



METRO TAC AGENDA
(Technical Advisory Committee to Metro JPA)

TO: Metro TAC Representatives and Metro Commissioners

DATE: Wednesday March 15, 2023

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 March 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 Management Staff by Monday, March 13, 2023 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 if you have been approved to attend.

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1. **ACTION:** Review and Approve MetroTAC Action Minutes for the Meeting of February 15, 2023 (**Attachment**)
 2. **ACTION:** Consideration and Possible Action to Recommend to the Metro JPA/Commission Approval of the JPA Treasurer's Report Ending February 2023 (Jones-Santos/Karyn Keze)(**Attachment**)
 3. **PRESENTATION:** Repurified Water Revenue (Karyn Keze) (**Attachment**)
 4. **UPDATE:** Metro JPA/Commission Meeting Recap (Standing Item)
 5. **UPDATE:** Metro Wastewater (Financial) (Standing Item) (Adam Jones)
A. 5 Year PUD Financial Outlook
 6. **UPDATE:** Metro Wastewater (General) (Standing Item) (Tom Rosales)
A. April 10, 2020 Spill Update (March 7, 2023 San Diego City Council Meeting – Settlement)
B. January 17, 2023 Spill Update
 7. **UPDATE:** Fiscal 2023 Metro Capital Improvement Program and Funding Sources (Standing Item) (Tung Phung) (**Attachment**)
 8. **UPDATE:** Pure Water Program (Standing Item) (Amy Dorman)
A. Pure Water Construction Contracts Update (Amy Dorman) (**Attachment**)
 9. **UPDATE:** Financial Report (Standing Item) (Karyn Keze)
 10. Review of Items to be Brought Forward to the Regular Metro JPA/Commission Meeting (**April 6, 2022**)

11. Other Business of Metro TAC
12. **CLOSED SESSION:** (Primary TAC Members, JPA Executive Team and Legal Only):
Discussion Regarding Potential Pre-Litigation Item
13. Adjournment ([To the next Regular Meeting April 19, 2023](#))

Metro TAC 2023 Meeting Schedule

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

ATTACHMENT 1

MINUTES OF FEBRUARY 15, 2023

MetroTAC
(Technical Advisory Committee to Metro Commission/JPA)

ACTION MINUTES

DATE OF MEETING: February 15, 2023
TIME: 11:00 AM
LOCATION: Zoom Meeting held Online

MEETING ATTENDANCE:

Members Present

Beth Gentry, Chula Vista
Leon Firsht, Coronado
Joe Bride, Del Mar
Yazmin Arellano, El Cajon
Mike James, El Cajon
Blake Behringer, El Cajon
Eric Minicilli, Imperial Beach
Hamed Hashemian, La Mesa
Izzy Murguia, Lemon Grove
Steven Beppler, Otay WD
Bob Kennedy, Otay WD (arrived 12:13)
Paul Clarke, Padre Dam MWD
Karen Jassoy, Padre Dam MWD only during IRWM item.
Michael Hindle, Padre Dam MWD
Sanjay Gaur, Padre Dam MWD Consultant
Mike Hindle, Padre Dam
Peejay Tubongbanua, County of San Diego

San Diego City Staff/Consultants

Tom Rosales, City of San Diego
Amy Dorman, City of San Diego
Adam Jones, City of San Diego
Tung Phung, City of San Diego
Andrea Demich, City of San Diego
Abi Palaseyed, City of San Diego
Akram Bassyouni, City of San Diego
Ryan Kempster, City of San Diego
Peter Vroom, City of San Diego
Ami Latker, City of San Diego
Zoe Scott, City of San Diego

Staff/Consultants Present

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

Others Present

Doug Owen, STANTEC
Mark Elliott, Jacobs
Dean Gipson, HDR

1. ACTION: Review and Approve MetroTAC Action Minutes for the Meeting of January 18, 2023

ACTION: Steve Beppler requested additional information be added to page 4 regarding the recent spill to include Monday, January 16 at 2:50 p.m.

Motion by Joe Bride, seconded by Steve Beppler, the Minutes be approved with the above addition. Motion carried unanimously.

2. **ACTION: Consideration and Possible Action to Recommend to the Metro JPA/Commission Approval of a Second Amendment to the Agreement with Atoil Ventures (DBA: Ocean Imaging) for the Coastal remote Sensing Special Study of the Point Loma Ocean Outfall (PLOO) and the South Bay Ocean Outfall (SBOO) Regions**

Ryan Kempster, from the City of San Diego, provided a verbal overview of the Power Point presentation included in the agenda package.

ACTION: Motion by Steve Beppler, seconded by Paul Clarke, the item be approved for submission to the Metro JPA/Commission. Motion carried unanimously.

3. **ACTION: Consideration and Possible Action to Recommend to the Metro JPA/Commission Approval of Pump Station 1 and 2 Improvements and Modernization Capital Improvement Project (CIP)**

Tom Rosales, from the City of San Diego, provided a verbal overview of the Power Point presentation included in the agenda package.

Karyn Keze requested Tom provide Dexter Wilson with the 2018 Assessment Report to which Tom confirmed he would.

TAC Chair Gentry inquired if Tom would bring this item back to TAC prior to presentation to the JPA. Tom responded that it is scheduled to go to the San Diego City Council after the Metro March 2nd meeting.

ACTION: Motion by Leon Firsht, seconded by Eric Minicilli, to approve forwarding the item to the Metro JPA/Commission at their next meeting. Motion carried unanimously.

4. **ACTION: Consideration and Possible Action to Recommend to the Metro JPA/Commission Approval of a Second Amendment to the As-Needed Agreement with Jacobs CH2M Hill for Professional Construction Management Services for Pure Water Phase 1 Treatment Plant Projects**

5. **ACTION: Consideration and Possible Action to Recommend to the Metro JPA/Commission Approval of a Second Amendment to the As-Needed Agreement with Parsons-Black Veatch for Professional Construction Management Services for Pure Water Phase 1 Treatment Plant and Facilities**

Abi Palaseyed, from the City of San Diego, provided a verbal overview of the Power Point presentation which covered both Item 4 and Item 5 and was included in the agenda package. He noted that these items had received approval at the Environmental Commission and were scheduled to go to the San Diego City Council for approval after the Metro JPA/Commission meeting.

Karyn Keze noted she and Dexter Wilson would review the amendments to make sure we are not charged.

ACTION: Motion by Beth Gentry, seconded by Eric Minicilli, to approve Items 4 & 5 and forward them to the Metro JPA/Commission at their next meeting. Motion carried unanimously.

6. **UPDATE: Ocean Pollution Reduction ACT (OPRA) 2 Secondary Equivalency Quarterly Report**

Tom Rosales noted that they would be doing updates quarterly in the future. Further that both he and Scott Tulloch had met with Allie from the Mayor's office who is doing coordination with the lobbyists. They had a good conversation and meeting to get a sense of where OPRA 2 is heading. The proposed process is to re-introduce and bring it forward as a new and separate bill to both houses.

Scott Tulloch stated that Allie was going to Washington late February, early March, and then will bring information back. This is the City's highest legislative priority. The prior bill received support from California legislators and had been approved by the House. However, in the Senate, where one Senator has the ability to pull the bill a Senator from West Virginia who blocked it because of a personal agenda with EPA. The strategy is to get it done while Feinstein is still in office.

Tom Rosales stated the strategy would be to engage whoever may replace her ahead of the item going forward.

7. **UPDATE: Metro Wastewater JPA/Commission Board Meeting Recap**

Chair Gentry stated the JPA meeting in March will be held in person at MOC II. It will include the forwarded items from this meeting followed by a workshop and then a tour of the Pt. Loma Wastewater Treatment Plant. Priority on the tour will be given to Metro JPA Primary and Alternate Directors, Staff and then Metro TAC Primary and Alternate members due to limited space. She then noted that Director Bill Baber was elected Vice Chair to the Metro JPA/Commission; Director Jose Preciado of Chula Vista and John Duncan of Coronado were added to the Ad Hoc Committee; Directors Mark Robak of Otay, Ditas Yamane of National City and Peter De Hoff of Poway were added to the Finance Committee, Director De Hoff being the Alternate. Chair Jones will continue to be the representative for IROC meetings. A letter has been sent to the San Diego Deputy Chief Operating Officer stating our position on the 2020 spill which MetroTAC members were also sent a copy of.

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

Chair Gentry stated she had no update.

9. **UPDATE: Metro Wastewater (Financial)**
A. Participating Agencies Selection Panel Rotation List

Adam Jones, City of San Diego noted that the list was attached to the agenda and requested the members provide updates if their information is out of date. He also thanked those who sent information on their updated billing and noted he will do an updated 5-Year Forecast at the March Metro TAC meeting.

Karyn Keze noted that the original rotation list was very old and that a recent list of Primary TAC Contacts was included with the agenda that would be used as a replacement. She stated the list will be used for the City of San Diego to contact a Primary for participation in specific project selection panels and if a PA wanted to be removed from the list, please let Adam know.

10. **UPDATE: Metro Wastewater (General)**

A. **Pt. Loma Wastewater Treatment Plant Road**

Tom Rosales, City of San Diego stated that he had no new information other than monitoring was continuing along with the gathering of data. They did a short-term fix while monitoring the road for a long term fix and received recognition for it.

B. **April 10, 2020. Spill Update**

Tom Rosales reported that a Closed Session will be held with San Diego City Council to enter into a settlement agreement; next it will go to open session in the next couple of weeks followed by the Regional Board review, comments, and public hearing in June. He noted that the San Diego City Attorney will reach out to the JPA Attorney prior to San Diego information becoming public.

C. **January 16, 2023. Spill Update**

Tom Rosales stated there was nothing new. They are pulling together a requested technical report to send to the Regional Board. It will include what happened and a plan for going forward.

Chair Gentry requested receipt of the technical report in real time or prior to any public documents being sent to the Regional Board. Tom responded that he would be reviewing the information with Dexter Wilson as requested by the JPA.

11. **UPDATE: FY 2023 Metro Capital Improvement Program Funding Sources Quarterly Reports**

This report will be heard in March.

12. **UPDATE: Pure Water Program**

A. **Pure Water Construction Contracts Update**

Amy Dorman, City of San Diego stated that her next update would be in March.

B. **Morena Pump Station Dewatering**

Amy Dorman stated that a major portion of the cost change was negotiated to manage groundwater infiltration on the construction site.

C. **2022 Pure Water Program Annual Report**

Andrea Dimech, City of San Diego provided a verbal overview of the Power Point presentation included in the agenda package.

Karen Jassoy was invited into the meeting at this point

Bob Kennedy also arrived.

13. UPDATE: Financial Report

Karyn Keze stated there was not a lot of financial movement. She has been mostly busy on rewriting the financial sections of the 2nd ARA to include the new billing methodology. She also noted that the first Finance Committee Meeting with the new Directors will be held at the end of the month to bring them up to speed, and lastly she thanked everyone for paying their JPA bills which were now at 100%.

14. UPDATE: Integrated Regional Water Management (IRWM)

Chair Gentry stated that she had been attending the meetings as Primary Representative and Yazmin Arellano had been attending as alternate. She noted that the last meeting was February 1st and that the website has the details. The California Water Authority provided an update on our water issues. A Drought Subcommittee was forming and there was no funding available at this time. Several funding sources to upcoming grants, and August/December meetings were not going to be held annually.

15. ACTION: Nominations for IRWM RAC Primary and Alternate Representatives

Chair Gentry stated that Alisa Nichols from Poway and Karen Jassoy from Padre Dam had expressed interest in the positions. Each stated their interest in serving.

ACTION: Motion by Beth Gentry, seconded by Yazmin Arellano, to appoint Karen Jassoy as Primary and Alisa Nichols as Alternate. Motion carried unanimously

16. REPORT: FY 2022 Year End MetroTAC Work Plan

Chair Gentry stated there were no recent updates and requested anyone with updated sewer rates get them to Karyn and double check their rates to make sure they are accurate. Karyn will be updating the report for the next meeting.

17. Review of items to be Brought Forward to the Regular Metro Commission/Metro Wastewater JPA Meeting on December 1, 2022

Chair Gentry stated Items 2, 3, 4, and 5 would move forward.

18. Other Business of MetroTAC

Chair Gentry stated that the next 2 meetings would be virtual, and April will possibly be in person.

19. Adjournment to the Next Regular Meeting

There being no further business the meeting was adjourned at 12:40 p.m.

ATTACHMENT 2

TREASURER'S REPORT ENDING FEBRUARY 28, 2023



Metro Wastewater Joint Powers Authority
Treasurer's Report
ending February 2023

Metro Wastewater JPA
Treasurer's Report
ending February 2023

Beginning Cash Balance at July 1, 2022	\$ 297,413
Operating Results	
Membership Dues & Interest Income	435,204
Expenses	<u>(305,238)</u>
Change in Net Position	129,966
Net change in Receivables & Payables	<u>21,654</u>
Cash used in Operations	<u>151,620</u>
Ending Cash Balance at February 2023	<u>\$ 449,032.64</u>

Metro Wastewater JPA
Statement of Net Position
As of July 1, 2022 and February 2023
Unaudited

	<u>July 1, 2022</u>	<u>February 2023</u>	<u>\$ Change</u>
<u>ASSETS</u>			
Checking/Savings	\$ 297,413	\$ 449,032	\$ 151,619
Accounts Receivable	11,412	-	(11,412)
Total Assets	<u>\$ 308,825</u>	<u>\$ 449,032</u>	<u>\$ 140,207</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 2,044	\$ 12,286	\$ 10,242
Unearned Membership Billings	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ 12,286</u>	<u>\$ 10,242</u>
<u>NET POSITION</u>			
Net Position at Beginning of Period	\$ 566,757	\$ 306,782	\$ (259,975)
Change in Net Position	(259,975)	129,966	389,941
Net Position at End of Period	<u>\$ 306,782</u>	<u>\$ 436,748</u>	<u>\$ 129,966</u>
TOTAL LIABILITIES & NET POSITION	<u>\$ 308,826</u>	<u>\$ 449,034</u>	<u>\$ 140,208</u>

<i>Net Position at 02/28/23</i>	\$ 436,748
<i>FY '23 Required Reserve (4 months of Op Exp)</i>	<u>209,485</u>
<i>Over (under) required reserve</i>	\$ 227,263

Metro Wastewater JPA
Statement of Operations
Budget vs. Actual

ending February 2023
Unaudited

	Actual	Budget	Over (Under) Budget	
Income				
Membership Dues	\$ 435,204	\$ 292,122.50	\$ 143,082	
City of San Diego		\$ 22,105.00	(22,105)	
Interest Income				
Total Income	\$ 435,204	\$ 314,228	\$ 120,977	
Expense				
Administrative Assistant-LP	\$ 13,792	\$ 18,550.00	\$ (4,758)	(1)
Bank Charges		100.00	(100)	
Contingency				
Dues & Subscriptions				
Financial Services				
Audit Fees		7,250.00	(7,250)	(1)
Financial - The Keze Group	59,600	50,000.00	9,600	(1)
Treasurer - Padre Dam/El Cajon	3,435	15,000.00	(11,565)	(1)
JPA/TAC meeting expenses	1,917	2,500.00	(583)	
Miscellaneous		125.00	(125)	
Per Diem - Board	10,650	9,000.00	1,650	(1)
Printing, Postage, Supplies		430.00	(430)	
Professional Services				
Engineering - Dexter Wilson	89,548	70,850.00	18,698	(1)
Engineering - NVS	15,225	15,000.00	225	(1)
Legal - Procopio	99,536	105,000.00	(5,464)	(1)
Legal- BB&K	1,561		1,561	(1)
Paul Redvers Brown, Inc.	6,888	12,450.00	(5,563)	(1)
Strategic Planning				
Telephone, Software & Internet		1,070.00	(1,070)	(1)
Website Architecture Update		5,250.00	(5,250)	(1)
Website Maintenance & Hosting	3,087	1,652.50	1,435	
Total Expense	\$ 305,238	\$ 314,228	\$ (8,989)	
Net Income (Loss)	\$ 129,966	\$	\$ 129,966	

(1) Invoices received through 11/31/22

Metro Wastewater JPA
Statement of Cash Flows

ending February 2023
Unaudited

OPERATING ACTIVITIES

Change in Net Position	\$ 129,966
Adjustments to Reconcile Change in Net Position to Net Cash Provided by Operations:	
Accounts Receivable	11,412
Accounts Payable	10,242
Deferred Revenue	<hr/>
Year ended June 30, 2022	151,620
Net cash increase (decrease) for period	<hr/> 297,413
Cash at end of period	<hr/> \$ 449,033

ATTACHMENT 3

REPURIFIED WATER REVENUE

The background of the slide is a close-up photograph of water with several concentric ripples. The water is a deep blue color, and the ripples are highlighted by bright, shimmering reflections of light. The overall effect is a sense of movement and purity.

REPURIFIED WATER REVENUE

REVIEW OF ARA &
EXHIBIT F PROVISIONS
AND SAMPLE DRAFT
CALCULATION

PURPOSE OF THIS PRESENTATION

- Answers the questions:
 - What are the Repurified Water Revenue provisions that exist in the current ARA?
 - How is Repurified Water Revenue Calculated?
 - What does the potential Repurified Revenue stream look like per PA at various project size levels?
- Provide background on interaction of the Capital Expense Rate, the Repurified Water Revenue, and the Pure Water Cost Allocation for Capital Expenses.
- Provide background on the purpose and calculation of the Repurified Water Provisions in the Amended Restated Agreement (ARA)
- Show potential revenue streams between 71.5 and 83 MGD
 - $71.5 \text{ MGD} = 30 \text{ MGD Phase I} + 41.5 \text{ MGD Phase 2}$
 - $83 \text{ MGD} = 30 \text{ MGD Phase I} + 53 \text{ MGD Phase 2}$

ORIGINAL VISION OF PURE WATER PROGRAM (ARA)

WHEREAS, the Pure Water Program will not only benefit the City by **producing repurified water**, but also the Participating Agencies and their wastewater customers, especially if secondary equivalency is recognized through federal legislation amending the Clean Water Act. Specifically, implementation of the Pure Water Program will reduce wastewater discharges to the Point Loma Wastewater Treatment Plant, part of the Metro System where a large portion of the Participating Agencies' wastewater is currently treated and disposed by discharging it into the Pacific Ocean. By diverting wastewater from the Point Loma Wastewater Treatment Plant and reducing the effluent discharged into the Pacific Ocean, the City and the Participating Agencies will potentially avoid billions of dollars in unnecessary capital, financing, energy, and operating costs to upgrade the Point Loma plant to secondary treatment at full capacity. Avoiding such costs would result in significant savings for regional wastewater customers; and

(Note: The PAs reason for being in this Program is to avoid spending billions of dollars on unnecessary Secondary Treatment and instead spend those funds on Pure Water.)

DEFINITION: REPURIFIED WATER REVENUE (ARA)

Z. Repurified Water Revenue is the **cost savings** that will be realized when the City water utility's annual costs per-acre foot for **Repurified Water** are less than the purchase costs per-acre foot for comparable water from the San Diego County Water Authority, as further described in Exhibit F.

ARA IMPORTANT PROVISION FOR CALCULATIONS

ARA 3.4.2

Notwithstanding Section 3.4.1, or any other provision of this Agreement, a Participating Agency's share of **Pure Water Program Capital Improvement Costs, Repurified Water Revenue, and Capital Expense Rate** attributable to the Metro System under Exhibit F shall be assessed or credited based on the Parties' proportionate share of the Pure Water Capital Merged Percentage stated in Column 12 of Exhibit G. The City shall annually allocate the estimated and actual Pure Water Program Capital Improvement Costs and revenues which are attributable to the Metro System under Exhibit F in proportion to each Party's Pure Water Capital Merged Percentage when estimating quarterly payments and conducting year-end adjustments under Article V.

EXHIBIT “G”

Exhibit G

Pure Water Capital Billing Table - November 1, 2018

[illegible]

2ND ARA “PARKING LOT” ITEMS

2.9.1. This Agreement and Exhibit F specifically contemplate Phase I 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 I”). 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:

2.9.1.5: A sample calculation of **Repurified Water Revenue**

Note: Exhibit F provides details of provisions and calculations.

EXHIBIT F: 4.1 BACKGROUND & 4.2 CALCULATION (OVERVIEW)

4.1 Background. Initially, the parties anticipate that the cost per acre foot associated with the production of Repurified Water will be more expensive than the cost per acre foot of untreated imported water. However, it is anticipated that Repurified Water produced under the Pure Water Program will be less expensive than untreated imported water sometime in the future. Once Repurified Water produced under the Pure Water Program becomes less expensive than the cost of untreated imported water, the parties agree that there will be revenue from the Pure Water Program.

4.2 Calculation. Revenue sharing shall occur in each fiscal year during which the annual cost per acre foot associated with the production of Repurified Water is less than the cost of untreated water per acre foot from the San Diego County Water Authority (“CWA”). The annual cost difference shall be known as “Repurified Water Revenue.”

..... The City shall estimate whether there will be Repurified Water Revenue in the upcoming fiscal year prior to January 15 of each year, and the estimated amount of Repurified Water Revenue shall be effective on July 1 of the upcoming fiscal year.

EXHIBIT F: 4.3:REVENUE SHARING

4.3. Revenue Sharing. Repurified Water Revenue shall initially be shared based on the relative actual Capital Improvement Costs for the Pure Water Program contributed by City's Water Utility and the Metro System. Such Capital Improvement Cost contributions are currently estimated as (61% City Water Utility and 39% Metro System) until the debt attributable to the Metro System is fully paid.

Following full payment of debt attributable to the Metro System, Repurified Water Revenue shall be shared based on the relative actual Operation and Maintenance Costs for Pure Water Program facilities contributed by City's Water Utility and the Metro System, calculated annually. Such Operation and Maintenance Costs are currently estimated as (76% City Water Utility and 24% Metro System) on an annual basis.

EXHIBIT F: 4.4: YEAR-END ADJUSTMENT

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.

EXHIBIT F: 4.2: CALCULATION

4.2 Calculation. **Repurified Water Revenue** shall be determined as follows:

Annual cost per acre foot of CWA untreated water purchased by the City for delivery at Miramar Reservoir (which shall be determined based on the total of certain fixed and variable costs for water actually billed to the City by CWA for water delivered at Miramar Reservoir in a fiscal year, divided by the number of acre-feet of CWA water delivered at Miramar Reservoir that year)

less

Annual cost per acre foot of City Water Utility PW Costs (which shall be determined based on total annual city Water Utility PW Costs divided by the number of acre-feet of Repurified Water actually produced in that year)

multiplied by

The number of acre feet of Repurified Water produced by Pure Water Program facilities during the applicable fiscal year.

BASELINE EXAMPLE(S) CALCULATION ASSUMPTIONS

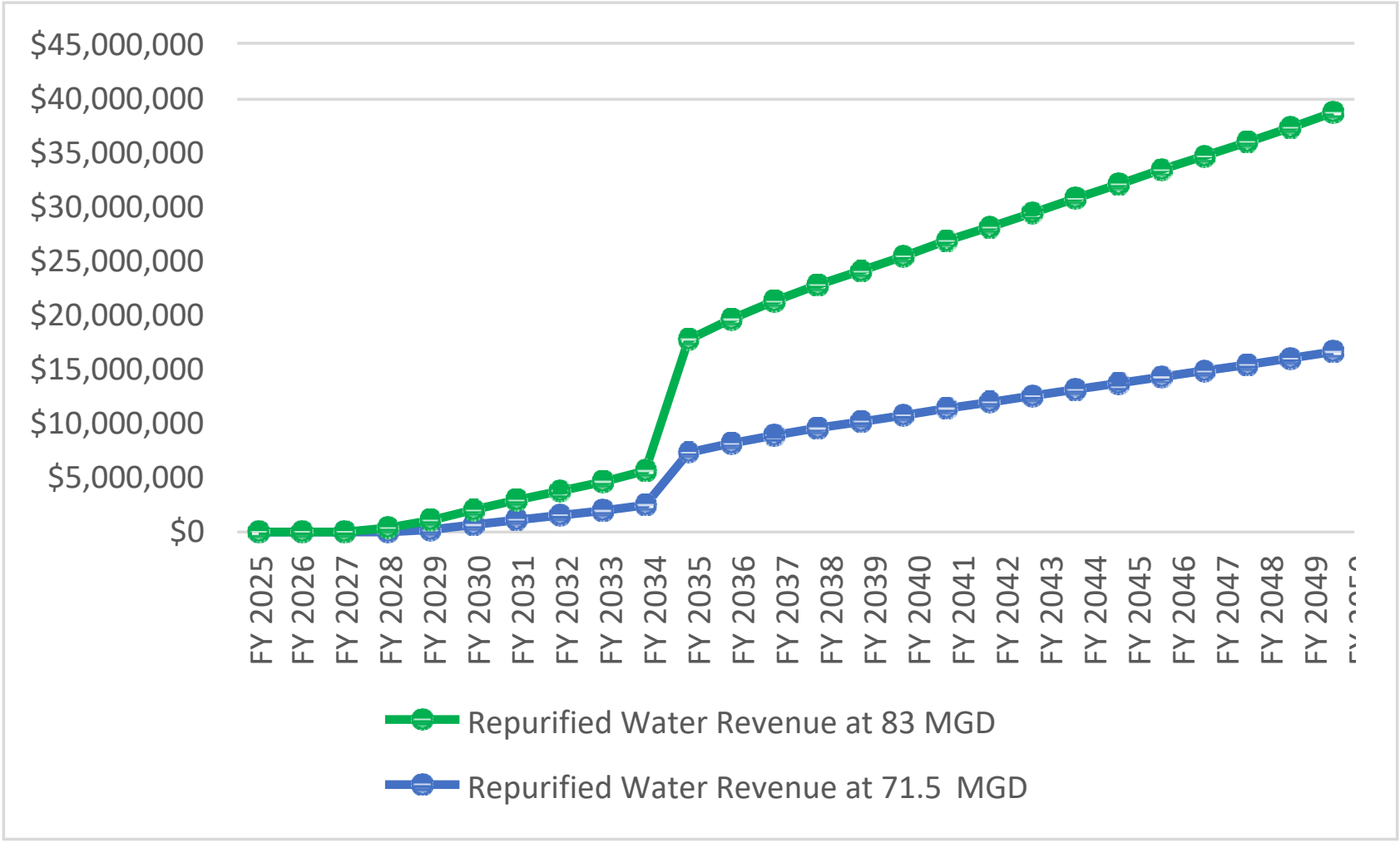
1. Pure Water Phase 1, comes on-line partially in FY 2025, with full production being reached in FY 2026
2. Pure Water Phase 2, comes on-line in FY 2035, with Peak Production
3. Assumes both 71.5 MGD and 83 MGD of Phase 1 and 2
4. Uses Average of ECJPA Trending Plus and Trending Projection for CWA Costs, which is based on Helix Water Districts Rate. City Rate will differ based on allocation of Fixed cost each year, but the average is in line with City projections
5. Uses high end total Pure Water cost (Phase 1 and Phase 2 costs) \$2280 /AF of Repurified Water for 83 MGD – Prepared by Stantec – Blended rate for Phase 1 & Phase 2
6. Ratio's to \$2,462/AF cost for 71.5 MGD.
7. Analysis assumes 2.55% increase in Water production costs starting in FY 2036 based on 30-year Inflation Rate from Saint Louis Federal Reserve

POTENTIAL REPURIFIED WATER REVENUE

Repurified Water Revenue at 71.5 MGD	FY 2028	FY 2029	FY 2030	FY 2035	FY 2040	FY 2045	FY 2050	Total Revenue
Estimated CWA Water Costs (Average High/Low)	\$ 2,382	\$ 2,514	\$ 2,640	\$ 3,276	\$ 3,987	\$ 4,688	\$ 5,438	
City of San Diego PW Cost- Water(\$/AF)	\$ 2,463	\$ 2,463	\$ 2,463	\$ 2,463	\$ 2,793	\$ 3,168	\$ 3,593	
Repurified Water Production levels (AF)	33,600	33,600	33,600	80,080	80,080	80,080	80,080	
Repurified Water Revenue subject to Sharing	N/A	\$ 1,702,963	\$ 5,936,563	\$ 65,079,688	\$ 95,615,520	\$ 121,721,600	\$ 147,747,600	
Assume Waste Water Capital Split (38%):	\$ -	\$ 647,126	\$ 2,255,894	\$ 24,730,281	\$ 36,333,898	\$ 46,254,208	\$ 56,144,088	\$ 684,646,922
City Share from Exhibit G 70.323%	\$ -	\$ 455,078	\$ 1,586,412	\$ 17,391,076	\$ 25,551,087	\$ 32,527,347	\$ 39,482,207	\$ 481,464,255
PA's Share from Exhibit G 29.677%	\$ -	\$ 192,048	\$ 669,482	\$ 7,339,205	\$ 10,782,811	\$ 13,726,861	\$ 16,661,881	\$ 203,182,667

Repurified Water Revenue at 83 MGD	FY 2028	FY 2029	FY 2030	FY 2035	FY 2040	FY 2045	FY 2050	Total
Estimated CWA Water Costs (Average High/Low)	\$ 2,382	\$ 2,514	\$ 2,640	\$ 3,276	\$ 3,987	\$ 4,688	\$ 5,438	
City of San Diego PW Cost- Water(\$/AF)	\$ 2,280	\$ 2,280	\$ 2,280	\$ 2,280	\$ 2,586	\$ 2,933	\$ 3,328	
Repurified Water Production levels (AF)	33,600	33,600	33,600	92,960	92,960	92,960	92,960	
Repurified Water Revenue subject to Sharing	\$ 3,427,200	\$ 7,862,400	\$ 12,096,000	\$ 92,588,160	\$ 130,236,960	\$ 163,144,800	\$ 196,145,600	
Assume Waste Water Capital Split (38%):	\$ 1,302,336	\$ 2,987,712	\$ 4,596,480	\$ 35,183,501	\$ 49,490,045	\$ 61,995,024	\$ 74,535,328	\$ 931,197,904
City Share from Exhibit G 70.323%	\$ 915,842	\$ 2,101,049	\$ 3,232,383	\$ 24,742,093	\$ 34,802,884	\$ 43,596,761	\$ 52,415,479	\$ 654,846,301
PA's Share from Exhibit G 29.677%	\$ 386,494	\$ 886,663	\$ 1,364,097	\$ 10,441,408	\$ 14,687,161	\$ 18,398,263	\$ 22,119,849	\$ 276,351,603

PA'S POTENTIAL REPURIFIED WATER REVENUE STREAM



REPURIFIED WATER REVENUE VS. CAPITAL EXPENSE

Difference: Projected Phase 2 Capital Costs			
		Phase 2 @ 54 MGD	\$ 3,290,000,000
		Phase 2 @ 41.5 MGD	\$ 2,958,000,000
		Difference	\$ 332,000,000
		Wastewater Share of Capital Costs (38%)	\$ 126,160,000
		PA's Share from Exhibit G (29.677%)	\$ 37,440,503
Total Projected Revenue			
		Phase 2 @ 54 MGD	\$ 276,351,603
		Phase 2 @ 41.5 MGD	\$ 203,182,667
		Difference	\$ 73,168,936
Revenue Versus Capital Expense @ 53 MGD			
		Additional Revenue @ 53 MGD	\$ 73,168,936
		Additional Capital Cost @ 53 MGD	\$ 37,440,503
		Difference	\$ 35,728,433

Repurified Water Revenue at 83 MGD	FY 2028	FY 2029	FY 2030	FY 2035	FY 2040	FY 2045	FY 2050	Total	Average
Chula Vista	\$152,356	\$349,523	\$537,727	\$4,116,001	\$5,789,676	\$7,252,592	\$8,719,641	\$108,937,754	\$4,951,716
Coronado	\$15,008	\$34,431	\$52,971	\$405,461	\$570,332	\$714,442	\$858,959	\$10,731,294	\$487,786
El Cajon	\$6,471	\$14,844	\$22,837	\$174,807	\$245,888	\$308,018	\$370,323	\$4,626,590	\$210,300
Imperial Beach	\$18,376	\$42,157	\$64,856	\$496,438	\$698,303	\$874,748	\$1,051,691	\$13,139,172	\$597,235
Lemon Grove	\$18,170	\$41,685	\$64,131	\$490,883	\$690,490	\$864,960	\$1,039,924	\$12,992,158	\$590,553
Padre Dam	\$5,785	\$13,271	\$20,417	\$156,283	\$219,831	\$275,377	\$331,081	\$4,136,314	\$188,014
San Diego	\$915,841	\$2,101,048	\$3,232,381	\$24,742,084	\$34,802,871	\$43,596,744	\$52,415,459	\$654,846,054	\$29,765,730
Total	\$1,302,336	\$2,987,712	\$4,596,480	\$35,183,501	\$49,490,045	\$61,995,024	\$74,535,328	\$931,197,904	\$42,327,177
Repurified Water Revenue at 71.5 MGD	FY 2028	FY 2029	FY 2030	FY 2035	FY 2040	FY 2045	FY 2050	Total	Average
Chula Vista	\$0	\$75,705	\$263,910	\$2,893,114	\$4,250,582	\$5,411,126	\$6,568,111	\$80,094,572	\$3,640,662
Coronado	\$0	\$7,458	\$25,997	\$284,996	\$418,718	\$533,042	\$647,015	\$7,889,996	\$358,636
El Cajon	\$0	\$3,215	\$11,208	\$122,871	\$180,522	\$229,811	\$278,948	\$3,401,619	\$154,619
Imperial Beach	\$0	\$9,131	\$31,831	\$348,943	\$512,670	\$652,645	\$792,191	\$9,660,346	\$439,107
Lemon Grove	\$0	\$9,029	\$31,474	\$345,039	\$506,934	\$645,343	\$783,327	\$9,552,256	\$434,193
Padre Dam	\$0	\$2,874	\$10,021	\$109,850	\$161,393	\$205,458	\$249,388	\$3,041,153	\$138,234
San Diego	\$0	\$455,078	\$1,586,412	\$17,391,069	\$25,551,077	\$32,527,334	\$39,482,192	\$481,464,073	\$21,884,731
Total	\$0	\$647,126	\$2,255,894	\$24,730,281	\$36,333,898	\$46,254,208	\$56,144,088	\$684,646,922	\$31,120,315
Difference	FY 2028	FY 2029	FY 2030	FY 2035	FY 2040	FY 2045	FY 2050	Total	Average
Chula Vista	\$152,356	\$273,817	\$273,817	\$1,222,888	\$1,539,094	\$1,841,466	\$2,151,530	\$28,843,182	\$1,311,054
Coronado	\$15,008	\$26,973	\$26,973	\$120,465	\$151,614	\$181,400	\$211,944	\$2,841,298	\$129,150
El Cajon	\$6,471	\$11,629	\$11,629	\$51,936	\$65,365	\$78,207	\$91,376	\$1,224,971	\$55,680
Imperial Beach	\$18,376	\$33,026	\$33,026	\$147,495	\$185,633	\$222,102	\$259,500	\$3,478,826	\$158,128
Lemon Grove	\$18,170	\$32,656	\$32,656	\$145,844	\$183,556	\$219,617	\$256,596	\$3,439,902	\$156,359
Padre Dam	\$5,785	\$10,397	\$10,397	\$46,432	\$58,439	\$69,920	\$81,693	\$1,095,162	\$49,780
San Diego	\$915,841	\$1,645,970	\$1,645,970	\$7,351,015	\$9,251,794	\$11,069,410	\$12,933,267	\$173,381,982	\$7,880,999
Total	\$1,302,336	\$2,340,586	\$2,340,586	\$10,453,220	\$13,156,147	\$15,740,816	\$18,391,240	\$246,550,982	\$11,206,863

ATTACHMENT 7

FY2023 2ND QUARTER CIP AND FUNDING SOURCES



THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: February 6, 2023

TO: Metro Technical Advisory Committee (Metro TAC)

FROM: Keli Balo, Interim Deputy Director, Public Utilities Department

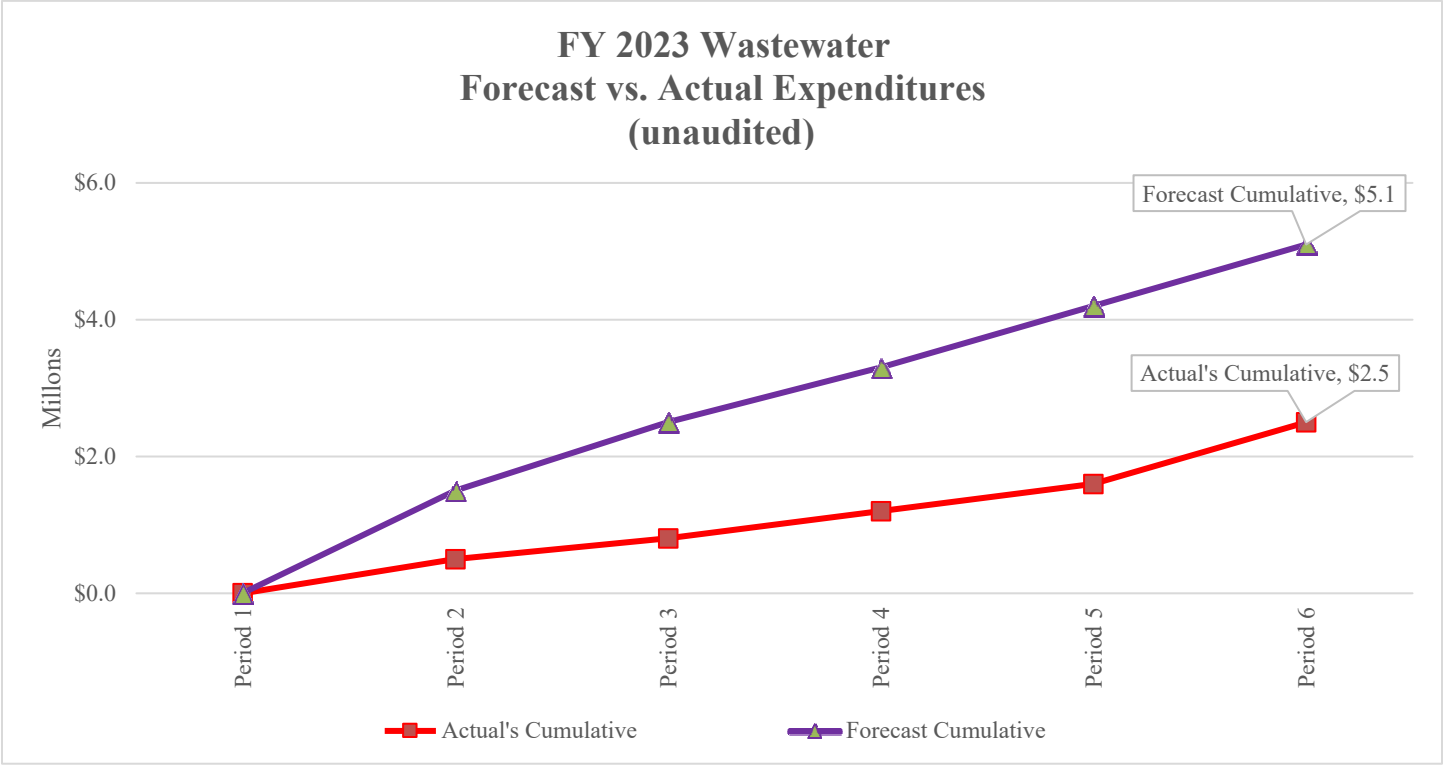
SUBJECT: FY2023 Capital Improvements Projects (CIP) Report – 2nd Quarter

The Public Utilities Department hereby submits the FY2023 CIP updates for the period of October 1, 2022 through December 31, 2022.

The report includes the following:

- Forecast versus actual expenditures report
- Projects expenditure updates

FORECAST VERSUS ACTUAL EXPENDITURES UPDATES



WASTEWATER PROJECTS

FY 2023 - 2nd Quarter (Financial Data run December 31, 2022)

NOTES:

- Wastewater projects are separated into Muni and Metro

[illegible]

ATTACHMENT 8A

PURE WATER CONSTRUCTION CONTRACTS UPDATE

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	\$16,403,300	\$1,184,211	\$17,587,511	\$17,587,511	Shimmick
NC Pure Water Facility & NC Pure Water Pump Station	August 7, 2020	April 19, 2021	September 22, 2025	\$455,704,000	\$356,681,930	\$4,695,220	\$361,377,150	\$124,287,161	Shimmick
Morena Northern Alignment & Tunnels	August 17, 2020	June 14, 2021	February 24, 2025	\$98,936,360	\$95,243,645	\$6,143,002	\$101,386,647	\$14,489,237	OHL USA, Inc
Morena Pump Station	October 21, 2020	June 14, 2021	July 17, 2025	\$109,700,000	\$110,386,350	\$1,228,229	\$111,614,579	\$43,708,623	Flat Iron West
NC Pure Water Pipeline and Dechlorination Facility & Subaqueous Pipeline	November 30, 2020	June 1, 2021	January 28, 2026	\$138,010,000	\$123,456,027	\$0	\$123,456,027	\$19,822,254	W.A. Rasic Construction Company, Inc.
NCWRP Expansion & PWF Influent Conveyance	December 16, 2020	August 4, 2021	March 27, 2025	\$208,660,000	\$255,138,000	\$61,145	\$255,199,145	\$37,990,155	Kiewit Infrastructure West Co.
NC MBC Improvements	February 9, 2020	September 15, 2021	July 17, 2025	\$40,384,677	\$40,086,690	\$203,664	\$40,290,354	\$9,899,626	PCL Construction, Inc.
NCWRP EQ Basins	May 11, 2021	December 6, 2021	July 8, 2024	\$10,540,000	\$11,886,000	\$0	\$11,886,000	\$1,194,826	Kiewit Infrastructure West Co.
Morena Conveyance Southern & Middle	December 28, 2021	October 3, 2022	July 18, 2025	\$115,954,829	\$129,753,895	\$0	\$129,753,895	\$4,833,669	Sukut Construction, LLC
Miramar Reservoir Pump Station Improvements	March 18, 2022	October 25, 2022	October 22, 2024	\$10,253,000	\$12,692,000	\$0	\$12,692,000	\$106,561	Shimmick
				\$1,204,546,166	\$1,151,727,837	\$13,515,472	\$1,165,243,309		

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 December 31, 2022 WIFIA report.

ATTACHMENT 1

MINUTES OF FEBRUARY 15, 2023

MetroTAC
(Technical Advisory Committee to Metro Commission/JPA)

ACTION MINUTES

DATE OF MEETING: February 15, 2023
TIME: 11:00 AM
LOCATION: Zoom Meeting held Online

MEETING ATTENDANCE:

Members Present

Beth Gentry, Chula Vista
Leon Firsht, Coronado
Joe Bride, Del Mar
Yazmin Arellano, El Cajon
Mike James, El Cajon
Blake Behringer, El Cajon
Eric Minicilli, Imperial Beach
Hamed Hashemian, La Mesa
Izzy Murguia, Lemon Grove
Steven Beppler, Otay WD
Bob Kennedy, Otay WD (arrived 12:13)
Paul Clarke, Padre Dam MWD
Karen Jassoy, Padre Dam MWD only during IRWM item.
Michael Hindle, Padre Dam MWD
Sanjay Gaur, Padre Dam MWD Consultant
Mike Hindle, Padre Dam
Peejay Tubongbanua, County of San Diego

San Diego City Staff/Consultants

Tom Rosales, City of San Diego
Amy Dorman, City of San Diego
Adam Jones, City of San Diego
Tung Phung, City of San Diego
Andrea Demich, City of San Diego
Abi Palaseyed, City of San Diego
Akram Bassyouni, City of San Diego
Ryan Kempster, City of San Diego
Peter Vroom, City of San Diego
Ami Latker, City of San Diego
Zoe Scott, City of San Diego

Staff/Consultants Present

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

Others Present

Doug Owen, STANTEC
Mark Elliott, Jacobs
Dean Gipson, HDR

1. ACTION: Review and Approve MetroTAC Action Minutes for the Meeting of January 18, 2023

ACTION: Steve Beppler requested additional information be added to page 4 regarding the recent spill to include Monday, January 16 at 2:50 p.m.

Motion by Joe Bride, seconded by Steve Beppler, the Minutes be approved with the above addition. Motion carried unanimously.

2. **ACTION: Consideration and Possible Action to Recommend to the Metro JPA/Commission Approval of a Second Amendment to the Agreement with Atoil Ventures (DBA: Ocean Imaging) for the Coastal remote Sensing Special Study of the Point Loma Ocean Outfall (PLOO) and the South Bay Ocean Outfall (SBOO) Regions**

Ryan Kempster, from the City of San Diego, provided a verbal overview of the Power Point presentation included in the agenda package.

ACTION: Motion by Steve Beppler, seconded by Paul Clarke, the item be approved for submission to the Metro JPA/Commission. Motion carried unanimously.

3. **ACTION: Consideration and Possible Action to Recommend to the Metro JPA/Commission Approval of Pump Station 1 and 2 Improvements and Modernization Capital Improvement Project (CIP)**

Tom Rosales, from the City of San Diego, provided a verbal overview of the Power Point presentation included in the agenda package.

Karyn Keze requested Tom provide Dexter Wilson with the 2018 Assessment Report to which Tom confirmed he would.

TAC Chair Gentry inquired if Tom would bring this item back to TAC prior to presentation to the JPA. Tom responded that it is scheduled to go to the San Diego City Council after the Metro March 2nd meeting.

ACTION: Motion by Leon Firsht, seconded by Eric Minicilli, to approve forwarding the item to the Metro JPA/Commission at their next meeting. Motion carried unanimously.

4. **ACTION: Consideration and Possible Action to Recommend to the Metro JPA/Commission Approval of a Second Amendment to the As-Needed Agreement with Jacobs CH2M Hill for Professional Construction Management Services for Pure Water Phase 1 Treatment Plant Projects**

5. **ACTION: Consideration and Possible Action to Recommend to the Metro JPA/Commission Approval of a Second Amendment to the As-Needed Agreement with Parsons-Black Veatch for Professional Construction Management Services for Pure Water Phase 1 Treatment Plant and Facilities**

Abi Palaseyed, from the City of San Diego, provided a verbal overview of the Power Point presentation which covered both Item 4 and Item 5 and was included in the agenda package. He noted that these items had received approval at the Environmental Commission and were scheduled to go to the San Diego City Council for approval after the Metro JPA/Commission meeting.

Karyn Keze noted she and Dexter Wilson would review the amendments to make sure we are not charged.

ACTION: Motion by Beth Gentry, seconded by Eric Minicilli, to approve Items 4 & 5 and forward them to the Metro JPA/Commission at their next meeting. Motion carried unanimously.

6. UPDATE: Ocean Pollution Reduction ACT (OPRA) 2 Secondary Equivalency Quarterly Report

Tom Rosales noted that they would be doing updates quarterly in the future. Further that both he and Scott Tulloch had met with Allie from the Mayor's office who is doing coordination with the lobbyists. They had a good conversation and meeting to get a sense of where OPRA 2 is heading. The proposed process is to re-introduce and bring it forward as a new and separate bill to both houses.

Scott Tulloch stated that Allie was going to Washington late February, early March, and then will bring information back. This is the City's highest legislative priority. The prior bill received support from California legislators and had been approved by the House. However, in the Senate, where one Senator has the ability to pull the bill a Senator from West Virginia who blocked it because of a personal agenda with EPA. The strategy is to get it done while Feinstein is still in office.

Tom Rosales stated the strategy would be to engage whoever may replace her ahead of the item going forward.

7. UPDATE: Metro Wastewater JPA/Commission Board Meeting Recap

Chair Gentry stated the JPA meeting in March will be held in person at MOC II. It will include the forwarded items from this meeting followed by a workshop and then a tour of the Pt. Loma Wastewater Treatment Plant. Priority on the tour will be given to Metro JPA Primary and Alternate Directors, Staff and then Metro TAC Primary and Alternate members due to limited space. She then noted that Director Bill Baber was elected Vice Chair to the Metro JPA/Commission; Director Jose Preciado of Chula Vista and John Duncan of Coronado were added to the Ad Hoc Committee; Directors Mark Robak of Otay, Ditas Yamane of National City and Peter De Hoff of Poway were added to the Finance Committee, Director De Hoff being the Alternate. Chair Jones will continue to be the representative for IROC meetings. A letter has been sent to the San Diego Deputy Chief Operating Officer stating our position on the 2020 spill which MetroTAC members were also sent a copy of.

8. UPDATE: Industrial Wastewater Control Committee

Chair Gentry stated she had no update.

9. UPDATE: Metro Wastewater (Financial)

A. Participating Agencies Selection Panel Rotation List

Adam Jones, City of San Diego noted that the list was attached to the agenda and requested the members provide updates if their information is out of date. He also thanked those who sent information on their updated billing and noted he will do an updated 5-Year Forecast at the March Metro TAC meeting.

Karyn Keze noted that the original rotation list was very old and that a recent list of Primary TAC Contacts was included with the agenda that would be used as a replacement. She stated the list will be used for the City of San Diego to contact a Primary for participation in specific project selection panels and if a PA wanted to be removed from the list, please let Adam know.

10. UPDATE: Metro Wastewater (General)

A. Pt. Loma Wastewater Treatment Plant Road

Tom Rosales, City of San Diego stated that he had no new information other than monitoring was continuing along with the gathering of data. They did a short-term fix while monitoring the road for a long term fix and received recognition for it.

B. April 10, 2020, Spill Update

Tom Rosales reported that a Closed Session will be held with San Diego City Council to enter into a settlement agreement; next it will go to open session in the next couple of weeks followed by the Regional Board review, comments, and public hearing in June. He noted that the San Diego City Attorney will reach out to the JPA Attorney prior to San Diego information becoming public.

C. January 16, 2023, Spill Update

Tom Rosales stated there was nothing new. They are pulling together a requested technical report to send to the Regional Board. It will include what happened and a plan for going forward.

Chair Gentry requested receipt of the technical report in real time or prior to any public documents being sent to the Regional Board. Tom responded that he would be reviewing the information with Dexter Wilson as requested by the JPA.

11. UPDATE: FY 2023 Metro Capital Improvement Program Funding Sources Quarterly Reports

This report will be heard in March.

12. UPDATE: Pure Water Program

A. Pure Water Construction Contracts Update

Amy Dorman, City of San Diego stated that her next update would be in March.

B. Morena Pump Station Dewatering

Amy Dorman stated that a major portion of the cost change was negotiated to manage groundwater infiltration on the construction site.

C. 2022 Pure Water Program Annual Report

Andrea Dimech, City of San Diego provided a verbal overview of the Power Point presentation included in the agenda package.

Karen Jassoy was invited into the meeting at this point

Bob Kennedy also arrived.

13. UPDATE: Financial Report

Karyn Keze stated there was not a lot of financial movement. She has been mostly busy on rewriting the financial sections of the 2nd ARA to include the new billing methodology. She also noted that the first Finance Committee Meeting with the new Directors will be held at the end of the month to bring them up to speed, and lastly she thanked everyone for paying their JPA bills which were now at 100%.

14. UPDATE: Integrated Regional Water Management (IRWM)

Chair Gentry stated that she had been attending the meetings as Primary Representative and Yazmin Arellano had been attending as alternate. She noted that the last meeting was February 1st and that the website has the details. The California Water Authority provided an update on our water issues. A Drought Subcommittee was forming and there was no funding available at this time. Several funding sources to upcoming grants, and August/December meetings were not going to be held annually.

15. ACTION: Nominations for IRWM RAC Primary and Alternate Representatives

Chair Gentry stated that Alisa Nichols from Poway and Karen Jassoy from Padre Dam had expressed interest in the positions. Each stated their interest in serving.

ACTION: Motion by Beth Gentry, seconded by Yazmin Arellano, to appoint Karen Jassoy as Primary and Alisa Nichols as Alternate. Motion carried unanimously

16. REPORT: FY 2022 Year End MetroTAC Work Plan

Chair Gentry stated there were no recent updates and requested anyone with updated sewer rates get them to Karyn and double check their rates to make sure they are accurate. Karyn will be updating the report for the next meeting.

17. Review of items to be Brought Forward to the Regular Metro Commission/Metro Wastewater JPA Meeting on December 1, 2022

Chair Gentry stated Items 2, 3, 4, and 5 would move forward.

18. Other Business of MetroTAC

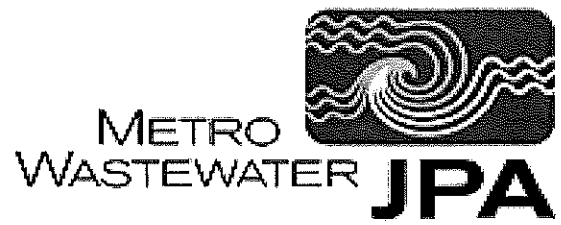
Chair Gentry stated that the next 2 meetings would be virtual, and April will possibly be in person.

19. Adjournment to the Next Regular Meeting

There being no further business the meeting was adjourned at 12:40 p.m.

ATTACHMENT 2

TREASURER'S REPORT ENDING FEBRUARY 28, 2023



Metro Wastewater Joint Powers Authority
Treasurer's Report
ending February 2023

Metro Wastewater JPA
Treasurer's Report
ending February 2023

Beginning Cash Balance at July 1, 2022	\$ 297,413
Operating Results	
Membership Dues & Interest Income	435,204
Expenses	<u>(305,238)</u>
Change in Net Position	129,966
Net change in Receivables & Payables	<u>21,654</u>
Cash used in Operations	<u>151,620</u>
Ending Cash Balance at February 2023	<u><u>\$ 449,032.64</u></u>

Metro Wastewater JPA
Statement of Net Position
As of July 1, 2022 and February 2023
Unaudited

	<u>July 1, 2022</u>	<u>February 2023</u>	<u>\$ Change</u>
<u>ASSETS</u>			
Checking/Savings	\$ 297,413	\$ 449,032	\$ 151,619
Accounts Receivable	<u>11,412</u>	<u>-</u>	<u>(11,412)</u>
Total Assets	<u>\$ 308,825</u>	<u>\$ 449,032</u>	<u>\$ 140,207</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 2,044	\$ 12,286	\$ 10,242
Unearned Membership Billings	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	\$ -	\$ 12,286	\$ 10,242
<u>NET POSITION</u>			
Net Position at Beginning of Period	\$ 566,757	\$ 306,782	\$ (259,975)
Change in Net Position	<u>(259,975)</u>	<u>129,966</u>	<u>389,941</u>
Net Position at End of Period	\$ 306,782	\$ 436,748	\$ 129,966
<u>TOTAL LIABILITIES & NET POSITION</u>	<u>\$ 308,826</u>	<u>\$ 449,034</u>	<u>\$ 140,208</u>

<i>Net Position at 02/28/23</i>	\$ 436,748
<i>FY '23 Required Reserve (4 months of Op Exp)</i>	<u>209,485</u>
<i>Over (under) required reserve</i>	\$ 227,263

Metro Wastewater JPA
Statement of Operations
Budget vs. Actual
ending February 2023
Unaudited

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u> <u>Budget</u>	
Income				
Membership Dues	\$ 435,204	\$ 292,122.50	\$ 143,082	
City of San Diego		\$ 22,105.00	(22,105)	
Interest Income	-	-	-	
Total Income	<u>\$ 435,204</u>	<u>\$ 314,228</u>	<u>\$ 120,977</u>	
Expense				
Administrative Assistant-LP	\$ 13,792	\$ 18,550.00	\$ (4,758)	(1)
Bank Charges	-	100.00	(100)	
Contingency	-	-	-	
Dues & Subscriptions	-	-	-	
Financial Services		-		
Audit Fees	-	7,250.00	(7,250)	(1)
Financial - The Keze Group	59,600	50,000.00	9,600	(1)
Treasurer - Padre Dam/El Cajon	3,435	15,000.00	(11,565)	(1)
JPA/TAC meeting expenses	1,917	2,500.00	(583)	
Miscellaneous		125.00	(125)	
Per Diem - Board	10,650	9,000.00	1,650	(1)
Printing, Postage, Supplies	-	430.00	(430)	
Professional Services		-		
Engineering - Dexter Wilson	89,548	70,850.00	18,698	(1)
Engineering - NV5	15,225	15,000.00	225	(1)
Legal - Procopio	99,536	105,000.00	(5,464)	(1)
Legal - BB&K	1,561	-	1,561	(1)
Paul Redvers Brown, Inc.	6,888	12,450.00	(5,563)	(1)
Strategic Planning	-	-	-	
Telephone, Software & Internet	-	1,070.00	(1,070)	(1)
Website Architecture Update	-	5,250.00	(5,250)	(1)
Website Maintenance & Hosting	3,087	1,652.50	1,435	
Total Expense	<u>\$ 305,238</u>	<u>\$ 314,228</u>	<u>\$ (8,989)</u>	
Net Income (Loss)	<u>\$ 129,966</u>	<u>\$ -</u>	<u>\$ 129,966</u>	

(1) Invoices received through 12/31/22

Metro Wastewater JPA
Statement of Cash Flows
ending February 2023
Unaudited

OPERATING ACTIVITIES

Change in Net Position	\$ 129,966
Adjustments to Reconcile Change in Net Position to Net Cash Provided by Operations:	
Accounts Receivable	11,412
Accounts Payable	10,242
Deferred Revenue	<u>-</u>
Year ended June 30, 2022	<u>151,620</u>
Net cash increase (decrease) for period	<u>297,413</u>
Cash at end of period	<u><u>\$ 449,033</u></u>

ATTACHMENT 3

REPURIFIED WATER REVENUE

The background of the slide is a close-up photograph of water with several concentric ripples. The water is a deep blue color, and the ripples are highlighted by bright, white reflections of light. The overall effect is a sense of movement and purity.

REPURIFIED WATER REVENUE

REVIEW OF ARA &
EXHIBIT F PROVISIONS
AND SAMPLE DRAFT
CALCULATION

PURPOSE OF THIS PRESENTATION

- Answers the questions:
 - What are the Repurified Water Revenue provisions that exist in the current ARA?
 - How is Repurified Water Revenue Calculated?
 - What does the potential Repurified Revenue stream look like per PA at various project size levels?
- Provide background on interaction of the Capital Expense Rate, the Repurified Water Revenue, and the Pure Water Cost Allocation for Capital Expenses.
- Provide background on the purpose and calculation of the Repurified Water Provisions in the Amended Restated Agreement (ARA)
- Show potential revenue streams between 71.5 and 83 MGD
 - $71.5 \text{ MGD} = 30 \text{ MGD Phase I} + 41.5 \text{ MGD Phase 2}$
 - $83 \text{ MGD} = 30 \text{ MGD Phase I} + 53 \text{ MGD Phase 2}$

ORIGINAL VISION OF PURE WATER PROGRAM (ARA)

WHEREAS, the Pure Water Program will not only benefit the City by **producing repurified water**, but also the Participating Agencies and their wastewater customers, especially if secondary equivalency is recognized through federal legislation amending the Clean Water Act. Specifically, implementation of the Pure Water Program will reduce wastewater discharges to the Point Loma Wastewater Treatment Plant, part of the Metro System where a large portion of the Participating Agencies' wastewater is currently treated and disposed by discharging it into the Pacific Ocean. By diverting wastewater from the Point Loma Wastewater Treatment Plant and reducing the effluent discharged into the Pacific Ocean, the City and the Participating Agencies will potentially avoid billions of dollars in unnecessary capital, financing, energy, and operating costs to upgrade the Point Loma plant to secondary treatment at full capacity. Avoiding such costs would result in significant savings for regional wastewater customers; and

(Note: The PAs reason for being in this Program is to avoid spending billions of dollars on unnecessary Secondary Treatment and instead spend those funds on Pure Water.)

DEFINITION: REPURIFIED WATER REVENUE (ARA)

Z. Repurified Water Revenue is the **cost savings** that will be realized when the City water utility's annual costs per-acre foot for **Repurified Water** are less than the purchase costs per-acre foot for comparable water from the San Diego County Water Authority, as further described in Exhibit F.

ARA IMPORTANT PROVISION FOR CALCULATIONS

ARA 3.4.2

Notwithstanding Section 3.4.1, or any other provision of this Agreement, a Participating Agency's share of **Pure Water Program Capital Improvement Costs, Repurified Water Revenue, and Capital Expense Rate** attributable to the Metro System under Exhibit F shall be assessed or credited based on the Parties' proportionate share of the Pure Water Capital Merged Percentage stated in Column 12 of Exhibit G. The City shall annually allocate the estimated and actual Pure Water Program Capital Improvement Costs and revenues which are attributable to the Metro System under Exhibit F in proportion to each Party's Pure Water Capital Merged Percentage when estimating quarterly payments and conducting year-end adjustments under Article V.

EXHIBIT “G”

Exhibit G

Pure Water Capital Billing Table - November 1, 2018

[illegible]

2ND ARA “PARKING LOT” ITEMS

2.9.1. This Agreement and Exhibit F specifically contemplate Phase I 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 I”). 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:

2.9.1.5: A sample calculation of **Repurified Water Revenue**

Note: Exhibit F provides details of provisions and calculations.

EXHIBIT F: 4.1 BACKGROUND & 4.2 CALCULATION (OVERVIEW)

4.1 Background. Initially, the parties anticipate that the cost per acre foot associated with the production of **Repurified Water** will be more expensive than the cost per acre foot of untreated imported water. However, it is anticipated that **Repurified Water** produced under the Pure Water Program will be less expensive than untreated imported water sometime in the future. Once **Repurified Water** produced under the Pure Water Program becomes less expensive than the cost of untreated imported water, the parties agree that there will be revenue from the Pure Water Program.

4.2 Calculation. Revenue sharing shall occur in each fiscal year during which the annual cost per acre foot associated with the production of **Repurified Water** is less than the cost of untreated water per acre foot from the San Diego County Water Authority (“CWA”). The annual cost difference shall be known as “**Repurified Water Revenue**.”

..... The City shall estimate whether there will be **Repurified Water Revenue** in the upcoming fiscal year prior to January 15 of each year, and the estimated amount of **Repurified Water Revenue** shall be effective on July 1 of the upcoming fiscal year.

EXHIBIT F: 4.3: REVENUE SHARING

4.3. Revenue Sharing. Repurified Water Revenue shall initially be shared based on the relative actual Capital Improvement Costs for the Pure Water Program contributed by City's Water Utility and the Metro System. Such Capital Improvement Cost contributions are currently estimated as (61% City Water Utility and 39% Metro System) until the debt attributable to the Metro System is fully paid.

Following full payment of debt attributable to the Metro System, Repurified Water Revenue shall be shared based on the relative actual Operation and Maintenance Costs for Pure Water Program facilities contributed by City's Water Utility and the Metro System, calculated annually. Such Operation and Maintenance Costs are currently estimated as (76% City Water Utility and 24% Metro System) on an annual basis.

EXHIBIT F: 4.4: YEAR-END ADJUSTMENT

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 PVV 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.

EXHIBIT F: 4.2: CALCULATION

4.2 Calculation. **Repurified Water Revenue** shall be determined as follows:

Annual cost per acre foot of CWA untreated water purchased by the City for delivery at Miramar Reservoir (which shall be determined based on the total of certain fixed and variable costs for water actually billed to the City by CWA for water delivered at Miramar Reservoir in a fiscal year, divided by the number of acre-feet of CWA water delivered at Miramar Reservoir that year)

less

Annual cost per acre foot of City Water Utility PW Costs (which shall be determined based on total annual city Water Utility PW Costs divided by the number of acre-feet of Repurified Water actually produced in that year)

multiplied by

The number of acre feet of Repurified Water produced by Pure Water Program facilities during the applicable fiscal year.

BASELINE EXAMPLE(S) CALCULATION ASSUMPTIONS

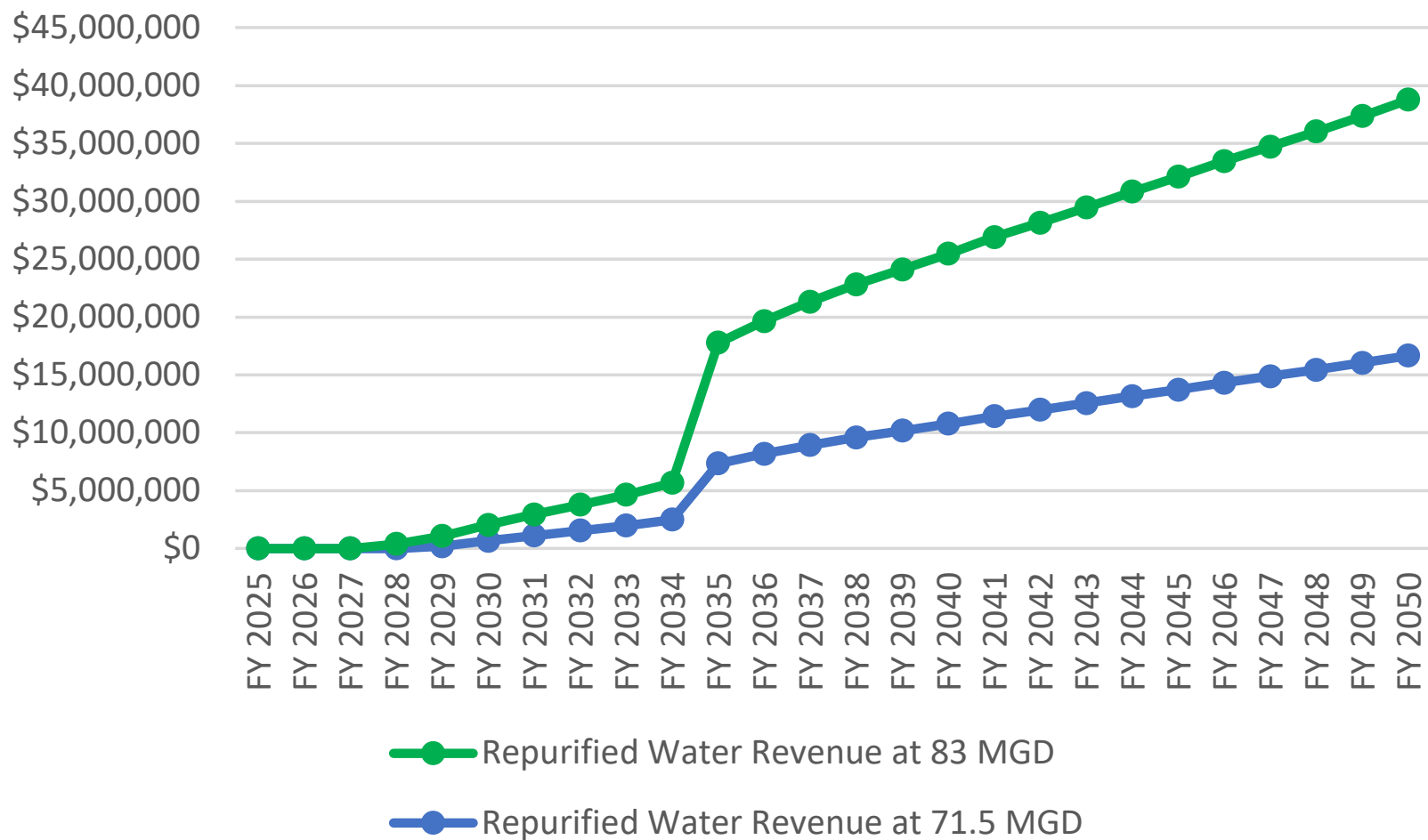
1. Pure Water Phase 1, comes on-line partially in FY 2025, with full production being reached in FY 2026
2. Pure Water Phase 2, comes on-line in FY 2035, with Peak Production
3. Assumes both 71.5 MGD and 83 MGD of Phase 1 and 2
4. Uses Average of ECJPA Trending Plus and Trending Projection for CWA Costs, which is based on Helix Water Districts Rate. City Rate will differ based on allocation of Fixed cost each year, but the average is in line with City projections
5. Uses high end total Pure Water cost (Phase 1 and Phase 2 costs) \$2280 /AF of Repurified Water for 83 MGD – Prepared by Stantec – Blended rate for Phase 1 & Phase 2
6. Ratio's to \$2,462/AF cost for 71.5 MGD.
7. Analysis assumes 2.55% increase in Water production costs starting in FY 2036 based on 30-year Inflation Rate from Saint Louis Federal Reserve

POTENTIAL REPURIFIED WATER REVENUE

Repurified Water Revenue at 71.5 MGD	FY 2028	FY 2029	FY 2030	FY 2035	FY 2040	FY 2045	FY 2050	Total Revenue
Estimated CWA Water Costs (Average High/Low)	\$ 2,382	\$ 2,514	\$ 2,640	\$ 3,276	\$ 3,987	\$ 4,688	\$ 5,438	
City of San Diego PW Cost- Water(\$/AF)	\$ 2,463	\$ 2,463	\$ 2,463	\$ 2,463	\$ 2,793	\$ 3,168	\$ 3,593	
Repurified Water Production levels (AF)	33,600	33,600	33,600	80,080	80,080	80,080	80,080	
Repurified Water Revenue subject to Sharing	N/A	\$ 1,702,963	\$ 5,936,563	\$ 65,079,688	\$ 95,615,520	\$ 121,721,600	\$ 147,747,600	
Assume Waste Water Capital Split (38%):	\$ -	\$ 647,126	\$ 2,255,894	\$ 24,730,281	\$ 36,333,898	\$ 46,254,208	\$ 56,144,088	\$ 684,646,922
City Share from Exhibit G 70.323%	\$ -	\$ 455,078	\$ 1,586,412	\$ 17,391,076	\$ 25,551,087	\$ 32,527,347	\$ 39,482,207	\$ 481,464,255
PA's Share from Exhibit G 29.677%	\$ -	\$ 192,048	\$ 669,482	\$ 7,339,205	\$ 10,782,811	\$ 13,726,861	\$ 16,661,881	\$ 203,182,667

Repurified Water Revenue at 83 MGD	FY 2028	FY 2029	FY 2030	FY 2035	FY 2040	FY 2045	FY 2050	Total
Estimated CWA Water Costs (Average High/Low)	\$ 2,382	\$ 2,514	\$ 2,640	\$ 3,276	\$ 3,987	\$ 4,688	\$ 5,438	
City of San Diego PW Cost- Water(\$/AF)	\$ 2,280	\$ 2,280	\$ 2,280	\$ 2,280	\$ 2,586	\$ 2,933	\$ 3,328	
Repurified Water Production levels (AF)	33,600	33,600	33,600	92,960	92,960	92,960	92,960	
Repurified Water Revenue subject to Sharing	\$ 3,427,200	\$ 7,862,400	\$ 12,096,000	\$ 92,588,160	\$ 130,236,960	\$ 163,144,800	\$ 196,145,600	
Assume Waste Water Capital Split (38%):	\$ 1,302,336	\$ 2,987,712	\$ 4,596,480	\$ 35,183,501	\$ 49,490,045	\$ 61,995,024	\$ 74,535,328	\$ 931,197,904
City Share from Exhibit G 70.323%	\$ 915,842	\$ 2,101,049	\$ 3,232,383	\$ 24,742,093	\$ 34,802,884	\$ 43,596,761	\$ 52,415,479	\$ 654,846,301
PA's Share from Exhibit G 29.677%	\$ 386,494	\$ 886,663	\$ 1,364,097	\$ 10,441,408	\$ 14,687,161	\$ 18,398,263	\$ 22,119,849	\$ 276,351,603

PA'S POTENTIAL REPURIFIED WATER REVENUE STREAM



REPURIFIED WATER REVENUE VS. CAPITAL EXPENSE

Difference: Projected Phase 2 Capital Costs			
		Phase 2 @ 54 MGD	\$ 3,290,000,000
		Phase 2 @ 41.5 MGD	\$ 2,958,000,000
		Difference	\$ 332,000,000
		Wastewater Share of Capital Costs (38%)	\$ 126,160,000
		PA's Share from Exhibit G (29.677%)	\$ 37,440,503
Total Projected Revenue			
		Phase 2 @ 54 MGD	\$ 276,351,603
		Phase 2 @ 41.5 MGD	\$ 203,182,667
		Difference	\$ 73,168,936
Revenue Versus Capital Expense @ 53 MGD			
		Additional Revenue @ 53 MGD	\$ 73,168,936
		Additional Capital Cost @ 53 MGD	\$ 37,440,503
		Difference	\$ 35,728,433

Repurified Water Revenue at 83 MGD	FY 2028	FY 2029	FY 2030	FY 2035	FY 2040	FY 2045	FY 2050	Total	Average
Chula Vista	\$152,356	\$349,523	\$537,727	\$4,116,001	\$5,789,676	\$7,252,592	\$8,719,641	\$108,937,754	\$4,951,716
Coronado	\$15,008	\$34,431	\$52,971	\$405,461	\$570,332	\$714,442	\$858,959	\$10,731,294	\$487,786
El Cajon	\$6,471	\$14,844	\$22,837	\$174,807	\$245,888	\$308,018	\$370,323	\$4,626,590	\$210,300
Imperial Beach	\$18,376	\$42,157	\$64,856	\$496,438	\$698,303	\$874,748	\$1,051,691	\$13,139,172	\$597,235
Lemon Grove	\$18,170	\$41,685	\$64,131	\$490,883	\$690,490	\$864,960	\$1,039,924	\$12,992,158	\$590,553
Padre Dam	\$5,785	\$13,271	\$20,417	\$156,283	\$219,831	\$275,377	\$331,081	\$4,136,314	\$188,014
San Diego	\$915,841	\$2,101,048	\$3,232,381	\$24,742,084	\$34,802,871	\$43,596,744	\$52,415,459	\$654,846,054	\$29,765,730
Total	\$1,302,336	\$2,987,712	\$4,596,480	\$35,183,501	\$49,490,045	\$61,995,024	\$74,535,328	\$931,197,904	\$42,327,177
Repurified Water Revenue at 71.5 MGD	FY 2028	FY 2029	FY 2030	FY 2035	FY 2040	FY 2045	FY 2050	Total	Average
Chula Vista	\$0	\$75,705	\$263,910	\$2,893,114	\$4,250,582	\$5,411,126	\$6,568,111	\$80,094,572	\$3,640,662
Coronado	\$0	\$7,458	\$25,997	\$284,996	\$418,718	\$533,042	\$647,015	\$7,889,996	\$358,636
El Cajon	\$0	\$3,215	\$11,208	\$122,871	\$180,522	\$229,811	\$278,948	\$3,401,619	\$154,619
Imperial Beach	\$0	\$9,131	\$31,831	\$348,943	\$512,670	\$652,645	\$792,191	\$9,660,346	\$439,107
Lemon Grove	\$0	\$9,029	\$31,474	\$345,039	\$506,934	\$645,343	\$783,327	\$9,552,256	\$434,193
Padre Dam	\$0	\$2,874	\$10,021	\$109,850	\$161,393	\$205,458	\$249,388	\$3,041,153	\$138,234
San Diego	\$0	\$455,078	\$1,586,412	\$17,391,069	\$25,551,077	\$32,527,334	\$39,482,192	\$481,464,073	\$21,884,731
Total	\$0	\$647,126	\$2,255,894	\$24,730,281	\$36,333,898	\$46,254,208	\$56,144,088	\$684,646,922	\$31,120,315
Difference	FY 2028	FY 2029	FY 2030	FY 2035	FY 2040	FY 2045	FY 2050	Total	Average
Chula Vista	\$152,356	\$273,817	\$273,817	\$1,222,888	\$1,539,094	\$1,841,466	\$2,151,530	\$28,843,182	\$1,311,054
Coronado	\$15,008	\$26,973	\$26,973	\$120,465	\$151,614	\$181,400	\$211,944	\$2,841,298	\$129,150
El Cajon	\$6,471	\$11,629	\$11,629	\$51,936	\$65,365	\$78,207	\$91,376	\$1,224,971	\$55,680
Imperial Beach	\$18,376	\$33,026	\$33,026	\$147,495	\$185,633	\$222,102	\$259,500	\$3,478,826	\$158,128
Lemon Grove	\$18,170	\$32,656	\$32,656	\$145,844	\$183,556	\$219,617	\$256,596	\$3,439,902	\$156,359
Padre Dam	\$5,785	\$10,397	\$10,397	\$46,432	\$58,439	\$69,920	\$81,693	\$1,095,162	\$49,780
San Diego	\$915,841	\$1,645,970	\$1,645,970	\$7,351,015	\$9,251,794	\$11,069,410	\$12,933,267	\$173,381,982	\$7,880,999
Total	\$1,302,336	\$2,340,586	\$2,340,586	\$10,453,220	\$13,156,147	\$15,740,816	\$18,391,240	\$246,550,982	\$11,206,863

ATTACHMENT 7

FY2023 2ND QUARTER CIP AND FUNDING SOURCES



THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: February 6, 2023

TO: Metro Technical Advisory Committee (Metro TAC)

FROM: Keli Balo, Interim Deputy Director, Public Utilities Department

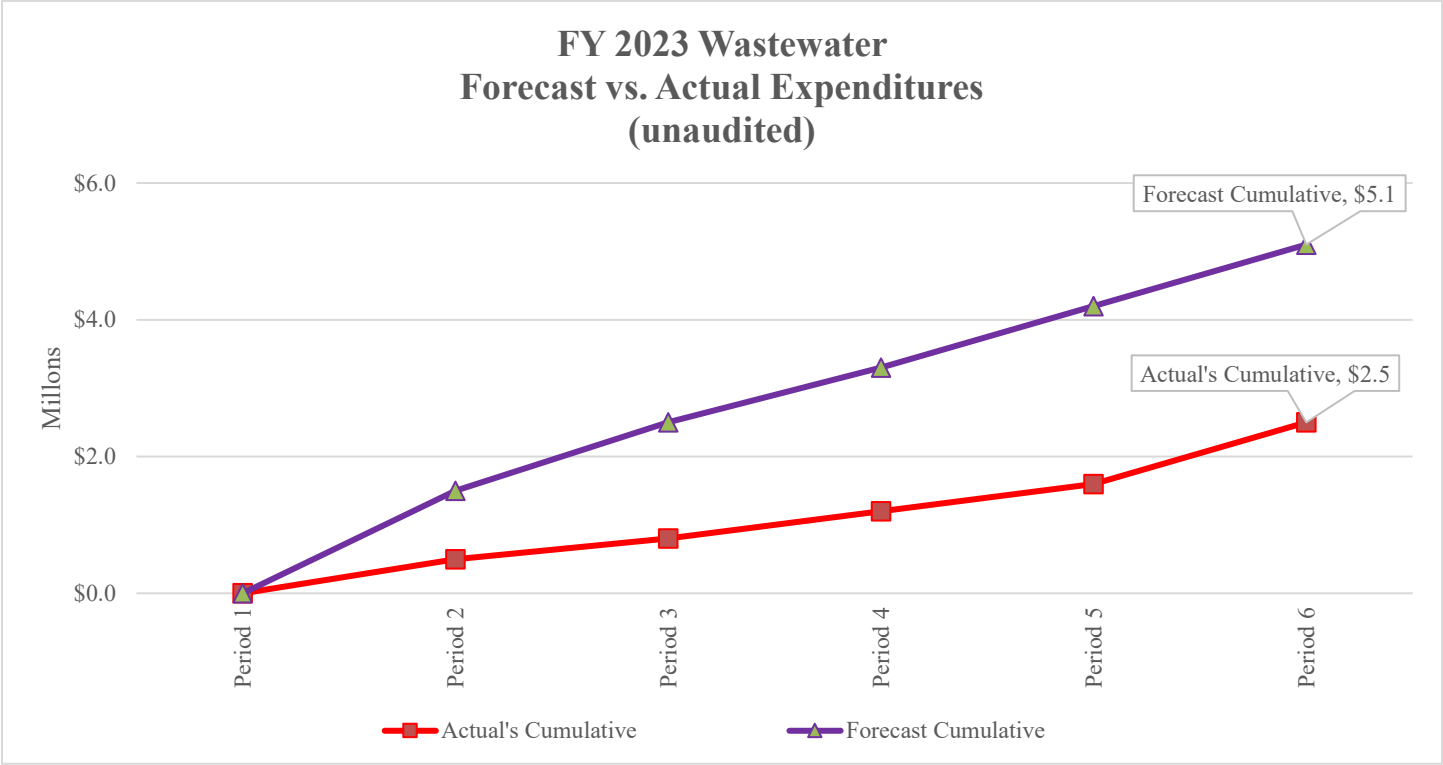
SUBJECT: FY2023 Capital Improvements Projects (CIP) Report – 2nd Quarter

The Public Utilities Department hereby submits the FY2023 CIP updates for the period of October 1, 2022 through December 31, 2022.

The report includes the following:

- Forecast versus actual expenditures report
- Projects expenditure updates

FORECAST VERSUS ACTUAL EXPENDITURES UPDATES



WASTEWATER PROJECTS

FY 2023 - 2nd Quarter (Financial Data run December 31, 2022)

NOTES:
- Wastewater projects are separated into Muni and Metro

[illegible]

ATTACHMENT 8A

PURE WATER CONSTRUCTION CONTRACTS UPDATE

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	\$16,403,300	\$1,184,211	\$17,587,511	\$17,587,511	Shimmick
NC Pure Water Facility & NC Pure Water Pump Station	August 7, 2020	April 19, 2021	September 22, 2025	\$455,704,000	\$356,681,930	\$4,695,220	\$361,377,150	\$124,287,161	Shimmick
Morena Northern Alignment & Tunnels	August 17, 2020	June 14, 2021	February 24, 2025	\$98,936,360	\$95,243,645	\$6,143,002	\$101,386,647	\$14,489,237	OHL USA, Inc
Morena Pump Station	October 21, 2020	June 14, 2021	July 17, 2025	\$109,700,000	\$110,386,350	\$1,228,229	\$111,614,579	\$43,708,623	Flat Iron West
NC Pure Water Pipeline and Dechlorination Facility & Subaqueous Pipeline	November 30, 2020	June 1, 2021	January 28, 2026	\$138,010,000	\$123,456,027	\$0	\$123,456,027	\$19,822,254	W.A. Rasic Construction Company, Inc.
NCWRP Expansion & PWF Influent Conveyance	December 16, 2020	August 4, 2021	March 27, 2025	\$208,660,000	\$255,138,000	\$61,145	\$255,199,145	\$37,990,155	Kiewit Infrastructure West Co.
NC MBC Improvements	February 9, 2020	September 15, 2021	July 17, 2025	\$40,384,677	\$40,086,690	\$203,664	\$40,290,354	\$9,899,626	PCL Construction, Inc.
NCWRP EQ Basins	May 11, 2021	December 6, 2021	July 8, 2024	\$10,540,000	\$11,886,000	\$0	\$11,886,000	\$1,194,826	Kiewit Infrastructure West Co.
Morena Conveyance Southern & Middle	December 28, 2021	October 3, 2022	July 18, 2025	\$115,954,829	\$129,753,895	\$0	\$129,753,895	\$4,833,669	Sukut Construction, LLC
Miramar Reservoir Pump Station Improvements	March 18, 2022	October 25, 2022	October 22, 2024	\$10,253,000	\$12,692,000	\$0	\$12,692,000	\$106,561	Shimmick
				\$1,204,546,166	\$1,151,727,837	\$13,515,472	\$1,165,243,309		

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 December 31, 2022 WIFIA report.