



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

**TO:** Metro TAC Representatives and Metro Commissioners

**DATE:** Wednesday, November 17, 2021

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

**LOCATION:** The health and well-being of the MetroTAC members/alternates and participating staff during the COVID-19 outbreak remains our top priority. The MetroTAC is taking steps to ensure the safety of all involved by holding its September meeting electronically via Zoom.

E-mail containing information on how to participate in the meeting will be distributed to the MetroTAC members e-mail list and approved San Diego City Staff by Monday, November 15, 2021 at 5:00 p.m. If you do not receive the e-mail, please contact Lori Peoples at [lpeoples@chulavistaca.gov](mailto:lpeoples@chulavistaca.gov) PRIOR to the meeting date

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1. **ACTION:** Review and Approve MetroTAC Action Minutes for the Meeting of October 20, 2021 (**Attachment**)
  2. Metro Commission/JPA Board Meeting Recap (Standing Item)
  3. **ACTION:** Consideration and Possible Action to Recommend to the Metro Commission/Metro Wastewater JPA, Approval of the Metro Commission/Metro Wastewater JPA / MetroTAC Meeting Calendar for 2022 (Roberto Yano) (**Attachment**)
  4. **ACTION:** Consideration and Possible Action to Recommend to the Metro Commission/Metro Wastewater JPA, Approval of Clarifications to the Amended Restated Agreement, Exhibit F, Section V: Capital Expense Rate and Cap Determination (Dexter Wilson/Karyn Keze/Adam Jones) (**Attachment**)
  5. **UPDATE:** Committee on Proposed Mutual Aid Agreement with Wastewater Agencies (Standing Item) (Peejay Tubongbanua)
  6. **UPDATE:** Industrial Wastewater Control Committee (Beth Gentry)
  7. **UPDATE:** Metro Wastewater (Financial) (Standing Item) (Edgar Patino)
  8. **UPDATE:** Metro Wastewater (General) (Standing Item) (Tom Rosales)
    - a. Replacement of Pt. Loma Treatment Plant Road
    - b. April 10, 2020 Spill Update
  9. **UPDATE:** Metro Capital Improvement Program and Funding Sources (Standing Item) (Tung Phung)

10. **UPDATE**: Pure Water Program (Standing Item) (Tom Rosales)
11. **UPDATE**: Financial (Standing Item) (Karyn Keese)
12. **UPDATE**: IRWMP (Standing Item) (Beth Gentry)
13. **UPDATE**: MetroTAC Work Plan (Standing Item) (Roberto Yano) (**Attachment**)
14. Review of Items to be Brought Forward to the Regular Metro Commission/Metro JPA Meeting (**December 2, 2021**)
15. Other Business of Metro TAC
16. Adjournment ([To the next Regular Meeting December 15, 2021](#))

<b><u>Metro TAC 2021 Meeting Schedule</u></b>		
January 18	May 19	September 15
February 17	June 16	October 20
March 17	July 21	November 17
April 21	August 18	December 15

January 18	May 19	September 15
February 17	June 16	October 20
March 17	July 21	November 17
April 21	August 18	December 15

# ATTACHMENT 1

## ACTION MINUTES FOR THE MEETING OF OCTOBER 20, 2021



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

**ACTION MINUTES**

**DATE OF MEETING:** October 20, 2021

**TIME:** 11:00 AM

**LOCATION:** Zoom Meeting held On Line

**MEETING ATTENDANCE:**

**Members Present**

Beth Gentry, Chula Vista  
Ed Walton, Coronado  
Yazmin Arellano, El Cajon  
Dennis Davies, El Cajon  
Blake Behringer, El Cajon  
Eric Minicilli, Imperial Beach  
Hamed Hashemian, La Mesa  
Mike James, Lemon Grove  
Roberto Yano, National City  
Robert Kennedy, Otay WD  
Steven Beppler, Otay WD  
Mike Hindle, Padre Dam MWD  
Paul Clarke, Padre Dam MWD  
Angela Martinez, Poway  
Jessica Parks, Poway  
Troy DePriest, Poway  
Dan Brogadir, County of San Diego  
P.J. Tubongbanua, County of San Diego

**Staff/Consultants Present**

Karyn Keze, the Keze Group  
Scott Tulloch, NV5  
Carmen Kasner, NV5  
Dexter Wilson & Annie, Wilson Engineering  
Lori Anne Peoples, MetroTAC  
Karen Jassoy, Padre Dam, Past Metro Treasurer  
Lee Ann Jones-Santos, Metro Treasurer  
Nicholas Norvell, BBK Law

David Forman, CLA Auditors

**San Diego City Staff/Consultants Present**

John Stufflebean, City of San Diego  
Tom Rosales, City of San Diego  
Edgar Patino, City of San Diego  
Charlette Strong Williams, City of San Diego  
Adam Jones, City of San Diego

Doug Owen, Stantec

Dean Gipson, HRB  
Mandira Sudame, HRB  
Michael Flores, HRB

**Others Present**

Pete Wong

**1. Review and Approve MetroTAC Action Minutes for the Meeting of September 15, 2021**

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

**2. Metro Commission/JPA Board Meeting Recap**

MetroTAC Chair Yano provided an overview of the October 7, 2021 Metro JPA meeting they approved the items that the TAC had forwarded to them; Heard the Industrial Wastewater

Control Committee report from Beth Gentry; Received the Pt. Loma Treatment Plant and Sanitary Overflow updates from Tom Rosales; Continued the Capital Improvement update from Tung Phung; Received Pure Water program updates from John Stuffelbean; Heard the MetroTAC update/report. Chair Jones reported that the IROC had discussion on the Cost of Services Study which was apparently a lively discussion from multi unit owners on use amount based on the water bill. Karyn Keze reported that the Finance Committee would be meeting on October 27<sup>th</sup> to review the JPA Two-Year Financial Audit which will then come to TAC.

**3. ACTION: Consideration and Possible Action to Recommend to the Metro Commission/Metro Wastewater JPA, Approval of the Metro Wastewater JPA Two-Year Audit for FY 2018 and FY 2019**

Karyn Keze introduced the item and noted that the JPA is required to be audited, however, due to its size and following legal guidelines the audit is done two-years at a time.

Karen Jassoy, Past JPA Treasurer, introduced the Auditor David Forman from CLA Auditors.

David Forman, Principal at CLA Auditors, provided an overview of the audit (copy attached to the agenda). He noted that the JPA was given a clean approval with no adjustments needed to be made. He also noted that there were no findings or difficulties during the audit, no disagreements with staff and no adjustments to the books required.

**ACTION:** Motion by Robert Kennedy, seconded by Mike James to recommend approval of the audit to the JPA. Motion carried unanimously.

Item 4 was heard after Item 5.

**4. ACTION: Consideration and Possible Action to Recommend to the Metro Commission/Metro Wastewater JPA, Approval of the Metro Wastewater JPA Treasurer's Report for the Year-Ended June 30, 2021**

Karen Jassoy, Past JPA Treasurer provided an overview of the Treasurer's report for the Year-Ended June 30, 2021 (copy attached to the agenda). She covered first, the beginning cash balance at July 1, 2020 with operating results, cash used in operations and ending cash balance at June 30, 2021. Next she reviewed the statement of net position; statement of operations – budget vs. actual; statement of cash flows – year ended June 30, 2021 – unaudited; A/R aging summary and vendor accrual summary. She noted that the reserves were \$431,000 over the required reserves and that the budget loss of \$124,000 was a planned loss due to the use of reserves. Due to COVID there had been less meetings and a lot of the Finance/Engineering planned work will be covered in the next budget.

Karyn Keze noted that last year had a slow start and quite a bit of the work anticipated to do last year was not done, but they are now bringing work items from the parking lot items of the ARA

**ACTION:** Motion by Beth Gentry, seconded by Yazmin Arellano, the treasurer's report be approved to forward to the JPA. Motion carried unanimously.

**5. ACTION: Consideration and Possible Action to Recommend to the Metro Commission/Metro Wastewater JPA Draft Revisions to Section 2.8.2 of the Amended Restated Agreement to Allow for a Single reconciliation of Shared Pure Water Program Expenses at Phase 1 Project Completion.**

Karyn Keze introduced the item and provided the background noting that the final signature on the ARA started the work on the parking lot items and the beginning of the second ARA. Lisa Celaya and Adam Jones from the City of San Diego along with Dexter Wilson and herself have been working on the items. What is being presented today is the first item coming out of their work. In 2014 when Pure Water started, the planning level numbers were used with a 50/50 split between water and wastewater to be reconciled once all projects were awarded. Adam Jones and Lisa Celaya have come up with what both she and Dexter feel is a good and fair idea which will save JPA staff time and money as well as City staff time and money. She then turned the presentation over to Adam Jones to walk the committee through the proposed revision.

Adam provided a verbal overview of the Power Point presentation attached to the agenda. It started with a review of the existing language in the ARA and an explanation of how it applies to engineering and planning items not related to specific Pure Water CIP projects. He noted that additional language would be added for reconciliation of actual CIP projects such as the Morena Pump Station and Pipelines, etc. The next slide showed the estimated 50/50 expenses starting in FY 2014 through FY 2021 and the totals. In FY 2022 the split became 62/38. This was followed by the estimated reallocation of Metro share which showed the original metro share; the original water share and the metro post allocation share for FY 2014 through FY 2021 and the totals. Next Adam showed a slide with an example of interest calculation for FY 2014 through FY 2021 with columns showing the amounts subject to interest (50% cost – metro share; running metro balance subject to interest; yearly interest earnings (compounded monthly); estimated PA share (average share of metro costs) and the annual interest rate (San Diego City Treasurers) and the totals. He noted it had been a pleasure working with Karyn and Dexter and was really appreciative of their efforts. Dexter added that he and Karyn felt that the proposed \$90,000. was a very good deal to get because to implement what is actually said in the ARA would be very time consuming and expensive to implement for the JPA and City staff.

MetroTAC Chair Yano stated that he felt this was a great solution that captures the intent of the ARA.

**ACTION:** Motion by Yazmin Arellano, seconded by Hamed Hashemian, that the proposed reconciliation method be approved to forward to the JPA. Motion carried unanimously.

Item 4 was heard here.

**6. PRESENTATION: Point Loma Wastewater Treatment Plant Facilities Condition Assessment Report**

Tom Rosales, City of San Diego provided a brief introduction of the item and introduced the presentation (copy attached to the agenda) the contractor HDR who was to do a condition assessment report of the City so it could plan for repairs and then gave it a contract CDR to do a Master Plan for the Pt. Loma Wastewater Treatment Plant. The HDR report will be put into the CDR report.

Dean Gipson of HDR continued the introduction and stated that his firm had teamed with Jacobs for engineering; MPA for electrical and Jamison for confined space and coring work. He then provided a brief overview of the presentation (attached to the agenda) starting with the project objectives. He next provided an overview of the project objectives and field inspection work. He noted that the team had performed a visual assessment of structural, mechanical and electrical components of assets within each process area; assessed the asset condition and performed risk analysis; made recommendations for repair, rehabilitation and replacement; prioritized the recommendations and set a schedule for future assessment needs and delivered a condition assessment report. They did field inspections for 10 weeks from September 14, 2020 to November 25, 2020. The inspections consisted of 3 teams and 14 staff onsite and included visual assessments of all mechanical, structural and electrical assets by process area including confined space entry assessments of Headworks, Grit Tanks, NEOC, Sedimentation tanks and Digesters as well as concrete core samples. The data collection software was Survey 123. Additionally, he stated that they had held input workshops. Dean then presented the data workflow and noted that the city had provided them with 900 assets 300 were missing but they then identified 1,000 new. This data was all input into the data software program Survey 123.

Mandira Sudame then spoke regarding the detail of the survey and the likelihood of failure with factor definitions and weighing inclusive of electrical; the consequence of failure inclusive of electrical; risk management and priority strategies. Lastly, she covered the results and recommendations inclusive of critical risk assets summary; prioritization; level 5 cost estimate; overall PLWTP Facilities – Priority 1 CIP; Priority 2 rehab and repair; electrical facilities – Priority 2 rehab and repair; gas utilization facilities – Priority 2 rehab and repair; overall PLWTP facilities – Priority 3 routine assessment; instrumentation – priority 3 routine assessment; gas utilization facilities – Priority 3 routine assessment and the recommendations summary.

Doug Owen of Stantec then presented a comparison of the PLWTP primary sedimentation tank rehabilitation costs (copy attached to the agenda). He covered the HDR cost estimate for rehabilitation of PSBs 1-12 (including the item and cost in million dollars September 2021); Task Order 53 – Phase 2 alternatives refinement cost estimate of PLWTP PSB replacement and rehabilitation Alt. 1A (including item and cost in million dollars July 2020 and cost in million dollars September 2021); comparison of cost estimates in million dollars September 2021 (including item, HDR, TO53 updated September 2021).

Dexter Wilson stated he was pleased to see the numbers very close to what they came up with for Phase 2.

Karyn Keze inquired as to whether the cost is built into Phase 2 and whether there was room to start work and put 3 years of construction into the debt issue.

Adam Jones, City of San Diego stated they were currently updating the plan.

Tom Rosales, City of San Diego stated they will line up the plan to develop projects for all of the wastewater system.

**7. PRESENTATION: Central Area Phase 2 Concept Evaluation Lake Murray and San Vicente Reservoir Release**

John Stufflebean, City of San Diego provided an overview of the presentation (copy attached to the agenda). This is considered Phase 2 High-Level Planning and they have continued the Independent Advisory Panel coordination; completed Phase 2 alternatives refinement effort to identify facilities for producing the next 53 mgd of pure water; began the Phase 2 demonstration design in September 2021, and are assessing the reservoir options for purified water release. The next slide provided a Phase 2 comparison between the Murray Reservoir and San Vicente Reservoir. He noted that DPR has more strict requirements than IPR and that the City is working with DDW to provide a practical example of DPR implementation. Next there was managing pure water production and drinking water demand. In conclusion, he noted that it would still be several months before a decision would be made.

**8. PRESENTATION: Metro Flows and Strengths 2050**

Dexter Wilson provided a Power Point presentation (copy attached to the agenda). The first slide reflected the average sewage generation by agency including average flow mgd; diversions mgd and average flow remaining mgd and subtotal thereof followed by San Diego wastewater and water, that subtotal and a final total of both combined. The next slide was the metro average treatment needs including the flow type (sewage generated, brine and centrate with flow mgd and total) followed by treatment location average flows including flow type - flow mgd, diversion area (NCWRP, CAWRP, SBWRP with flow mgd and subtotal) – ending with the total to Pt. Loma after diversion. The fourth slide showed the average metro treatment discharge right for each agency with their average flow mgd and their brine mgd subtotaled and then San Diego wastewater and water subtotal with a final total and a flow check table consisting of flow type (average flow, brine, centrate and diversion with flow mgd) and total of all flow mgd. Slide five was the peak split based on available capacity by agency and included the agency, peak capacity mgd, East County diversion mgd and peak capacity after East County Diversion mgd subtotaled and San Diego Wastewater and water subtotals with a combined total at the end. Slide 6 was Peak treatment needs with flow type and flow mgd including sewage generated, brine – San Diego and other and centrate San Diego and other ending with the total. Slide 7 was the Pt. Loma peak flow needs beyond average flow which had the flow type (total peak with flow mgd) and diversion area (NCWRP, CAWRP, SBWRP, ECAWP with flow mgd) and a total to Pt. Loma followed by the average flow to Pt. Loma including Brine and centrate mgd and a total peak to Pt. Loma. The peak flow split basis by agency was next with the agency, peak capacity after East County diversions mgd, average flow mgd and peak capacity for revised billing purposed mgd subtotaled followed by San Diego wastewater and water subtotals and a total of all combined. An additional chart on the page included flow check by flow type (peak flow, average flow, brine, centrate and diversions with flow mgd for each and a total. Slide 9 was the flow strength by agency in TSS 1,000 lbs and COD 1,000 lbs subtotaled with San Diego wastewater and water subtotaled followed by a combined total (based on 2018 numbers). And lastly, a summary table with each agency, Exhibit B contract capacity mgd, average flow mgd, peak flow mgd, TSS 1,000 lbs and COD 1,000 lbs subtotaled with San Diego wastewater and water subtotaled and a total combined.

**9. UPDATE: Proposed Mutual Aid Agreement with Wastewater Agencies**

Peejay Tubongbanua provided a brief verbal update noting that the County of San Diego Sanitation District was interested in the establishment of a mutual aid agreement between



for shared resources and labor in emergency situations between the wastewater agencies. At the last meeting several member agencies expressed interest in being involved and they included San Diego County Sanitation District, National City, La Mesa, El Cajon, Lemon Grove, Poway, Otay, Padre would be participating actively. Chula Vista and Coronado expressed interest but not as active members of the subcommittee. He stated the objective of the Mutual Aid Agreement was to memorialize shared services among wastewater entities in an effort to reduce and improve operational effectiveness on a regional basis and would spell out provisions in related to liabilities, work compensation, insurance, payments and other terms and conditions required. They believe this to be a major benefit that could be absorbed in agencies continued operations plan in the event of emergency. Peejay stated he would take the lead to coordinate with the agencies and bring back a confirmed meeting date to begin discussion.

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

Beth Gentry, City of Chula Vista stated that the committee is working on the Pre-treatment agreement and held a pre meeting in October with a goal to bring major decision points to the City of San Diego and have some discussion at TAC in January and then to the JPA. The higher level issues are enforcement, flexibility and responsibilities and role identification between the City of San Diego and other agencies and cost and direct billing. This will be incorporated in the next ARA. Laura Caldwell will be presenting on Local Limits and will come to TAC for a formal presentation after the one to the committee. Local Limits November 1<sup>st</sup> and next Pre-treatment agreement meeting with the committee and the City of San Diego will be on November 10<sup>th</sup>.

**11. Metro Wastewater Update (Financial)**

Edgar Patino, City of San Diego stated that the Exhibit E Audit for FY 19 was in its final stages of finishing it up. It is then sent to the partner review which can be lengthy and they will then issue an opinion. The City is looking at a couple more months until completion, possibly January. He committed to periodically providing additional updates at the next meeting. Karyn Keze expressed concerns because the JPA normally does not issue bills to the participating agencies for their annual dues until they have that audit because they do the reconciliation prior to billing. She will ask the Finance Committee for direction on going ahead and billing. Edgar stated that he could provide preliminary numbers of the allocation to Karyn Keze for billing purposes. Karen stated if she could have reliable allocation numbers that would work. Edgar stated he could not confirm that they would not change.

**12. Metro Wastewater Update (General)**

MetroTAC Chair Yano requested this item be continued to the next MetroTAC meeting.

**13. Metro Capital Improvement Program and Funding Sources**

This was presented at the last meeting.

**14. Pure Water Program Update**

John Stufflebean, City of San Diego noted that they were in the heart of construction of Phase 1 with 8 contracts underway. The Pure Water site is now a very large hole. There are lots of construction issues such as supply shortages and labor. They are doing outreach with the working groups and have started strategic planning for Phase 2 outreach. They are

holding regulatory meetings with DDW every other month and are working to make sure they are ready at Miramar for Phase 1.

**15. Financial Update:**

Karyn Keze stated that the items heard today will be going to the Finance Committee meeting on October 27, 2021 at 10 am and then onto the JPA. She and Dexter are knee deep in the Exhibit E 2020 audit and she reviews the O & M and Dexter is reviews the CIP. They test all contracts due to Pure Water and will have their first meeting next week.

**16. REPORT: IRWMP - Integrated Regional Wastewater Management**

Beth Gentry; City of Chula Vista stated that Mark Stadler from the County of San Diego Water Authority retired, he was the head of the RAC; they heard a presentation from the San Diego County Farm Bureau; heard project completion reports; discussions about the justice equity and diversion and inclusion committees; regarding grants there is a DWR urban and multi benefit drought relief program with \$95 million available summer 2022 applications are being accepted on a rolling basis and projects have to be completed by 2026. More information is available on the website.

**17. MetroTAC Work Plan**

Roberto Yano MetroTAC Chair stated the Work Plan was attached to the agenda and will be updated with new items.

**18. Review of Items to be Brought Forward to the Regular Metro Commission/Metro Wastewater JPA Meeting October 7, 2021**

Roberto noted that he had items 3, 4, 5, 6, 7, 10, 14 & 15 would be moving forward to the JPA.

**19. Other Business of MetroTAC**

None.

**20. DISCUSSION: Potential Closed Session Item for Upcoming Metro JPA Meeting (Participating Agency Representatives Only)**

At 1:17 General Counsel Norvell announced the participating agency representatives only would be going into a discussion for a potential closed session item for an upcoming Metro JPA meeting.

**21. Adjournment to the Next Regular Meeting November 17, 2021**

General Counsel Norvell announced there was no report out and the meeting was adjourned at 1:58 p.m.

# ATTACHMENT 3

## MEETING CALENDAR

2022

**Metro Commission/Metro Wastewater JPA  
and  
MetroTAC Committee**

**2022 Meeting Schedules**

<b>METRO COMM/METROJPA 1<sup>st</sup> Thursday of the month</b>		<b>METRO TAC 3<sup>rd</sup> Wednesday of the month</b>	
January 6, 2022 (if needed)	12:00 – 2:00	January 19, 2022	11:00 – 2:30
February 3, 2022	12:00 – 2:00	February 16, 2022	11:00 – 2:30
March 3, 2022	12:00 – 2:00	March 16, 2022	11:00 – 2:30
April 7, 2022	12:00 – 2:00	April 20, 2022	11:00 – 2:30
May 5, 2022	12:00 – 2:00	May 18, 2022	11:00 – 2:30
June 2, 2022	12:00 – 2:00 (SANDIST meeting immediately following)	June 15, 2022	11:00 – 2:30
July 7, 2022	12:00 – 2:00	July 20, 2022	11:00 – 2:30
August 4, 2022	12:00 – 2:00	August 17, 2022	11:00 – 2:30
September 1, 2022	12:00 – 2:00	September 21, 2022	11:00 – 2:30
October 6, 2022	12:00 – 2:00	October 19, 2022	11:00 – 2:30
November 3, 2022	12:00 – 2:00	November 16, 2022	11:00 – 2:30
December 1, 2022	12:00 – 2:00	December 21, 2022	11:00 – 2:30
January 5, 2023 (if needed)	12:00 – 2:00	January 18, 2023	11:00 – 2:30

Meetings are held at  
MWWD PUD II Auditorium, 9192 Topaz Way, SD, CA 92023  
(unless otherwise noted on the agenda)

# ATTACHMENT 4

CLARIFICATIONS TO THE

AMENDED RESTATED AGREEMENT

EXHIBIT F, SECTION V:

CAPITAL EXPENSE RATE AND

CAP DETERMINATION

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# HOW IS \$1.8 BILLION CAP IMPLEMENTED

## PURPOSE OF CAP

Provide financial assurances that wastewater rate payers, the City, and participating agencies would not have discretionary burden for both Pure Water secondary treatment and Point Loma secondary treatment.

Copy of Exhibit F, Section 5: Capital Expense Rate attached to this presentation.



Cap is \$1.8 billion in July 2019 dollars





Monies have been expended on Pure Water since 2014



TOTAL PURE WATER PROGRAM COSTS TO DATE (ESTIMATED)

2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
\$400,000	\$1,028,134	\$6,899,462	\$12,541,546	\$31,743,236	\$27,569,200	\$44,544,390	\$55,475,938	\$20,503,973	\$200,705,879



Cap should be theoretically calculated each year starting in 2014. Cap is escalated per Amended Restated Agreement beginning July 2019 or Fiscal Year 2020.

# EXAMPLE: CALCULATION OF CAPITAL EXPENSE RATE

PURE WATER PROGRAM CIP & OTHER PROGRAM COSTS- UNAUDITED										
Fiscal Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
Total Pure Water Program – Metropolitan Wastewater Fund Costs	\$400,000	\$1,028,134	\$6,899,462	\$12,541,546	\$31,743,236	\$27,569,200	\$44,544,390	\$55,475,938	\$20,503,973	\$200,705,879
Cumulative Expenditures	\$400,000	\$1,428,134	\$8,327,596	\$20,869,142	\$52,612,378	\$80,181,578	\$124,725,968	\$180,201,906	\$200,705,879	
Annual July ENR-CCI-LA	10,737.43	10,981.02	11,155.03	11,636.49	11,985.50	12,113.16	12,056.44	13,017.52	TBD	
Capital Expense Rate Cap Calculation:										
Beg Cap Balance	\$1,800,000,000	\$1,799,600,000	\$1,798,571,866	\$1,791,672,404	\$1,779,130,858	\$1,747,387,622	\$1,719,818,422	\$1,667,429,544	\$1,740,450,606	
Annual Expenditures	(\$400,000)	(\$1,028,134)	(\$6,899,462)	(\$12,541,546)	(\$31,743,236)	(\$27,569,200)	(\$44,544,390)	(\$55,475,938)	(\$20,503,973)	
Remaining Cap	\$1,799,600,000	\$1,798,571,866	\$1,791,672,404	\$1,779,130,858	\$1,747,387,622	\$1,719,818,422	\$1,675,274,032	\$1,611,953,606	\$1,719,946,633	
Remaining Cap (Escalated) (Trigger)	\$1,799,600,000	\$1,798,571,866	\$1,791,672,404	\$1,779,130,858	\$1,747,387,622	\$1,719,818,422	\$1,667,429,544	\$1,740,450,606	\$1,719,946,633	
Additional Statistical Data: Post 2019 Cap Projections:										
Remaining Cap (Escalated) + Cumulative Expenditures	\$1,800,000,000	\$1,800,000,000	\$1,800,000,000	\$1,800,000,000	\$1,800,000,000	\$1,800,000,000	\$1,792,155,512	\$1,920,652,512	\$1,920,652,512	
Inflated Original Cap	\$1,800,000,000	\$1,800,000,000	\$1,800,000,000	\$1,800,000,000	\$1,800,000,000	\$1,800,000,000	\$1,791,571,481	\$1,934,386,733	TBD	

## WHAT HAPPENS WHEN CAP IS EXCEEDED

- a. Cap is a “trigger”.
- b. Triggers payment from water to wastewater for secondary effluent feed water for 30 years.
- c. Each year of exceedance triggers new 30-year payment stream.

# FIRST EXCEEDANCE

CAPITAL EXPENSE RATE	
Amount over Cap in 2035	\$1,000,000
Multiplied By: Actual SRF/Debt Interest Rate	1.42
Divided By: Estimated Secondary Effluent Produced*	106,925
Equals: Cost per acre-foot produced	\$13.28
Equals: Cost per acre-foot produced per year for 30 years	\$0.44
Total Cost Per Year for 30 Years	\$47,333

\*Estimated Secondary Effluent = 83 MGD \* 15% = 95.45 MGD = 106,925

# FIRST EXCEEDANCE

CAPITAL EXPENSE RATE EXAMPLE I

Year	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
First Exceedance (\$1 Million in 2035)	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333
	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333

CAPITAL EXPENSE RATE EXAMPLE I

Year	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	TOTAL
First Exceedance (\$1 Million in 2035)	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	-	\$1,420,000
	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	-	

## SECOND EXCEEDANCE

CAPITAL EXPENSE RATE	
Amount over Cap in 2035	\$1,000,000
Multiplied By: Actual SRF/Debt Interest Rate	1.42
Divided By: Estimated Secondary Effluent Produced*	106,925
Equals: Cost per acre-foot produced	\$13.28
Equals: Cost per acre-foot produced per year for 30 years	\$0.44
Total Cost Per Year for 30 Years	\$47,333

\*Estimated Secondary Effluent = 83 MGD \* 15% = 95.45 MGD = 106,925



# SECOND EXCEEDANCE

CAPITAL EXPENSE RATE EXAMPLE 2

Year	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
First Exceedance (\$1 Million in 2035)	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333
Second Exceedance (\$1 Million in 2036)	-	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333
Total	\$47,333	\$94,667	\$94,667	\$94,667	\$94,667	\$94,667	\$94,667	\$94,667	\$94,667	\$94,667	\$94,667	\$94,667	\$94,667	\$94,667	\$94,667	\$94,667

CAPITAL EXPENSE RATE EXAMPLE 2

Year	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	TOTAL
First Exceedance (\$1 Million in 2035)	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	-	\$1,420,000
Second Exceedance (\$1 Million in 2036)	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$47,333	\$1,420,000
Total	\$94,667	\$94,667	\$94,667	\$94,667	\$94,667	\$94,667	\$94,667	\$94,667	\$94,667	\$94,667	\$94,667	\$94,667	\$94,667	\$94,667	\$47,333	\$2,840,000

## EXHIBIT F

## PURE WATER PROGRAM COST ALLOCATION AND REVENUES

annually. Such Operation and Maintenance Costs are currently estimated as (76% City Water Utility and 24% Metro System) on an annual basis.

**4.4 Year-End Adjustment.** At the end of each fiscal year during which there is Repurified Water Revenue, the City shall determine the actual cost per acre foot of CWA untreated water purchased by the City, the actual cost per acre foot of City Water Utility PW costs, and the actual amount of Repurified Water produced at Pure Water Program facilities.

Based on the actual cost and production information, the City will recalculate the Repurified Water Revenue for the prior fiscal year. The City will credit any future charges or bill for any additional amounts due the quarter after the prior year costs have been audited.

**4.5 Change in Potable Reuse Method.** The parties acknowledge that the Pure Water Program will initially use the surface water augmentation method of potable reuse. The use of CWA untreated water costs in calculating Repurified Water Revenue is intended to provide an appropriate point of comparison to costs for producing Repurified Water that will be introduced into surface water. The parties agree that if the City implements direct potable reuse (in which Repurified Water is introduced directly into a water supply pipeline or facility), the parties shall meet and negotiate in good faith regarding an amendment to this Exhibit F to appropriately update the formula for Repurified Water Revenue.

## V. Capital Expense Rate

**5.1 Background.** The Point Loma Wastewater Treatment Plant operates under a National Pollutant Discharge Elimination System ("NPDES") permit modified under section 301(h) & (j)(5) of the Clean Water Act. If such modified permit were ever revoked or not renewed, the parties agree that, under current law, the City would have an obligation to upgrade the Point Loma WTP to secondary treatment. The parties further agree that \$1.8 billion is a fair and comprehensive estimation of the costs that could be incurred by the Metro System to meet the legal requirements related to the Metro System under current law. The estimate of \$1.8 billion is based on the net present value of the capital cost to develop 180 MGD of secondary treatment at Point Loma WTP as of November 15, 2018.

Therefore, the parties agree that \$1.8 billion represents the maximum amount of Capital Improvement Costs that the Metro System should be obligated to contribute to the Pure Water Program, the purpose of which is not solely the disposal of wastewater, but also the production of Repurified Water. The parties agree that this \$1.8 billion maximum contribution should apply whether or not the Point Loma WTP is actually upgraded to secondary treatment to meet legal requirements in the future because, as of the date of the Agreement, the parties have the option of upgrading the Point Loma WTP to full secondary treatment for the cost of approximately \$1.8 billion.

In light of the above, the parties have agreed that if Metro System costs related to the Pure Water Program exceed the \$1.8 billion, City's Water Utility will pay a charge for each acre foot of secondary treated effluent produced by Metro System facilities and used for the production of Repurified Water.

**5.2 Capital Expense Rate.** Under the circumstances described below, City's Water

Utility shall pay a charge ("Capital Expense Rate") for each acre-foot of secondary treated effluent produced by Metro System facilities and used for the production of Repurified Water. City's Water Utility shall pay the Capital Expense Rate if the following costs alone, or in combination, exceed \$1.8 billion (which amount shall be adjusted for inflation):

(a) the sum of all Capital Improvement Costs and associated debt attributable to the Metro System components of the Pure Water Program under this Exhibit F; and/or

(b) the sum of all Capital Improvement Costs and associated debt for the full or partial upgrading of the Point Loma Wastewater Treatment Plant to secondary treatment.

Notwithstanding the above, the Capital Expense Rate shall not apply if the Point Loma WTP is actually upgraded to secondary treatment (or beyond) due to: (a) a change in federal or state statutory law making it necessary to upgrade the Point Loma WTP to comply with such new discharge standard; or (b) a final decision by a state or federal court or a federal administrative agency of competent jurisdiction that an NPDES permit modified under section 301(h) & (j)(5) of the Clean Water Act is thereby revoked or denied renewal due to a finding that the discharge from the Point Loma WTP violates anti-degradation rules or regulations promulgated under section 403 of the Clean Water Act.

**5.3 Calculation of Capital Expense Rate.** The amount per acre-foot of the Capital Expense Rate shall be determined as follows:

The sum of all Capital Improvement Costs and associated debt attributable to (i) the Metro System components of the Pure Water Program under this Exhibit F and (ii) upgrading of the Point Loma WTP to secondary treatment (if any)

less

\$1.8 billion, as adjusted for inflation each July 1 (starting on July 1, 2019) to reflect the annual percentage change in the Engineering News Record – Los Angeles construction cost index

multiplied by

1.42 (which estimates the total interest on a 30-year State Revolving Fund loan with an interest rate of 2.5%)

and divided by

The total number of acre feet per year of secondary treated effluent that is expected to be produced by Metro System facilities for the production of Repurified Water over a period of thirty (30) years.

The City shall estimate whether the Capital Expense Rate shall apply to the upcoming fiscal year (and its amount) prior to January 15 of each year, and the estimated amount of the Capital Expense Rate shall be effective on July 1 of the upcoming fiscal year.



For purposes of this Article V of Exhibit F, Capital Improvement Costs and associated debt shall include such costs incurred by the Metro System prior to the effective date of the Agreement.

#### **5.4 Year-End Adjustment**

At the end of each fiscal year during which the Capital Expense Rate applies, the City shall determine the actual Capital Improvement Costs and associated debt attributable to the Metro System components of the Pure Water Program under this Exhibit F and any upgrading of the Point Loma WTP to secondary treatment, the then-applicable interest amount for outstanding loans for the Metro System components of the Pure Water Program and Point Loma WTP upgrades, and the actual amount of secondary treated effluent produced by Metro System facilities and used for the production of Repurified Water.

Based on the actual cost, interest, and effluent information, the City will recalculate the Capital Expense Rate for the prior fiscal year. The City will credit any future charges or bill for any additional amounts due the quarter after the prior year costs have been audited.

#### **5.5 Duration; Expiration**

The duration and expiration of the Capital Expense Rate is set forth in Section 13.4 of the Agreement.

# ATTACHMENT 1 – PURE WATER PHASE I COST ESTIMATE

	Total	Percent
<b>Wastewater:</b>		
Morena Pump Station WW Force Main and Brine Conveyance	\$ 324,712,285.00	
North City Renewable Energy	\$ 33,794,784.00	
North City MBC Improvements	\$ 7,310,835.00	
North City WRP Expansion and PWF Influent Conveyance	\$ 176,882,842.00	
SDG&E	\$ 3,288,932.00	
<b>Total Wastewater</b>	<b>\$ 545,989,678.00</b>	<b>39%</b>
<b>Water:</b>		
Morena Pump Station WW Force Main and Brine Conveyance	\$ 46,504,958.00	
North City Renewable Energy	\$ 94,020,128.00	
Miramar WTP Pump and Plant Improvements	\$ 4,555,811.00	
North City Pure Water Facility	\$ 521,652,285.00	
North City WRP Expansion and PWF Influent Conveyance	\$ 45,236,959.00	
North City Pure Water Pipeline	\$ 109,411,952.00	
North City Pure Water Pump Station	\$ 20,469,509.00	
<b>Total Water</b>	<b>\$ 841,851,602.00</b>	<b>61%</b>
<b>Total Project</b>	<b>\$ 1,387,841,280.00</b>	
<b>Shared Projects Cost Allocations:</b>		
Morena Pump Station WW Force Main and Brine Conveyance		
Wastewater	\$ 324,712,285.00	87%
Water	\$ 46,504,958.00	13%
	<b>\$ 371,217,243.00</b>	
North City Renewable Energy		
Wastewater	\$ 33,794,784.00	26%
Water	\$ 94,020,128.00	74%
	<b>\$ 127,814,912.00</b>	
North City WRP Expansion and PWF Influent Conveyance		
Wastewater	\$ 176,882,842.00	80%
Water	\$ 45,236,959.00	20%
	<b>\$ 222,119,801.00</b>	
<b>Planning and Environmental Cost Allocation Based on Capital Cost Split:</b>		
Wastewater		39%
Water		61%

Note: The above estimates are based on 60% design of Phase I of the Pure Water Program.

# ATTACHMENT 13

METRO TAC

WORK PLAN

**Metro TAC & JPA Work Plan**  
**Active & Pending Items**  
**January 2021**  
*Updated Items in Red Italics*

Active Items	Description	Member(s)
SB 332 Working Group	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	6/19: Working Group has presented an alternative plan which the City is 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. <i>1/21 This group continues to meet as needed.</i>	Jerry Jones Jim Peasley Ed Spriggs Bill Baber Jill Galvez Metro TAC staff & JPA consultants
Phase II Pure Water Facilities Working Group	Created to work with SD staff & consultants on determining Phase II facilities and costs. <i>1/21: Alternatives have been narrowed to two.</i>	Roberto Yano 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 in Exhibit F associated with the Amended Restated Agreement. <i>1/21: Group will start meeting once the ARA is fully signed (January 2021) on a regular basis with a goal to complete all tasks by 1/22.</i>	Roberto Yano Karyn Keese Dexter Wilson SD staff & consultants
Phase II Disposal Agreement Working Group	This group was created to negotiate the 2 <sup>nd</sup> Amended Restated Agreement ARA2) which will incorporate the completed financial and other items from the first ARA. <i>1/21: Working Group is meeting with SD staff to set up framework for ARA2 process.</i>	Roberto Yano Eric Minicilli Karyn Keese Scott Tulloch Dexter Wilson SD staff & consultants
Industrial Wastewater Control Committee	Formed to work with San Diego on new standards for industrial waste discharge and cost allocation of same. <i>1/21: SD is trying to formalize a pretreatment rate case and has hired a consultant. Monthly updates are presented at TAC.</i>	<b>Beth Gentry</b> Interested JPA members Dexter Wilson SD Staff & Consultants

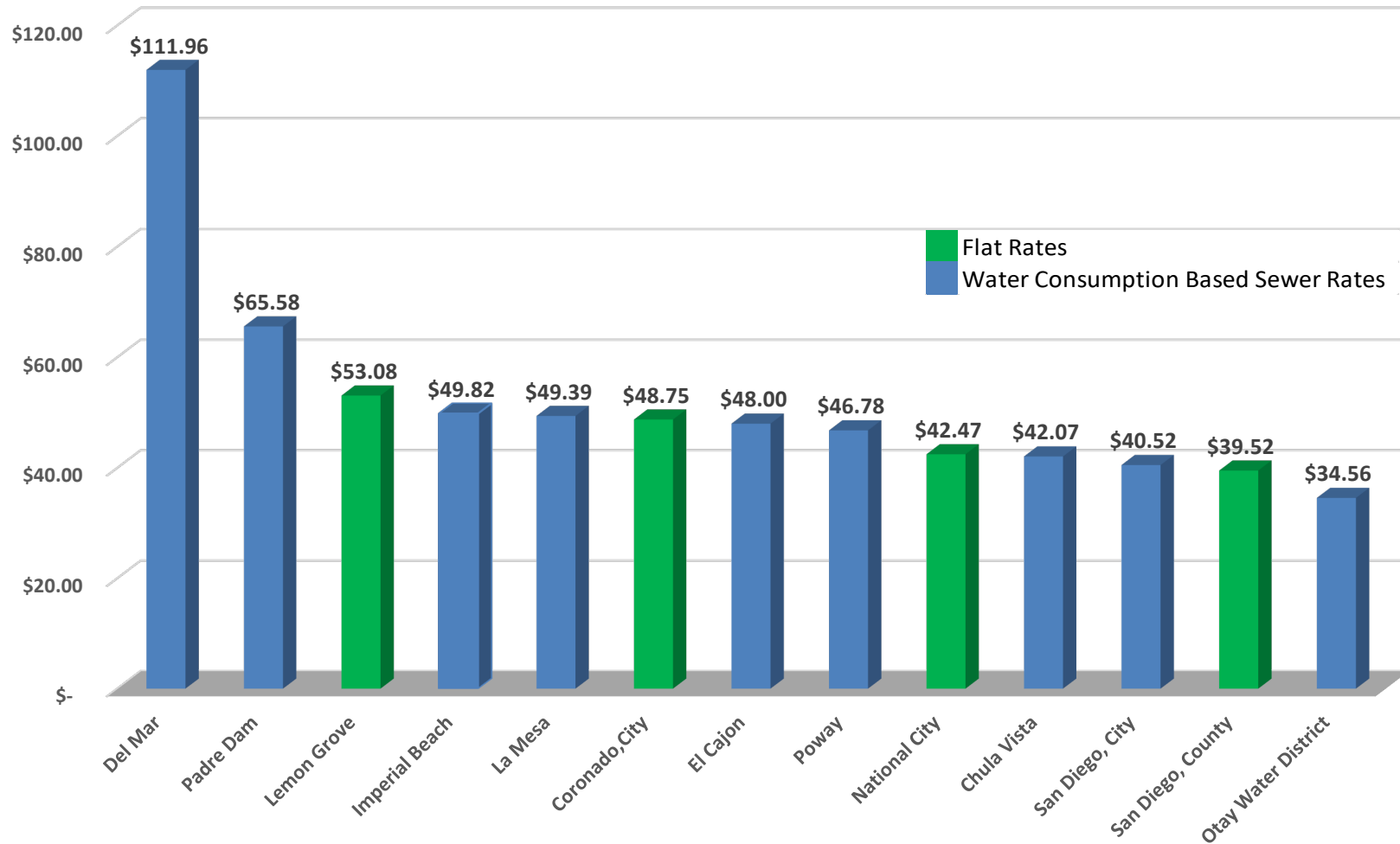


**Metro TAC & JPA Work Plan**  
**Active & Pending Items**  
**January 2021**  
***Updated Items in Red Italics***

Active Items	Description	Member(s)
JPA Website Update Working Group	The JPA Website, especially the New Director Manual, has not been updated for several years. <i>1/21: Working group has started revisions and is looking for technical members to assist.</i>	Roberto Yano Karyn Keese Lori Peoples
Exhibit E Audit	<i>1/21: FY2019 Exhibit E audit is in fieldwork stage. JPA team reviewing SD responses to sample questions.</i>	Karen Jassoy Karyn Keese Dexter Wilson
IRWMP	JPA Members should monitor funding opportunities at: <a href="http://www.sdirwmp.org">http://www.sdirwmp.org</a> <i>1/21: Beth Gentry continues to give monthly TAC updates. Details can be found in minutes of each meeting.</i>	Yazmin Arellano Beth Gentry
Changes in wastewater/water legislation	BBK, 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	BBK JPA members as appropriate



**Sewer Rate Comparison for Metro Participating Agencies**  
**Single Family Monthly Rates Based on 7 HCF of Water Usage**  
**Effective January 1, 2021 for FY 2021**



# 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 <sup>st</sup> email sent on 5/23/18 & 2 <sup>nd</sup> 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	RSP Metro Metering	4/22/2020
La Mesa	Hamed Hashemian		
Poway	Eric Heidemann Troy DePriest		
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	Eric Heidemann Troy DePriest		
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		