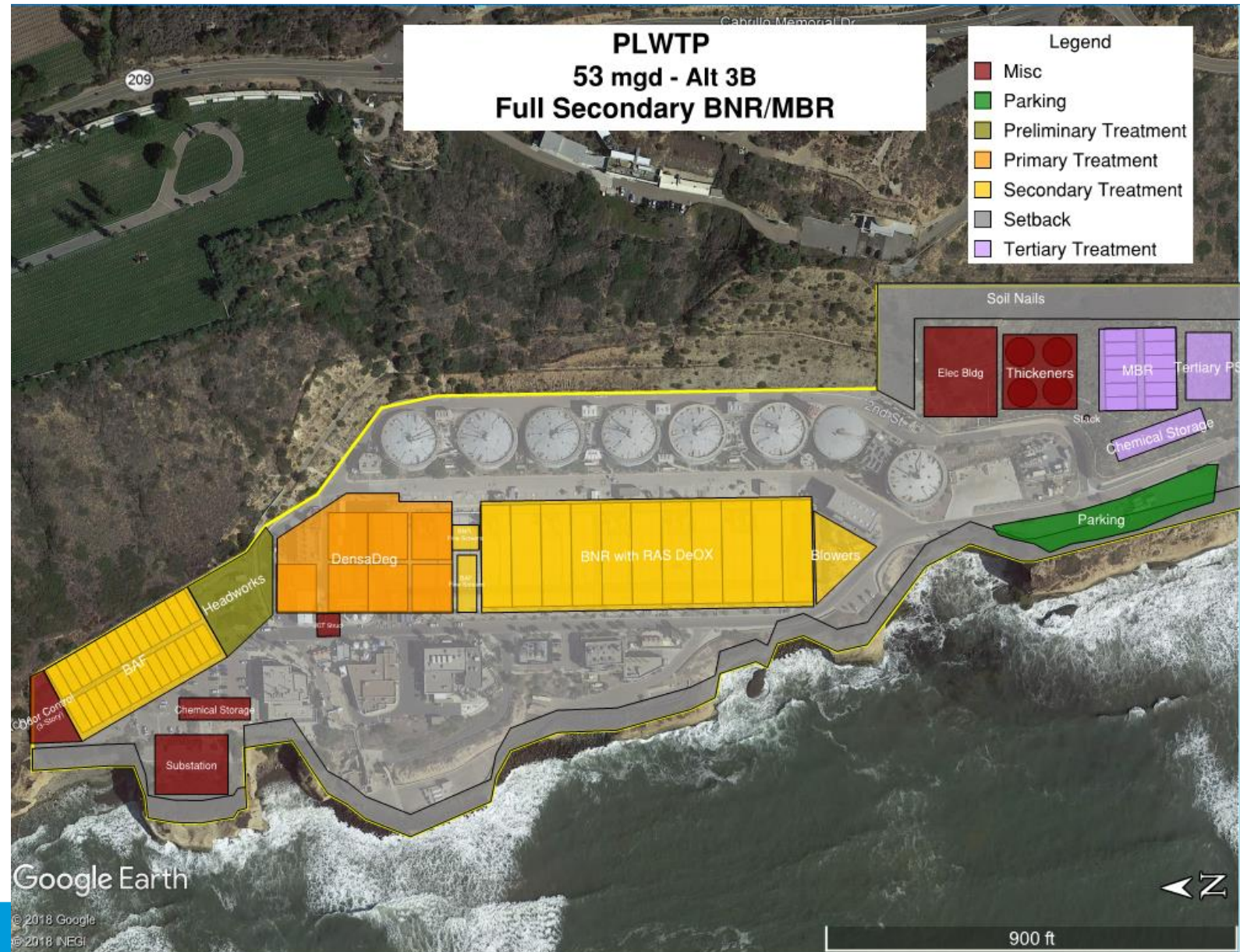
Alt	CAWRP Influent AADF (mgd)	CAPWF Influent AADF (mgd)
1G, 1H	53	52



SD Alternative 3 – PLWTP Site Plan (Full Secondary)

- Treatment options for:
 - *PLWWTP & CAWRP Primary Treatment*
 - CEPT (insufficient land)
 - DensaDeg (as shown)
 - *PLWWTP Secondary Treatment*
 - Fine Screens/BAF (as shown)
 - *CAWRP Secondary/Tertiary Treatment*
 - BNR/Secondary Clarifiers/Tertiary Filters (insufficient land)
 - Fine Screens/BNR/MBR (as shown)
 - *Sludge Thickeners*
 - Gravity Thickeners

Alt	Influent PWWF (mgd)	CAWRP Influent AADF (mgd)
3B	316	70
3D	316	55

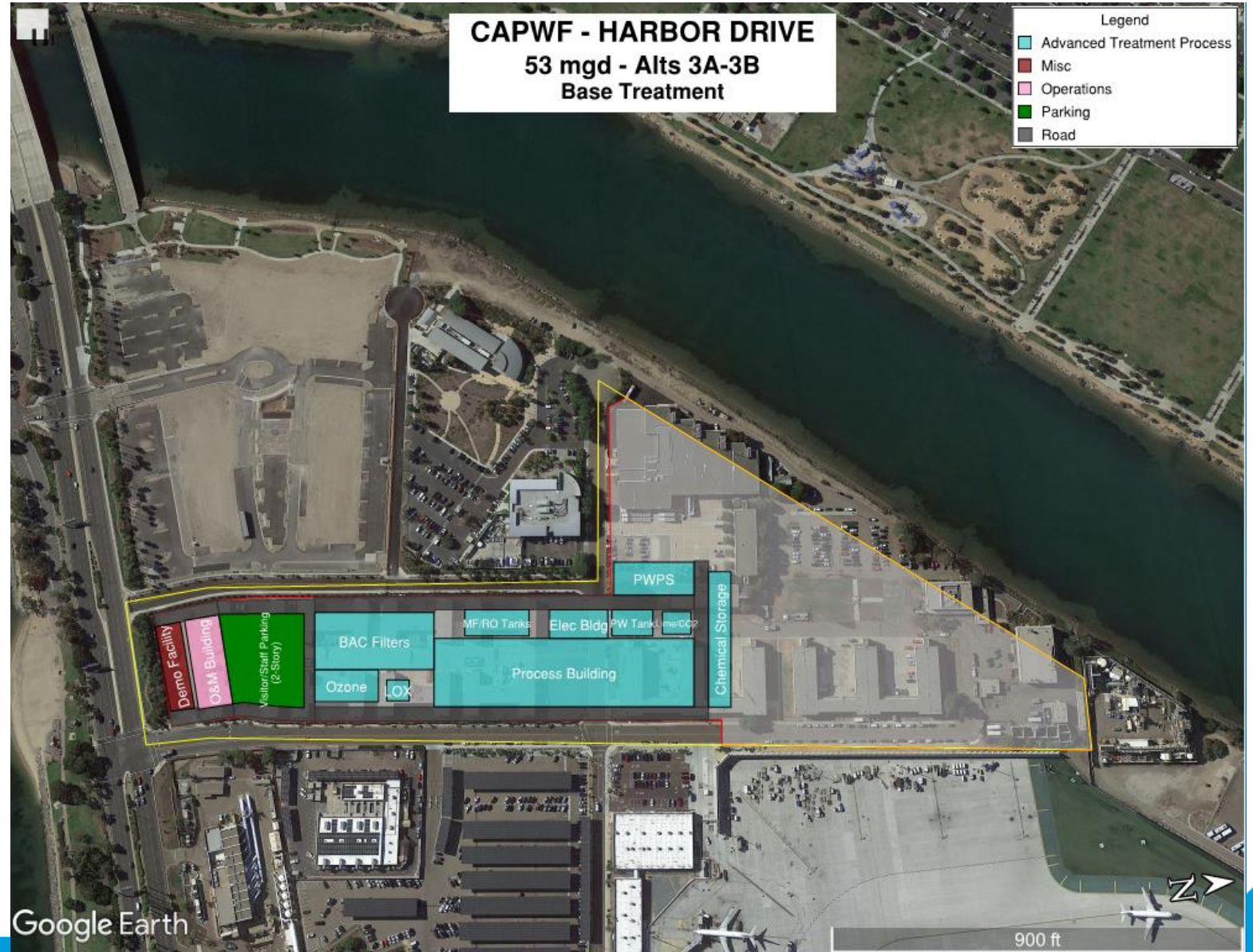


Alternative 3 – Harbor Drive CAPWF Site Plan

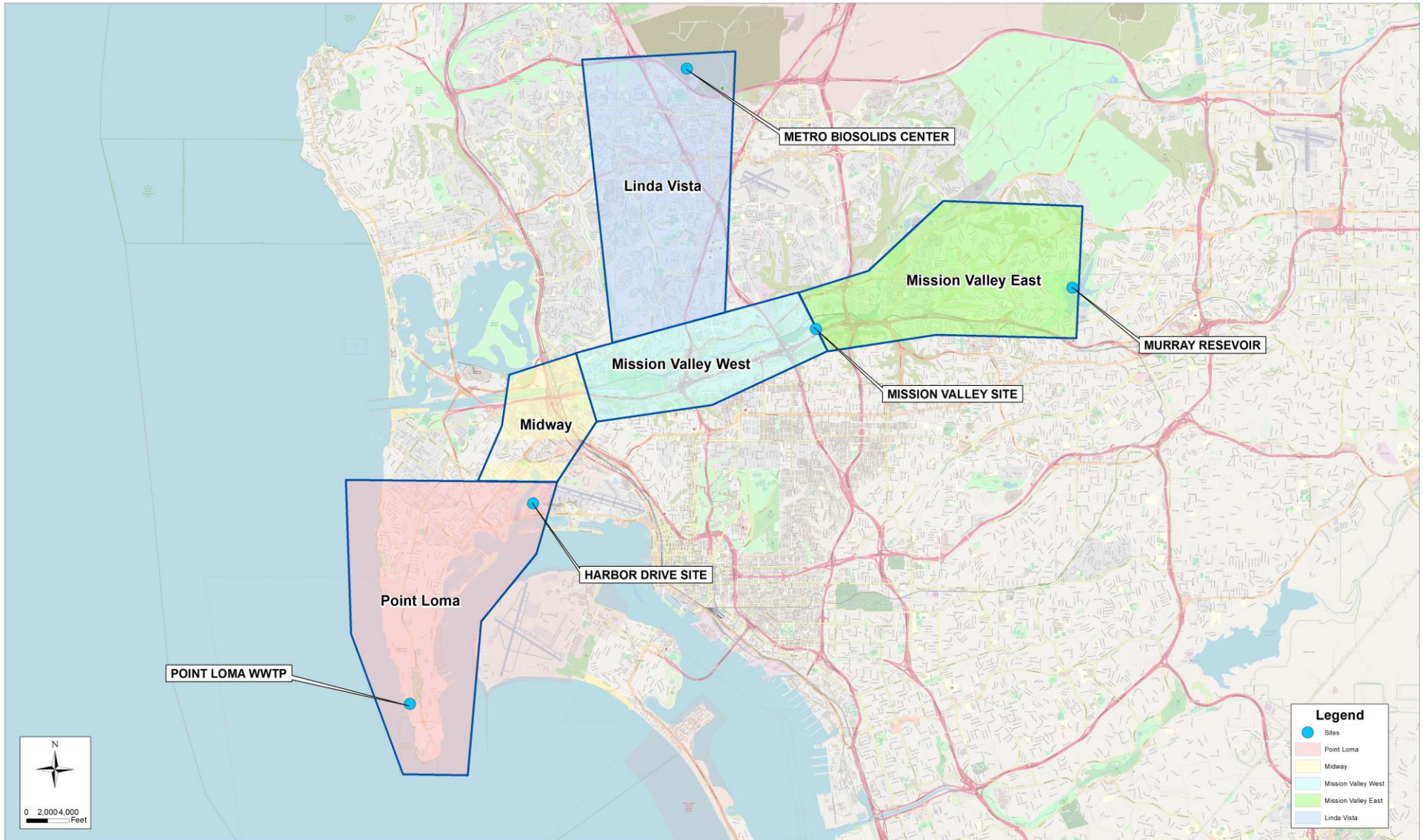
■ Treatment processes include:

- *Ozone*
- *BAC*
- *MF*
- *RO*
- *UV/AOP*
- *Post Treatment*

Alt	CAPWF Influent (mgd)
3A, 3B	66
3C, 3D	52

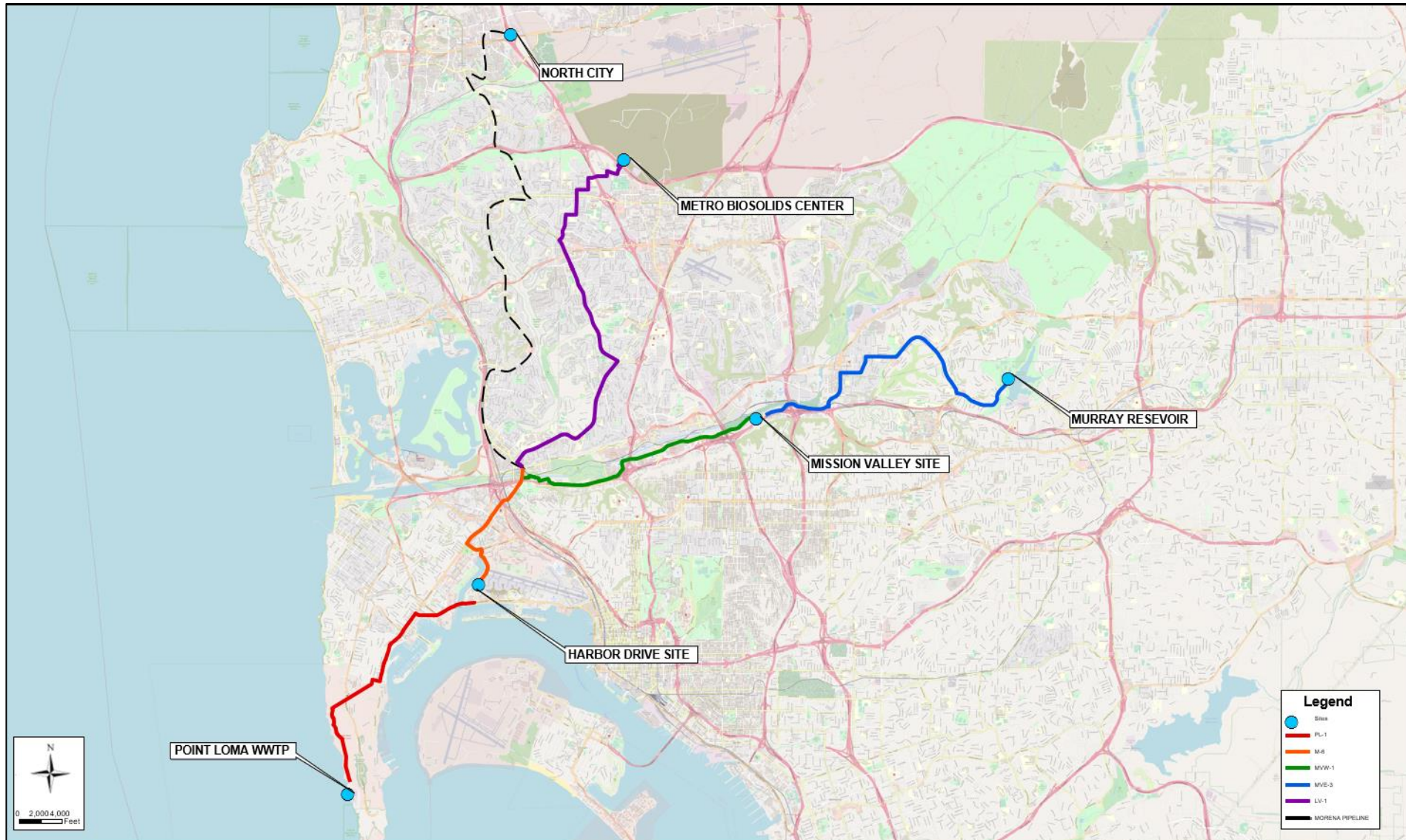


Conveyance Options





- 6 Routes analyzed
- 2 Bay options
- 2 Navy Channel crossing locations
- New tunnel location vs. existing tunnel location





Conceptual Phase 2 Schedule Milestones

Milestone	Phase 2
Phase 2 refinement of alternatives	January 2020 – March 2021
City recommends alternative for Phase 2	March 2021 – June 2021
Demonstration testing	February 2020 (planning) - 2026
10% Design	October 2024 – July 2025
Environmental Permitting	July 2025 – February 2030
30% Design	August 2026 – May 2027
Final Design	2027 - 2029
Construction	2029 – 2034 ⁽¹⁾

1. 2035 deadline for Pure Water production

- Complete Alternatives Definition
- Prepare Cost Estimates
- Develop Evaluation Matrix
- Prepare Technical Memorandum



ATTACHMENT 8

Residuals Agreement

**RESIDUALS MANAGEMENT AND DISPOSAL AGREEMENT
RELATING TO THE EAST COUNTY ADVANCED WATER
PURIFICATION PROJECT AND THE METRO SYSTEM**

THIS RESIDUALS MANAGEMENT AND DISPOSAL AGREEMENT (this "Agreement") is made and entered into by and between the CITY OF SAN DIEGO, a charter city ("City") and the EAST COUNTY ADVANCED WATER PURIFICATION JOINT POWERS AUTHORITY, a joint powers agency composed of the City of El Cajon ("El Cajon"), the Padre Dam Municipal Water District ("Padre Dam"), and the San Diego County Sanitation District ("Sanitation District"). The City and ECAWP JPA are sometimes referred to in this Agreement individually as a "Party" and collectively as the "Parties."

RECITALS

- A. In 1998, the City, El Cajon, Padre Dam, Sanitation District, and other cities and districts providing wastewater service in the central San Diego area (or their predecessors in interest) entered into that certain Regional Wastewater Disposal Agreement dated May 18, 1998 (the "Metro Agreement"), which provided, among other things, for certain contract rights to capacity in the Metropolitan Sewerage System, a system of wastewater conveyance, treatment, and disposal facilities owned by the City ("Metro System"). The Metro Agreement also established a mechanism to fund the planning, design, construction, operation, and maintenance of the Metro System by the City and the other agencies participating in the Metro System (the "Participating Agencies").
- B. On April 29, 2014, the San Diego City Council adopted Resolution No. R-308906, which approved and supported the City's efforts to develop a strategy to offload wastewater flow from the Point Loma Wastewater Treatment Plant through implementation of potable reuse, resulting in effluent discharged to the Pacific Ocean being equivalent to what would be achieved by upgrading the Point Loma Wastewater Treatment Plant to a secondary treatment plant ("Secondary Equivalency"). The City's potable reuse program envisioned in Resolution R-308906 is known as the "Pure Water Program."
- C. Relatedly, on December 9, 2014, the City and certain environmental stakeholders entered into a Cooperative Agreement in Support of Pure Water San Diego (the "Cooperative Agreement"). The Cooperative Agreement provides, among other things, that the City and the stakeholders would use reasonable efforts to have federal legislation known as the "Ocean Pollution Reduction Act II" (or "OPRA II") adopted. Generally, OPRA II would allow the City's Clean Water Act permit for the Point Loma Wastewater Treatment Plant to be based on Secondary Equivalency, with a goal to produce a regional annual average of at least 83 MGD of water suitable for potable reuse by December 31, 2035.
- D. Generally, the Pure Water Program is a phased, multi-year program designed to regionally produce at least 83 MGD of safe, reliable potable water using new, expanded, or modified facilities, some of which will include Metro System facilities, in order to achieve Secondary Equivalency at the Point Loma Wastewater Treatment Plant. The Pure Water Program generally consists of two phases. Phase 1 includes 30 MGD of production capacity, will be located in the vicinity of the North City Water Reclamation Plant, and will be completed in or around 2025. Phase 2 includes up to 53 MGD of production capacity, will be located at one or more locations yet to be determined, and will be completed in or around 2035.

- E. El Cajon, Padre Dam, and Sanitation District are Participating Agencies in, and own contract capacity in, the Metro System pursuant to the Metro Agreement. Since 2014, El Cajon, Padre Dam, Sanitation District, and Helix Water District ("Helix") have engaged in a collaborative partnership to study and establish a program to recycle wastewater and to create a new, local, sustainable, and drought proof potable water supply for East San Diego County. The "East County Advanced Water Purification Project" (or "ECAWP Project") is a project intended to produce approximately 11.5 MGD of safe, reliable potable water for East San Diego County using wastewater that would otherwise be treated and disposed of through the Point Loma Wastewater Treatment Plant.
- F. In order to implement the ECAWP Project, on November 1, 2019, El Cajon, Padre Dam, and Sanitation District (the "ECAWP Member Agencies") entered into a Joint Exercise of Powers Agreement establishing the ECAWP JPA as a separate public entity for the purpose of planning for, designing, constructing, owning and operating wastewater treatment and advanced water purification facilities (the "ECAWP Project"). The ECAWP JPA will be the owner and operator of the ECAWP Project. The ECAWP Project will receive, treat, and dispose of wastewater from El Cajon, Padre Dam, and Sanitation District and will produce recycled and potable water for purchase by Padre Dam and Helix.
- G. Since 2016, the City and the Participating Agencies have negotiated and developed a proposed amended and restated version of the Metro Agreement ("Amended and Restated Metro Agreement") with the purpose of comprehensively and equitably addressing the costs and revenues associated with the Pure Water Program and the related construction, expansion, and/or modification of Metro System facilities.
- H. Section 2.9.2 of the proposed Amended and Restated Metro Agreement provides that the City and the Participating Agencies intend to meet and negotiate in good faith regarding the disposal, treatment, and/or management of wastewater treatment residuals (solids, brine, and centrate) produced at any new non-Metro System wastewater treatment facilities upstream of any Pure Water-related Metro System facilities that currently exist or may exist in the future. Under Section 2.9.2, such negotiations may result in a further amendment to the Metro Agreement, or in one or more separate agreements between the City and the involved Participating Agencies, regarding the disposal, treatment, and/or management of residuals at such non-Metro System facilities.
- I. Section 2.9.3 of the proposed Amended and Restated Metro Agreement provides that the City and the other Participating Agencies will cooperate, coordinate, and negotiate in good faith with El Cajon, Padre Dam, and Sanitation District on issues that relate to the ECAWP Project, including, but not limited to, the potential transfer of the Mission Gorge Pump Station, the disposal of residuals, and a source control program.
- J. In addition, Section 2.9.3.2 of the proposed Amended and Restated Metro Agreement provides that, absent a further amendment to the Metro Agreement or a separate agreement between the City and involved Participating Agencies as described above, the involved Participating Agencies shall not dispose of residuals from new non-Metro System wastewater treatment facilities at any point upstream of Pure Water-related Metro System facilities that currently exist or may exist in the future.
- K. The Parties to this Agreement acknowledge and agree as follows:

- a. The City and the ECAWP JPA share the mutual objective of long-term compliance by the Metro System with the Clean Water Act for wastewater treatment and disposal at the Point Loma Wastewater Treatment Plant, with applicable state law, and with potable reuse regulations;
 - b. The ECAWP Project furthers the objectives of San Diego City Council Resolution No. R-307585 by offloading wastewater flow from the Point Loma Wastewater Treatment Plant, and therefore contributes to achieving Secondary Equivalency under OPRA II and the Cooperative Agreement;
 - c. A mutual regional partnership involving the Pure Water Program and ECAWP Project will result in efficient regional long-term compliance with the Clean Water Act;
 - d. More specifically, the ECAWP Project is intended to offload approximately 15 MGD of wastewater from the Point Loma Wastewater Treatment Plant and contribute to Secondary Equivalency at no capital or operating expense to the City or the other Participating Agencies, and is intended to produce an annual average of 11.5 MGD of potable water annually for beneficial use.
- L. In light of the above, the Parties desire to enter into this Agreement in order to, among other things:
- a. Authorize the ECAWP JPA, on behalf of El Cajon, Padre Dam, and Sanitation District, to dispose of residuals for treatment and disposal by the Metro System pursuant to the terms and conditions of this Agreement;
 - b. Provide a contractual guarantee by the ECAWP JPA that the ECAWP Project will produce a minimum amount of 11 MGD of water suitable for potable use if water production requirements are included in the City's NPDES permit for the Point Loma Wastewater Treatment Plant;
 - c. Provide that the City will consider downsizing the capacity of Pure Water Phase 2 facilities from 53 MGD to 42 MGD (although the City will still retain space for the 53 MGD option), which would allow the City and all Participating Agencies to realize avoided capital and operating costs; and
 - d. Provide for a collaborative long-term, financial partnership for a regional residuals management system that may be used by the ECAWP Project and residual dischargers within the City.

Commented [U1]: Note: ECAWP is still reviewing this number from an engineering perspective to confirm this is an appropriate level to guarantee by contract. (ECAWP JPA)

Commented [U2]: Note: Number may be updated based on final determination regarding number above. (ECAWP JPA)

NOW THEREFORE, in consideration of the above Recitals and of the mutual promises and agreements contained herein, the Parties agree as follows:

ARTICLE 1 DEFINITIONS

- 1.1 **Definitions.** Unless the context otherwise requires, the words and terms defined in this Section 1.1 shall, for the purposes of this Agreement, have the meanings herein specified.

- 1.1.1 Amended and Restated Metro Agreement means the proposed Amended and Restated Metro Agreement in substantially the form approved by the City of San Diego City Council on December 4, 2018.
- 1.1.2 Brine is a waste byproduct of the demineralization process at a Repurified Water treatment facility.
- 1.1.3 Capital Expenses means all costs associated with planning (including costs of consultants and CEQA), design, financing, and construction of facilities, including startup and testing costs prior to acceptance of facilities.
- 1.1.4 Centrate is the liquid byproduct that results from the dewatering of digested sludge as part of wastewater treatment processes.
- 1.1.5 East Mission Gorge Force Main or EMGFM means the approximately eight (8) mile existing force main and gravity line from the East Mission Gorge Pump Station to the North Mission Valley Interceptor. The EMGFM is currently owned and operated by the City as part of its Municipal System, but will be transferred to the ECAWP JPA for construction, rehabilitation, and operation pursuant to the EMGPS Purchase and Sale Agreement and Escrow Instructions.
- 1.1.6 East Mission Gorge Pump Station or EMGPS means the existing pump station located on Mission Gorge Road near State Route 52. The EMGPS is currently owned and operated by the City as part of its Municipal System, but will be transferred to the ECAWP JPA for construction, rehabilitation and operation pursuant to the EMGPS Purchase and Sale Agreement and Escrow Instructions.
- 1.1.7 ECAWP JPA means the East County Advanced Water Purification Joint Powers Authority.
- 1.1.8 ECAWP Member Agencies means the member agencies of the ECAWP JPA, which currently includes El Cajon, Padre Dam, and Sanitation District.
- 1.1.9 ECAWP Project means the equipment, plants, and facilities used by the ECAWP JPA to convey, store, treat, recycle and reclaim wastewater and perform advanced purification of water for the ECAWP Member Agencies.
- 1.1.10 EMGPS Purchase and Sale Agreement and Escrow Instructions means a separate agreement between the City and the ECAWP JPA for the purchase and sale of certain parcels, property interests, and improvements, including the EMGPS, EMGFM, necessary easements, and a portion of the 42-inch gravity sewer feeding the EMGPS, from the City to the ECAWP JPA.
- 1.1.11 Effective Date shall have the meaning set forth in Section 6.1.
- 1.1.12 El Cajon means the City of El Cajon.
- 1.1.13 Helix means the Helix Water District.
- 1.1.14 Interagency Workgroup means a technical workgroup composed of City and ECAWP representatives.

- 1.1.15** Metro Agreement means the 1998 Regional Wastewater Disposal Agreement between the City of San Diego and the Participating Agencies in the Metropolitan Sewerage System, as may be amended from time to time (including the Amended and Restated Metro Agreement, once fully executed by the parties thereto).
- 1.1.16** Metro System means the City's Metropolitan Sewerage System, in which each of the ECAWP Member Agencies maintain contract capacity under the 1998 Regional Wastewater Disposal Agreement between the City of San Diego and the Participating Agencies in the Metropolitan Sewerage System, as may be amended from time to time.
- 1.1.17** MGD means million gallons per day.
- 1.1.18** NPDES Permit means the City's National Pollutant Discharge Elimination System permit for the Point Loma Wastewater Treatment Plant, as may be renewed from time to time.
- 1.1.19** O&M Expenses means those items and activities required by sound engineering and best management practices to maintain the hydraulic capacity, function, and performance of a facility.
- 1.1.20** Padre Dam means the Padre Dam Municipal Water District.
- 1.1.21** Participating Agencies means the parties to the Metro Agreement other than the City.
- 1.1.22** Pure Water Program means the City's phased, multi-year program designed to regionally produce at least 83 MGD of safe, reliable potable water from repurified wastewater.
- 1.1.23** Repurified Water means water which, as a result of advanced treatment of recycled wastewater, is suitable for use as a source of domestic (or potable) water.
- 1.1.24** Residuals means Solids, Brine, and Centrate produced by the ECAWP JPA as defined in this Agreement.
- 1.1.25** Sanitation District means the San Diego County Sanitation District.
- 1.1.26** Solids means the solid, semisolid, or slurry residual material that is produced as a byproduct of wastewater treatment processes.
- 1.1.27** Stoyer WRF means the existing Ray Stoyer Water Recycling Facility, which is currently owned and operated by Padre Dam to produce approximately 2 MGD of Title 22 recycled water. During and after development of the ECAWP Project, portions of the Stoyer WRF will be decommissioned, while other portions will be owned and operated by either the ECAWP JPA as part of the ECAWP Project or by Padre Dam.

1.1.28 Wastewater means the liquid effluent that is discharged by domestic, municipal, commercial, and industrial users of water.

ARTICLE 2

REGIONAL COORDINATION FOR ECAWP PROJECT AND PURE WATER PROJECT

2.1 **Ownership and Operation.**

2.1.1 ECAWP Project. The ECAWP JPA is the owner of the ECAWP Project and/or has certain contractual rights of use to the ECAWP Project. All decisions with respect to the planning, design, construction, operation, permitting, regulatory compliance, and maintenance of the Project shall rest with the ECAWP JPA; provided, however, that the ECAWP JPA will consult with the City as provided in this Agreement.

2.1.2 Metro System and Other Pure Water Facilities. The City is the owner of the Metro System and has such rights and obligations as are described in the Metro Agreement. The City is also the owner of all Pure Water Program facilities that are not part of the Metro System, and all decisions with respect to the planning, design, construction, operation, permitting, regulatory compliance, and maintenance of such facilities shall rest with the City.

2.2 Water Production Guarantee. If at any point the City's NPDES Permit expressly requires a minimum amount of regional production of Repurified Water, the ECAWP JPA agrees to guarantee production of at least 11 MGD to fulfill such requirement. If a state or federal agency imposes penalties on the City for a violation of the NPDES Permit requirement to produce a minimum amount of Repurified Water, and such violation is caused in whole or in part by the ECAWP JPA's failure to produce 11 MGD as provided above, the ECAWP JPA will pay its proportionate share of penalties that are directly attributable to the ECAWP JPA's failure to produce the amount required above. The City and ECAWP JPA agree to cooperate in good faith with one another and provide reasonable, timely updates to one another on subjects relating to such requirement or potential violations, including, but not limited to: the City's NPDES Permit application (including an application for a permit modified under section 301(h) & (j)(5) of the Clean Water Act), correspondence with the permitting agencies regarding the application or NPDES Permit requirements, annual Repurified Water production, communications with state or federal agencies regarding violations or alleged violations related to Repurified Water, and defense or appeals regarding violations or alleged violations of the Repurified Water production requirement.

2.3 ECAWP Milestones. ECAWP JPA intends to meet the following key milestones for construction and operation of the ECAWP Project:

2.3.1 Issuance of the notice to proceed for one or more of the progressive design-build packages by December 31, 2020. The ECAWP Project packages include Package #1 (water recycling facility, advanced water purification facility, visitor center, product water pump station, and solids handling facility), Package #2 (advanced water purification pipeline, dechlorination facility, and Lake Jennings reservoir inlet), and Package #3 (influent pump station, East Mission Gorge pump station, East Mission Gorge force main and residuals bypass system);

Commented [U3]: As noted above, this amount is being reviewed/confirmed.

(ECAWP JPA)

Commented [U4]: Same as above.

(ECAWP JPA)

2.3.2 Commencement of construction for one or more of the construction packages by June 30, 2022;

2.3.3 Commencement of commercial operation of wastewater treatment and production of Repurified Water by June 30, 2025.

Any failure to meet the above milestones by the time stated shall not be considered a breach of this Agreement. In the event the ECAWP JPA anticipates a delay in one or more of the above dates, it will notify the City. The City and ECAWP JPA recognize that if construction for one or more of the ECAWP Project construction packages has not begun by October 1, 2024 (estimated date for City's 10% design of Phase 2 Pure Water facilities), the City will likely need to proceed with 53 MGD production capacity for Phase 2 Pure Water facilities. In such event, the Parties will meet to revisit their respective rights and obligations under this Agreement and a potential amendment to achieve the Parties' purposes under this Agreement.

2.4 **City Review and Comment on ECAWP Facilities.** Following completion of 30% design of the ECAWP Project's treatment facilities, the ECAWP JPA will present the design concept and share information on the efficacy and reliability of the ECAWP Project's treatment plant design with the City. Notwithstanding the foregoing, final decisions with respect to the planning, design, and construction shall rest with the ECAWP JPA.

2.5 **Potential Reduction in Pure Water Phase 2 Capacity.** The City agrees to consider downsizing the capacity of Pure Water Phase 2 facilities from 53 MGD to 42 MGD. The Parties acknowledge that the City and all of the Participating Agencies, including non-ECAWP JPA agencies, may realize avoided Capital Expenses and O&M Expenses through such downsizing.

Commented [U5]: Amount may be changed in relation to above comments.
(ECAWP JPA)

2.6 **Satisfaction of Amended and Restated Agreement Requirements.** The Parties acknowledge and agree that this Agreement satisfies the requirements of Section 2.9.3.2 of the Amended and Restated Metro Agreement.

2.7 **Stoyer WRF.** Stoyer WRF is currently owned and operated by Padre Dam and discharges Solids and other residuals into the Metro System, subject to the requirements of the current Metro Agreement. During and after development of the ECAWP Project, portions of the Stoyer WRF will be decommissioned, while other portions will be owned and operated by either the ECAWP JPA as part of the ECAWP Project or by Padre Dam.

In the event the ECAWP Project is decommissioned in the future, the City acknowledges and agrees that Padre Dam will retain the right to operate a wastewater treatment and recycling facility up to the same capacity as Stoyer WRF on such terms and conditions as would apply if Stoyer WRF were to continue its current operations under the Metro Agreement. For example, such facility would not be considered a "new" facility under Section 2.9.3.2 of the Amended and Restated Metro Agreement (or similar successor provisions), but would be subject to the provisions of the Metro Agreement that would apply to Stoyer WRF if it continued in operation. In this event, the cost savings claimed above would be less.

ARTICLE 3

MANAGEMENT OF SOLIDS

- 3.1 Solids Handling by ECAWP JPA.** The ECAWP Project will include a Solids handling facility designed to handle and dispose of 100% of Solids produced by wastewater treatment at the ECAWP Project. Therefore, except as otherwise set forth in this Article 3, the ECAWP JPA will not discharge Solids into the Metro System after the start of commercial operations. Commercial operations shall begin after an operational test period, approval by the permitting agencies, and acceptance of the ECAWP Project by the ECAWP JPA. The Parties acknowledge and agree that the restriction in this section is not intended to prohibit the ECAWP JPA from discharging raw wastewater into the Metro System.
- 3.2 Limited Exceptions.** In the event that the ECAWP JPA experiences an event or condition adversely affecting the ability of the ECAWP Solids handling facility from processing or disposing of Solids, including planned or unplanned maintenance or repair, the ECAWP JPA may dispose of Solids into the Metro System in accordance with the following:
- 3.2.1** For any Solids that would be discharged by the ECAWP JPA into conveyance facilities upstream of Pure Water Program Phase 1 facilities, the volume of Solids shall in no case exceed the amount of Solids that would be produced by a 6 MGD wastewater treatment facility treating raw wastewater. Further, in the event the City determines that there is a need to materially alter its standard treatment process due solely to the temporary discharge of Solids by ECAWP JPA, the City will inform ECAWP JPA and convene the Interagency Workgroup to identify potential solutions including but not limited to: (i) a further limitation on the quantity of Solids disposed of by ECAWP JPA; and/or (ii) a temporary decrease in the amount of wastewater being treated by the ECAWP JPA, consequently diverting more raw wastewater discharged to the Metro System, until the ECAWP JPA's Solids handling facility is operating normally. The ECAWP JPA will be responsible for any incremental operating costs identified by the City and reviewed by the Interagency Workgroup which are caused solely by ECAWP JPA's disposal of Solids.
- 3.2.2** For any Solids that would be discharged by the ECAWP JPA into conveyance facilities that are not upstream of Pure Water Program Phase 1 facilities, the discharge of Solids shall be consistent with any requirements or limitations that apply to El Cajon, Padre Dam, and Sanitation District under the Metro Agreement, including any applicable local limits requirements. In the event the City determines that there is a need to materially alter its standard treatment process due solely to the discharge of Solids by ECAWP, the Parties shall use the methods described above in Section 3.2.1 to address such issues, and the ECAWP JPA will be responsible for any incremental operating cost identified by the City and reviewed by the Interagency Workgroup which are caused solely by ECAWP disposal of Solids.

ARTICLE 4

INTEGRATED REGIONAL SOLUTION TO MANAGEMENT OF BRINE AND CENTRATE

- 4.1 Agreement to Pursue Integrated Regional Solution.** The City and ECAWP JPA agree to pursue and financially partner in an integrated regional solution to management of Brine and Centrate as further described in this Article.
- 4.2 East Mission Gorge Force Main.** Following the transfer of the EMGFM to the ECAWP JPA, the Parties shall enter into an agreement concerning the design, construction, rehabilitation, and operation of the EMGFM. The agreement shall be consistent with the following:
- 4.2.1** ECAWP JPA will be responsible for planning and contracting for the design, construction, and rehabilitation of the EMGFM.
- 4.2.2** The ECAWP JPA will be responsible for 60% of the Capital Expenses for the EMGFM, and the City will be responsible for the remaining 40% of such Capital Expenses. Such cost-sharing responsibility will apply to the following reasonable, documented Capital Expenses incurred by ECAWP JPA prior to the date of the agreement: costs of consultants for studies, planning, CEQA, and pre-design work. Such preliminary costs are estimated to be approximately \$ _____ [need to update with details and estimated costs].
- The City will deposit its estimated share of the costs with the ECAWP JPA prior to construction. The City will contribute additional amounts, if necessary, based on its share of costs. The ECAWP JPA will refund any excess amounts after completion and acceptance.
- 4.2.3** The Interagency Workgroup will have an opportunity to review and provide comments on the design of the EMGFM prior to construction.
- 4.2.4** The ECAWP JPA will own and operate the rehabilitated EMGFM and will be responsible for 100% of the O&M Expenses for the EMGFM.
- 4.2.5** The Parties will provide one another with such easements or other property interests as are necessary to perform the activities contemplated in this Agreement.
- 4.3 Regional Brine Line.** The City and ECAWP JPA agree, through the Interagency Workgroup, to study and plan for the construction of a Regional Brine Line to convey Brine, Centrate, and possibly other wastewater constituents around Phase 1 and/or Phase 2 of the Pure Water Program facilities.
- 4.3.1 Phase 1 of Regional Brine Line.** Phase 1 of the Regional Brine Line would extend from the EMGPS to the South Mission Valley Interceptor and would divert Brine and Centrate around Pure Water Phase 1 facilities. The City and ECAWP JPA will work together, through the Interagency Workgroup, to complete a basis of design report for Phase 1 of the Regional Brine Line by November 30, 2020 (or by such later date as mutually agreed to by the Parties) so that the ECAWP JPA may include information about Phase 1 of the Regional Brine Line in its design-build procurement process for the ECAWP Project. In addition, the ECAWP JPA will study and, in consultation with the Interagency Workgroup, determine whether Phase 1 of the Regional Brine Line may be located within the EMGFM (pipe-in-pipe design).

If the ECAWP JPA determines that the pipe-in-pipe design is feasible and cost effective, and the City agrees, the Parties will negotiate and enter into an agreement concerning the design, construction, and operation of Phase 1 of the Regional Brine Line. The ECAWP JPA would be responsible for planning and contracting for the design and construction of Phase 1 of the Regional Brine Line. The agreement will also be consistent with Section 4.3.3 below and shall also provide that the City will accept ownership of and operational responsibility for Phase 1 of the Regional Brine Line upon completion. ECAWP JPA will provide such easements or other interests as are necessary to allow City to own and operate the facility.

If the ECAWP JPA or the City determines that the pipe-in-pipe design is not feasible or cost effective, or if the Parties are unable to mutually agree on the terms and conditions of design, construction, and operation of a pipe-in-pipe design for Phase 1 of the Regional Brine Line, the Parties will negotiate and enter into an agreement concerning the design, construction, and operation of a non-pipe-in-pipe design for Phase 1 of the Regional Brine Line under which the City will be responsible for planning and contracting for the design and construction of Phase 1 of the Regional Brine Line. The agreement shall also be consistent with Section 4.3.3 below.

With regard to timing, the Parties anticipate that Phase 1 of the Regional Brine Line would be completed prior to testing and startup of the ECAWP Project.

Notwithstanding the foregoing, the Parties agree that in the event Phase 1 of the Regional Brine Line is not completed by the above date, Section 4.3.4 shall apply.

4.3.2 Phase 2 of Regional Brine Line. Phase 2 of the Regional Brine Line would divert Brine and Centrate around Pure Water Phase 2 facilities. The City would be responsible for planning and contracting for the design, construction of Phase 2 of the Regional Brine Line. If Phase 2 of the Regional Brine Line is constructed, the provisions of Section 4.3.3 shall apply.

4.3.3 General Provisions Regarding Regional Brine Line.

- (a) Once completed, any and all portions of the Regional Brine Line shall be part of the City's Municipal System. Accordingly, the Participating Agencies shall not be responsible for Capital Expenses or O&M Expenses for the Regional Brine Line under the Metro Agreement. Agencies, entities, or other persons discharging into the Regional Brine Line would be responsible for the funding based on equitable fees.
- (b) Notwithstanding the Parties' respective responsibilities for designing and constructing Phases 1 and 2 of the Regional Brine Line, the City shall be responsible for 100% of the Capital Expenses of both portions of the Regional Brine Line.

If the ECAWP JPA constructs Phase 1 of the Regional Brine Line using the pipe-in-pipe concept, the agreement for design and construction between the City and the ECAWP JPA will require that the City provide a

deposit for all reasonably anticipated Capital Expenses to ECAWP JPA, as well as reasonable, documented Capital Expenses incurred by ECAWP JPA prior to the date of the agreement, including consultant costs for studies, planning, CEQA, and pre-design work. In the event that the City's initial deposit is not sufficient to cover the ECAWP JPA's actual Capital Expenses, the City will contribute the remaining amounts. The ECAWP JPA will refund any excess amounts deposited to the City.

- (c) The size of the Regional Brine Line shall be sufficient to provide ECAWP JPA with at least (1.7) MGD of capacity. In the discretion of the City, the total capacity may be larger for purpose of connecting other agencies, entities, or customers.
- (d) The ECAWP JPA shall have a capacity right to use at least (1.7) MGD of capacity in the Regional Brine Line. ECAWP JPA may use its capacity to convey Brine and Centrate for disposal by the Metro System. In the event that the water reclamation facility for Phase 2 of the Pure Water Program is not located at the site of the Point Loma Wastewater Treatment Plant, the ECAWP JPA may, under emergency conditions, also use its capacity in the Regional Brine Line to convey Solids and/or raw wastewater for disposal by the Metro System. All discharges under this subsection shall comply with the requirements of the Metro Agreement. For purposes of this subsection, an "emergency condition" is an event or condition adversely affecting the standard operations of ECAWP Project facilities, and which could not have been prevented through the exercise of due care by the ECAWP JPA.
- (e) The City may connect other customers to the Regional Brine Line in the gravity portions of the Regional Brine Line; provided, however, that such connections or use of the Regional Brine Line shall not reduce the ECAWP JPA's capacity in the Regional Brine Line or impair its use thereof.
- (f) The ECAWP JPA shall pay its proportionate share of O&M Expenses for use of the Regional Brine Line based on its share of flow in the line. Details concerning calculation of O&M Expenses shall be established in a Sewage Transportation Agreement between the City and the ECAWP JPA.
- (g) The term of the ECAWP JPA's capacity right in the Regional Brine Line shall be consistent with the term of this Agreement.
- (h) In the event that the City desires for ECAWP JPA to discharge other wastewater constituents into the Regional Brine Line, or in the event the ECAWP JPA desires to discharge other wastewater constituents into the Regional Brine Line, the matter will be referred to the Interagency Workgroup for review and analysis. The Interagency Workgroup will develop a recommendation to the Parties, who will determine the matter by mutual agreement.

Commented [U6]: Number subject to review/confirmation. (ECAWP JPA)

Commented [U7]: Number subject to review/confirmation. (ECAWP JPA)

4.3.4 Discharge Into Metro System. In the event that one or both portions of the Regional Brine Line are not constructed as contemplated by this Agreement, and such failure to construct one or both portions of the Regional Brine Line is not caused by a willful act or omission of the ECAWP JPA, the Parties acknowledge and agree that the ECAWP JPA may discharge Brine and Centrate for treatment and disposal by the Metro System through its existing or future connections thereto, subject to any requirements or limitations that apply to El Cajon, Padre Dam, and Sanitation District under the Metro Agreement, which may include any applicable local limits requirements.

4.4 Environmental Compliance.)

4.4.1 ECAWP JPA will be the lead agency under the California Environmental Quality Act, Public Resources Code section 21000 *et. seq.* ("CEQA") in relation to the improvements constructed by the ECAWP JPA under this Agreement.

4.4.2 The City will be the lead agency under the California Environmental Quality Act, Public Resources Code section 21000 *et. seq.* ("CEQA") in relation to the improvements constructed by the City under this Agreement.

4.4.3 The Parties' approval of any improvements contemplated under this Agreement and any obligations of the Parties associated with such improvements are conditioned upon future compliance with CEQA, including, but not limited to, a determination that the environmental impacts of the improvements have been adequately considered and mitigated in compliance with CEQA and any and all applicable environmental laws. The Parties' approval of this Agreement does not limit the ability of the Parties to consider alternatives to the improvements pursuant to CEQA. The Parties will file a Notice of Determination under Title 14 of the California Code of Regulations, sections 15075 or 15094, or a Notice of Exemption under section 15062, as applicable, following adoption or consideration of any environmental document or environmental determination for the improvements.

4.4.4 The Parties acknowledge and agree that all costs incurred by a Party in relation to compliance with CEQA, including costs of consultants, shall be considered Capital Expenses under this Agreement. The Parties' financial responsibility for such costs shall be consistent with the percentages stated in Sections 4.2.2 and 4.3.3(b).

4.4.5 In the event of any action arising out of or in any way related to CEQA compliance or environmental review of the improvements contemplated under this Agreement, City shall indemnify and hold harmless ECAWP JPA, its officials, officers, employees and agents (collectively "Indemnified Parties") from and against any and all claims, suits, causes of action, fines, penalties, proceedings, damages, injuries or losses of any kind, including attorneys' fees (collectively "Liabilities") to the percentage extent of City's financial responsibility for the improvement(s) in question. Such percentages are stated in Sections 4.2.2 and 4.3.3(c).

4.5 Treatment and Disposal of ECAWP Brine and Centrate. The City acknowledges and agrees that discharges by ECAWP JPA into the Regional Brine Line shall, following

Commented [U8]: Note: Section will likely need further review/discussion between ECAWP and City CEQA attorneys.
(ECAWP JPA)

conveyance through the Regional Brine Line, be treated and disposed of by the City pursuant to the terms and conditions in the Metro Agreement.

ARTICLE 5 ECAWP PROJECT AND METRO SYSTEM

- 5.1 ECAWP Agencies' Continued Rights in Metro System.** In recognition of the ECAWP Member Agencies' capacity rights under the Metro Agreement and their long history as partners and financial contributors in the Metro System, and in consideration of the ECAWP Member Agencies' investment in offloading approximately 15 MGD of wastewater from the Point Loma Wastewater Treatment Plant, the Parties agree as follows:

5.1.1 Seasonal Wet Weather Flows. The City shall continue to manage the ECAWP Agencies' seasonal wet weather flows pursuant to the Metro Agreement.

5.1.2 Failsafe Disposal. The Metro System shall serve as the ECAWP JPA's failsafe disposal. Currently, sufficient treatment and conveyance capacity exists within the Metro System to accommodate failure of the ECAWP JPA treatment facilities in a failsafe disposal scenario.

Section 2.9.1 of the proposed Amended and Restated Regional Disposal Agreement provides that the City and the Participating Agencies will engage in good faith negotiations and discussions on a variety of Metro System subjects, including billing methodologies for Metro System costs. Part of such discussions may include the maintenance of existing conveyance capacity available to ECAWP JPA for failsafe disposal and the allocation of costs thereof. As part of such discussions, the City acknowledges that any cost share on the part of the ECAWP JPA for maintaining conveyance capacity to accommodate ECAWP failsafe disposal will take into consideration the financial and other benefits to the City and the Participating Agencies of the avoided costs in downsizing Pure Water Phase 2 facilities.

5.1.3 Effect. This Section 5.1 is not intended to, and does not, amend the Metro Agreement. Rather, this Section 5.1 is a statement of the Parties' mutual understanding of the ECAWP Member Agencies' existing rights under the Metro Agreement and the Parties' mutual intent for how the ECAWP Project will operate in conjunction with the Metro System in the future.

5.2 Records.

5.2.1 Keeping and Maintenance of Records. The City and the ECAWP JPA shall keep appropriate records and accounts of all costs and expenses related to the East Mission Gorge Force Main, Regional Brine Line, and other costs and expenses related to this Agreement. The Parties shall keep such records and accounts for at least four (4) years, or for any longer period required by law or outside funding sources.

5.2.2 Inspection and Annual Audits. Said records and accounts shall be subject to reasonable inspection by any authorized representative of any Party. Further, said accounts and records shall be audited annually by an independent certified

public accounting firm appointed by Party that incurred the costs or expenses pursuant to generally accepted accounting principles. A copy of said report shall be available to any Party.

ARTICLE 6 EFFECTIVE DATE; TERM

- 6.1 Effective Date; Term.** This Agreement shall be effective upon execution of: (a) this Agreement; (b) the Amended and Restated Metro Agreement by all parties thereto; and (c) the EMGPS Purchase and Sale Agreement and Escrow Instructions ("Effective Date"). This Agreement shall remain in effect during the term of the Metro Agreement or for as long as the ECAWP Member Agencies (or any successor(s) in interest) have the right to obtain wastewater treatment and disposal services from the Metro System, whichever is longer.

ARTICLE 7 DISPUTE RESOLUTION

7.1 Dispute Resolution.

- 7.1.1 Non-Binding Mediation.** If a dispute arises among the Parties relating to or arising from a Party's obligations under this Agreement that cannot be resolved through informal discussions and meetings, the Parties involved in the dispute shall first endeavor to settle the dispute in an amicable manner, using mandatory non-binding mediation under the rules of JAMS, AAA, or any other neutral organization agreed upon by the Parties before having recourse in a court of law. Mediation shall be commenced by sending a notice of demand for mediation to the other Party.
- 7.1.2 Selection of Mediator.** A single mediator that is acceptable to the Parties involved in the dispute shall be used to mediate the dispute. The mediator will be knowledgeable in the subject matter of this Agreement, if possible, and chosen from lists furnished by JAMS, AAA, or any other agreed upon mediator.
- 7.1.3 Mediation Expenses.** The expenses of witnesses for either side shall be paid by the Party producing such witnesses. All mediation costs, including required traveling and other expenses of the mediator, and the cost of any proofs or expert advice produced at the direct request of the mediator, shall be equally shared by the Parties to the dispute.
- 7.1.4 Conduct of Mediation.** Mediation will be conducted in an informal manner. Discovery shall not be allowed. The discussions, statements, writings and admissions and any offers to compromise during the proceedings will be confidential to the proceedings (Evidence Code §§ 1115 – 1128; 1152) and will not be used for any other purpose unless otherwise agreed by the Parties in writing. The Parties may agree to exchange any information they deem necessary. The Parties involved in the dispute shall have representatives attend the mediation who are authorized to settle the dispute, though a recommendation of settlement may be subject to the approval of each agency's boards or legislative bodies. Any involved Party may have attorneys, witnesses or experts present.

7.1.5 Mediation Results. Any resultant agreements from mediation shall be documented in writing. The results of the mediation shall not be final or binding unless otherwise agreed to in writing by the Parties. Mediators shall not be subject to any subpoena or liability and their actions shall not be subject to discovery.

7.1.6 Performance Required During Dispute. Nothing in this Section 7.1 shall relieve the Parties from performing their obligations under this Agreement. The Parties shall be required to comply with this Agreement, including the performance of all disputed activity and disputed payments, pending the resolution of any dispute under this Agreement.

7.1.7 Offers to Compromise. Any offers to compromise before or after mediation proceedings will not be used to prove a Party's liability for loss or damage unless otherwise agreed by the Parties in writing (pursuant to Evidence Code Section 1152.)

7.2 Indemnification.

7.2.1 Each Party (the "Indemnifying Party") shall indemnify, defend and hold harmless the other Parties and their officials, officers, employees and agents (the "Indemnified Parties") from and against any and all liability, loss, damages, expenses, costs (including, without limitation, costs and fees of litigation or arbitration) of every nature, arising out of any act or omission of the Indemnifying Party related to this Agreement, provided, however, that the foregoing obligations shall not apply to the proportionate extent such claims or damages are caused by the negligence or willful misconduct of the Indemnified Parties.

7.2.2 This Section 7.2 shall survive any expiration or termination of this Agreement.

ARTICLE 8 MISCELLANEOUS PROVISIONS

8.1 Severability. If any section, clause or phrase of this Agreement or the application thereof to any Party or any other person or circumstance is for any reason held to be invalid by a court of competent jurisdiction, it shall be deemed severable, and the remainder of the Agreement or the application of such provisions to any other Party or to other persons or circumstances shall not be affected thereby. Each Party hereby declares that it would have entered into this Agreement, and each subsection, sentence, clause and phrase thereof, irrespective that one or more sections, subsections sentences, clauses or phrases or the application thereof might be held invalid.

8.2 Notices. Notices required or permitted hereunder shall be sufficiently given if made in writing and delivered either personally or by registered or certified mail, postage prepaid to the respective Parties, as follows:

SAN DIEGO:

Chief Operating Officer
City of San Diego
202 "C" Street
San Diego, CA 92101

With copy to:

City Attorney
City of San Diego
1200 Third Ave., Suite 1620
San Diego, CA 92101

ECAWP JPA:

East County AWP Joint Powers
Authority
P.O. Box 719003
Santee, CA 92072
Attn: JPA Administrator

With copy to:

East County AWP Joint Powers Authority
P.O. Box 719003
Santee, CA 92072
Attn: JPA General Counsel

The Parties may from time to time change the address to which notice may be provided by providing notice of the change to the other Parties.

- 8.3 Consent.** Whenever in this Agreement or in any amendment thereto consent or approval is required, the same shall not be unreasonably withheld unless otherwise specified.
- 8.4 Other Agreements Not Prohibited.** Other agreements by and between the Parties of this Agreement or any other entity are neither prohibited nor modified in any manner by execution of this Agreement.
- 8.5 Assignment.** Except as otherwise provided in this Agreement, the rights, titles and interests of any Party to this Agreement shall not be assignable or transferable without the consent of the governing body of each Party hereto.
- 8.6 Section Headings.** The section headings herein are for convenience of the Parties only, and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions or language of this Agreement.
- 8.7 Laws of California.** This Agreement is made in the State of California, under the Constitution and laws of such State, and shall be construed and enforced in accordance with the laws of such State.
- 8.8 Construction of Language.** It is the intention of the Parties hereto that if any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.
- 8.9 Cooperation.** The Parties recognize the necessity and hereby agree to cooperate with each other in carrying out the purposes of this Agreement.
- 8.10 Successors.** This Agreement shall be binding upon and shall inure to the benefit of the successors of the Parties hereto.

- 8.11 **Enforcement.** The Parties are hereby authorized to take any and all legal or equitable actions, including but not limited to an injunction and specific performance, necessary or permitted by law to enforce this Agreement.
- 8.12 **Integration.** This Agreement constitutes the full and complete Agreement of the Parties.
- 8.13 **Amendment.** Except as otherwise may be provided in this Agreement, neither this Agreement nor any provision hereof may be modified or amended except by a written instrument signed by the Parties.
- 8.14 **Counterparts.** This Agreement may be executed in counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.
- 8.15 **No Third Party Beneficiaries; Exception.** Except as provided below, all of the covenants contained in this Agreement are for the express benefit of each and all such Parties, this Agreement is not intended to benefit any third parties, and any such third party beneficiaries are expressly disclaimed. Notwithstanding the foregoing, El Cajon, Padre Dam, and Sanitation District shall be considered third party beneficiaries.

SIGNATURES ON FOLLOWING PAGE(S)

IN WITNESS WHEREOF, the Parties have caused this Residuals Management and Disposal Agreement to be executed and attested by their proper officers thereunto duly authorized on the day and year set forth below, making the same effective on the date signed by the last of all Parties hereto.

CITY OF SAN DIEGO

Approved as to Form:

By: _____
Kevin Faulconer, Mayor

By: _____
_____, City Attorney

Date: _____

**EAST COUNTY ADVANCED WATER
PURIFICATION JOINT POWERS
AUTHORITY**

Approved as to Form:

By: _____
Gary Kendrick, Board Chair

By: _____
Nicholaus Norvell, Interim General
Counsel

Date: _____

ATTACHMENT 9

MetroTAC Work Plan

Metro TAC & JPA Work Plan
Active & Pending Items
April 2020
Updated Items in Red Italics

Active Items	Description	Member(s)
<i>Strategic Plan Ad Hoc</i>	The JPA last updated their strategic plan in 2015. The Ad Hoc was formed to determine should there be a 2019 strategic plan update and if so what format it should follow. First meeting held June 2019. Two work sessions to be held in August are planned with the goal of presenting a draft 2019 Strategic Plan to the JPA in October 2019. <i>4/20: Strategic Plan update is complete and can be found on JPA website.</i>	<i>Whitney Benzian Jerry Jones Gary Kendrick John Mullin Ed Spriggs JPA staff</i>
<i>SB 332 Working Group</i>	SB 332 (Hertzberg/Weiner) relates to wastewater treatment for recycled water and agencies with ocean outfalls. It requires the entity that owns the wastewater treatment facility that discharges through an ocean outfall and affiliated water suppliers (it defines water not wastewater suppliers) to reduce the facilities annual flow as compared to the average annual dry weather wastewater discharge baseline volume as prescribed by at least 50% on or before January 1, 2030 and by at least 95% on or before January 1, 2040. The working group was formed to track the process of this legislation.	<i>Yazmin Arellano Beth Gentry Hamed Hashemian</i>
Muni Transportation Rate Study Working Group	San Diego has hired Carollo Engineers to review the existing transportation rate structure. A work group has been formed to review and give input. First meeting will be in December 2017. Although this is a muni issue it is included on the work plan due to its significance and potential effect on all Metro TAC members. 3/18: Technical consultants to meet with PUD staff and Carollo on 3/22/18 to review model in detail 6/18: JPA technical consultants continue to work with PUD staff on understanding rate calculations 1/19: Working group still meeting with PUD staff & consultants. 6/19: Working Group has presented an alternative plan in November 2018 which the City and their consultants are reviewing.	Roberto Yano Yazmin Arellano Dan Brogadir Carmen Kasner Mark Niemiec Dexter Wilson SD staff
Point Loma Permit Ad Hoc	Metro Commission/JPA Ad Hoc established 9/17. GOAL: Create regional water reuse plan so that both a new, local, diversified water supply is created AND maximum offload at Point Loma is achieved to support legislation for permanent acceptance of Point Loma as a smaller advanced primary plant. Minimize ultimate Point Loma treatment costs and most effectively spend ratepayer dollars through successful coordination between water and wastewater agencies. 10/17: Group has met several times. Discussions are ongoing. 3/18: Group continues to meet at least monthly. 6/18: Group continues to meet monthly. Outreach subgroup formed. 1/19: This group continues to meet as needed.	Jerry Jones Jim Peasley Ed Spriggs Bill Baber Steve Padilla Metro TAC staff & JPA consultants
Phase II Pure Water Facilities Working Group	Created to work with SD staff & consultants on determining Phase II facilities. 1/19: Work group has eliminated two alternatives and continues to review updated facilities and their costs. Presentation to Metro TAC by Stantec re: Phase 2 Flows and Loads. Copy attached to Metro TAC minutes. 6/19: Phase II alternative presented to Metro TAC in May and JPA in June 2019. Copy of presentation can be found in minutes to those meetings. Alternatives narrowed to two main alternatives. <i>4/20: JPA representatives still meeting w/SD staff and consultants. Alternatives have been narrowed to two.</i>	Roberto Yano Seval Sen Scott Tulloch Dexter Wilson SD staff & consultants

Metro TAC & JPA Work Plan
Active & Pending Items
April 2020
Updated Items in Red Italics

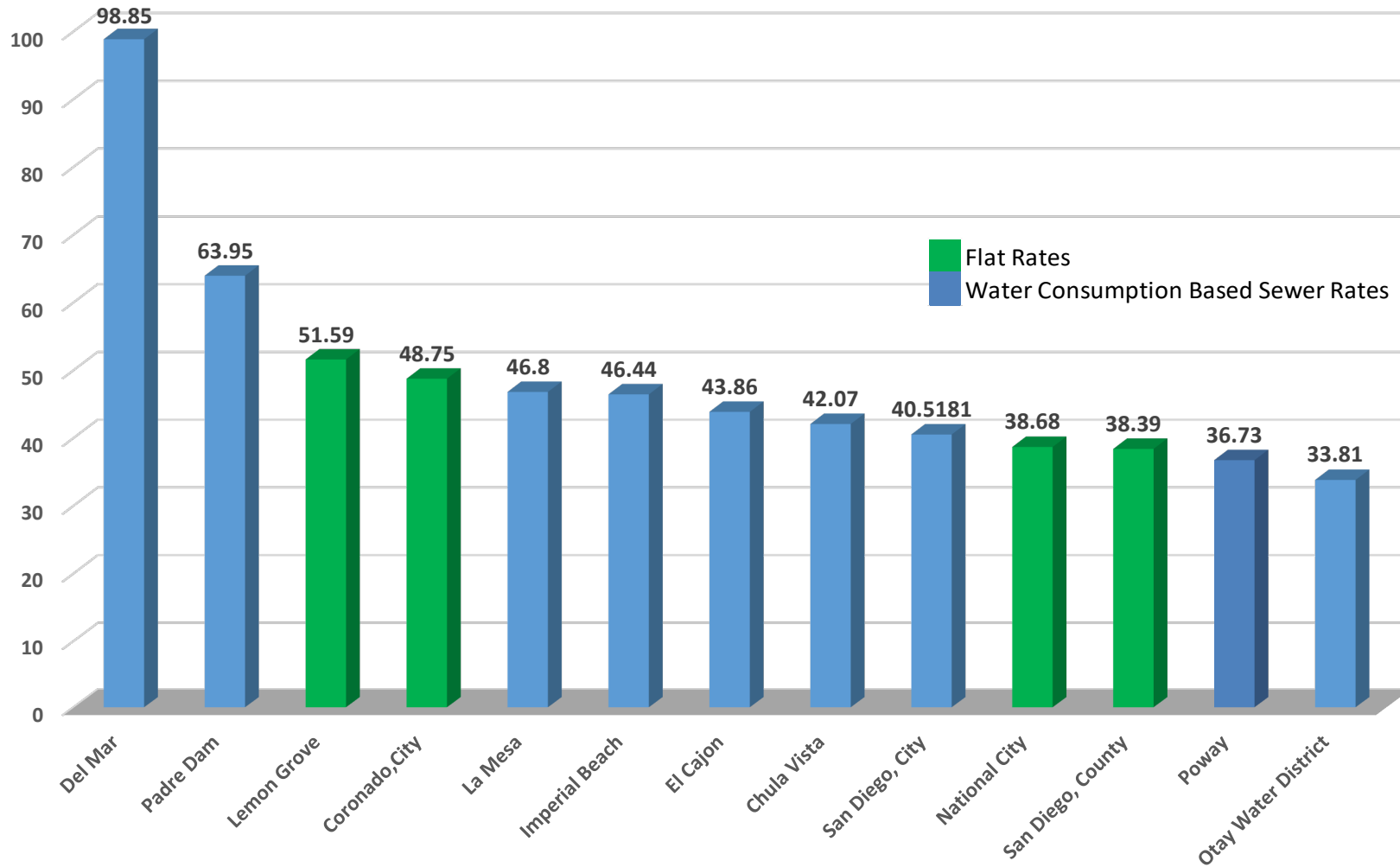
Active Items	Description	Member(s)
Residuals Management Working Group	This working group was formed to continue work on Sections 2.9.2 and 2.9.3 of the Amended and Restated Agreement regarding the potential transfer of the East Mission Gorge Pumps Station and the disposal, treatment, or transfer of residuals. 1/19: Group continues to meet. 3/19: Working Group has been meeting w/Padre Dam, Coronado, & Otay. 6/19: Draft agreement has been prepared and is being reviewed/refined. <i>4/20: Draft Agreement is in final stages and will hopefully be completed in June/July.</i>	Eric Minicilli Yazmin Arellano Dan Brogadir Seval Sen Scott Tulloch Dexter Wilson SD staff & consultants
Phase I Financial Implementation Working Group	This working group was formed to continue to work on Section 2.9.1 and other financial implementations issues associated with the Amended Restated Agreement. 1/19: Working group had formation meeting. Has prepared draft task list and task assignments for group members and SD staff. Will meet at least monthly until tasks are complete. Ownership of EMGPS determined. Appraisal in complete. 6/19: Group will start meeting in July 2019 on a regular basis.	Roberto Yano Karyn Keese Dexter Wilson SD staff & consultants
Phase II Disposal Agreement Working Group	This group replaces the Debt Allocation Working Group with the approval of the Amended and Restated Agreement for Phase 1. 1/19: Group will start meeting in February.	Roberto Yano Karyn Keese Scott Tulloch Dexter Wilson SD staff & consultants
Pretreatment Working Group	Formed to work with San Diego on new standards for industrial waste discharge. 1/19: SD has received draft report from consultant but has sent back for revisions. Second draft will be reviewed by working group. 6/19: Working group has met and reviewed draft of report. Presentation made by Stantec of recommendations to Metro TAC. Copy attached to June agenda.	Yazmin Arellano Mark Niemiec Ed Walton Beth Gentry Dexter Wilson SD Staff & Consultants
JPA Website Update Working Group	The JPA Website, especially the New Director Manual, has not been updated for several years. As we have several new Directors, the manual needs to be updated. 1/19: Working group formed. First meeting 2/20/19. 6/19: Group continues to meet and work on updating website. Goal is to totally revise New Director's Manual by end of October once Strategic plan is completed.	Roberto Yano Karyn Keese Lori Peoples Susan Spotts
Exhibit E Audit	1/19: FYE 2017 fieldwork complete. 3/19: FYE 2018 entrance conference complete. Sample selection complete. 6/19: FY 2018 fieldwork completed week of June 17, 2019. <i>4/20: FY 2018 audit/reconciliation should be complete in July. FY 2019 sample selection is complete.</i>	Karen Jassoy Karyn Keese Dexter Wilson
IRWMP	Members should monitor funding opportunities at: http://www.sdirwmp.org 1/19: PA representatives continue to report monthly at Metro TAC 3/19: Minutes from 3/20/19 Meeting attached to work plan. 6/19: Metro TAC given monthly updates. See Metro TAC minutes for updates.	Yazmin Arellano Beth Gentry



Metro TAC & JPA Work Plan
Active & Pending Items
April 2020
Updated Items in Red Italics

Active Items	Description	Member(s)
Strength Based Billing Evaluation	San Diego will hire a consultant every three years to audit the Metro metered system to insure against billing errors. 1/19: 2019 is the year for the billing review. Scope to be discussed at Financial Implementation Work Group and then brought to TAC. This group combined w/ Sample Rejection Protocol Working Group. SBB workshop by SD staff still outstanding. 3/20: JH will provide training schedule for SBB at April TAC meeting. <i>4/20: Presentation is complete. Since it is 2 hrs. in length PUD will wait to present when meetings can be resumed.</i>	Dan Brogadir Dennis Davies? Karyn Keese Mark Niemiec Dexter Wilson SD Staff
Changes in water legislation	Metro TAC and the Board should monitor and report on proposed and new legislation or changes in existing legislation that impact wastewater conveyance, treatment, and disposal, including recycled water issues	Inactive; Members added as needed

Sewer Rate Comparison for Metro Participating Agencies
Single Family Monthly Rates Based on 7 HCF of Water Usage
Effective January 1, 2020 for FY 2020



Metro TAC Participating Agencies Selection Panel Rotation

Agency	Representative	Selection Panel	Date Assigned
County of San Diego	Dan Brogadir	As-Needed Condition Assessment Contract	3/24/2015
Chula Vista	Roberto Yano	Out on Leave	6/10/15
La Mesa	Greg Humora	North City to San Vicente Advanced Water Purification Conveyance System	6/10/15
Poway	Mike Obermiller	Real Property Appraisal, Acquisition, and Relocation Assistance for the Public Utilities Department	11/30/15
El Cajon	Dennis Davies	PURE WATER RFP for Engineering Design Services	12/22/15
Lemon Grove	Mike James	PURE WATER RFP Engineering services to design the North City Water reclamation Plant and Influence conveyance project	03/16/15
National City	Kuna Muthusamy	Passes	04/04/2016
Coronado	Ed Walton	As-Needed Environmental Services - 2 Contracts	04/04/2016
Otay Water District	Bob Kennedy	As Needed Engineering Services Contract 1 & 2	04/11/2016
Del Mar	Eric Minicilli	Pure Water North City Public Art Project	08/05/2016
Padre Dam	Al Lau	Biosolids/Cogeneration Facility solicitation for Pure Water	08/24/2016
County of San Diego	Dan Brogadir	Pure Water North City Public Art Project	08/10/2016
Chula Vista	Roberto Yano	Design Metropolitan Biosolids Center (MBC) Improvements Pure Water Program	9/10/2016
La Mesa	Greg Humora	Design of Metropolitan Biosolids Center (MBC) Improvements	9/22/16
Poway	Mike Obermiller	Electrodialysis Reversal (EDR) System Maintenance	12/7/16
El Cajon	Dennis Davies	As-Needed Construction Management Services for Pure Water	3/13/17
Lemon Grove	Mike James	Morena Pipeline, Morena Pump Station, Pure Water Pipeline and Dechlorination Facility, and the Subaqueous Pipeline	8/7/17
National City	Vacant	North City and Miramar Energy Project Landfill Gas and Generation- Pass	1/31/2018
Coronado	Ed Walton	North City and Miramar Energy Project Landfill Gas and Generation	1/31/2018
Otay Water District	Bob Kennedy	As Needed Engineering Services - Contracts 3 and 4 (H187008 & H187009)	2/16/2018
Del Mar	Joe Bride	Request for Proposal Owner Controlled Insurance Program (OCIP) Pure Water – 1 st email sent on 5/23/18 & 2 nd email sent on 5/29/18	5/23/18
Padre Dam	Al Lau	Request for Proposal Owner Controlled Insurance Program (OCIP) Pure	5/31/18

		Water (Mark Niemiec will participate)	
County of San Diego	Dan Brogadir	Request for Owner Controlled Insurance Program Interview (Pure Water)	2/25/19
Chula Vista	Frank Rivera Beth Gentry	Request for Owner Controlled Insurance Program Interview (Pure Water)	2/26/19
Imperial Beach	Eric Minicilli		
La Mesa	Hamed Hashemian		
Poway	Mike Obermiller Rudy Guzman		
El Cajon	Dennis Davies Yazmin Arellano		
Lemon Grove	Mike James		
National City	Roberto Yano		
Coronado	Ed Walton		
Otay Water District	Bob Kennedy		
Del Mar	Joe Bride		
Padre Dam	Mark Niemiec Sen Seval		
County of San Diego	Dan Brogadir		
Chula Vista	Frank Rivera		
Imperial Beach	Eric Minicilli		
La Mesa	Hamed Hashemian		
Poway	Mike Obermiller Rudy Guzman		
El Cajon	Dennis Davies Yazmin Arellano		
Lemon Grove	Mike James		
National City	Roberto Yano		
Coronado	Ed Walton		
Otay Water District	Bob Kennedy		
Del Mar	Joe Bride		
Padre Dam	Mark Niemiec Sen Seval		
County of San Diego	Dan Brogadir		
Chula Vista	Frank Rivera		
Imperial Beach	Eric Minicilli		
La Mesa	Hamed Hashemian		