



METRO TAC AGENDA
(Technical Advisory Committee to Metro JPA)

TO: Metro TAC Representatives and Metro Commissioners

DATE: Wednesday, July 20, 2022

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 June 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, JPA consultants and approved San Diego City Staff and their consultants by Monday, July 18, 2022 by 5:00 p.m. If you do not receive the e-mail, please contact Lori Peoples at lpeoples@chulavistaca.gov PRIOR to the meeting date

1. Review and Approve MetroTAC Action Minutes for the Meeting of May 18, 2022 (**Attachment**)
2. Metro Commission/JPA Board Meeting Recap (Standing Item)
3. **PRESENTATION:** Strength Based Billing Framework Update (Adam Jones-SD/Benjamin Stewart-Stantec) (**Attachments**)
4. **ACTION:** Consideration and Possible Action to Recommend to the Metro Commission/Metro Wastewater JPA Approval of FY 2019 Audit "**additional attachments forthcoming**" (Karyn Keese/Adam Jones) (**Attachment**)
5. **ACTION:** Consideration and Possible Action to Recommend to the Metro Commission/Metro Wastewater JPA Approval of Contract with ADS Corp. for Wastewater Flow Monitoring Equipment, Software and Services (Huy Nguyen) (**Attachment**)
6. **UPDATE:** East County Advanced Water Purification Program (Yazmin Arellano)
7. **UPDATE:** Committee on Proposed Mutual Aid Agreement with Wastewater Agencies (Standing Item) (Peejay Tubongbanua)
8. **UPDATE:** Industrial Wastewater Control Committee (Standing Item) (Beth Gentry)
9. **UPDATE:** Metro Wastewater (Financial) (Standing Item) (Adam Jones)
10. **UPDATE:** Metro Wastewater (General) (Standing Item) (Tom Rosales)
 - A. Pt. Loma Wastewater Treatment Plant Road
 - B. April 10, 2020 Spill Update – Supplemental Environmental Project Review and Other Solutions
 - C. Capital Program Master Planning Process Overview and Status
11. **UPDATE:** 3rd Quarterly Metro Capital Improvement Program and Funding Sources (Standing Item) (Tung Phung)

12. **UPDATE**: Pure Water Program (Standing Item) (Amy Dorman & Tom Rosales)
 - A. Pure Water Construction Contracts Update (**Attachment**)
 - B. Secondary Equivalency (late summer) (Tom Rosales)
13. **UPDATE**: Financial (Standing Item) (Karyn Keze)
14. **UPDATE**: Residuals Agreements (Beth Gentry)
15. **UPDATE**: IRWMP Update (Standing Item) (Beth Gentry)
16. **ACTION**: New Members to IRWM Committee
17. **REPORT**: MetroTAC Work Plan (Standing Item) (Beth Gentry) (**Attachment**)
18. Review of Items to be Brought Forward to the Regular Metro Commission/Metro JPA Meeting (**August 4, 2022**)
19. Other Business of Metro TAC
20. Adjournment ([To the next Regular Meeting August 17, 2022](#))

Metro TAC 2022 Meeting Schedule

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

ATTACHMENT 1

ACTION MINUTES OF MAY 18, 2022



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

ACTION MINUTES

DATE OF MEETING: May 18, 2022

TIME: 11:00 AM

LOCATION: Zoom Meeting held Online

MEETING ATTENDANCE:

Members Present

Beth Gentry, Chula Vista
Leon Firsht, Coronado (ABSENT)
Joe Bride, Del Mar
Yazmin Arellano, El Cajon
Blake Berringer, El Cajon
Eric Minicilli, Imperial Beach (ABSENT)
Hamed Hashemian, La Mesa
Open Position, Lemon Grove (ABSENT)
Carla Hutchinson, National City
Robert Kennedy, Otay WD
Steven Beppler, Otay WD
Alan Carlisle, Padre Dam MWD
Paul Clarke, Padre Dam MWD
Mike Hindle, Padre Dam MWD
Karen Jassoy, Padre Dam MWD
Mark Niemiec, Padre Dam MWD
Seval Sen, Padre Dam MWD
Jessica Parks, Poway
Eliza Marrone, Poway
Eric Heidemann, Poway
Peejay Tubongbanua, County of San Diego

San Diego City Staff/Consultants

Tom Rosales, City of San Diego
Adam Jones, City of San Diego
Andrea Demich, City of San Diego
Mike Rosenberg, City of San Diego
Joy Newman, City of San Diego
Ghadeer Azez, City of San Diego
Stephanie Jaeger, City of San Diego
Dr. Ryan Kempster, City of San Diego
Lisa Celaya, City of San Diego
David Bryant, City of San Diego
Carolyn Gino, City of SD General Counsel

Others Present

Doug Owen, Stantec
Benjamin Stewart, Stantec
Victor Occiano, Brown & Caldwell
Laura Carpenter, Brown & Caldwell
Jackie Lauer, Brown & Caldwell
Dean Gipson, HDR

Sanjay Gaur, EC AWP JPA
Pete Wong, Citizen

Staff/Consultants Present

Karyn Keze, the Keze Group
Scott Tulloch, NV5
Julian Palacios, NV5
Dexter Wilson, Wilson Engineering
Lee Ann Jones-Santos, Treasurer
Lori Anne Peoples, MetroTAC

1. Review and Approve MetroTAC Action Minutes for the Meeting of April 20, 2022

ACTION: Motion by Jessica Parks seconded by Joe Bride the Minutes be approved. Motion carried unanimously.

2. Metro Commission/JPA Board Meeting Recap

MetroTAC Chair Gentry reported that the change orders, budget and contract amendments discussed at the last TAC meeting were approved by the JPA.

A special meeting took place on May 13th with one item, closed session and there was no reportable action taken at that meeting.

3. PRESENTATION: Update on Local Limits Evaluation for the Pure Water Program

Chair Gentry stated that this item was planned to go to the Pretreatment Committee prior to TAC but in the interest of time and managing resources, the topic is bypassing the committee and being presented today at TAC. The Local Limits Evaluation which is an investigation of the inputs into the treatment systems are required as part of the permitting process. Doug Owen from Stantec, the City of San Diego consultant provided a brief verbal overview of his PowerPoint presentation (included in the agenda package) including the background and results.

Jackie Lauer of Brown & Caldwell provided additional information on the selected pollutants of concern (POC) for stage 2 analysis. They are trying to get a complete data set so that they are fully looking at the process but are hopeful that many drop out.

4. UPDATE: East County Advanced Water Purification Program

The MetroTAC at a prior meeting had requested that EC AWP provide regular updates on their project at TAC. The regional requirement is to produce 83 mgd of potable reuse so understanding this project and its status is important to our discussions. Mark Niemiec provided a brief verbal update noting that tomorrow is the date where they are hopeful of getting a positive vote. They are building 11.5 mgd, eliminating discharge of 15 mgd/day of Pt. Loma outfall so are assisting the region in meeting the 83 mgd requirement. The benefits are that there are no contributions towards the capital from the City of San Diego or PA's required. Tomorrow the EC AWP JPA will be asking the board to amend the progressive design build agreements for Packages 1,2,3 to perform Phase 2. This will include an initial notice to proceed with Phase 2.

Bob Kennedy inquired about the City of San Diego pipeline commitment being "endangered". Mark responded that was the brine line and it does not jeopardize the vote tomorrow. That item is in package 4.

5. DISCUSSION: Flow Options & Draft Participating Agency Pure Water Capital Cost Comparison

Dexter Wilson presented a brief verbal overview of the PowerPoint (included in the agenda packet). He stated this was being presented to TAC to give a preliminary understanding of what they may be dealing with. The TAC team had prepared the presentation based on information requested. He noted that several sections of the ARA are being addressed in the 2nd Amendment including the following:

- 2.9.1 This Agreement and exhibit F specifically contemplate Phase 1 of the Pure Water Program, which consists of new, expanded, or modified Metro System Facilities and Water Repurification System facilities designed to produce only up to 30 million gallons per day of Repurified Water ("Phase 1"). Within one year of the Effective Date of this Agreement, the Parties intend to meet and negotiate in good faith regarding one or more amendments to this Agreement or its Exhibits to address:

2.9.1.1 The allocation of specific Pure Water Program costs between City's water utility and the Metro System for such later phases;

2.9.1.2 Alternative billing methodologies for Metro System Costs

The possible options are listed as A, B C and D which he thoroughly covered, He noted that the path chosen will impact the 2nd ARA due to the ownerships. The first ARA assumed Path A as moving forward. Paths B, C and D change the capacity rights and distribution. In order to complete the 2nd ARA they need to know which path will be followed.

Hamed requested the graphic include projects related to flow and one with projects related to costs.

Sanjay Gaur of Raftelis and the EC WAP stated that option C was not required.

The City of El Cajon group is in disagreement on the residuals agreement and the City of San Diego does not believe capacity is in place at this time.

Dexter noted that the slide with the draft \$750M EC AWP comparison of A & B does not include the value of the water produced and that all costs are wastewater only. He then explained his calculations in Exhibit G.

Chair Gentry noted in the appendix a clarification letter from Karen Jassoy in the spirit of coordination asking Padre to provide any additional information that should have been provided.

It was restated that an understanding of the options being contemplated by the parties involved is necessary. The information is evolving and the TAC team is working to relay the information, however, because the information evolving is draft, the team believes that getting the ideas out for discussion is important even if not yet finalized. Dexter provided the Pathways to reaching the Regional 83 MGD, followed by a description of the draft table on capital costs for two of the options.

6. DISCUSSION: Sanitary Sewer Management – Performance Risk and System Optimization

A PowerPoint presentation was made by City of San Diego employee Mike Rosenberg. The presentation was a follow up to questions from TAC members about what programs and plans were in place to prevent a sanitary sewer spill like the one experienced in April 2020.

Chair Gentry inquired as to the risk and consequences of a failure. Ghadeer Azez of the City of San Diego stated that each item has a rating from high to low that helps prioritize when setting the cleaning and maintenance schedules.

7 ACTION: Recommend Approval to Send Clarification Letter to East County Advanced Water Purification (AWP) JPA Regarding MetroTAC Staff's Limited Involvement in the Financial Analysis of the East County Advanced Water Purification Project

Chair Gentry read the letter into the record.

Proposed amendment to the letter included correction to read “facility. Adding the regional Brine Line to Exhibit A without identifying a direct benefit to the Participating Agencies would be inconsistent with the spirit of the Metro Agreement:

ACTION: Motion by Joe Bride, seconded by Jessica Parks to approve sending the letter as amended. Motion carried unanimously.

8. ACTION: Consideration and Possible Action to Recommend to the Metro Commission/Metro Wastewater JPA Approval of the Following Contract Extensions for the Pure Water Program

A. North City Metropolitan Biosolids Center Improvements for Design and Engineering Construction Professional Services with CH2M Hill

B. Pure Water Project Construction Document Management Software Application provided by PMWeb, Inc.

Due to Amy Dorman being absent, Andrea Demich, City of San Diego presented a brief overview of items 8A and 8B.

Chair Gentry noted that the cost split with \$500,000 for Pure Water Sewer and \$500,000 for Water did not take into consideration the updated agreed upon split of 38% wastewater and 62% water.

ACTION: Motion by Jessica Parks, seconded by Joe Bride to approve the contract extensions for the Pure Water Program contingent to the cost split being amended from 50/50 to 38/62. Motion carried unanimously.

9. ACTION: Consideration and Possible Action to Recommend to the Metro Commission /Metro Wastewater JPA Approval of the First Amendment to the Agreement with Regents of the University of California, San Diego’s Scripps Institution of Oceanography, for Continued Support for Real-Time Oceanographic Mooring Systems for the Point Loma and South Bay Ocean Outfalls

Dr. Ryan Kempster provided a verbal overview of his PowerPoint presentation (included in the agenda).

ACTION: Motion by Yazmin Arellano, seconded by Joe Bride to approve the first amendment to the agreement. Motion carried unanimously.

10. ACTION: Consideration and Possible Action to Recommend to the Metro Commission /Metro Wastewater JPA Approval of the Execution of Polydyne Inc. Contracts for Mannich Polymer and Anionic Polymer

David Bryant, City of San Diego provided a verbal overview of his PowerPoint presentation (included in the agenda) on the two contracts. They are both requested to be approved for five years. The Total estimated expense to Metro JPA for both is \$8,195,215.

ACTION: Motion by Yazmin Arellano, seconded by Joe Bride to approve the contracts. Motion carried unanimously.

11. UPDATE: Committee on Proposed Mutual Aid Agreement with Wastewater Agencies

Committee Chair Peejay Tubongbanua stated that the committee was still working on the draft agreement hoped to get it out to the other PAs for review shortly,

12. UPDATE: Industrial Wastewater Control Committee

MetroTAC Chair Gentry stated that the SDIW Control group had sent a letter to all Industrial Waste Permit holders a copy of which is included in the agenda package. They are continuing to make progress on the Pretreatment Agreement and the Local Limits update was provided earlier in this meeting.

13. UPDATE: Metro Wastewater (Financial)

- Audit Status
Adam Jones, City of San Diego stated that he had spoken with MGO earlier this week and the final audit was still at the final partner review and they anticipate they will issue their final opinion by the end of the month.
- Budget Item Line Item Follow Up: Startup/O&M
 - Example of Stantec of Task Order Item
 - General Examples

Adam stated that he was working with the TAC Chair & Vice Chair and plan on having Benjamin Stewart of STANTEC provide a presentation on the Alternate Billing Method at the next meeting. They are open for any questions for inclusion in the June presentation. Ben will be working on building a model and the concept is provided by Karyn Keze, Dexter Wilson and Stantec doing independent studies.

14. UPDATE: Metro Wastewater (General)

Tom Rosales provided the following updates.

a. Pt. Loma Treatment Plant Road

They have been monitoring this since the end of last year. HDR is presenting a report on the 1st Quarter Activity next week and the City of San Diego is working on an RFP to develop a long term strategy.

b. April 10, 2020, Spill Update

The City of San Diego has received a revised settlement offer from Regional and will have to respond back soon.

c. Capital Program Master Planning Process Overview and Status

The City's selection of a consultant for the Master Plan update, CDM is moving forward to the San Diego City Council for approval.

15. UPDATE: Quarterly Metro Capital Improvement Program and Funding Sources

The next quarterly update will be provided in June.

16. UPDATE: Pure Water Program

a. **Pure Water Construction Contracts Update** (the next quarterly update will be presented in July)

b. **General Update**

Tom Rosales stated that OPRA II which was intended to simplify permitting had passed the house, brought support and went to the Senate here it did not pass. They are going to work with the commission and legislation group this summer and will determine if they want to introduce this as a separate bill or attach it to something else.

17. UPDATE: Financial

Chair Gentry noted that Karyn was on a much needed vacation and would be back for next months meeting.

18. REPORT: Integrated Regional Water Management (IRWM) Regional Advisory Committee Update

MetroTAC Chair Gentry stated there would not be a report until July as the next meeting is in June.

19. ACTION: Solicit Nominations and Recommend Approval of MetroTAC Representatives to Serve on the IRWM Regional Advisory Committee

Chair Gentry stated that the IRWM RAC reviews regional water issues such as wastewater; storm water; water; reuse etc. They also recommend projects for grant funding for some of the statewide grants in a typical amount of \$16M annually. Since she and Yazmin have taken on TAC roles and are the TAC current representatives, they need to find replacements to serve. If replacements are not found, we will lose our Metro voting options. She noted that the time commitment is minimal and is every other month for about 2 hours. She then requested nominations who could also contact her to discuss the position prior to recommended appointment.

20. REPORT: MetroTAC Work Plan

Chair Gentry noted that the MetroTAC Work Plan was attached to the agenda, and no updates were made since the last meeting.

21. Review of Items to be Brought Forward to the Regular Metro Commission/Metro Wastewater JPA Meeting June 2, 2022

Chair Gentry noted that the following items would be moving forward to the Metro JPA:

Item 3: Local Limits Presentation

Item 6: Sewer Management Presentation

Item 8: Biosolids Design and Software Contract Extensions

Item 9: South Bay Outfall Mooring systems – 1st Amendment to Contract
Item 10: Polymer contract executions

22. Other Business of MetroTAC

MetroTAC Chair Gentry noted that the Metro JPA is considering meeting in person and/or a hybrid meeting. She is looking into meeting options and inquired as to whether this was of interest to TAC.

23. Adjournment to the Next Regular Meeting June 15, 2022

There being no further business the meeting was adjourned at 1:12 p.m.

ATTACHMENT 3

STRENGTH BASED BILLING FRAMEWORK UPDATE



Strength Based Billing Framework Update

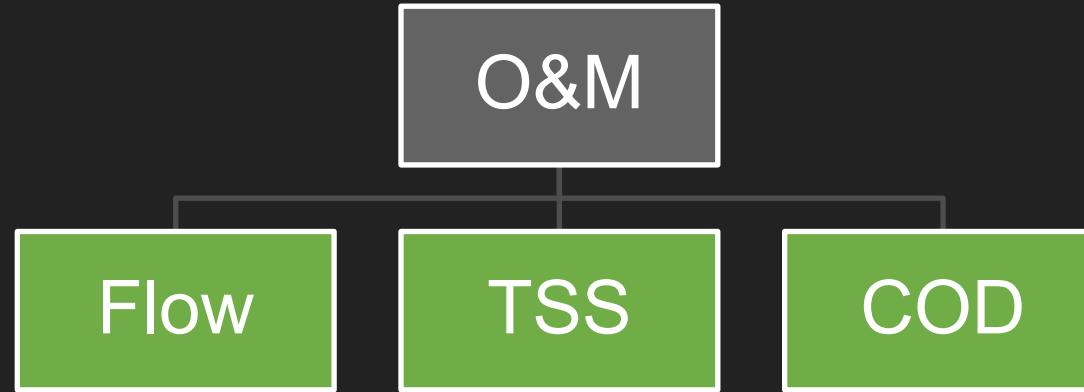
July 20, 2022



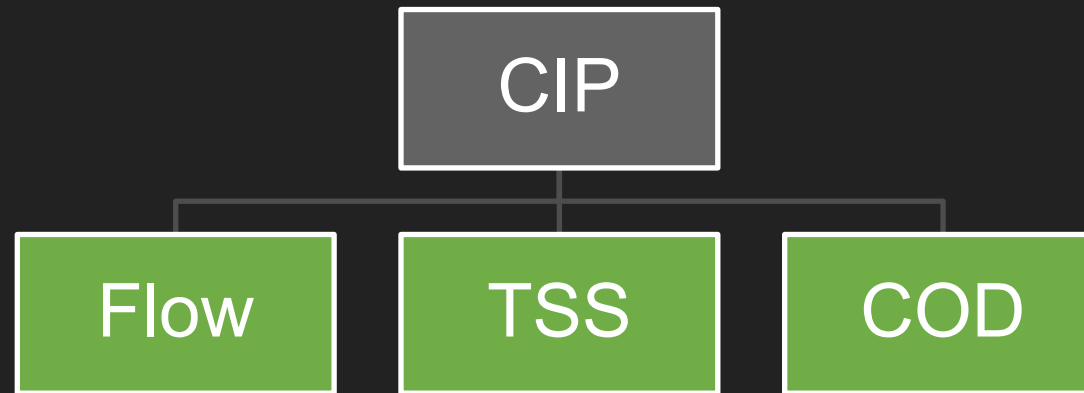
Current and Future Framework

Functional-Design Allocations

Functional

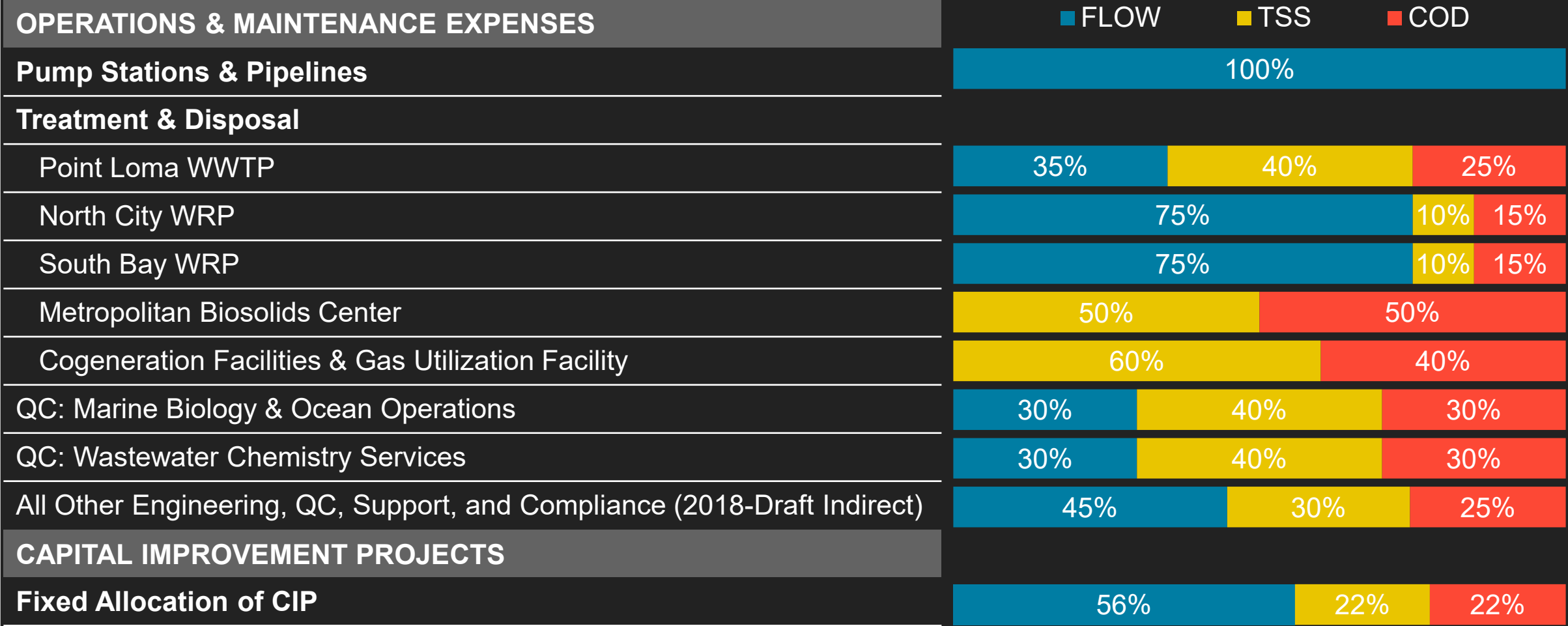


Design





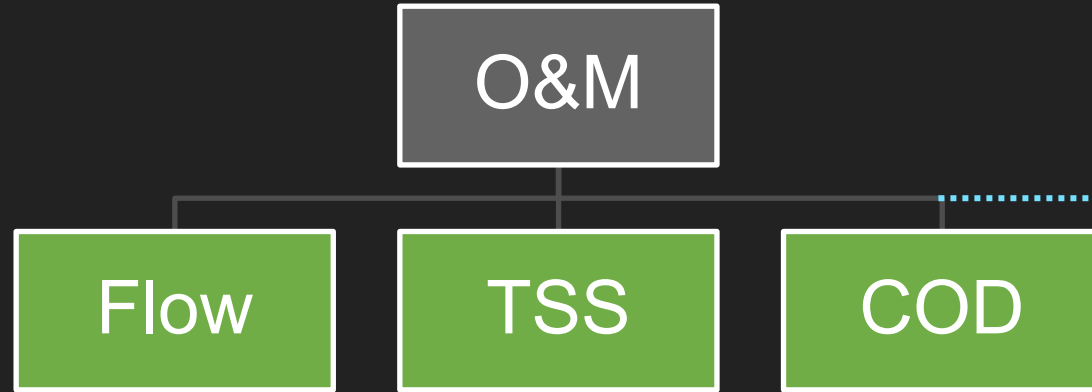
Current Framework: Metro System Wastewater



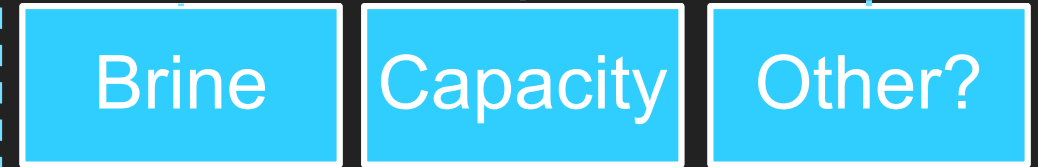


Functional-Design Allocations

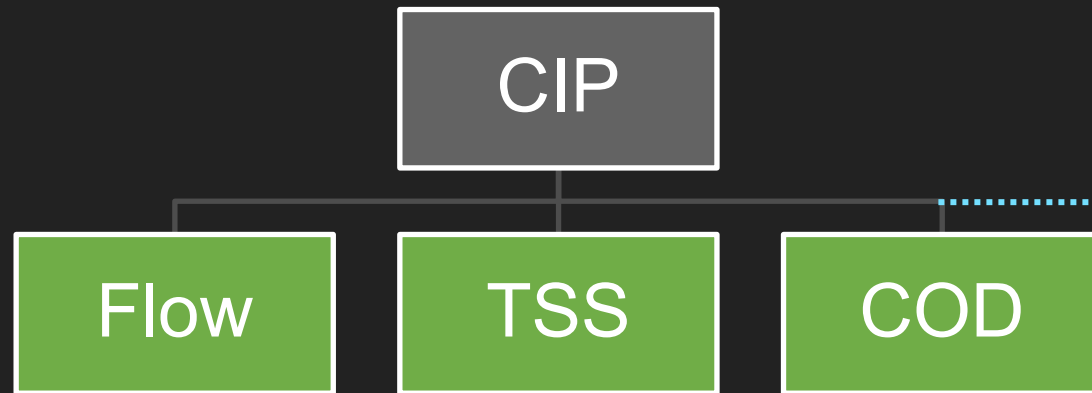
Functional



Potential New Allocation Factors



Design





Functional-Design Allocations

How do we get there?

Design Basis

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

Functional Basis

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



Current & Future Units of Service

DISTRIBUTION OF WASTEWATER SYSTEM OWNERSHIP AND USE
ADDITIONAL DETAIL

AGENCY	OWNERSHIP					USE				
	Average Flow, MGD	Peak Flow, MGD	Brine	TSS ¹ , 1,000 lbs.	COD ¹ , 1,000 lbs.	Average Flow, MGD	Peak Flow, MGD	Brine	TSS, 1,000 lbs.	COD, 1,000 lbs.
Chula Vista	19.58	40.99	0	23,288	43,634	15.47	15.47	0	18,402	34,480
Coronado	2.44	5.10	0	3,248	4,605	1.39	1.39	0	1,846	2,617
Del Mar	0.03	0.06	0	40	43	0.27	0.27	0	363	391
East Otay Mesa	4.30	9.01	0	5,033	8,803	0.26	0.26	0	299	523
El Cajon	0.99	15.90	0.6	11,202	17,560	6.44	6.44	0.6	9,499	14,890
Imperial Beach	2.31	4.83	0	2,111	3,773	2.08	2.08	0	1,900	3,396
La Mesa	4.81	10.08	0	5,193	8,694	4.30	4.30	0	4,635	7,760
Lakeside/Alpine	0.83	14.09	0.6	8,471	14,538	2.88	2.88	0.6	3,627	6,225
Lemon Grove	2.29	4.79	0	2,275	4,449	1.58	1.58	0	1,576	3,082
National City	3.91	8.19	0	4,028	8,453	3.80	3.80	0	3,915	8,216
Otay	0.38	0.80	0	1,170	1,060	0.31	0.31	0	958	868
Padre Dam	0.00	5.20	0.3	5,262	8,119	2.45	2.45	0.3	5,192	8,011
Poway	3.11	6.51	0	3,592	5,607	2.34	2.34	0	2,701	4,216
Spring Valley	8.35	17.49	0	9,484	16,789	4.34	4.34	0	4,933	8,733
Wintergardens	0.92	1.93	0	1,267	1,978	0.92	0.92	0	1,265	1,975
SUBTOTAL	54.3	145	1.5	85,664	148,107	48.8	48.83	1.5	61,111	105,383
San Diego										
Wastewater	110.16	230.62	0	124,162	240,238	105.71	105.71	0	119,153	230,547
Water	0.00	0.00	14.3	0	0	0.00	0.00	14.3	0	0
SUBTOTAL	110.2	231	14.3	124,162	240,238	105.7	105.71	14.3	119,153	230,547
TOTAL	164.4	376	15.8	209,825	388,345	154.5	154.55	15.8	180,264	335,930

1. Calculated based on increasing use proportionally based on ownership average flow versus use average flow.



Project Approach



Process & Implementation Considerations

Current system is tried & tested with buy-in from PA's

- Aim to align proposed framework to existing billing procedures & workflows
- Bill based on measurable parameters
- Identify any potential areas for improvement during study

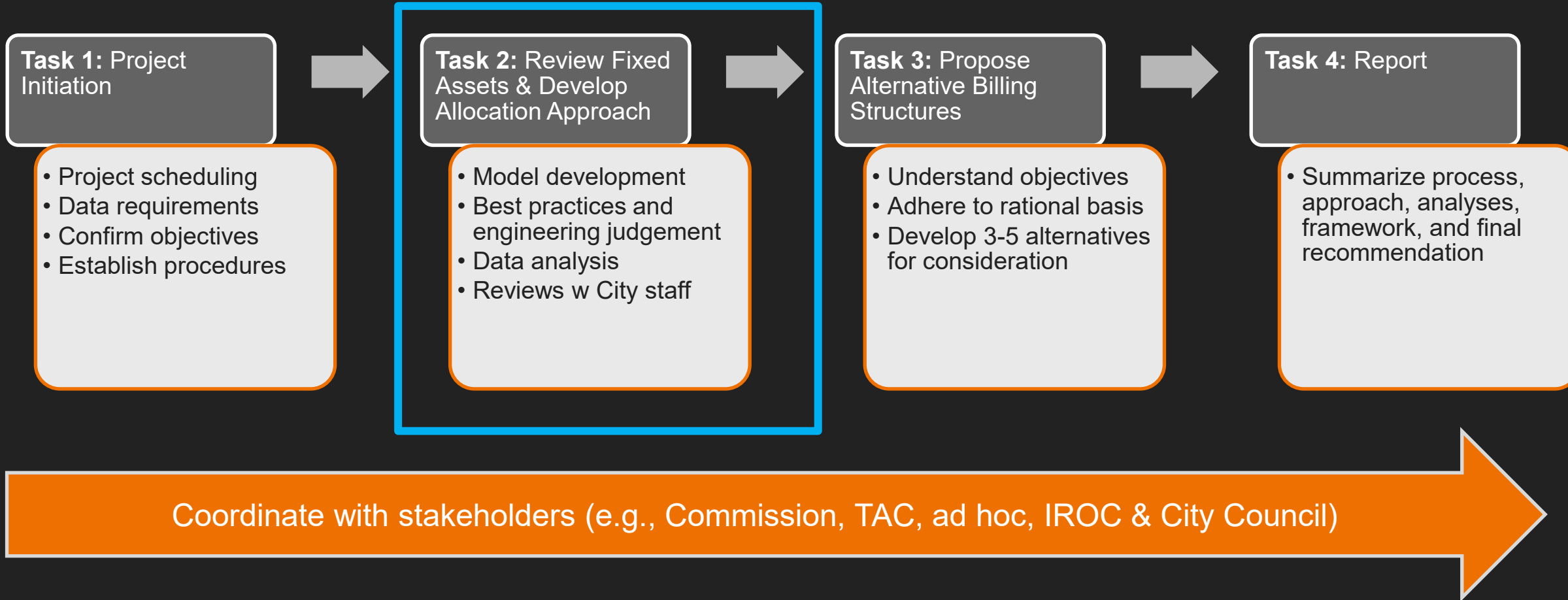
Clearly define terms & parameters, their basis, and process for modifications

- Brine – Acceptable constituents and ranges of strength
- Capacity – Means of estimating peak flows with criteria and process for changes
- Others – Allocation of centrate, basis for fixed vs variable charges, etc.

Provide approach to modify allocations & rates as system changes

- Need framework that works while regional dynamics & networks evolve
- Define triggers or milestones for reviews and updates

Approach Overview





Thank you

Benjamin Stewart

Senior Manager

Sacramento, California

Benjamin.A.Stewart@Stantec.com

ATTACHMENT 4

FY 2019 EXHIBIT E AUDIT

***(additional
attachments
forthcoming)***

**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, 2019



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, 2019

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



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

To the Honorable Mayor and Members of the 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, 2019, and the related notes to the Schedule, as listed in the table of contents.

Management's Responsibility for the Schedule

The PUD's 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 financial statements, 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 present 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, 2019, in accordance with the basis of accounting described in Note 3

Basis of Accounting

We draw attention to Note 3 of the Schedule, which describes the basis of accounting. 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 comprehensive 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 July 13, 2022, 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 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 dark ink that reads "Macias Gini & O'Connell LLP". The signature is written in a cursive, flowing style.

San Diego, California
July 13, 2022

CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT
Schedule of Allocation for Billing to Metropolitan Wastewater Utility
For the Fiscal Year Ended June 30, 2019

	Operating Expenses		
	Municipal System	Metropolitan System	Total
Transmission			
Main Cleaning	\$ 11,744,832	\$ -	\$ 11,744,832
Sewer Pump Stations.....	4,961,891	-	4,961,891
Other Pump Stations.....	5,440,216	1,057,301	6,497,517
Pump Station 1.....	-	2,775,153	2,775,153
Pump Station 2.....	-	7,232,088	7,232,088
Other Muni Agencies.....	5,726,357	-	5,726,357
Pipeline Maintenance and Repair.....	13,847,695	-	13,847,695
Wastewater Collection (WWC) Engineering and Planning.....	2,281,822	-	2,281,822
Total Transmission.....	44,002,813	11,064,542	55,067,355
Treatment and Disposal			
Point Loma Wastewater Treatment Plan (PTLWWTP).....	-	25,075,065	25,075,065
North City Water Reclamation Plant (NCWRP).....	-	11,452,952	11,452,952
South Bay Water Reclamation Plant (SBWRP).....	-	9,290,334	9,290,334
Metropolitan Biosolids Center (MBC).....	-	16,164,133	16,164,133
Cogeneration Facilities.....	-	869,642	869,642
Gas Utilization Facility (GUF).....	-	1,259,107	1,259,107
Wastewater Treatment and Disposal (WWTD) Plant Engineering.....	-	810,533	810,533
Total Treatment and Disposal.....	-	64,921,766	64,921,766
Quality Control			
Sewage Testing & Control.....	429,232	400,812	830,044
Marine Biology and Ocean Operations.....	849	5,475,033	5,475,882
Wastewater Chemistry Services.....	1,078,537	5,993,397	7,071,934
Industrial Permitting and Compliance.....	4,365,332	16,456	4,381,788
Total Quality Control.....	5,873,950	11,885,698	17,759,648
Engineering			
Program Management and Review.....	3,240,979	13,959,228	17,200,207
Environmental Support.....	1,426,204	190,545	1,616,749
Total Engineering.....	4,667,183	14,149,773	18,816,956
Operational Support			
Central Support: Clean Water Operations Management Network (Comnet)	205,985	3,786,241	3,992,226
Operational Support.....	1,456,037	4,899,888	6,355,925
Total Operational Support.....	1,662,022	8,686,129	10,348,151
General and Administrative			
Business Support Administration.....	20,558,673	21,313,755	41,872,428
Operating Division Administration.....	6,378,163	5,667,115	12,045,278
Total General and Administrative.....	26,936,836	26,980,870	53,917,706
TOTAL EXPENSES.....	83,142,804	137,688,778	220,831,582
CAPITAL IMPROVEMENT EXPENSE.....	67,783,462	42,637,176	110,420,637
DEBT SERVICE ALLOCATION.....	33,721,927	74,984,756	108,706,683
METROPOLITAN SYSTEM INCOME CREDITS.....			
Operating Revenue.....	-	(15,074,496)	(15,074,496)
Capital Improvement Project (CIP) - Revenue Bond Issue.....	-	-	-
Operating - Grant Revenue.....	-	-	-
CIP - Grant/SRF Revenue.....	-	(25,325,095)	(25,325,095)
Release of 2009 Series A&B Bond Reserves	(25,249,850)	(37,422,144)	(62,671,994)
TOTAL METROPOLITAN SYSTEM INCOME CREDITS.....	(25,249,850)	(77,821,735)	(103,071,585)
TOTAL ALLOCATION FOR BILLING PURPOSES.....	\$ 159,398,343	\$ 177,488,975	\$ 336,887,317

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, 2019

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) 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 Annual Comprehensive 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, and in conformity 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, 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, 2019

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, 2019, revenue sharing payments for FY 2019 of approximately \$3.6 million were made 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 treatment and disposal 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, 2019

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 2019 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 2019 the following Pure Water Program expenses were incurred that were charged to the Metropolitan Wastewater Fund:

	<u>FY 2019 Pure Water Program Expenses</u>
Total operating and maintenance expenses	<u>\$ 6,681,916</u>
Capital improvement expenses:	
Morena Blvd. Pump Station and Pipelines	1,558,180
North City Water Reclamation Plant Expansion	2,094,861
Metropolitan Biosolids Center (MBC Improvements)	<u>838,710</u>
Total capital improvement expenses	<u>4,491,751</u>
Total Pure Water Program – Metropolitan Wastewater Fund expenses	<u>\$ 11,173,667</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. It is anticipated that final cost allocation will be completed after substantial completion of Phase 1 of the Pure Water Program.



**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 Members of the City Council
City of San Diego, California

We have audited, 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, 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, 2019, and the related notes to the Schedule, and have issued our report thereon dated July 13, 2022. 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) as a basis for designing 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 Schedule. 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 entity'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 entity'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
July 13, 2022

Fiscal Year 2019 Exhibit E Summary Staff Report

Fiscal Year 2019’s “Schedule of Allocation for Billing to Metropolitan Wastewater Utility and Independent Auditors Report” (Exhibit E Audit) was completed on July 13, 2022. A copy of the Auditor’s Report and the reconciliation of Fiscal Year 2019 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 \$177.5 million is approximately (\$53.9) million (23%) lower than Fiscal Year 2018.

This report is primarily going to discuss the major differences between the estimates for FY 2019 and the actual activity for the year.

TABLE B

- The year-end reconciliation shows the total PA share of the Fiscal Year 2019 operations and CIP costs less income credits of \$57.8 million. Fiscal Year 2019 PAs were collectively been billed \$75 million which results in surplus of \$17.3 million owed to the PAs. Table B reflects the individual PA’s annual contributions, actual expenses, and reflect either a credit amount (refund) or debit owed.
- Approximately \$3 million of the refund is due to the allocations of cost between the City and the participating agencies due to the breakout between the estimated units of service and the actuals units of service. The billings had assumed 65.78% of system usage would be based on City usages, where the final allocation was 67.46%

EXPENDITURES & INCOME CREDITS

Capital Improvements- \$48 million

There were two primary factors that contributed to the change in assumed capital improvement.

- The Budget had assumed that FY 2019 would be the beginning of major construction of the Pure Water project, which ended up being delayed 18 months due to litigation from the construction industry. The budget assumed almost \$66 million would be spent in that fiscal year, whereas only \$4.5 million was spent. The estimate used in the budget was \$19.3 million, which attempts to match cash expenses with the proceeds from State Revolving Fund (SRF) Loans.
- Pay go Assumptions/ use of Bond Reserves: The expenditures in the capital budget were generally covered with grant and SRF funding for baseline capital projects (non-pure water) and a one-time gain from release of 2009 services bond reserves, reduce the amount of contributions from metro system users.

TABLE A

CITY OF SAN DIEGO - PUBLIC UTILITIES DEPARTMENT
FISCAL YEAR 2019 UNIT COSTS
FUNCTIONAL-DESIGN COST ALLOCATION METHOD

TREATMENT PARAMETER	FY 2019 BUDGET		UNITS	COST PER UNIT
WASTEWATER FLOW	AMOUNT \$86,121,078	% 48.5%	60,996 (a)	\$1,411.92 /per Million Gallons
SUSPENDED SOLIDS	\$48,601,184	27.4%	191,644 (b)	\$253.60 /per Thousand Pounds
CHEMICAL OXYGEN DEMAND	\$42,766,713	24.1%	352,105 (c)	\$121.46 /per Thousand Pounds
TOTAL	\$177,488,975	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
DISTRIBUTION OF SYSTEM WASTEWATER COSTS - FISCAL YEAR 2019
FUNCTIONAL-DESIGN BASED ALLOCATION METHOD

AGENCY	ALLOCATION OF COSTS BY FLOW, SUSPENDED SOLIDS AND CHEMICAL OXYGEN DEMAND				TOTAL PAID FOR FY 2019	DIFFERENCE
	FLOW (a)	SS (a)	COD (a)	TOTAL FLOW, SS & COD		
CHULA VISTA	\$8,737,702	\$5,338,090	\$4,448,107	\$18,523,899	\$22,307,280	(\$3,783,381)
CORONADO	\$687,323	\$383,096	\$293,073	\$1,363,492	\$3,231,556	(\$1,868,064)
DEL MAR	\$24,435	\$14,256	\$7,909	\$46,600	\$42,648	\$3,952
EAST OTAY MESA	\$140,997	\$76,629	\$63,856	\$281,482	\$271,860	\$9,622
EL CAJON	\$3,674,301	\$2,917,092	\$1,981,407	\$8,572,800	\$10,785,776	(\$2,212,976)
IMPERIAL BEACH	\$1,166,747	\$489,314	\$440,566	\$2,096,627	\$2,676,716	(\$580,089)
LA MESA	\$2,517,651	\$1,127,515	\$1,114,633	\$4,759,799	\$5,791,652	(\$1,031,853)
LAKESIDE/ALPINE	\$1,677,719	\$943,012	\$789,096	\$3,409,827	\$4,072,536	(\$662,709)
LEMON GROVE	\$928,769	\$449,140	\$412,356	\$1,790,265	\$2,921,884	(\$1,131,619)
NATIONAL CITY	\$2,092,893	\$1,041,309	\$1,001,400	\$4,135,602	\$5,351,432	(\$1,215,830)
OTAY	\$214,338	\$281,468	\$114,392	\$610,198	\$620,936	(\$10,738)
PADRE DAM	\$1,115,659	\$1,946,560	\$1,099,924	\$4,162,143	\$5,428,800	(\$1,266,657)
POWAY	\$1,289,618	\$656,505	\$512,475	\$2,458,599	\$3,545,708	(\$1,087,109)
SPRING VALLEY	\$2,256,773	\$1,203,432	\$1,011,259	\$4,471,465	\$6,580,440	(\$2,108,975)
WINTERGARDENS	\$515,371	\$327,947	\$231,266	\$1,074,584	\$1,413,996	(\$339,412)
SUBTOTAL PARTICIPATING AGENCIES	\$27,040,295	\$17,195,365	\$13,521,721	\$57,757,381	\$75,043,220	(\$17,285,839)
SAN DIEGO	\$59,080,783	\$31,405,818	\$29,244,992	\$119,731,594		
TOTAL	\$86,121,078	\$48,601,184	\$42,766,713	\$177,488,975		

TABLE C

CITY OF SAN DIEGO - PUBLIC UTILITIES DEPARTMENT
SYSTEM WASTEWATER CHARACTERISTICS - FISCAL YEAR 2019
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)	2019 FLOWS million gallons	SS thousand pounds	COD thousand pounds	2019 FLOWS million gallons	Flow Difference (c)	FY 2019 Billing Flows	SS thousand pounds	COD thousand pounds
CHULA VISTA	16.324	311	767	5,958.400	15,480	38,148	6,377.591	(189.058)	6,188.533	21,049	36,622
CORONADO	1.284	284	643	468.698	1,111	2,513	501.672	(14.872)	486.801	1,511	2,413
DEL MAR	0.046	297	488	16.663	41	68	17.835	(0.529)	17.306	56	65
EAST OTAY MESA	0.263	277	683	96.149	222	548	102.913	(3.051)	99.862	302	526
EL CAJON	6.865	405	813	2,505.574	8,459	16,993	2,681.848	(79.501)	2,602.347	11,503	16,313
IMPERIAL BEACH	2.180	214	569	795.626	1,419	3,778	851.601	(25.245)	826.356	1,929	3,627
LA MESA	4.704	228	667	1,716.832	3,270	9,559	1,837.617	(54.475)	1,783.142	4,446	9,177
LAKESIDE/ALPINE	3.134	286	709	1,144.067	2,735	6,767	1,224.556	(36.301)	1,188.255	3,718	6,497
LEMON GROVE	1.735	246	669	633.344	1,302	3,536	677.902	(20.096)	657.806	1,771	3,395
NATIONAL CITY	3.910	254	721	1,427.182	3,020	8,588	1,527.589	(45.284)	1,482.304	4,106	8,245
OTAY	0.400	669	804	146.161	816	981	156.444	(4.638)	151.806	1,110	942
PADRE DAM	2.084	889	1,486	760.788	5,645	9,433	814.312	(24.140)	790.172	7,676	9,056
POWAY	2.409	259	599	879.414	1,904	4,395	941.284	(27.904)	913.380	2,589	4,219
SPRING VALLEY	4.216	272	675	1,538.935	3,490	8,673	1,647.204	(48.830)	1,598.374	4,745	8,326
WINTERGARDENS	0.963	324	676	351.441	951	1,983	376.166	(11.151)	365.015	1,293	1,904
SUBTOTAL PARTICIPATING AGENCIES	50.519	324	754	18,439.276	49,866	115,964	19,736.533	(585.073)	19,151.460	67,805	111,327
SAN DIEGO	110.379	271	746	40,288.277	91,075	250,810	43,122.675	(1,278.336)	41,844.340	123,840	240,779
REGIONAL SLUDGE RETURNS	11.320	285	173	4,131.656	9,822	5,951					
FLOW DIFFERENCE	(5.105)			(1,863.409)	40,882	(20,620)					
TOTAL	167.112	377	692	60,995.800	191,644	352,105	62,859.209	(1,863.409)	60,995.800	191,644	352,105

TABLE D

FISCAL YEAR 2019 UNIT COSTS
ALLOCATION OF FISCAL YEAR 2019
FUNCTIONAL-DESIGN BASED ALLOCATION METHOD

DESCRIPTION	FY 2019 ACTUAL COSTS	ALLOCATION OF COSTS						TOTAL COSTS
		FLOW %	FLOW COSTS	SS %	SS COSTS	COD %	COD COSTS	
<u>OPERATION AND MAINTENANCE :</u>								
TRANSMISSION AND SYSTEM MAINTENANCE	\$11,064,542	100.0%	\$11,064,542	0.0%	\$0	0.0%	\$0	\$11,064,542
OPERATIONS & MAINTENANCE	\$61,982,484	39.3%	\$24,333,737	32.6%	\$20,186,421	28.2%	\$17,462,326	\$61,982,484
TECHNICAL SERVICES	\$11,468,430	30.0%	\$3,440,529	40.0%	\$4,587,372	30.0%	\$3,440,529	\$11,468,430
COGENERATION	\$748,193	0.0%	\$0	60.0%	\$448,916	40.0%	\$299,277	\$748,193
METRO ADMIN & GENERAL EXPENSES - 41508	\$29,730,818	45.6%	\$13,542,812	29.6%	\$8,794,976	24.9%	\$7,393,030	\$29,730,818
METRO ADMIN & GENERAL EXPENSES - 41509	\$11,024,137	45.6%	\$5,021,652	29.6%	\$3,261,162	24.9%	\$2,741,323	\$11,024,137
TOTAL OPERATIONS AND MAINTENANCE	\$126,018,605	45.55%	\$57,403,272	29.58%	\$37,278,848	24.87%	\$31,336,485	\$126,018,605
<u>CAPITAL IMPROVEMENT PROGRAM :</u>								
PAY-AS-YOU-GO METRO 41508	\$66,243	55.8%	\$36,960	22.0%	\$14,572	22.2%	\$14,711	\$66,243
PAY-AS-YOU-GO METRO 41509	(\$23,580,629)	55.8%	(\$13,156,772)	22.0%	(\$5,187,214)	22.2%	(\$5,236,643)	(\$23,580,629)
DEBT SERVICE	\$74,984,756	55.8%	\$41,837,618	22.0%	\$16,494,978	22.2%	\$16,652,160	\$74,984,756
TOTAL CAPITAL IMPROVEMENT PROGRAM	\$51,470,370	55.8%	\$28,717,806	22.0%	\$11,322,336	22.2%	\$11,430,228	\$51,470,370
TOTAL O&M & CAPITAL IMPROVEMENT PROGRAM	\$177,488,975	48.5%	\$86,121,078	27.4%	\$48,601,184	24.1%	\$42,766,713	\$177,488,975

ATTACHMENT 5

CONTRACT WITH ADS
CORP. FOR
WASTEWATER FLOW
MONITORING EQUIP.,
SOFTWARE & SERVICES

METRO JPA/TAC
Staff Report
Date: 7/13/2022

Subject Title:

Award Contract to ADS Corp. for Wastewater Flow Monitoring Equipment, Software and Services (RFP 10089830-22-J)

Requested Action:

JPA/TAC authorization to approve the Sewer Flow Monitoring and Event Notification Services Agreement between the City of San Diego and ADS CORP. This agreement includes the equipment, software, event notification capabilities and maintenance services to 162 flow monitoring sites.

Recommendations:

Approve the contract request

Metro TAC:	To be submitted for consideration on September 13, 2022.
IROC:	N/A
Prior Actions: (Committee/Commission, Date, Result)	N/A

Fiscal Impact:

Is this projected budgeted?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Cost breakdown between Metro & Muni:	It is estimated that the funding will be distributed as follows: Muni: 40% (\$3,599,086.00) Metro: 60% (\$5,441,956.00)
Fiscal impact to the Metro JPA:	33.5% of Metro costs = \$1,823,055.26 (5 years)

Capital Improvement Program:

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

Previous TAC/JPA Action:

N/A

Additional/Future Action:

To be approved by City Environment Committee on July 21, 2022

City Council Action:

Tentatively scheduled for consideration by full council in September 2022

Background:

The City of San Diego (City) Public Utilities Department (PUD) manages and operates the wastewater collection and treatment system for the Metropolitan area of southwestern San Diego County. This system collects and treats the wastewater generated by a regional population of 2.3 million, producing approximately 147 million gallons of wastewater per day. This system, referred to as the Metro System, is comprised of 15 cities and districts (Participating Agencies (PA)) including the City of San Diego. Each Participating Agency maintains its own wastewater collection system, which ties into the City wastewater system. The sewer monitoring program has been in service for the past 20 years by different vendors. The vendor installs advanced sewer monitoring devices at 160-170 locations (Sewer manholes/pipelines and pump stations) to collect data on sewer flows, and data will be used for sewer revenue billing, sewer spill notification and hydraulic capacity analysis.

Discussion:

PUD issued RFP 10089830-22-J, Wastewater Flow Monitoring Equipment, Software and Services REBID on November 24, 2021. The RFP evaluation was completed in April 2022.

Bid Results:

ADS Corporation was selected through this competitive RFP process.

ADS: \$9,041,042

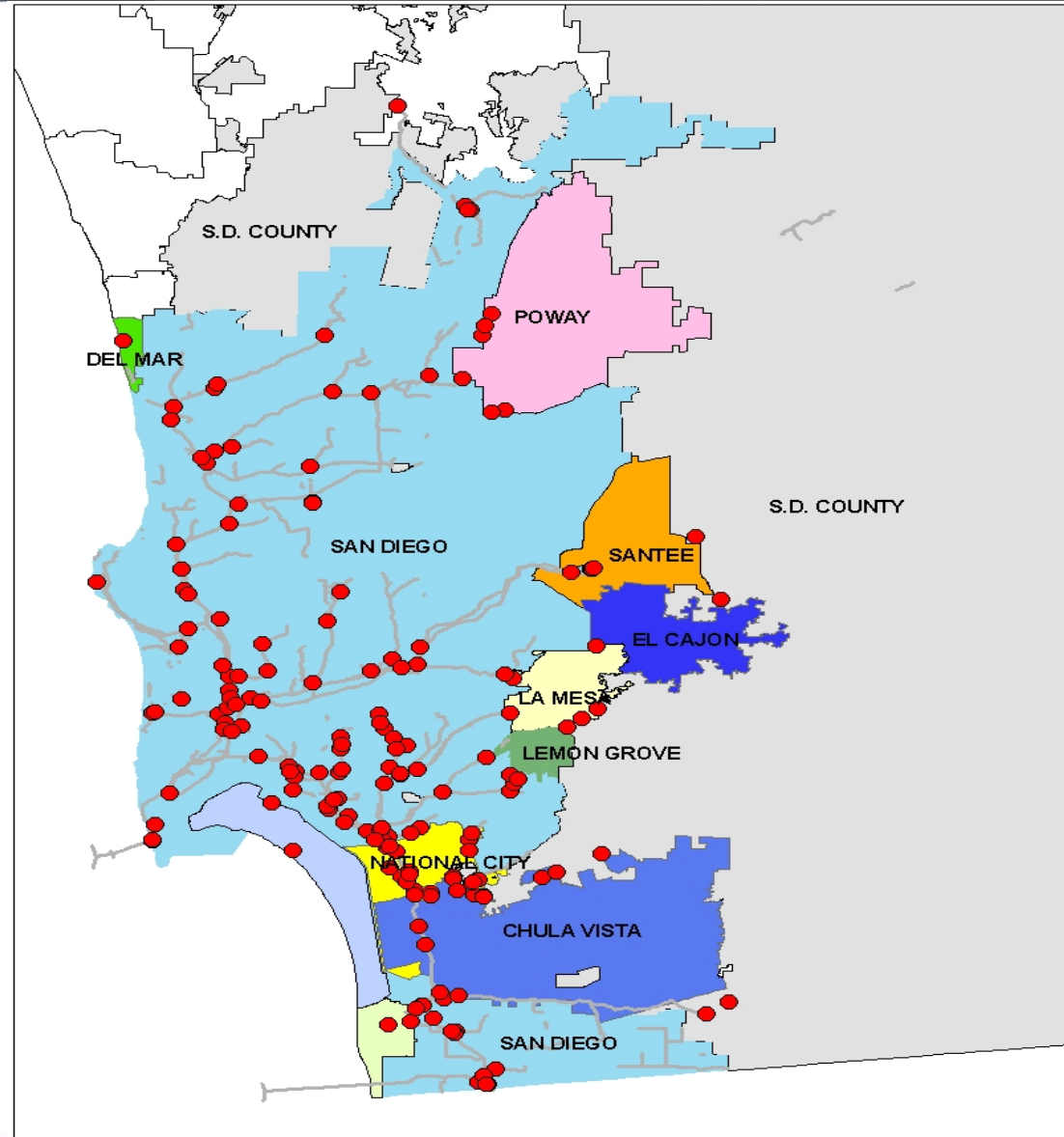
Public Utilities Department

Sewer Flow Monitoring and Event Notification

July 2022

BACKGROUND

- A. Sewer Flow Monitoring Program First Began in 1990s
- B. Currently 162 Metering sites (show map)
- C. Primary Use:
 - 1. Sewer revenue billing
 - 2. Alarming and Event Notification for early spill detection
 - 3. Operation of large pump station and treatment plants
 - 4. Engineering Studies / Hydraulic Modeling





Services Provided by Contract

- A. Sewer Flow Meter Installation
- B. Sewer Flow Meter Ongoing Maintenance
- C. ADS Prism Interface
- D. Near Real-Time Alarm Notification System

Contract Overview

- Current contract expires in November 2022
- ADS was selected through a competitive RFP process
- New Contract term is 5 years
 - 2 Years with option to extend 3 One-Year Extensions
- Total Cost = 9.1 Million Dollars

Contract Cost to the City & PAs

- Maintain Same Pricing for the first 2 years
- 2.5% Increase in year 3
- 3% Increase each year in years 4 and 5
- 1st Year total cost is approx. \$1.7 M (\$1,585,000 for base services with \$134,000 for additional services)
 - Metro expenditure is \$1,031,000
 - PAs' Share = \$342,000 (Approx. \$24,000 each PA)
 - Muni expenditure is \$687,000



Questions

ATTACHMENT 11

3RD QUARTERLY METRO CAPITAL IMPROVEMENT PROGRAM AND FUNDING SOURCES



THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: May 10, 2022

TO: Metro Technical Advisory Committee (Metro TAC)

FROM: Surraya Rashid, Deputy Director, Public Utilities Department

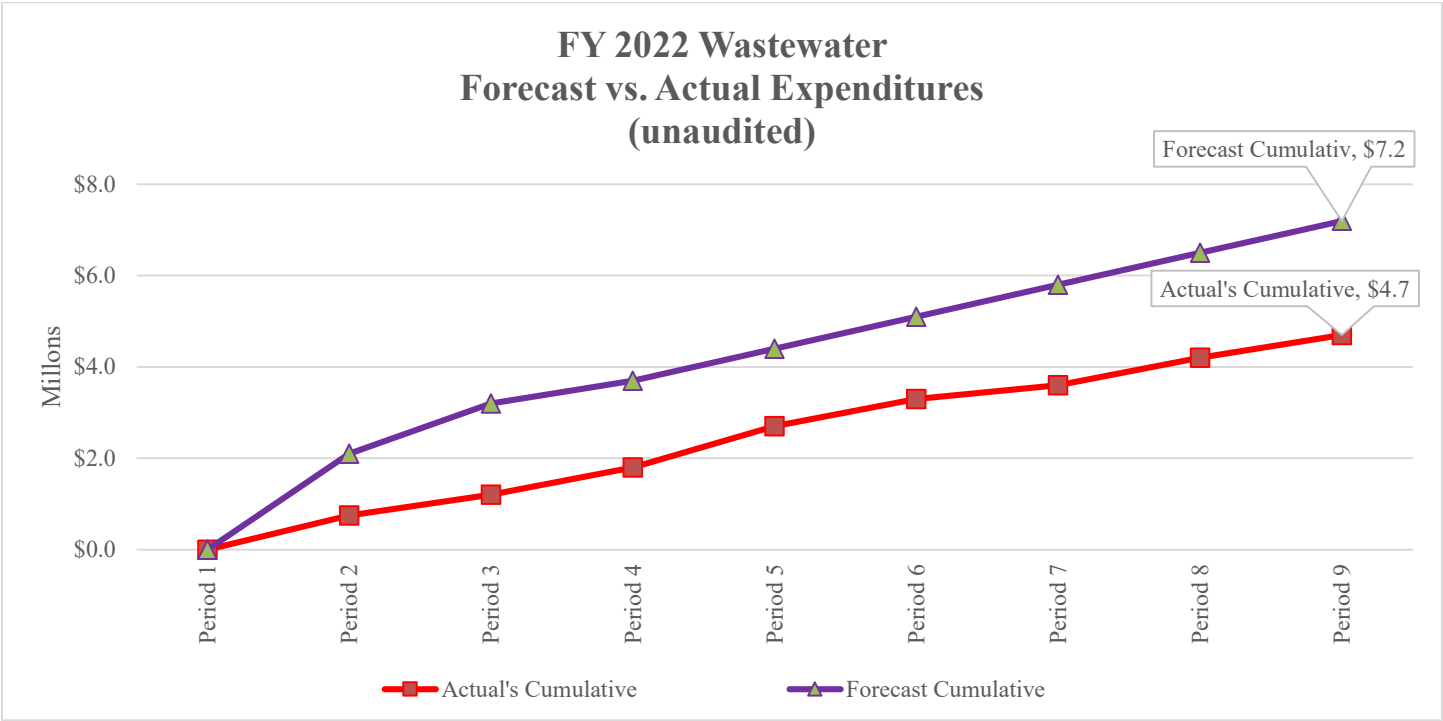
SUBJECT: FY2022 Capital Improvements Projects (CIP) Report – 3rd Quarter

The Public Utilities Department hereby submits the FY2022 CIP updates for the period of January 1, 2022 through March 31, 2022.

The report includes the following:

- Forecast versus actual expenditures report
- Projects expenditure updates

FORECAST VERSUS ACTUAL EXPENDITURES UPDATES



WASTEWATER PROJECTS

FY 2022 - 3rd Quarter (Financial Data run March 31, 2021)

NOTES:

- Wastewater projects are separated into Muni and Metro

[illegible]

ATTACHMENT 12A

PURE WATER CONSTRUCTION CONTRACT UPDATE

Schedule Data Date: May 31, 2022

15-Jun-22

Construction Package	Projected/Actual Bid Date	Projected/Actual Contractor Notice-To-Proceed	Projected Substantial Completion	Updated Engineer's Estimate	Bid Award (1)	Change Orders (2)	Total Contract	Paid to Date (2)	Construction Company
Early Sitework	October 18, 2018	May 22, 2019	July 27, 2021		\$16,403,300	\$1,184,211	\$17,587,511	\$17,592,728	Shimmick
NC Pure Water Facility & NC Pure Water Pump Station	August 7, 2020	April 19, 2021	August 11, 2025	\$455,704,000	\$356,681,930	\$440,601	\$357,122,531	\$68,695,387	Shimmick
Morena Northern Alignment & Tunnels	August 17, 2020	June 14, 2021	August 23, 2024	\$98,936,360	\$95,243,645	\$5,900,000	\$101,143,645	\$2,152,006	OHL USA, Inc
Morena Pump Station	October 21, 2020	June 14, 2021	June 5, 2025	\$109,700,000	\$110,386,350	\$0	\$110,386,350	\$21,668,966	Flat Iron West
NC Pure Water Pipeline and Dechlorination Facility & Subaqueous Pipeline	November 30, 2020	June 1, 2021	October 2, 2025	\$138,010,000	\$123,456,027	\$0	\$123,456,027	\$5,162,568	W.A. Rasic Construction Company, Inc.
NCWRP Expansion & PWF Influent Conveyance	December 16, 2020	August 4, 2021	June 5, 2025	\$208,660,000	\$255,138,000	\$61,145	\$255,199,145	\$16,525,956	Kiewit Infrastructure West Co.
NC MBC Improvements	February 9, 2020	September 15, 2021	June 5, 2025	\$40,384,677	\$40,086,690	\$65,873	\$40,152,563	\$3,224,655	PCL Construction, Inc.
NCWRP EQ Basins	May 11, 2021	December 6, 2021	November 7, 2023	\$10,540,000	\$11,886,000		\$11,886,000	\$258,986	Kiewit Infrastructure West Co.
Morena Conveyance Southern & Middle	December 28, 2021	August 30, 2022	May 15, 2025	\$115,954,829	\$129,753,895		\$129,753,895		Sukut Construction, LLC
Miramar Reservoir Pump Station Improvements	March 18, 2022	September 6, 2022	December 2, 2024	\$10,253,000	\$12,692,000		\$12,692,000		Shimmick
					\$1,151,727,837	\$7,651,830	\$1,159,379,667		

1. Bid Award values are entered when Notice-of-Intent to Award has been issued.

2. Change order and paid-to-date amounts based on March 31, 2022 quarterly cash flow.

ATTACHMENT 17

METROTAC WORK PLAN/UPDATE

Metro TAC & JPA Work Plan
Active & Pending Items
July 2022
Updated Items in Red Italics

Active Items	Description	Member(s)
Metro JPA AdHoc 2 nd ARA	JPA Board work group. Formed to review all items being negotiated in the 2 nd ARA prior to going to the full Board. Meets every 2-3 weeks as needed. First meeting March 16, 2022.	Jerry Jones Marvin Heinze Gary Kendrick Ed Spriggs JPA Support staff
IRWMP	JPA Members should monitor funding opportunities at: http://www.sdirwmp.org 1/21: Beth Gentry continues to give monthly TAC updates. Details can be found in minutes of each meeting.	Beth Gentry Yazmin Arellano
Exhibit E Audit	1/21: FY2019 Exhibit E audit is in fieldwork stage. JPA team reviewing SD responses to sample questions. 4/11/2022: FY2019 scheduled to complete April/May 2022; FY 2020 audit final field work completed. Owner controlled insurance program detail discussion (future). 6/13/22: FY 2021 Entrance Conference 7/14/22: FY2019 Audit received	Lee Ann Jones-Santos Karyn Keese Dexter Wilson
Industrial Wastewater Control Committee	Formed to work with San Diego on new standards for industrial waste discharge and cost allocation of same. 1/2021: SD is trying to formalize a pretreatment rate case and has hired a consultant. Monthly updates are presented at TAC and JPA. 3/16/2022: Monthly meetings to discuss the pretreatment agreement and considerations for the 2nd ARA, reviews of local limits, and the industrial user permit fees and program	Beth Gentry Interested JPA members Dexter Wilson SD Staff & Consultants
Emergency Mutual Aid Committee	Formed with the intent the sharing of resources during an emergency. First draft was completed and the next draft will be circulated for interested agencies.	Peejay Tuongbanua Steve Beppler, Yazmin Arellano, Mike James Hamed Hashemian
Phase I Financial Implementation Working Group (FIG)	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. 1/2021: Group will start meeting once the ARA is fully signed (January 2021) on a regular basis with a goal to complete all tasks by 1/2022. 3/16/2022: Group continues to meet every two weeks.	Beth Gentry Karyn Keze Dexter Wilson SD staff & consultants
2 nd ARA Negotiating Team	This group was created to negotiate the 2 nd Amended Restated Agreement ARA2) which will incorporate the completed financial and other items from the first ARA. 3/16/2022: Negotiating Team meets every 3 weeks to follow through with topics raised during the First ARA.	Beth Gentry Yazmin Arellano Karyn Keze Scott Tulloch Dexter Wilson SD staff & consultants
Changes in wastewater/water legislation	NOTE: Procopio, Metro TAC and the Commission 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.	Procopio 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, 2022 for FY 2022

