

Regular Meeting of the Metro Wastewater JPA/Metro Commission

AGENDA

Thursday, October 3, 2024 - 12:00 p.m.

9192 Topaz Way (PUD MOC II) Auditorium, San Diego, CA

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

NOTE: ANY MEMBER OF THE PUBLIC MAY ADDRESS THE METRO WASTEWATER JPA/COMMISSION ON ANY AGENDA ITEM. PLEASE COMPLETE A SPEAKER SLIP AND SUBMIT IT TO THE BOARD SECRETARY PRIOR TO THE START OF THE MEETING, IF POSSIBLE, OR IN ADVANCE OF THE SPECIFIC ITEM BEING CALLED. COMMENTS ARE LIMITED TO THREE (3) MINUTES PER INDIVIDUAL

1. ROLL CALL

2. **PLEDGE OF ALLEGIANCE**

- 3. **PUBLIC COMMENT:** Persons speaking during Public Comment may address the Metro Wastewater JPA/Metro Commission on any subject matter within the jurisdiction of the Metro Wastewater JPA/Metro Commission that is not listed as an agenda item. Comments are limited to three (3) minutes.
- 4. ACTION: Approval of Agenda

CONSENT CALENDAR

Items **5-7** will be enacted in one motion in accordance with the recommendation unless removed from the Consent Calendar by the Board of Directors, Staff or Public. If a member of the public wishes to remove an item, they should submit a "Request to Speak" form to the Board Secretary prior to the meeting. Items removed from the Consent Calendar will be considered in the original agenda order immediately following adoption of the Consent Calendar.

RECOMMENDATION: Approve the Consent Calendar

5. <u>ACTION</u>: Consideration and Possible Action to Approve the Minutes of the Regular Meeting of August 1, 2024 and the Special Meeting of September 19, 2024 (Attachments)

- 6. **ACTION:** Receive and File Check Registry for the Month of August, 2024 (Attachment)
- 7. **ACTION:** Consideration and Possible Action to Approve and Adopt Amended Conflict of Interest Code (Adriana Ochoa) **(Attachment)**

END OF CONSENT CALENDAR

- 8. <u>ACTION</u>: Consideration and Possible Action to Recommend to the Metro Wastewater JPA Approval of Phase 2 Planning Alternatives (Dexter Wilson) (Attachment)
- 9. <u>ACTION</u>: Consideration and Possible Action to Recommend to the Metro Wastewater JPA Approval of an Ocean Monitoring Boat by the City of San Diego (Ryan Kempster) (Attachment)
- 10. <u>ACTION</u>: Consideration and Possible Action to Recommend to the Metro Wastewater JPA Approval of a Contract for Pump Station 1 Improvements and Modernization with J.R. Filanc Construction Company, Inc. (Eric Rubalcava) (Attachment)
- 11. <u>ACTION:</u> Pure Water Program Semi-Annual Update (Amy Dorman) (Attachments)
 - a. <u>ACTION</u>: Consideration and Possible Action to Recommend to the Metro Wastewater JPA Approval of Pure Water Program - Construction Change Order No. 12 with Kiewit Infrastructure West Co. for North City Water Reclamation Plant Expansion (K-21-1861-DBB-3). (Akram Bassyouni) (Attachment)
 - b. <u>ACTION</u>: Consideration and Possible Action to Recommend to the Metro Wastewater JPA Approval of Pure Water Program – Amendment No. 3 to the Agreement with CH2M Hill Engineers, Inc. for Design Engineering Services for the North City Water Reclamation Plant Expansion and Influent Conveyance Project (Akram Bassyouni) (Attachment)
 - **c.** <u>ACTION</u>: Consideration and Possible Action to Recommend to the Metro Wastewater JPA Approval of Pure Water Phase 1 CIP Budget Increase Pooled Contingency (Amy Dorman) (Attachment)
- 12. <u>UPDATE</u>: Pure Water Program Update (Standing Item) (Amy Dorman/Doug Owen)
 a. Quarterly Contractors Report (Doug Owen) (Attachment)
- 13. **UPDATE**: Metro Wastewater (General) (Standing Item) (Lisa Celaya)
- 14. **<u>REPORT</u>**: General Counsel's Report (Standing Item) (Adriana Ochoa)
- 15. **<u>REPORT</u>**: Executive Director's Report (Standing Item) (Karyn Keze) (Attachment)
- 16. **<u>REPORT</u>**: MetroTAC Chair's Report (Standing Item) (Alisa Nichols) (Attachment)

17. <u>METRO JPA DIRECTORS/COMMISSIONERS COMMENTS AND PROPOSED</u> <u>AGENDA ITEMS</u> for Next Metro JPA/Commission Meeting November 7, 2024.

18. ADJOURNMENT

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

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

In compliance with the AMERICANS WITH DISABILITIES ACT

Persons with disabilities that require modifications or accommodations, please *contact General Counsel Adriana Ochoa at adriana.ochoa@procopio.com* by no later than two hours prior to the meeting to request reasonable modifications or accommodations consistent with the Americans with Disabilities Act and Metro JPA/Commission shall promptly work with you to resolve the matter in favor of accessibility.

Metro JPA 2024 Meeting Schedule

January 4, 2024 April 4, 2024	February 1, 2024 May 2, 2024	March June 6,
July 4, 2024	August 1, 2024	Septer
October 3, 2024	November 7, 2024	Decem

March 7, 2024 June 6, 2024 September 5, 2024 December 5, 2024



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

9192 Topaz Way (PUD MOC II) Auditorium, San Diego, CA

August 1, 2024

Minutes

Chair Jones called the meeting to order at 12:01 p.m. A quorum of the Metro JP/Commission was declared, and the following representatives were present:

1. ROLL CALL

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

Representatives

Alternate

Jose Preciado John Duncan Dwight Worden (absent) Garv Kendrick Mitch McKav Bill Baber Jerry Jones Ditas Yamane Peter De Hoff Joel Anderson (Absent) Mark Robak **Kyle Swanson**

Others present: Metro JPA Assistant General Counsel Kevin Davis - Procopio; JPA/Commission Board Secretary Lori Anne Peoples; Michael Benoza - City of Chula Vista; None – City of Coronado; None - City of El Cajon; Eric Minicilli– City of Imperial Beach; None - City of La Mesa; Izzy Murguia - Lemon Grove Sanitation District; None - City of National City; None - Otay Water District; Peejay Tubongbauna – Padre Dam Municipal Water District: Alisa Nichols – City of Poway, MetroTAC Chair; Lisa Celaya, Adam Jones, Edgar Patino, Nicole Roesler, Amy Dorman, Doug Campbell, Craig Boyd, David Bryant, Andrea Demich - City of San Diego Staff; Doug Owen – Stantec – City of San Diego Consultant; None – County of San Diego; Metro JPA Staff: Scott Tulloch – NV5; Dexter Wilson and Kathleen Noel - Wilson Engineering; Lee Ann Jones-Santos - JPA Treasurer; John Gavares, The Gavares Group – JPA Consultant

2. PLEDGE OF ALLEGIANCE TO THE FLAG

Director Robak, Otay Water District, led the pledge.

3. <u>PUBLIC COMMENT</u>

None.

4. ACTION: APPROVAL OF AGENDA

ACTION: Motion by Director Baber, seconded by Director McKay to approve the agenda. Motion carried as follows:

AYES: Preciado, Duncan, Kendrick, McKay, Baber, Jones, Yamane, Robak, Swanson, De Hoff NAYS: None ABSTAIN: None ABSENT: Worden, Anderson

APPROVAL OF CONSENT CALENDAR. ITEMS 5 & 6

5. <u>CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE MINUTES</u> <u>OF THE REGULAR MEETING OF JUNE 6, 2024</u>

6. <u>CONSIDERATION TO RECEIVE AND FILE THE CHECK REGISTRY FOR THE</u> <u>MONTHS OF JUNE & JULY, 2024</u>

ACTION: Motion by Director Swanson, seconded by Director Yamane to approve the Consent Calendar. Motion carried as follows:

AYES: Preciado, Duncan, Kendrick, McKay, Baber, Jones, Yamane, Robak, Swanson, De Hoff NAYS: None ABSTAIN: None ABSENT: Worden, Anderson

7. <u>ACTION: CONSIDERATION AND POSSIBLE ACTION TO APPOINT</u> <u>"METRO JPA STRATEGIC PLANNING AD HOC COMMITTEE"</u> <u>MEMBERS</u>

- **a.** Chair Jones provided a brief overview of the Strategic Planning Ad Hoc Committees' purpose noting that one had been done in 1999, 2007, 2009, 2011, 2015 and 2019. He then introduced John Gavares, Consultant who had assisted the JPA through prior planning endeavors. John explained the process and stated that a brief survey would be sent after this meeting to the JPA members, TAC members and Metro JPA staff to assist in the process.
- **b.** Chair Jones then recommended himself, Vice Chair De Hoff, Gary Kendrick, Jose Preciado, and Mark Robak to the Ad Hoc Committee.

ACTION: Motion by Chair Jones, seconded by Director Yamane to approve the slate provided. Motion carried as follows:

- AYES: Preciado, Duncan, Kendrick, McKay, Baber, Jones, Yamane, Robak, Swanson, De Hoff
- NAYS: None

ABSTAIN: None ABSENT: Worden, Anderson

8. ACTION: CONSIDERATION AND POSSIBLE ACTION TO APPROVE A FIFTH AMENDMENT TO THE AS-NEEDED ENGINEERING TECHNICAL SERVICES CONSULTANT AGREEMENT WITH STANTEC, INC. FOR THE PURE WATER PROGRAM (H156303)

Andrea Demich, City of San Diego, provided a brief overview of her Power Point presentation included in the agenda package. Two actions were requested.

1. <u>Authorization to execute the Fifth Amendment to the Agreement</u> with Stantec, Inc., for As-Needed Engineering Technical Services for an amount not-to-exceed \$34,000,000, increasing the total not-to-exceed amount of the Agreement to\$128,100,000, and extending the contract term an additional five years

ACTION: Motion by Director Baber, seconded by Director Swanson to approve the fifth amendment to agreement with Stantec, Inc. Motion carried as follows:

 AYES: Preciado, Duncan, Kendrick, McKay, Baber, Jones, Yamane, Robak, Swanson, De Hoff
 NAYS: None
 ABSTAIN: None
 ABSENT: Worden, Anderson

2. <u>Authorization to expend an amount not-to-exceed \$128,100,000</u> in total over the term of this Agreement from Water Utility Operating Fund (700011), Water Utility CIP Fund (700010), Metro Sewer Operating Fund (700001), and Metro Sewer CIP Fund (700009)</u>

ACTION: Motion by Director Baber, seconded by Director Duncan, to approve the requested authorization to expend a not-to-exceed amount. Motion carried as follows:

 AYES: Preciado, Duncan, Kendrick, McKay, Baber, Jones, Yamane, Robak, Swanson, De Hoff
 NAYS: None
 ABSTAIN: None' procurement departments audited
 ABSENT: Worden, Anderson

9. ACTION: CONSIDERATION AND POSSIBLE ACTION TO APPROVE A SECOND AMENDMENT TO THE CONTRACT WITH PATRIOT ENVIRONMENTAL SERVICES FOR REMOVAL AND TRANSPORT OF GRIT, SLUDGE, SCUM, VIVIANITE, AND STORMWATER

Lisa Celaya, City of San Diego, provided opening remarks regarding the

cities procurement audit procedure which identified two contracts being in error. This is the first one and Item 10 is the second.

Doug Campbell, City of San Diego provided a brief verbal overview of the amendment PowerPoint presentation, included in the agenda package.

ACTION: Motion by Director McKay, seconded by Director Yamane, to approve the requested second amendment and Metro expenditures.

Motion withdrawn by maker and second.

Motion by Director McKay, seconded by Director Yamane, to amend the contract to extend 12/16/2021 through 4/21/2022 and approve the outstanding amount (JPA) of \$27,394.95

Motion carried as follows:

 AYES: Preciado, Duncan, Kendrick, McKay, Baber, Jones, Yamane, Robak, Swanson, De Hoff
 NAYS: None
 ABSTAIN: None' procurement departments audited
 ABSENT: Worden, Anderson

10. ACTION: CONSIDERATION AND POSSIBLE ACTION TO APPROVE THE THIRD AMENDMENT TO THE CONTRACT WITH VEOLIA WTS SERVICES USA, INC. TO PROVIDE ELECTRODIALYSIS REVERSAL SYSTEM MAINTENANCE

Doug Campbell provided a brief overview of the PowerPoint presentation included in the agenda package.

ACTION: Motion by Director Baber, seconded by Director Robak, to approve the third amendment and metro expenditures Motion carried as follows:

 AYES: Preciado, Duncan, Kendrick, McKay, Baber, Jones, Yamane, Robak, Swanson, De Hoff
 NAYS: None
 ABSTAIN: None' procurement departments audited
 ABSENT: Worden, Anderson

11. ACTION: CONSIDERATION AND POSSIBLE ACTION TO RECOMMEND APPROVAL OF RESOLUTION 2024-01A, RESOLUTION OF THE METRO WASTEWATER JOINT POWERS AUTHORITY ADOPTING AN AMENDED CONFLICT OF INTEREST CODE PURSUANT TO THE POLITICAL REFORM ACT OF 1974

Assistant General Counsel Davis provided a brief overview of the staff report on the purpose and process of 700 form filings and the Political Reform Act. Since the Metro JPA relays on consultants including part-time legal and engineering they will now be required to report under all categories 1-6 in the updated code. This revised code will be published for public comment on the Metro JPA website by Lori and then brought back for final adoption.

ACTION: Motion by Director Baber, seconded by Director Yamane, to approve the resolution amending the code. Motion carried as follows:

 AYES: Preciado, Duncan, Kendrick, McKay, Baber, Jones, Yamane, Robak, Swanson, De Hoff
 NAYS: None
 ABSTAIN: None' procurement departments audited
 ABSENT: Worden, Anderson

12. <u>DISCUSSION: EXHIBIT B, POOL CAPACITY, AND AUTOMATIC</u> <u>TRANSFERS</u>

Dexter Wilson, Wilson Engineering, provided a brief overview of his PowerPoint presentation included in the agenda package.

13. <u>UPDATE</u>: <u>PURE WATER PROGRAM UPDATE</u>

a. Quarterly Report

Doug Owen, Stantec, provided a brief verbal overview of the status of the construction contracts, included in the agenda package.

14. UPDATE: METRO WASTEWATER FINANCIAL

a. <u>Public Utilities Department Fiscal Year 2025-2029 Five-Year Financial</u> <u>Outlook</u>

Adam Jones, City of San Diego, provided a brief verbal overview of his PowerPoint presentation included in the agenda package. He noted that the City was successful in their appeal against SDG&E for \$40M but that they will appeal the decision.

15. <u>UPDATE</u>: <u>METRO WASTEWATER</u>

Lisa Celaya, City of San Diego noted that the CIP for PS1 design build was being awarded, and the condition assessment for Pt. Loma will be brought forward for information.

16. <u>UPDATE</u>: <u>GENERAL COUNSEL</u>

There was no report.

17. <u>REPORT</u>: <u>EXECUTIVE DIRECTOR</u>

Executive Director Keze noted her report was included in the agenda package.

18. <u>REPORT</u>: <u>MetroTAC</u>

MetroTAC Chair Alisa Nichols stated TAC had heard all items that the JPA was just presented.

19. <u>METRO JPA DIRECTORS/COMMISSIONERS COMMENTS AND PROPOSE</u> <u>AGENDA ITEMS FOR THE NEXT METRO JPA/COMMISSION</u> <u>MEETING</u> <u>OCTOBER 3, 2024 (The regular meeting of September 5, 2024 is hereby</u> <u>cancelled)</u>

There were none provided.

20. ADJOURNMENT

Chair Jones declared the meeting adjourned at 2:09 pm.



Minutes of the Special Meeting of the Metro Wastewater JPA and Metro Commission

9192 Topaz Way (PUD MOC II) Auditorium, San Diego, CA

September 19, 2024

Minutes

Chair Jones called the meeting to order at 12:01 p.m. A quorum of the Metro JP/Commission was declared, and the following representatives were present:

1. ROLL CALL

Agencies

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

Alternate Representatives Jose Preciado John Duncan (absent) Dwight Worden Gary Kendrick Mitch McKay Bill Baber Jerry Jones Ditas Yamane Peter De Hoffa Joel Anderson Greg Kazmer Mark Robak (absent) Kyle Swanson (absent)

Others present: Metro JPA General Counsel Adriana Ochoa - Procopio; JPA/Commission Board Secretary Lori Anne Peoples and Executive Director Keze via Zoom

PLEDGE OF ALLEGIANCE TO THE FLAG

Vice Chair De Hoff, City of Poway, led the pledge.

2. PUBLIC COMMENT

None.

3. CLOSED SESSION

Chair Jones noted that the purpose of this meeting was to hold a Closed Session. General Counsel Ochoa stated the purpose, code and title as reflected on the agenda.

CLOSED SESSION

PUBLIC EMPLOYEE APPOINTMENT (Gov. Code 54957(b)(1)) Title: General Counsel

Board Secretary Peoples stated that Barbara Nielsen, City of San Diego would escort those who needed to use the elevator up to the conference room where the closed session was being held and she would escort the remainder up the stairs.

- At 12:10 p.m. The Directors adjourned to Closed Session.
- At 12:38 p.m. The Directors returned to the auditorium and Chair Jones reconvened the meeting.

Chair Jones provided the report out stating the following action was taken during closed session: In light of our General Counsel's anticipated move to a new law firm, the Board voted: (1) to transition general counsel legal services from Procopio to Ms. Ochoa's new firm, Snell & Wilmer, effective September 23, 2024, in order to ensure the continuity of legal representation for our agency, and (2) to authorize the Executive Director or Board Chair to execute the necessary authorizations and agreements that effect this transition, including a new Engagement Agreement with Snell & Wilmer.

ACTION: Motion by Director Preciado, seconded by Director Baber to approve (1) the transition of general council to Ms. Ochoa's new firm, Snell & Wilmer, effective September 23, 2024. Motion carried as follows:

 AYES: Preciado, Worden, Kendrick, McKay, Baber, Jones, Yamane, De Hoff, Kazmer
 NAYS: None
 ABSTAIN: None
 ABSENT: Duncan, Robak, Swanson

ACTION: Motion by Director Baber, seconded by Director Yamane to approve (2) authorization of the Executive Director or Board Chair to execute the necessary authorizations and agreements that effect this transition, including a new Engagement Agreement with Snell & Wilmer. Motion carried as follows:

AYES: Preciado, Worden, Kendrick, McKay, Baber, Jones, Yamane, De Hoff, Kazmer NAYS: None ABSTAIN: None ABSENT: Duncan, Robak, Swanson

4. ADJOURNMENT

Chair Jones declared the meeting adjourned at 12:43 pm.

Monthly Expense Report

MetroJPA Invoices for August 2024 paid in September 2024

Prepared by Treasurer@metrojpa.org

Prepared on September 24, 2024

MetroJPA

Expenses by Vendor Summary

September 24, 2024

	TOTAL
Dexter Wilson Engineering	13,667.50
Gary Kendrick	332.00
Jerrold L. Jones	830.00
Jose Preciado	332.00
Keze Group LLC	11,116.25
Mark Robak	332.00
NV5	680.00
Peter De Hoff	332.00
Procopio	1,984.50
Credit Card Expenses	459.28

TOTAL

\$30,065.53

ATTACHMENT A

CONFLICT OF INTEREST CODE OF THE METRO

WASTEWATER JPA

(Amended April 4, 2024)¹

<u>PART "A"</u>

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

Metro Wastewater JPA Officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18700.3(b), are NOT subject to the JPA's Code, but must file disclosure statements under Government Code Section 87200 *et seq*. [Regs. § 18730(b)(3)]

It has been determined that the positions listed below are officials who manage public investments. These positions are listed here for informational purposes only²:

Members of the Board of Directors and their Alternates

Executive Director

Treasurer

Engineering Consultant

Financial Consultant

General Counsel

Consultants and New Positions

¹ This amendment to update organizational changes and new positions, as provided by the Fair Political Practice Commission, was adopted on April 4, 2024.

² Individuals holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Gov. Code § 87200.

DESIGNATED POSITIONS

GOVERNED BY THE CONFLICT OF INTEREST CODE

DESIGNATED POSITIONS TITLE OR FUNCTION	DISCLOSURE CATEGORIES ASSIGNED
Executive Director	1 through 6
Treasurer	1, 4, 5, 6
Engineering Consultant	1, 3, 5, 6
Financial Consultant	1, 4, 5, 6
Board Members and Alternates	1 through 6
General Counsel	1, 2, 3, 6
Consultants and New Positions ³	

³ Individuals serving as a consultant as defined in FPPC Reg. 18700.3(a) or in a new position created since this Code was last approved that makes or participates in making decisions must file under the broadest disclosure category in this Code subject to the following limitation:

The Board of Directors may determine in writing that due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements (Gov. Code Sec. 82019; FPPC Regulations 18219 and 18734). The Board of Directors' determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code (Gov. Code Sec. 81008).

<u>PART "B"</u>

DISCLOSURE CATEGORIES

The disclosure categories listed below identify the types of economic interests which the designated position must disclose for each disclosure category to which he or she is assigned.⁴ "Investment" means financial interest in any business entity (including a consulting business or other independent contracting business) and are reportable if they are either located in, doing business in, planning to do business in, or have done business during the previous two years in the jurisdiction of the JPA.

<u>Category 1</u>: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments.

<u>Category 2</u>: All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of the JPA.

<u>Category 3</u>: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments from, business entities that are engaged in land development, construction or the acquisition or sale of real property within the jurisdiction of the JPA.

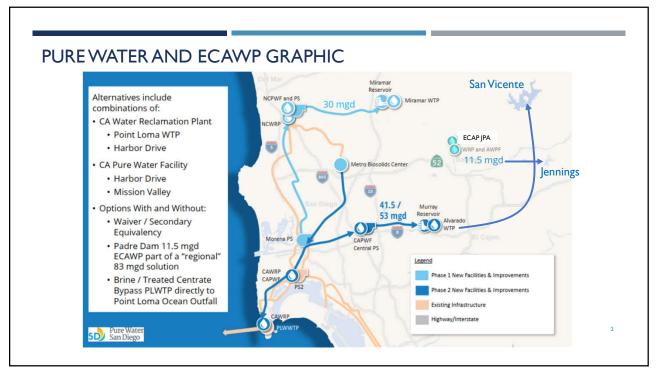
<u>Category 4</u>: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments from, business entities that are banking, savings and loan, or other financial institutions.

<u>Category 5</u>: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments from, business entities that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the JPA.

<u>Category 6</u>: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments from, business entities that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the designated position's department, unit or division.

⁴ This Conflict of Interest Code does not require the reporting of gifts from outside this agency's jurisdiction if the source does not have some connection with or bearing upon the functions or duties of the position. (Reg.18730.1)

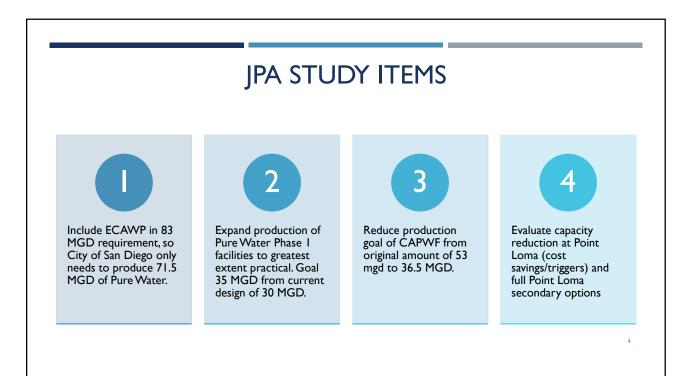
LETTER TO THE CITY OF SAN DIEGO FOR SCOPE OF WORK ON STANTEC STUDY ON PHASE 2 PURE WATER

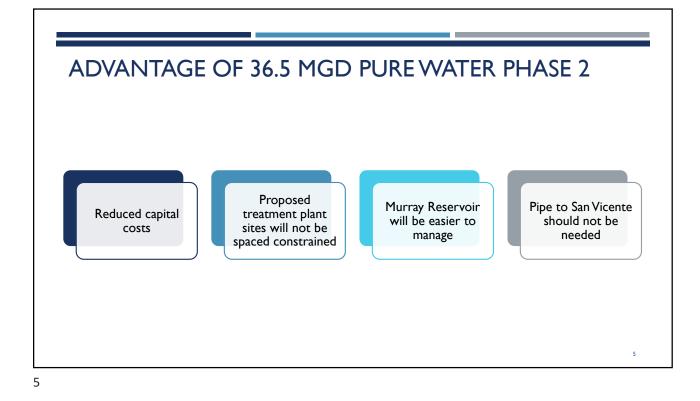


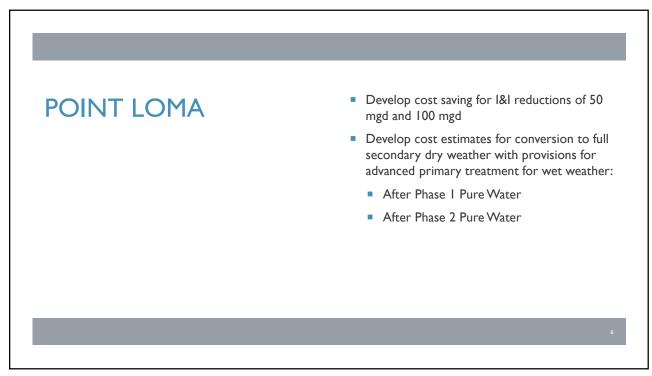
STANTEC IS CURRENTLY DOING A PHASE 2 VALIDATION STUDY WHICH SHOULD BE COMPLETE BY THE END OF 2025

Why is Study Needed

- Conservation has decreased
 - Water demand on SDCWA
 - Sewage flow and further decreases are expected
- Currently, available water supplies exceed demand and may continue to do so in the future.
- Water agencies are faced with large rate increases to fund existing costs especially with reduced revenue associated with reduced demand, so a cost sensitive approach to Phase 2 Pure Water is needed.
- ECAWP is under construction and should be considered as a part of 83 mgd requirement.
- It is the appropriate time to validate Pure Water Phase 2 program
- Direct Potable Regulations are completed









ATTACHMENT A

LETTER TO THE CITY OF SAN DIEGO FOR SCOPE OF WORK ON STANTEC STUDY ON PHASE 2 PURE WATER POWERPOINT

METRO WASTEWATER JPA



P. O. Box 1072, National City, CA 91950 619-548.2934

www.metrojpa.org

Jerry Jones, Chair

October xx, 2024

City of San Diego Public Utilities Department 9192 Topaz Way San Diego, CA 92123

Attention: Juan Guerreiro, Director of Public Utilities

As the City of San Diego (City) begins Stantec's review and verification of the implementation plan for the Pure Water Phase 2 Program, we would like to present to the City several alternatives and ideas we would like to be included in the review. We recognize that the City will implement the program that it deems best, but we would like to ensure a comprehensive range of alternatives are considered. Additionally, we acknowledge that there are agreements and NPDES conditions that currently require the Metro region to produce 83 MGD of potable reuse.

We agree with the City that Stantec should review and verify the current and future sewer flow and water demand for implementation of the Phase 2 Pure Water program. Some major changes related to water supply and cost have happened over the last 10 years and these may impact the best approach to implement Phase 2 Pure Water. These changes include:

- Change in variability of water supply and demand in Southern California
- An extremely successful water conservation program that has resulted in (1) Reduced water sales in San Diego County despite continued population growth and (2) Reduced sewage flows and the likelihood of even greater reductions in sewage flows
- San Diego County Water Authority's fixed water revenue requirement due to the cost of ensuring water supply and maintaining infrastructure, which, due to reduced water sales, is putting an upward pressure on water retail rates.
- Increases in expenditures to maintain existing water and sewer infrastructure
- The possibility of reduced sewage flows below needs to feed some Pure Water Phase 2 alternatives
- Finalization of Direct Potable Reuse regulations

With these concerns in mind, we feel alternatives for Phase 2 Pure Water that reduce capital and operations costs to the maximum extent possible should be considered. These alternatives should include maximizing water

The Joint Powers Authority Proactively Addressing Regional Wastewater Issues

Chula Vista • Coronado • Del Mar • El Cajon • Imperial Beach • La Mesa • Lemon Grove Sanitation District National City • Otay Water District • Poway • Padre Dam Municipal Water District Pure Water Phase 2 Evaluation Alternative Request October xx, 2024 Page 2

production beyond 32 mgd at the North City Pure Water Facility (NCPWF), utilizing East County Advanced Water Purification (ECAWP) production of potable water to meet the 83 mgd regional goal, reducing the proposed sizing of the Central Area Pure Water Facility (CAPWF) to 37 mgd or below, eliminating the pipeline to San Vicente, and retaining the flexibility to expand the Pure Water production in the future beyond 83 mgd, if warranted.

The following provides a description of alternatives we would like Stantec to review:

- 1. Optimize NCPWF and reduce CAPWF.
 - 1a. Optimize and expand production of Pure Water at NCPWF. Production goal 35 mgd. To do this the following could be done:
 - i. Dedicate more sewage from purple pipe recycling to Pure Water. (This would allow NCPWF to run at 32 mgd of its design capacity year around)
 - ii. Increase production stream from RO to capture more water. (Goal 92.5% product stream)
 - iii. Re-permit as Direct Potable Reuse to deliver greater flows to Miramar Reservoir
 - Decrease CAPWF production goal to 36.5 mgd and deliver to Murray Reservoir (83 MGD – 35 MGD NCPWF – 11.5 ECWPF = 36.5 mgd)
 - 1c. Do not build pipe to San Vicente Reservoir
- 2. Evaluate costs for full secondary treatment at Point Loma Wastewater Treatment Plant (PLWWTP) under the following scenarios:
 - 2a. Post-Pure Water Phase 1 flows.
 - 2b. Post-Pure Water Phase 2 flows.
 - 2c. Assuming 50 mgd of I&I reduction for 2a and 2b.
 - 2d. Assuming 100 mgd of I&I reduction for 2a and 2b.

We thank you for your consideration of these alternatives.

Sincerely,

Jerry Jones, Chair

Attachment(s)

The Joint Powers Authority Proactively Addressing Regional Wastewater Issues

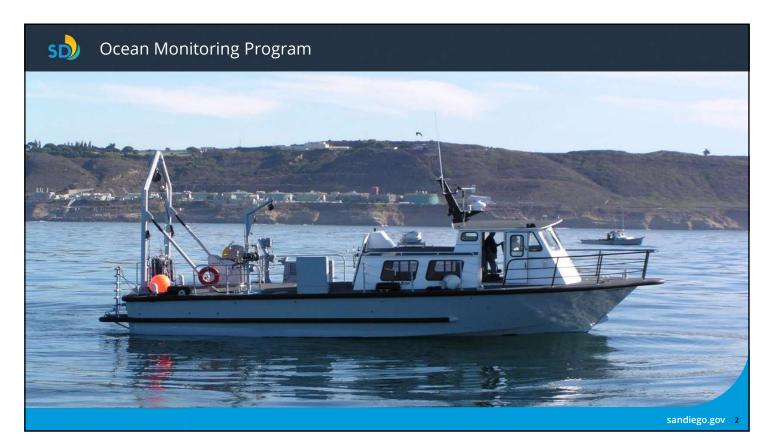
Public Utilities Department

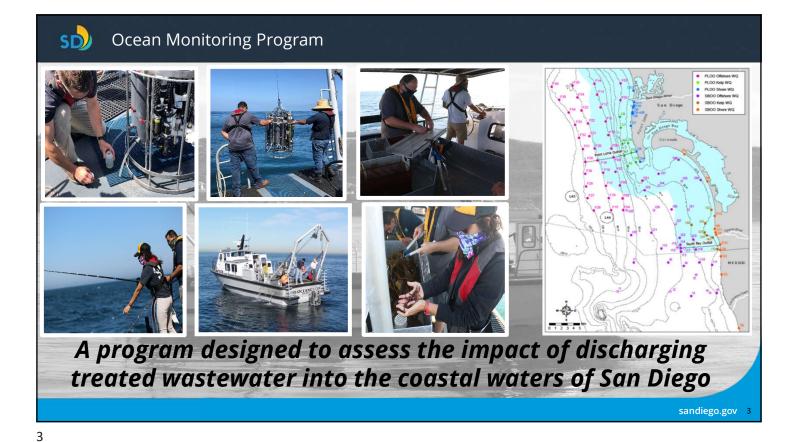
Replacement Sampling Vessel for the City's Ocean Monitoring Program

Metro JPA/Commission Oct 3rd, 2024

Ryan Kempster, Ph.D. (Ocean Monitoring Program Manager) Adriano Feit (Environmental Scientist III and Contract Coordinator) Violet Renick (Assistant Deputy Director)

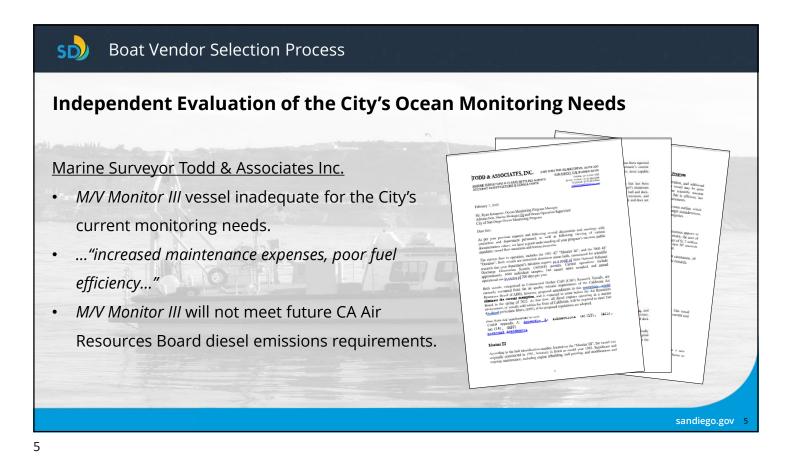




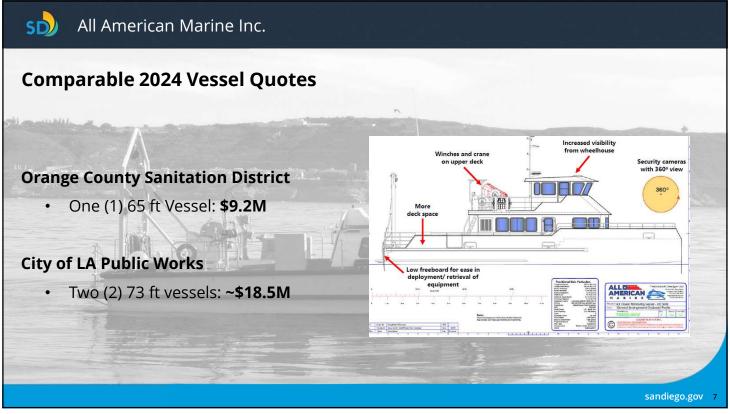




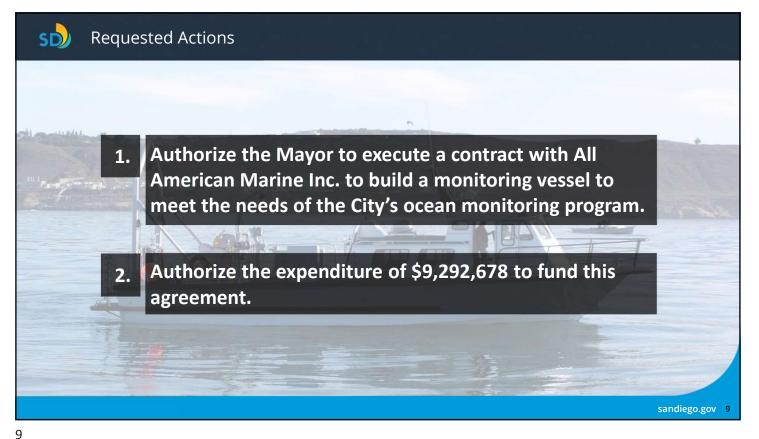
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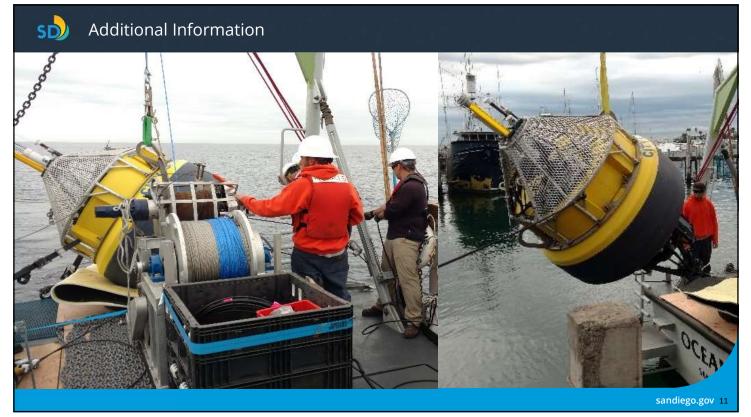


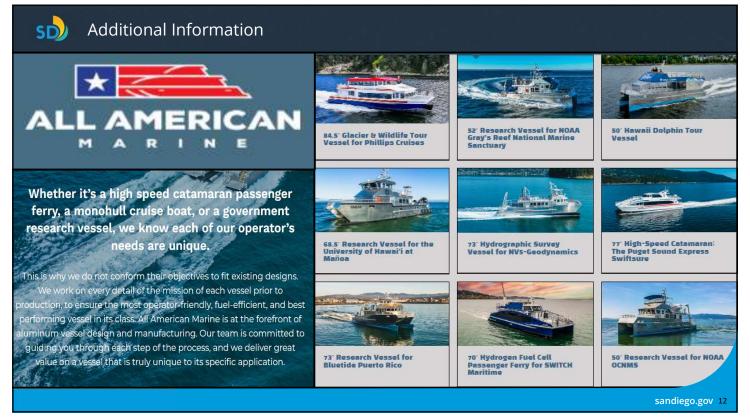




SD **Project Contacts & Next Steps Committee Approvals City of San Diego Metro TAC** Violet Renick Aug 21, 2024 Assistant Deputy Director vmrenick@sandiego.gov **Metro JPA** Oct 3, 2024 Ryan Kempster, Ph.D. Ocean Monitoring Program Manager **Environment Committee** rkempster@sandiego.gov Oct 10, 2024 **Adriano Feit City Council** Environmental Scientist III Oct 29, 2024 Contract Administrator afeit@sandiego.gov

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METRO JPA/TAC Staff Report Date: 8/21/2024

Project Title:

Contract with All American Marine Inc. to Build a Replacement Ocean Monitoring Vessel.

Presenter(s) Name(s):

Ryan Kempster, Adriano Feit, Violet Renick

Presenter(s) Title(s):

Senior Environmental Scientist (Ocean Monitoring Program Manager), Environmental Scientist III (Contract Coordinator), Assistant Deputy Director

Requested Action:

Metro JPA/Commission authorization to spend \$9,292,678.10 over a two year contract period to build a replacement ocean monitoring vessel.

\$3,066,584 is approximately 33% of the total contract amount of \$9,292,678.10.

Recommendations:

Approve the Metro expenditure request and forward to the Metro JPA Commission.

Metro TAC:	To be submitted for consideration.		
IROC:	N/A		
Prior Actions:			
(Committee/Commission,	N/A		
Date, Result)			
Fiscal Impact:			
Is this projected budgeted? Yes X No			
Cost breakdown between Metro & Muni:	100% Metro		
Fiscal impact to the Metro JPA:	 The total fiscal impact of this agreement is \$9,292,678.10 (over 2 years); FY2025 = \$3,252,437.34 [35% of total cost] 		
	• FY2026 = \$6,040,240.77 [65% of total cost]		
	33% of Metro costs is \$3,066,584		
	The Department has anticipated the need for this purchase over many fiscal years and expects that it will have sufficient funding through its ongoing operating budget, including its capital equipment budget to support the purchase.		
Capital Improvement Program:			
New Project? Yes X			
Existing Project? Yes	No _X Upgrade/addition Change		

Previous TAC/JPA Action: N/A

Additional/Future Action: N/A

City Council Action:

Expect to be heard by Environment Committee on October 10, 2024 and City Council on October 29, 2024.

Background: Provide background information on the need for the project

This request is to authorize the execution of a Contract with All American Marine Inc. to build a new ocean monitoring vessel to replace the City's 40-year-old monitoring vessel, the *M/V Monitor III*. A larger, modern, and reliable vessel will ensure that the City can continue to meet ocean monitoring regulatory requirements associated with its National Pollutant Discharge Elimination System (NPDES) permits as well as new California air quality emissions standards. The contract value is not to exceed \$9,292,678.10 over a two-year period.

Discussion: Provide information on decisions made to advance the project

The City of San Diego Public Utilities Department (PUD) requests approval of a Contract with All American Marine, Inc. to provide the City with a new ocean monitoring vessel. The requested vessel is necessary to replace a monitoring vessel that has exceeded its planned working life to ensure we continue to meet the needs of the Ocean Monitoring Program required by the City of San Diego's (City) wastewater discharge permits.

The City's Ocean Monitoring Program evaluates the environmental impacts of treated wastewater discharged from the Point Loma and the South Bay Ocean Outfalls. Covering an expansive area of more than 340 square miles from San Diego to northern Baja California, Mexico, and extending from the coastline to 10 miles offshore, the program collects data on water quality and the health of marine organisms. These data are crucial for analyzing the impact of wastewater discharges on marine ecosystems and to determine compliance with the NPDES permit requirements for the Point Loma Wastewater Treatment Plant and South Bay Water Reclamation Plant. In addition, the City also provides contracted ocean monitoring services to the South Bay International Wastewater Treatment Plant, which is owned and operated by the U.S. Section of the International Boundary and Water Commission (USIBWC).

For four decades, the City's 42' boat, the *M/V Monitor III* has served as the primary monitoring vessel for the Ocean Monitoring Program. Prior to pursuing a contract for a replacement vessel, an independent assessment was conducted by the Marine Surveyors Todd and Associates Inc. to determine needs for the City's monitoring vessel. Their assessment recommended that a new vessel was the most cost-effective option due to reduced maintenance and increased fuel efficiencies. In addition, a new vessel would comply with the 2025 California Air Resource Board (CARB) requirements for fuel efficiency and air emissions.

In September 2023, PUD began the process of seeking competitive proposals for a two-year contract for boat design and building services. All American Marine (AAM) Inc. was the only

company that submitted a cost proposal. A selection committee in compliance with City guidelines was convened. AAM was interviewed and selected as the service provider for the contract. All American Marine, Inc. is an internationally recognized and award-winning boat builder with over 30 years of experience in the design and construction of ocean vessels. They specialize in 60' to 135' vessels for the passenger, patrol boat, workboat, and research and survey industries. Their success is evident by the number State and Federal agencies using their services including the National Oceanic and Atmospheric Administration (NOAA), University of Hawai'i, Humboldt Polytechnic State University, Duke University, Texas Parks and Wildlife Department, LA Port Police, US Army Corps of Engineers, and other wastewater agencies with ocean monitoring requirements in Southern California.

Due to the raw material costs involved in building the City's ocean monitoring vessel, All American Marine Inc. requires a series of payments to be made as they meet key production milestone before the vessel is in the City's possession. This method of payment is an industry standard due to the custom outfitting requirements and long purchasing lead times putting a large amount of risk on the vendor, which is partially mitigated by these payment terms. These terms do deviate from standard city contract terms of withholding payment until delivery but are similar to other large and expensive transportation equipment purchased by the City, such as the City's fire helicopters. Public Utilities has accounted for these payments terms in our capital asset allocation for our rate development and does not expect this purchase to materially impact sewer cash flows or rates. This contract has an amount not to exceed \$9,292,678.10 with a maximum duration of two years.

Bid Results: If bidding was done provide bidding format and results

A Request for Proposals (RFP) was released in September 2023. All American Marine Inc. (AAM) was the only vendor to submit a proposal by the November 2023 closing date, after which a selection committee in compliance with City guidelines was convened. AAM was interviewed and selected as the service provider for the contract. Contract negotiations continued in early 2024 and AAM provided a quote in May 2024. At that time, due to significantly increasing ship building and material costs, AAM could only provide a 60-day price guarantee. Upon request, AAM provided the City with a new quote in July 2024 that remains valid to December 31, 2024. This updated quote incorporates forecasted increases in materials to allow the City contract approval process to be completed with the most accurate pricing for the duration of the boat construction process.

Engineering & Capital Projects Department

Design Build Construction Contract with J.R. Filanc Construction Company Inc., for the purpose of providing design and construction services of the Pump Station 1 Improvement and Modernization project

METRO JPA/METRO COMMISSION October 2024

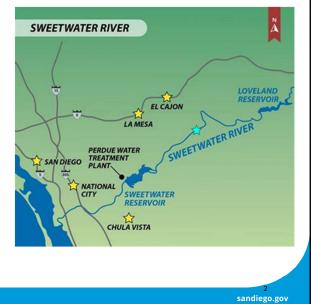


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5D) Engineering & Capital Projects

Spill Event

- On April 10-11, 2020, after rainfall totaling almost 6 inches over 7 days
 - 10-inch of rain is typical for San Diego in 1-year
- Resulting in a sanitary sewer overflow (SSO) discharge of 11.23 million gallons directly into the Sweetwater River.
- Failure was attributed to:
 - High rainfall
 - System blockages
 - Debris build up in syphons
 - Pumps out of service
 - Lack of power to monitoring equipment



SD Engineering & Capital Projects

Cease-and-Desist Order

- This project is under a Cease-and-Desist Order (No. R9-**2023**-0016) by the CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD SAN DIEGO REGION requiring completion by December 31, 2028.
 - 8 Corrective measures that are all completed by the PUD O&M staff
 - 24 items to be completed by this CIP contract by December 31, 2028
 - Recertify Sewer System Management Plan in 2024, to memorialize procedures related to Sanitary Sewer Overflow
 - City to provide semi-annual report on progress of design-build contract



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5D) Engineering & Capital Projects

Contract Process

- In late 2023 City started the process of developing bridging documents for a design-build contract
- Invitation to bid was issued on April 17th, 2024
- The Purchasing & Contracting Department received one responsive bid (J.R. Filanc) on July 11th. The proposal amount was \$93,282,580.00
- City ECP/PUD and consultant reviewed the proposal
 - Address all requirements of the contract & CDO
 - Determined Filanc was qualified to execute high-risk scope in a tight schedule
- Recent history of projects with one or no bids
- Notice of Intent to Award was sent on July 29, 2024

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SD Engineering & Capital Projects

Overview:

- City plans to award a Design Build Consultant Agreement for Five (5) Years with J.R. Filanc Inc. for PS1
- Contract amount is \$93,282,580.00 funded from the Metro Sewer CIP. Soft Cost is estimated at \$18,000,000 (includes CM Services). Total Project cost of \$111.3M.
- The Metro JPA amount is \$30,783,251.40, which is 33% of the of the contract amount over four years. Plus \$5.94 million over four years for soft costs. Total \$36,723,251.
- This project is categorically exempt from the California Environmental Quality Act (CEQA)
- This project is under a Cease-and-Desist Order (No. R9-2023-0016) by the San Diego Water Resources Board requiring completion by December 31, 2028.



SD **Engineering & Capital Projects** Service Area Highway 8 •Council Districts 3, 4, 8, and 9 La Mesa •San Diego, La Mesa, San Diego National City, Chula Vista, Imperial Beach, Eastlake, and Otay National Ranch City Eastlake Average flow rate = **Chula Vista** 75 MGD 8 **Otay Ranch** Imperial Beach Legend PS1 B sandiego.gov

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5D Engineering & Capital Projects

Background

- PS1 is the City's second largest wastewater pump station. Placed in operation in 1963. (61 years)
- PS1 is fitted with six vertical shaft-driven centrifugal pumps. 150 MGD original design capacity.
- PS1 is also used as a disposal facility for private liquid waste haulers and the Citys' Wastewater Collection Division sewer vactor trucks.
- PS1 pumps to PS 2 which then pumps to Point Loma WWTP



Diesel Generator Engines



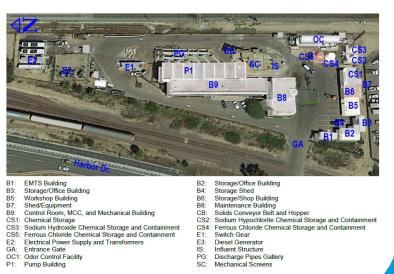


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SD **Engineering & Capital Projects**

Critical Facility

- PS1 is operated manually 24 hours a day with at least one operator on site all times
- The City has been experiencing repetitive service disruptions and interruptions in performance of several assets at PS1



- B6: B8: CB: CS2 CS4 E1: E3: IS: PG:
- SC.

9

SD **Engineering & Capital Projects**

Major Scope Items

- Replace mechanical screens
- Replace all pumps and motors
- Install VFD and soft starters
- Replace all suction and discharge valves (including cone valves and sluice gates)
- Electrical and instrumentation upgrades
- · Concrete work on multiple structures and pipeline lining
- · Chemical tank farm and odor control upgrades
- Bypass system

REDUNDANT BYPASS PROVIDES CONSTRUCTION FLEXIBILIITY

A high redundancy bypass system will continually provide the equivalent capacity of 5 pumps to enable construction during all operating conditions.

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SD Engineering & Capital Projects

Contract Breakdown

ltem No.	Description	Cost	Category	Category Cost	
1	Bonds (Payment and Performance)	\$850,000	_		
2	Building Permits	\$25,000	Contract Requirements	\$960,000	
3	WPCP Development and Implementation	\$85,000			
4	Engineering and Design Services	\$4,313,000			
5	Construction	\$79,359,080	Design and Construction	\$83,822,080	
6	Survey Services (Design and Construction	\$150,000			
7	City Contingency	\$8,500,500	Contingency	\$8,500,500	
		\$93,282,580	Total	\$93,282,580	

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SD Engineering & Capital Projects

Projected Expenditures:

- Projected Metro JPA expenditures of \$36,723,251, which is 33% of the total expenditure over four years
- Projected Metro JPA costs FY 2025-2028= \$30,783,251.40 (construction) + \$5,940,000 (soft costs) = \$36,723,251

Metro Sewer CIP						
	Construction Cost	Soft Cost	Total	Budget Status		
FY 2025	\$15,282,580	\$3,000,000	\$18,282,580	Budgeted/Funded		
FY 2026	\$33,000,000	\$6,000,000	\$39,000,000	Budgeted/Unfunded		
FY 2027	\$17,000,000	\$6,000,000	\$23,000,000	Budgeted/Unfunded		
FY 2028	\$28,000,000	\$3,000,000	\$31,000,000	Budgeted/Unfunded		
Total	\$93,282,580	\$18,000,000	\$111,282,580			

Metro JPA (33%)					
	Construction Cost	Soft Cost	Total	Budget Status	
FY 2025	\$5,043,251	\$990,000	\$6,033,251	Budgeted/Funded	
FY 2026	\$10,890,000	\$1,980,000	\$12,870,000	Budgeted/Unfunded	
FY 2027	\$5,610,000	\$1,980,000	\$7,590,000	Budgeted/Unfunded	
FY 2028	\$9,240,000	\$990,000	\$10,230,000	Budgeted/Unfunded	
Total	\$30,783,251	\$5,940,000	\$36,723,251		

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5D Engineering & Capital Projects

Schedule

- Design-Build Start: January 2025
- Substantial Completion: September 2028
- Cease-and-Desist Order Date: December 2028





METRO JPA/TAC Staff Report Date: 08/21/24

Project Title:

Pump Station 1 Improvement and Modernization

Presenter(s) Name: Eric Rubalcava

Presenter(s) Title: Senior Civil Engineer (City of San Diego E&CP Department)

Requested Action:

<u>J.R Filanc</u>

City of San Diego plans to award a construction contract for \$93,282,580.00 from Metro Sewer CIP for the purpose of funding the construction Contract. Soft Cost for the project is estimated to be \$18,000,000.

The Metro JPA amount is \$30,783,251.40, which is 33% of the total expenditure of the contract over five years. Plus \$5,940,000 of soft cost.

\$15,282,580.00 is for the first phase (Fiscal Year 2025) and \$78,000,000.00 is for all subsequent phases. The Department expects that a majority of expenses will be bond funded with future bond proceeds.

Recommendations:

Approve the Metro expenditure request and forward to the Metro Commission.

Matra TAO	To be submitted for equal densities
Metro TAC:	To be submitted for consideration
IROC:	N/A
Prior Actions:	N/A
(Committee/Commission,	
Date, Result)	
Fiscal Impact:	
Is this projected budgeted?	Yes <u>X</u> No <u> </u>
Cost breakdown between	Funding will be distributed as follows:
Metro & Muni:	FY 2025 = \$18,282,580 (100% Metro Sewer CIP, 0% Muni)
	Metro JPA 33% = \$6,033,251
	FY 2026 = \$39,000,000 (100% Metro Sewer CIP, 0% Muni)
	Metro JPA 33% = \$12,870,000
	FY 2027 = \$23,000,000 (100% Metro Sewer CIP, 0% Muni)
	Metro JPA 33% = \$7,590,000
	FY 2028 = \$31,000,000 (100% Metro Sewer CIP, 0% Muni)
	Metro JPA 33% = \$10,230,000

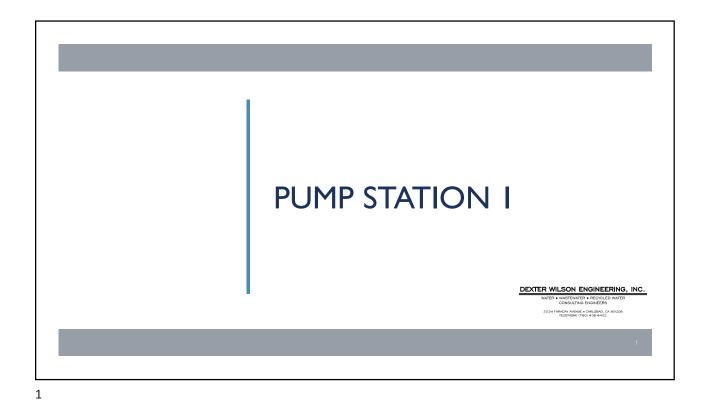
J.R Filanc = \$93,282,500.00

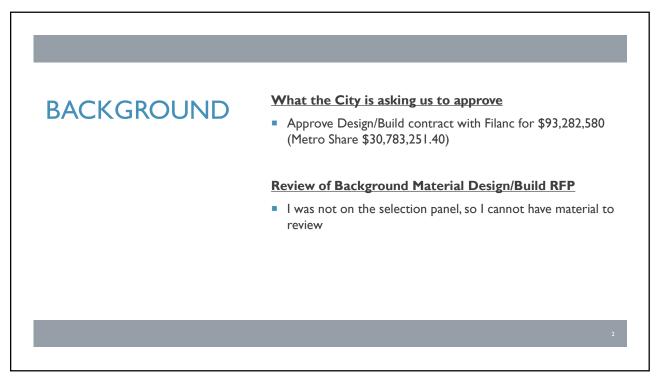
Fis JP	scal impact to the A:		R. Filanc:33 36,723,251	3% of Metro costs is
Capit	tal Improvement	Program:		
Ne	ew Project?	Yes _X	No	N/A
Ex	isting Project?	Yes	No X	Upgrade/addition Change N/A
Previ	ious TAC/JPA A	ction:		
N/A				
Antic	tional/Future Active for City Co Ember 11, 2024.		Transporta	tion and Infrastructure Committee Meeting in
	Council Action:			
Antic	ipated for Octobe	r 2024.		
Back	around: Drovido	haalkarauna	linformation	on the need for the project

Background: Provide background information on the need for the project

Pump Station 1 (PS1) is one of the largest and most critical pump stations within the City of San Diego's wastewater collection system. PS1 has been in service since 1963 and collects sewage generated by the City of San Diego populations along with other participating agencies within the County of San Diego. Wastewater from the South Bay region is delivered to PS1 via the South Metro Interceptor, located at 3550 East Harbor Drive and discharges an average of 75 million gallons per day (150 MGD design capacity). This essential facility pumps wastewater north to the City's Pump Station 2 and must continue to operate 24 hours per day and 7 days per week without disruption during construction. The project must also provide for mitigation of risks of hazards, e.g., spills. This project is located within the Military Facility Planning Area, National City, and San Diego City Council District 8.

The scope of this contract is the design and construction services for the upgrade, rehabilitation and modernization of PS1, consistent with the Cease-and-Desist Order (CDO), (No. R9-2023-0016) by the California Regional Water Quality Control Board, San Diego Region, requiring completion by December 31, 2028. The scope of the PS 1 project includes capital improvements necessary for the City to comply with the CDO as well as additional facility enhancements and modernization for increased reliability of the facility. The City is moving forward with full replacement of several components (bar screen, pipe supports and straps, pump supports, pumps, shafts, and motors) to ensure long-term functionality of this critical Metro System facility. Facility enhancements not included in the CDO include electrical and instrumentation upgrades, additional monitoring systems, replacements of facility piping and valving, safety enhancements, replacement of sluice gates and motors, concrete repairs, operational improvements, and other work within the pump station. These additional enhancements improve the resiliency and reliability of the facility.





THOUGHTS

- I. Due to the CDO we should approve
- 2. We should ask City to value engineer during design
 - Recommended Action Approval of a Contract for Pump Station I Improvements and Modernization with J.R. Filanc Construction Company, Inc. with the addition of a Metro representative to be added to the value engineering team.
- 3. I think we need to install a parallel force main in next 10 years so that we can line existing force main that is 60 years old

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Pure Water Program Update

Public Utilities and Engineering & Capital Projects Departments

Metro JPA/Commission October 3, 2024





Public Utilities and Engineering & Capital Projects Departments



Agenda

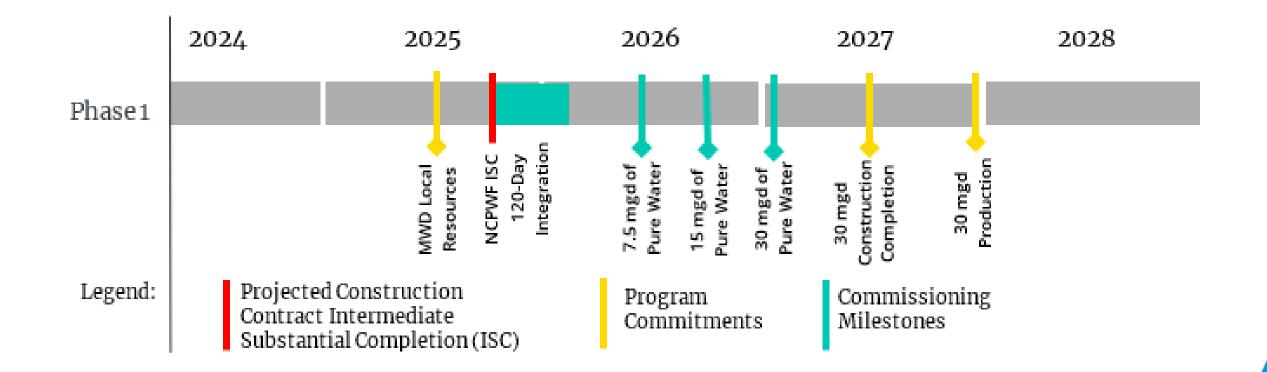
Pure Water Update

- Phase 1 Programmatic Updates
- Phase 1 Construction Updates
- Phase 2 Planning

- NCWRP Expansion CCO 12
- CH2MHill Contract Amendment
- Increase Pooled Contingency



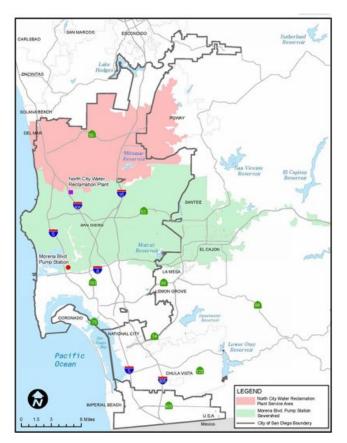
Schedule Milestones





Regulatory Requirement: Local Limits

- City is required to monitor and enforce limits for certain substances in the wastewater collection system
- Existing local limits were studied for flows from Morena Pump Station to NCWRP
 - Evaluated over 250 compounds
 - High level of treatment at North City facilities removes compounds to levels well below drinking water criteria
 - Study indicates number of new local limits will be less than 10





O&M Readiness

Hiring Progress

- Operations Positions: 10 filled out of 20
- Maintenance Positions: 9 filled out of 17
- Engineering & Admin Positions: 5 filled out of 7

AWT Certification

- On track to receive required AWT certifications before NCPWF operation
 - AWT5: 1 required, 1 obtained
 - AWT4: 1 required, 1 obtained
 - AWT3: 10 required, 6 obtained
- Next AWT Academy will be offered in early 2025

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O&M Readiness: Contracts Planning

- Working to obtain contracts for:
 - Chemicals
 - Services
 - Other specialized parts and labor
- Integrating PUD-wide contracting needs for large-scale pricing opportunities





Phase 1 Construction

- Phase 1 construction is ~60% complete
- On schedule to meet major program milestones

	ANDART		
	Construction Contract	Bid Award	Contractor
	Morena Pump Station	\$110.4M	Flatiron
	Morena Southern/Middle Alignment	\$129.7M	Sukut
	Morena Northern Alignment	\$95.2M	OHL
	Penasquitos Pump Station Oxygenation System	\$4.4M	Blue Pacific
	Water Reclamation Plant Expansion	\$255.1M	Kiewit
	Water Reclamation Plant Equalization Basin	\$11.9M	Kiewit
A CARLEN AND A CARLEND	Metro Biosolids Center Improvements	\$40.1M	PCL
	NCWRP/NCPWF Early Sitework	\$16.4M	AECOM/ Shimmick
	Pure Water Facility and Pump Station	\$356.7M	Shimmick
LA PERFILIE	Pure Water Pipeline	\$102.7M	W.A. Rasic
A P. P. A. C. MARCOLLA	Miramar Reservoir Water Quality Monitoring System	\$1M	Soundnine, Inc.
Gel Contraction and the second second	Miramar Reservoir PS	\$12.7M	Shimmick
	Total	\$1,136.3M	Authorized: \$1,212.2M





Phase 1 Construction: Accomplishments

- North City Pure Water Facility
 - Continued installation of NCPWF major process equipment
 - Completed O&M building exterior
- Subaqueous Pipeline
 - Completed and reopened Miramar Reservoir to recreational activities

- North City Water Reclamation Plant
 - Completed testing of two of the four new secondary clarifiers
- Pipelines
 - Recommenced tunneling under I-805
 - Completed 8 of the 14 tunnels
 - Installed 15 out of 30 miles of pipeline



Phase 1 Construction: Risk Mitigation

- Multiple risks have been tracked since the beginning of the program
- They continue to be monitored and managed
- Three risks have largely been mitigated, including:
 - Supply chain challenges
 - Tunneling
 - Differing site conditions





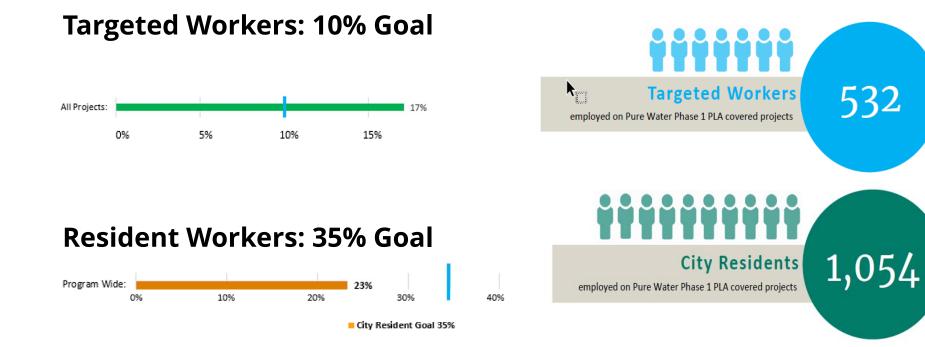


Outreach Update

- Fielded and resolved ~35 construction-related inquiries
- Distributed 23 e-blast construction notifications to ~3,509 opt-in email recipients
- Participated in seven presentations, informing ~300 people about Pure Water
- Provided 10 tours and presentations



Project Labor Agreement (thru 06/30/2024)



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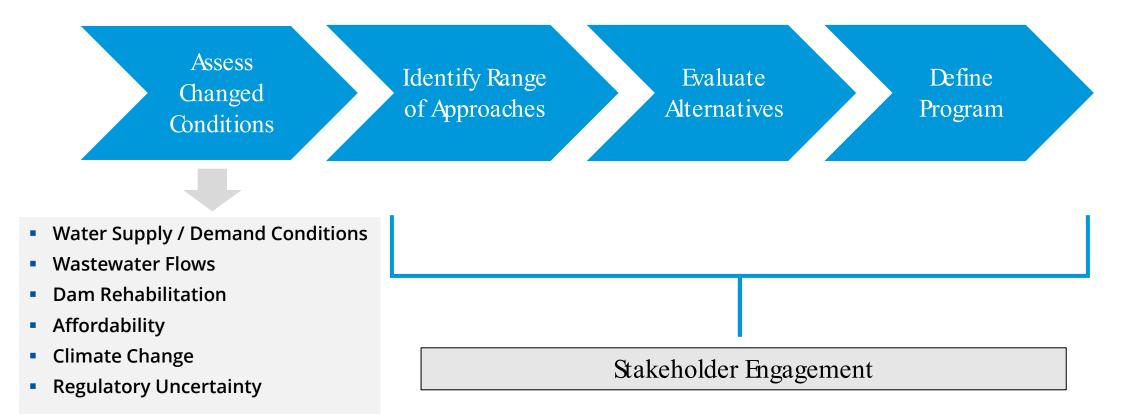
Women in Pure Water

- Women are generally underrepresented in the water sector
 - Overall, employment of women at water utilities currently stands at 18%
- Of the full-time City staff working on Phase 1, ~50% are women
 - Over half of these women hold seniorlevel or supervisory-level technical and engineering positions





Phase 2 Planning Process



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Proposed Action: Kiewit Construction Change Order #12



Kiewit Construction Change Order No. 12

Construction Claim Due to Delays

- Varied Site Conditions, Design Modifications, Electrical Equipment Procurement Delay, Critical Path Schedule Delay
- Settlement Agreement
 - Time Extension: 147 days (Dec. 2027)
 - Compensation: \$16M
- Original Contract: \$255.1M
 - Change Orders through 8/29/24: \$7.4M (2.9%)
 - **Current Action** Change Order No. 12: \$16M (6.3%)
- Total Contract Amount: \$278.5M





Kiewit Construction Change Order No. 12 Cost Breakdown

Total Amendment	\$16M
Wastewater % of Total Amendment:	63%
Wastewater Portion of Amendment:	\$10.10M
Metro JPA portion of the Amendment (33%)	\$3.33M





Kiewit Construction Change Order No. 12 Proposed Actions

- The Chief Financial Officer is authorized to increase the Capital Improvements Program Budget in the amount of \$16,000,000 in CIP P-19002, Pure Water Pooled Contingency, of which \$10,097,600.00 is from Fund 700009 Metro Sewer CIP and \$5,902,400.00 from Fund 700010, Water Utility CIP.
- 2. An Ordinance authorizing the Mayor, or his designee, to execute a change order to the construction contract with Kiewit Infrastructure West Co., as necessary, in an amount not-to-exceed \$16,000,000, and approving the extension of the contract obligations under construction contract K-21-1861-DBB with Kiewit Infrastructure West Co., for an additional 17 months to allow the contractor to provide construction services in CIP B-21060 "PWP North City Water Rec Plant Expansion", B-21128 "PWP NC Wtr Rec Plant Expansion (W)", B-16140, NCPWF Influent Pump Station and Pipeline", S-17012, "NCWRP Improvements to 30 mgd" beyond five years; and
- 3. The Chief Financial Officer is authorized to expend an amount not to exceed \$16,000,000 of which \$8,561,600 is from CIP B-21060 "PWP North City Water Rec Plant Expansion" Fund 700009 Metro Sewer CIP, \$3,817,600 is from B-21128 "PWP NC Wtr Rec Plant Expansion (W)" Fund 700010 Water Utility CIP, \$1,913,6000 is from B-16140, NCPWF Influent Pump Station and Pipeline" Fund 700010 Water Utility CIP, and \$1,707,200 is from S-17012, "NCWRP Improvements to 30 mgd, of which \$1,536,000 is from Fund 700009 Metro Sewer CIP and \$171,200 from Fund 700010 Water Utility CIP, for the purpose of funding Construction Change Order No. 12 that will address the terms and conditions of the settlement agreement, contingent upon the Chief Financial Officer furnishing one or more certificates certifying that funds necessary for expenditure are, or will be, on deposit with the City Treasurer.

Proposed Action: CH2MHill Contract Amendment



CH2MHill Contract Amendment

- North City Water Reclamation Plant
 - In Operation over 25 years
 - Facility Expansion to treat 52 mgd
 - Remain in operation (24/7) during construction
- Amendment Scope
 - Significant Coordination during equipment replacement
 - Design Modifications due to Unforeseen Conditions
 - Distributed Control System integration of new equipment
 - Onsite engineering staff support
 - Partial commissioning
 - Operation and maintenance staff training







CH2MHill Contract Amendment

- Original Agreement: \$17,198,752
 - Amendment 1: \$2,500,000
 - Amendment 2: \$7,298,826
 - Current Action Amendment 3: \$14,000,000
- Total Agreement Amount: \$40,997,578
- Contract Extension: 19 months (June 2028)





CH2MHill Amendment Contract Breakdown

Total Amendment	\$14M
Wastewater % of Total Amendment:	79%
Wastewater Portion of Amendment:	\$11.06M
Metro JPA portion of the Amendment (33%)	\$3.65M





CH2MHill Contract Amendment

Proposed Actions

- An Ordinance authorizing the Mayor, or his designee, to execute a Third Amendment to the phase funded agreement with CH2M Hill Engineers, Inc. (H166722) for design support services during construction in an amount not to exceed \$14,000,000, thus increasing the total amount of the agreement to \$40,997,578, and extending the contract term for an additional 19 months; and
- 2. The Chief Financial Officer is authorized to expend funds under the established contract funding phases in an amount not to exceed \$6,500,000 for Phase 11, and \$7,500,000 for all subsequent Phases 12 thru 13, estimated to be spent as \$12,880,000 from CIP A-LA.00001, Pure Water Program (\$1,260,000 from B-16140, NCPWF Influent Pump Station and Pipeline; \$700,000 from B-21059, PWP NCWRP Flow Equalization Basin; \$9,800,000 from B-21060, PWP North City Water Rec Plant Expansion; \$1,120,000 from B-21128, PWP NC Wtr Rec Plant Expansion (W)); \$10,500,000 from Fund 700009, Metro Sewer CIP, and \$2,380,000 from Fund 700010, Water Utility CIP; and \$1,120,000 from S-17012, NCWRP Improvements to 30 mgd, \$560,000 from Fund 700009, Metro Sewer CIP, and \$560,000 from Fund 700009, Metro Sewer CIP, and \$560,000 from Fund 700010, Water Utility CIP; and \$1,120,000 from Fund 700010, CIP, contingent upon adoption of the Annual Appropriation Ordinance for the applicable fiscal year, and contingent upon the Chief Financial Officer furnishing one or more certificates certifying that the funds necessary for expenditure under the established contract funding phases are, or will be, on deposit with the City Treasurer.

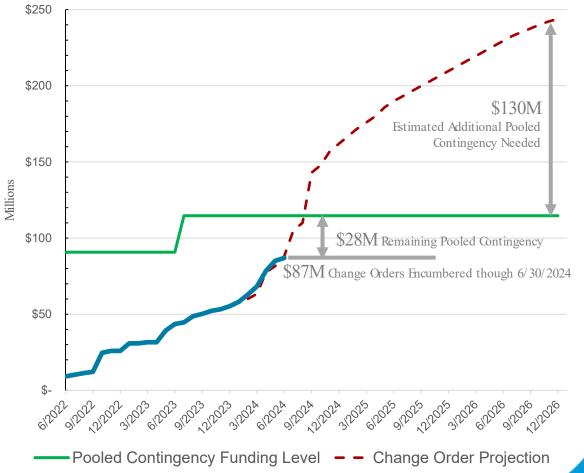
Proposed Action: Pooled Contingency

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SD

Pooled Contingency Budget Increase

- Utilized for change orders on all projects
- Current budget \$115 million
 - \$87 million used
 - \$28 million remaining
- Proposed budget \$245 million
 - Increase by \$130 million
 - Equivalent to increasing from 10% to 20% of total construction





Pooled Contingency Budget Increase

Contributing Factors

- Change orders apply current market pricing
- Large change orders
- Phase 1 complexity

Example Mitigating Factors							
Туре	Initial Estimate	Actual/ Current Estimate	Savings				
Total Construction	\$1,200,000,000	\$1,160,000000	\$40,000000				
San Diego Gas & Electric Relocations	\$120,000,000	\$44,000,000	\$76,000000				
Total	\$1,320,000,000	1,204,000,000	\$116,000,000				



Pooled Contingency Cost Breakdown

Total Amendment	\$102.64M
Wastewater % of Total Amendment:	38%
Wastewater Portion of Amendment:	\$39.00M
Metro JPA portion of the Amendment (33%)	\$13.07M





Pooled Contingency Proposed Actions

- Authorization to increase the FY25 Capital Improvements Program Budget by \$102,640,000.00 in CIP P-19002, Pure Water Pooled Contingency, and to appropriate and expend an additional \$63,636,800.00 from Fund 700010, Water Utility CIP, and \$39,003,200.00 from Fund 700009, Metro Sewer CIP, for the purpose of funding construction change orders for the following projects:
 - All sublets in CIP A-LA.00001, Pure Water Program;
 - B-19099, Miramar Reservoir PS New Generator & Upgrades;
 - B-23014, Miramar WTP Caustic Pumping System;
 - B-23049, Miramar WTP Interim Solids Management;
 - B-23136, Miramar Reservoir Recreation Facilities;
 - B-21001, Penasquitos Pump Station Oxygenation System;
 - S-17012, NCWRP Improvements to 30 MGD; and
 - S-17013, MBC Equipment Upgrades.



Questions



METRO JPA/TAC Staff Report		
Date: 9/18/2024		
Project Title: Pure Water Program Update		
Presenter(s) Name: Amy Dorman		
Presenter(s) Title: Assistant Director		
Requested Action: This item is informational only		
Recommendations: N/A		
Metro TAC: N/	Ά	
IROC: N/	Ά	
Prior Actions: (Committee/Commission, N/ Date, Result)		
Fiscal Impact:		
	Yes No	
Metro & Muni:	one	
Fiscal impact to the Metro JPA:		
Capital Improvement Program:		
New Project? Yes	No N/A _X	
Existing Project? Yes _X	No Upgrade/addition Change	
Previous TAC/JPA Action: None		
Additional/Future Action: Present item to Metro JPA/ Metro	Commission in October 2024	
City Council Action: Environment Committee: 9/12/202	24	
Pure Water will: (1) provide a safe, se	information on the need for the project ecure, and sustainable local drinking water supply for San Diego, nce on imported water supplies; and (2) reduce treated discharges eatment Plant (PLWTP).	
will deliver 30 million gallons per day system; and Phase 2 (Central Area), v	ase 1 (North City), which is past the midpoint of construction and (mgd) of purified water into the City's potable (drinking) water which is in the planning stage. Based on water demand projections, p to half of the City's drinking water supply upon the completion of	

The last Pure Water Program update was presented in Spring 2024. This update will cover:

- Regulatory Compliance Activities
- Operations and Maintenance (O&M) Readiness
- Phase 1 Construction
- Phase 1 Financing
- Phase 2 Planning

Regulatory Compliance Activities

Regulatory Agency Coordination

The City continues to meet with the California Division of Drinking Water (DDW) and the San Diego Regional Water Quality Control Board (RWQCB) on a monthly or bi-monthly basis to review the progress of approximately 40 conditions under the National Pollutant Discharge Elimination System (NPDES) permit for Miramar Reservoir. These conditions must be met prior to releasing purified water into the reservoir. Three of the first-of-their-kind reports under the Indirect Potable Reuse Surface Water Augmentation Regulations were submitted in 2023 almost two years ahead of the required timeline to ensure that comments from DDW and the RWQCB could be received, discussed, and addressed prior to purified water release. The City has received formal comments on one of the three documents and is addressing those now. Comments on the other two documents are expected in the next few months.

Overall, DDW and the RWQCB are determining how to interpret some of the broad-based regulatory language in the California Surface Water Augmentation Regulations. Because San Diego is implementing the first program under this regulatory framework, the City is being proactive in submitting deliverables well ahead of schedule. This will allow for sufficient time to clarify imposed requirements that are not specifically written into the regulatory language, such as the detailed approach for data collection and evaluation for the source water protection program (see Local Limits Study, below).

Local Limits Study

The City is required by the United States Environmental Protection Agency (EPA) to monitor and enforce limits for certain substances in the wastewater collection system that could adversely impact the operation of the treatment facilities or the treated water quality, commonly known as "local limits." Because there is a new NPDES permit for Miramar Reservoir to allow the release of purified water, the City was required to re-evaluate the existing local limits based upon compounds of concern for drinking water. Any new limits would protect the North City Pure Water facilities as well as the water quality in Miramar Reservoir. Consequently, all potential contaminants with drinking water criteria are being assessed. There were over 250 compounds that were evaluated to determine whether any new local limits would be required to be applied. The study included additional flows from the Morena Pump Station to the North City Water Reclamation Plant (NCWRP), as well as the beneficial use both for recycled water (e.g., irrigation and industrial uses) and for the production of purified water. The high level of treatment at the North City Pure Water facilities does an excellent job of removing almost all of the compounds to levels well below drinking water criteria and therefore the number of potential new local limits, if required, will be less than 10. The City is continuing to assess approaches to mitigate impacts of these compounds and expects to have results to share with DDW and the RWQCB before the end of the year.

Operations & Maintenance (O&M) Readiness

O&M Hiring and Advanced Water Treatment (AWT) Certification Status

Pure Water Operations (PWO) continues to implement wide-reaching, industry-targeted advertisement of open positions and utilizes a variety of recruitment events to improve candidate pools. Currently, eight out of nine O&M supervisor positions have been filled. Following the schedule laid out in the

North City Pure Water Operations and Readiness Master Plan, the division recently completed the hiring and onboarding of a Program Manager, five Senior Pure Water Plant Operators, and a Plant Technician III. Conditional offers have been extended to four Pure Water Plant Operators, with additional interview panels planned for the coming months. Hiring processes are underway for Plant Process Control Supervisor and Plant Technician II. Thus far, the division has accomplished the following:

- Operations Positions: 10 filled out of 20
- Maintenance Positions: 9 filled out of 17
- Engineering and Administrative Positions: 5 filled out of 7

Continued progress is anticipated, consistent with the plan. A full summary of hiring efforts to date and the future hiring schedule can be found in Attachment 1: Pure Water Operations Hiring Status Table.

At this point, all of the operator supervisory and lead positions that require Advanced Water Treatment Operator (AWTO) certification have been hired; a list of current Pure Water Operator staff and certification levels is included as Attachment 2. The highest level of AWTO certification is AWT5 and the lowest level of certification is AWT3. Only two Pure Water Operator positions are required to achieve higher than AWT3 and both of these positions have obtained their required certifications. Six out of 10 staff have obtained AWT3 certification or higher; the remaining four are on pace to receive certification prior to systemwide integration, ahead of the original schedule. The City's next Advanced Water Treatment Academy, which will include Pure Water Plant Operators and Senior Pure Water Plant Operators, will be offered in early 2025.

Contracts Planning

PWO has initiated the effort to draft and execute contracts for chemicals, services, and other specialized parts and labor required for the North City Pure Water Facility (NCPWF). The contracting process is being evaluated holistically to ensure optimal pricing and flexibility. PWO will partner with the other Public Utilities Department (PUD) operating divisions on chemical contracts to take advantage of large-scale pricing. NCPWF requirements will be included in a department-wide contract renewal for sodium hypochlorite that is currently in process, and sodium hydroxide, liquid oxygen, and liquid ammonium sulfate will be included in future contract processes. These contracting efforts will include the latest chemical cost estimates and will allow for phased implementation, synching with the facility flow ramp up requirements.

Phase 1 Construction

Pure Water Phase 1 construction is estimated to be 61% complete. The City awarded \$1.136 billion for construction and authorized \$114 million in pooled contingency for change orders. As of June 30, 2024, total construction expenditures were \$749 million. There have been \$86.9 million encumbered in change orders, and the remaining amount in pooled contingency is \$27.7 million. Attachment 3 to this report includes information about the individual contracts. The funding sources for Pure Water expenditures are the water and metropolitan wastewater enterprise funds. Financing through grants and loans is described further in the section, "Financial Status" on page 6 of this report. Relative to schedule, construction is on track for meeting major program milestones:

• Begin commissioning the partial Phase 1 system that includes the NCWRP, NCPWF, as well as the Pure Water Pipeline: Mid/Late 2026

- Complete construction of all Phase 1 projects: June 2027
- Begin operation of the entire Phase 1 system to produce 30 mgd of Pure Water: December 31, 2027

Milestone Accomplishments

Since the Pure Water Program Update in Spring 2024, several milestone accomplishments include:

• The NCPWF's major process equipment installation continues. The O&M building exterior has been completed and interior buildout continues.

• The subaqueous pipeline that will disperse the purified water in Miramar Reservoir was completed and the reservoir reopened to recreational activities.

• Construction has continued in every area at the NCWRP while the facility remains operational and hydrostatic testing of two of the four new secondary clarifiers was completed.

• Tunneling recommenced under Interstate 805 with an improved machine to handle the encountered geotechnical conditions. Eight of the 14 tunnels are complete.

• Fifteen out of 30 miles of pipeline have been installed along high-traffic roadways where access to residences, businesses, and schools must be maintained.

Attachment 4 to this report includes individual project summary sheets and photos of progress.

Phase 1 Construction Risk Mitigation

There are a number of risks that have been tracked since the beginning of the program. They continue to be monitored and managed. Four risks have largely been mitigated:

- Supply chain challenge
- Tunneling
- Differing site conditions
- Health and safety

When major Pure Water construction began in 2021, there were significant issues with national and global supply chains as a result of the COVID-19 restrictions and subsequently the war in Ukraine. Designers and construction managers (CMs) worked with contractors to adapt construction activities to alleviate supply chain impacts. The supply chain pressures have been easing and all major equipment has been delivered or factory tested.

Tunneling is always a construction risk because of unforeseen soil conditions that can be difficult to identify prior to the start of site work. The CMs have adapted to several challenges by allowing tunnel firm substitutions, modifications to tunneling approaches, and concurrent tunneling activities. Eight of the 14 tunnels are finished.

On any major construction project, it is impossible to completely characterize every detail of existing site conditions. To adapt, the City initiated additional potholing, early excavation on treatment projects, and re-design to avoid utility conflicts. Multiple crews for pipelines were used to accelerate work. Currently, more than 50% of the pipelines have been installed and the vast majority of subsurface work has been completed at the facilities.

Finally, health and safety is paramount in construction. In large programs with multiple construction contracts, different safety and insurance programs on each project can result in inconsistent practices and administrative confusion. To alleviate this, an Owner-Controlled Insurance Program (OCIP) was implemented across all construction projects that had consistent policies and a rigorous health and safety program. As a result, the workers' compensation program has a very positive rating from the OCIP broker, and with over 2 million work hours, injuries have been favorable compared to national construction statistics.

Outreach Update

Proactive, robust construction outreach is ongoing as part of the Pure Water Phase 1 projects in Linda Vista, Clairemont, University City, Miramar, and Scripps Ranch.

Between April 2024 and July 2024, the program and construction outreach teams have:

• Engaged with the community members at events: The Barrio Logan Science and Art Expo, SONY Earth Day Fair, 39th Annual Linda Vista Multi-Cultural Fair and Parade, Clairemont Garden Tour, Bike Anywhere Day, the Asian Cultural Festival, and Scripps Ranch 4th of July.

• Resumed offering samples of purified water to community members, including at Bike Anywhere Day and the Scripps Ranch 4th of July event.

• Fielded and resolved approximately 35 construction-related stakeholder inquiries via phone and the dedicated email address (<u>purewatersd@sandiego.gov</u>).

• Distributed project and schedule information via construction notices, website updates, social media content, fliers, doorhangers, and e-blasts, including 23 e-blast construction notifications to approximately 3,509 opt-in email recipients.

• Participated in seven presentations to community and business groups, informing approximately 300 people in various organizations about Pure Water.

• Provided 10 tours and presentations to industry group members, community stakeholders, and interested media representatives, including San Diego State University civil engineering students, the Green Cities Council, Orange County Sanitation District leadership, leaders from Georgia Delegation, and staff from the EPA and State Water Resources Control Board (SWRCB).

• Continued to provide updates to the University Community Planning Group and University City Community Association and provided construction updates to the Clairemont Mesa Planning Group.

Financial Status

The City has worked aggressively to secure very advantageous financing to support Pure Water delivery and thereby limit impacts to ratepayers. The financing includes grants as well as large loans from the Federal Water Infrastructure Finance and Innovation Act (WIFIA) and the State Revolving Fund (SRF) Loan Program. Of the \$733.5 million in low interest WIFIA loans with rates between 1.29 and 1.82%, \$378 million has been reimbursed through June 30, 2024. Notably, the WIFIA reimbursements have all been received in 20 days or less.

The SWRCB approved four separate SRF loans totaling \$664 million to support Pure Water Phase 1 construction. Of that amount with interest rates between 0.8 and 1.1%, the City had received \$229 million in reimbursement with \$33 million outstanding as of June 30, 2024.

Contingency Status

The pooled contingency was established for construction change orders and can be utilized for any of the Phase 1 construction contracts. The currently established pooled contingency is \$114.7 million based on 10% of initial construction cost estimates.

Phase 1 construction is both large and complex, and changed conditions have been encountered on all of the contracts. Through much of the construction period, the construction management and design teams have been able to resolve challenges such that the contingency drawdown has been at a rate commensurate with the pace of construction; however, the percentage of contingency available is now falling behind the remaining construction activity. About 24% (\$27.7 million) of the pooled contingency remains, with about 39% of construction still to be completed. Several factors have led to a need to increase the contingency:

The cost of many change orders reflects current pricing, which has been affected by inflation since construction contracts were awarded. The Consumer Price Index (CPI) for the San Diego region shows an increase of 13.6% from November 2021 to March 2024. CPI is expected to continue rising.
Major changes to design or construction methods, which include significant direct material and installation costs and related contractor delays. Such changes accelerate the drawdown of pooled contingency. Two examples of this are the Morena Pump Station dewatering and the Morena Conveyance North Interstate 805 tunneling change orders. With a combined total of \$35 million, these account for over 30% of the total contingency pool.

A separate action is being brought to Metro JPA to request approval of increasing the contingency budget.

Project Labor Agreement

State legislation adopted in late 2019 mandates all Pure Water construction contracts awarded after January 1, 2020 to require the contractor to enter into a Project Labor Agreement (PLA). This contract requirement for a PLA is a condition of receiving construction financing from the Safe Drinking Water State Revolving Fund. The Pure Water construction contracts also include Prevailing Wage and Equal Employment Opportunity Program requirements. Attachment 5 includes PLA statistics.

Women in Pure Water

Women represent a significant portion of the large team of City staff, contractors, and consultants who are delivering the Pure Water Program—from planning, designing, and building the infrastructure needed to support a local water source to ultimately overseeing water plant operations once construction is finished. Women are generally underrepresented in the water sector. According to the World Bank, the employment of women at water utilities currently stands at 18%.

Of the full-time City employees working on Pure Water Phase 1, approximately 50% are women, and over half of these women hold senior level or supervisory level technical and engineering positions. Pure Water also employs various contractors and consultants to oversee and construct the Phase 1 projects. Women are also working on consultant and contractor teams to support the delivery of Phase 1. Empowering women to advance their careers in the water industry leads to a combination of perspectives, talents, and knowledge to solve some of the region's most pressing water challenges.

Owner-Controlled Insurance Program Performance

The City procured and implemented an OCIP for Phase 1 because of the benefits commonly seen on large programs like Pure Water. Benefits include reduced insurance costs, streamlined administration, consistent coverage across multiple projects, and enhanced ability for small-contractor participation.

As of June 30, 2024, there is 100% enrollment in OCIP coverage for nine prime contractors and 182 subcontractors. There have been 111 insurance claims across the multiple types of insurance coverage (12 builder's risk, 42 general liability, and 57 workers' compensation).

PUD retained AON to be the City's broker of record to place an OCIP on the City's behalf and recently executed Amendment 1 to extend its contract through the remaining duration of construction. The insurance provider agreements are currently in place through July 21, 2025. Some projects as currently forecasted will not reach final completion prior to the expiration of the current insurance agreements. The City has asked that AON engage the insurers to explore extension of coverage through the projected construction period.

Phase 2 Planning

A number of key factors that impact the development of Phase 2 of the Pure Water program have changed since the plan to produce 83 mgd by 2035 was prepared as a part of the 2012 Recycled Water Study. These factors include:

- Water supply and demand
- Wastewater flows and availability
- Necessary dam infrastructure improvements
- Affordability
- Climate change
- Regulatory developments

Water demands and wastewater flows have decreased significantly over the past decade, which must be considered in the sizing and development of Phase 2 facilities. In addition, the City is embarking on a large dam improvements program. Water level restrictions are in place at a number of the City's dams, which in turn may limit the amount of purified water that could be stored in those reservoirs. Phase 2 planning and implementation must be closely coordinated with the dam improvements program. Substantial increases in water cost, electricity, and overall commodities are impacting ratepayer affordability. Climate change has altered the drought cycle and regulatory developments 8 place increased pressure on water investments. These factors are being reviewed and considered as the City embarks on the next phase of the Pure Water Program.

Scenario Planning

Given the changing factors described above, PUD initiated a scenario planning process in 2023. Scenario planning is an adaptation of classic military intelligence methods that combine known facts with plausible alternative social, technical, economic, and political trends that are key driving forces affecting an uncertain future. Since the 1970s, this technique has been used extensively in private enterprise and started being used by many water agencies in the early 2000's. Scenario planning allows PUD to make decisions that would be most beneficial to the Pure Water Program with consideration for how the future may unfold. In 2010-2011 when the current Phase 2 plan was drawn up to deliver an additional 53 mgd of purified water, the future appeared to be dominated by drought, but with ample wastewater supply availability. Through the scenario planning process to date, it became apparent that water conservation measures have been effective to reduce not only consumption, but also the amount of water returned to the wastewater system. There is now less wastewater available to reuse than was forecasted in 2010-2011. Understanding these and other key factors that drive potential future conditions provides a platform for Phase 2 planning efforts to ensure an updated Phase 2 plan is adaptable.

Phase 2 Project Definition Timeline

Given the dynamic nature of planning over multiple decades, PUD is taking a fresh look at the 2012 plan. The PUD leadership team that participated in the 2023 scenario planning re-convened in August to engage in a dialogue regarding how the changed conditions identified above impact how PUD would navigate through the various scenario planning futures. Through the remainder of Fiscal Year 2025, PUD and key stakeholders (e.g., Cooperative Agreement signatories, Metro Joint Power Authority representatives) will hold a series of workshops to filter out and refine alternatives.

Conclusion

PUD and Engineering & Capital Projects (ECP) are working together for the successful delivery the City's largest and most complex capital project. The team understands the numerous important benefits the future Pure Water facilities will bring to present and future San Diegans. The team is committed to transparency, providing information concerning execution of the complete Pure Water effort. We look forward to our next update in Spring 2025.

Discussion: Provide information on decisions made to advance the project

Bid Results: If bidding was done provide bidding format and results $N\!/\!A$

Attachments

Attachment 1: Pure Water Operations Hiring Status Table

Classification	# Needed	# Hired to Date	# Remaining to Hire
Deputy Director	1	1	0
Pure Water Superintendent	1	1	0
Senior Pure Water Operations Supervisor	1	1	0
Pure Water Operations Supervisor	3	3	0
Senior Pure Water Plant Operator	5	5	0
Pure Water Plant Operator	10	0	10
Senior Plant Technician Supervisor	1	1	0
Plant Maintenance Coordinator	1	1	0
Plant Technician Supervisor	1	1	0
Instrumentation and Controls Supervisor	1	1	0
Plant Process Control Supervisor	1	0	1
Plant Technician III	2	2	0
Plant Technician II	2	0	2
Plant Technician I	2	0	2
Instrumentation and Controls Technician	4	2	2
Plant Process Control Electrician	2	1	1
Program Manager	1	1	0
Senior Civil Engineer	1	1	0
Associate Civil Engineer	1	1	0
Supervising Management Analyst	1	1	0
Associate Management Analyst	1	1	0
Administrative Aide II	1	0	1
Office Support Specialist	1	0	1

Attachment 2: Pure Water Operations Certification Table

	Advanced Water Treatment		Wastewater Treatment		Water Treatment	
Employee Name	Grade (AWT3-5)	AWT Cert#	Grade (I-V)	WWT Cert#3	Grade (T1-T5)	WT Cert#
Basom, Justin M	AWT3	243			Т3	42802
Belts, Thelronda M	AWT3	313	111	73697	T1	44555
Carroll, John C	AWT5	101	V	28867	T2	27075
Clay, Jonett R	AWT4	214			Τ5	28595
Evans, Glenda R					Τ4	29117
Kapuaba, Lea C.N.			111	61228		
Martinez, James A	AWT3	278	111	45213		
Mercado, William L	AWT3	240	111	41838		
McNeil, Eileen L.			V	28965		

Attachment 3: Phase 1 Construction Contracts List

Construction Contract	Contract Amount	Contractor	Facility Scope to be Constructed
Morena Pump Station	\$110.4M	Flatiron	37-mgd pump station
Morena Conveyance South & Middle and Bike Lanes	\$129.7M	Sukut	7 miles each of 48- and 30-inch diameter pipe
Morena Pipelines Northern Alignment and Tunnels	\$95.2M	OHL	4 miles each of 48- and 30-inch diameter pipe
Penasquitos Pump Station Oxidation System	\$4.4M	Blue Pacific	High-purity oxygen system
North City Water Reclamation Plant Expansion	\$255.1M	Kiewit	Addition of 22-mgd treatment capacity
North City Water Reclamation Plant Flow Equalization Basin	\$11.9M	Kiewit	2.35-million-gallon flow equalization tank to manage incoming wastewater variability
Metropolitan Biosolids Center Improvements	\$40.1M	PCL	Improvements to existing facility
North City Water Reclamation Plant Expansion / North City Pure Water Facility Early Sitework	\$16.4M	AECOM / Shimmick	Grading and site prep COMPLETED
North City Pure Water Facility and Pump Station	\$356.7M	Shimmick	34-mgd purification facility and 30-mgd pump station
North City Pure Water Pipeline, Dechlorination Facility, and Subaqueous Pipeline	\$102.7M	W.A. Rasic	7.5 miles of 48-inch diameter pipe and 1 mile of subaqueous pipeline
Miramar Reservoir Water Quality Monitoring System	\$1M	Soundnine, Inc.	Reservoir water quality monitoring
Miramar Reservoir Pump Station Improvements	\$12.7M	Shimmick	Improvements to existing facility
Total	\$1,136.4M	Authorized: \$1,212.2M	 Large pipeline: 30 miles Pumping capacity: 100 mgd Treatment capacity: 56 mgd
Total Construction Expenditures as of June 30, 2024			\$749M
Total Use of Contingency as of June 30, 2024			\$86.9M

Attachment 4: Individual Construction Project Summary Sheets

Project: Morena Pump Station	
Contractor: Flatiron	Contract Completion, March 2024
Project Start: June 2021 Contract Award Amount: \$110.4M	Contract Completion: March 2026 Estimate Percent of Construction Completion as of June 30, 2024: 65.0%
Construction Changes Orders Approved as of June 30, 2024: \$27.0M and 269 Days Added	Total Construction Expenditures as of June 30, 2024: \$89.3M
 Significant Construction Activities: Morena Pump Station Site (MPS) Completed excavation of MPS Site with sec. 	ant wall shoring system installed
 Completed excavation of MPS Site with sec. Continued concrete placement for pump of 	
 Continued concrete placement for pump state Received and stored the following major economics 	0 5
	juipment:
- 4 of 10 Pumps	juipment:
4 of 10 PumpsHigh Purity Oxygen System	juipment:
 4 of 10 Pumps High Purity Oxygen System 4 of 4 Odor Control System 5 of 5 Transformers 	juipment:
 4 of 10 Pumps High Purity Oxygen System 4 of 4 Odor Control System 5 of 5 Transformers 5 of 5 Knife Valves 	juipment:
 4 of 10 Pumps High Purity Oxygen System 4 of 4 Odor Control System 5 of 5 Transformers 	juipment:
 4 of 10 Pumps High Purity Oxygen System 4 of 4 Odor Control System 5 of 5 Transformers 5 of 5 Knife Valves Switchgear Friars Road Completed construction of Diversion Structure 	ure 1
 4 of 10 Pumps High Purity Oxygen System 4 of 4 Odor Control System 5 of 5 Transformers 5 of 5 Knife Valves Switchgear Friars Road Completed construction of Diversion Structo Installed 72-inch flow thru plug at Diversion 	ure 1 า Structure 2
 4 of 10 Pumps High Purity Oxygen System 4 of 4 Odor Control System 5 of 5 Transformers 5 of 5 Knife Valves Switchgear Friars Road Completed construction of Diversion Structure Installed 72-inch flow thru plug at Diversion 	ure 1
 4 of 10 Pumps High Purity Oxygen System 4 of 4 Odor Control System 5 of 5 Transformers 5 of 5 Knife Valves Switchgear Friars Road Completed construction of Diversion Structure Installed 72-inch flow thru plug at Diversion Continued repair work to stop infiltrating was sewer line in Diversion Structure 2 Installed 60-inch disc plug at Diversion Structure 	ure 1 n Structure 2 ater under the south side of the existing 72-inch

o Phase 2 freezing began May 8th

Project: Morena Conveyance South & Middle a	and Bike Lanes
Image: Additional systemImage: Additional systemImage	Ab di PM remont Dr.
Project Start: October 2022	Contract Completion: September 2025
Contract Award Amount: \$129.8M	Estimate Percent of Construction Completion as of
	June 30, 2024: 40.3%
Construction Changes Orders Approved as of June	Total Construction Expenditures as of
30, 2024: \$0.3M and 0 Days Added	June 30, 2024: \$52.4M
Project Description: The Morena Conveyance South and Middle will conn Custer Streets and to the Morena Pipelines Northern portions of two 6.9-mile pipelines: one 48-inch waste the North City facilities for purification, and one 30-i water purification south to the Point Loma Wastewa	Alignment in University City. This project includes ewater pipeline, which will carry wastewater north to nch brine line that will carry the byproduct from
 Significant Construction Activities: Total Pipe installed 48-inch force main:11,252 linear feet of pipe 30-inch brine line: 11,181 linear feet of pipe Completed 13,836 feet of base paving on Clairer (Blvd) Continued installing beam and plate shoring system at Tecolote Creek for the system at Teco	e in place (31.2%) mont Drive, Sherman Street and Morena Boulevard tem at Balboa intersection

Installed dewatering system at Tecolote Creek for discharge permit
Continued installation of dual pipelines northerly on West Morena Blvd and on Clairemont Drive

Project: Morena Pipelines Northern Alignment and Tunnels



Contractor: OHL

Project Start: June 2021	Contract Completion: October 2024
Contract Award Amount: \$95.2M	Estimate Percent of Construction Completion as of June 30, 2024: 64.5%
Construction Changes Orders Approved as of June 30, 2024: \$9.6M and 48 Days Added	Total Construction Expenditures as of June 30, 2024: \$67.6M

Project Description:

The Morena Pipelines Northern Alignment will connect to the Morena Conveyance Middle alignment to the south and the North City Water Reclamation Plant to the north. This project begins on Genesee Avenue between Appleton Street and State Route 52 and continues onto Genesee Avenue, Nobel Drive, Towne Centre Drive, and Executive Drive. Tunneling will be completed at Genesee Avenue and State Route 52, at Genesee Avenue and Rose Canyon, and under Interstate 805. This project includes portions of two pipelines approximately 4 miles in length: one 48-inch wastewater pipeline, which will carry wastewater north to the North City facilities for purification, and one 30-inch brine line that will carry the byproduct from water purification south to the Point Loma Wastewater Treatment Plant.

- Total Pipe Installed:
 - o 48-inch force main: 14,154 linear feet of pipe in place (66%)
 - o 30-inch brine line:14,154 linear feet of pipe in place (66%)
- Total Tunneling Completed:
 - o San Clemente: 430 linear feet (complete)
 - o Interstate 805: 201 linear feet
 - Rose Canyon: 540 linear feet
 - Completed hydrostatic testing on 430 linear feet of pipe at San Clement tunnel
- Completed excavation of Rose Canyon south shaft
- Completed pipeline installation on all portions of Towne Centre Drive
- Continued clearing and grubbing and installing temporary wall at Rose Canyon middle shaft

Project: North City Water Reclamation Plant Expansion:



Contractor: Kiewit Infrastructure West Co.

Project Start: August 2021	Contract Completion: June 2026
Contract Award Amount: \$255.1M	Estimate Percent of Construction Completion as of
	June 30, 2024: 50.6%
Construction Changes Orders Approved as of June	Total Construction Expenditures as of
30, 2024: \$5.9M and 251 Days Added	June 30, 2024: \$132.2M

Project Description:

The North City Water Reclamation Plant Expansion will increase the plant's recycled water production from 30 mgd to 56 mgd. The expansion requires larger equipment and infrastructure. The expansion will occur on the existing North City Water Reclamation Plant site.

- Continued shop drawing submittals, equipment procurement, and factory acceptance testing
- Continued installation of 96-inch mixed liquor and 42-inch return activated sludge (RAS) piping and continued installation of yard piping and vaults
- Continued concrete construction at Primary Sedimentation Basins
 O Completed columns and walls at chemical storage area
- Continued concrete basin and baffle walls, mechanical, and electrical work at Bioreactor Basins

 Completed subgrade preparation for new basin extensions
- Continued secondary clarifiers and RAS wet well piping, concrete work, and hydrostatic testing
- Continued work at tertiary filters and completed base and walls at new Filter Number 7

Project: North City Water Reclamation Plant R	Flow Equalization Basin:
Project Start: December 2021	Contract Completion: February 2024
Contract Award Amount: \$11.9M	Estimate Percent of Construction Completion as of June 30, 2024: 32.1%
Construction Changes Orders Approved as of June	Total Construction Expenditures as of
30, 2024: \$12K and 0 Days Added	June 30, 2024: \$3.8M
 Project Description: As part of the North City Water Reclamation Plant E constructed to expand the capacity of the primary e regulate peak wastewater flow rates entering the pl treatment processes. Significant Construction Activities: Wall construction commenced Wall pours 2, 3, 4, and 5 complete (50% complete) 	ffluent storage. The Flow Equalization Basin will ant to allow a steady flowrate through the biological

Project: Metropolitan Biosolids Center Improvements		
Contractor: PCL		
Project Start: September 2021	Contract Completion: October 2025	
Contract Award Amount: \$40.1M	Estimate Percent of Construction Completion as of June 30, 2024: 71%	
Construction Changes Orders Approved as of June	Total Construction Expenditures as of	
	June 30, 2024: \$31.2M	
30, 2024: \$3.5M and 103 Days Added Project Description: Metropolitan Biosolids Center is the City's regional b solids from both the North City Water Reclamation P Plant The North City Water Reclamation Plant will u	iosolids facility that receives and processes waste lant and the Point Loma Wastewater Treatment	
Project Description: Metropolitan Biosolids Center is the City's regional b solids from both the North City Water Reclamation F Plant. The North City Water Reclamation Plant will u increasing biosolids flows and loadings to the Metro increased loadings, upgrades, and improvements at Significant Construction Activities:	iosolids facility that receives and processes waste lant and the Point Loma Wastewater Treatment ndergo an expansion under Phase 1 of Pure Water, politan Biosolids Center. To accommodate these the Metropolitan Biosolids Center are necessary. enance Manual, and Maintenance of Plant Operations	
 Project Description: Metropolitan Biosolids Center is the City's regional besolids from both the North City Water Reclamation Plant will unicreasing biosolids flows and loadings to the Metropincreased loadings, upgrades, and improvements at Significant Construction Activities: Continued shop drawings, Operations and Maint submittals and coordination with plant operation Continued installation of new Grit Separator No. Completed installation, testing and commissioni 	iosolids facility that receives and processes waste lant and the Point Loma Wastewater Treatment ndergo an expansion under Phase 1 of Pure Water, politan Biosolids Center. To accommodate these the Metropolitan Biosolids Center are necessary. enance Manual, and Maintenance of Plant Operations as 4 ng of Raw Solids Feed Pump No. 2.	
 Project Description: Metropolitan Biosolids Center is the City's regional besolids from both the North City Water Reclamation Plants. The North City Water Reclamation Plant will us increasing biosolids flows and loadings to the Metro increased loadings, upgrades, and improvements at Significant Construction Activities: Continued shop drawings, Operations and Maint submittals and coordination with plant operation Continued installation of new Grit Separator No. Completed installation, testing and commissioni Placed Dewatering Centrifuge No. 1 into service Completed testing and commissioning of Thicker 	iosolids facility that receives and processes waste lant and the Point Loma Wastewater Treatment ndergo an expansion under Phase 1 of Pure Water, politan Biosolids Center. To accommodate these the Metropolitan Biosolids Center are necessary. enance Manual, and Maintenance of Plant Operations as 4 ng of Raw Solids Feed Pump No. 2.	
 Project Description: Metropolitan Biosolids Center is the City's regional b solids from both the North City Water Reclamation F Plant. The North City Water Reclamation Plant will u increasing biosolids flows and loadings to the Metro increased loadings, upgrades, and improvements at Significant Construction Activities: Continued shop drawings, Operations and Maint submittals and coordination with plant operation Continued installation of new Grit Separator No. Completed installation, testing and commissioni Placed Dewatering Centrifuge No. 1 into service Completed testing and commissioning of Thicke polymer pumps Performed demolition and began installation of pumps 	iosolids facility that receives and processes waste lant and the Point Loma Wastewater Treatment ndergo an expansion under Phase 1 of Pure Water, politan Biosolids Center. To accommodate these the Metropolitan Biosolids Center are necessary. enance Manual, and Maintenance of Plant Operations as 4 ng of Raw Solids Feed Pump No. 2. ning Centrifuges Nos. 3 and 5, feed pumps, and Thickening Centrifuge 4, feed pumps, and polymer	
 Project Description: Metropolitan Biosolids Center is the City's regional besolids from both the North City Water Reclamation Plant. The North City Water Reclamation Plant will us increasing biosolids flows and loadings to the Metro increased loadings, upgrades, and improvements at Significant Construction Activities: Continued shop drawings, Operations and Maint submittals and coordination with plant operation Continued installation of new Grit Separator No. Completed installation, testing and commissioni Placed Dewatering Centrifuge No. 1 into service Completed testing and commissioning of Thicke polymer pumps Performed demolition and began installation of pumps Began testing of Thickened Transfer Pump No. 	iosolids facility that receives and processes waste lant and the Point Loma Wastewater Treatment ndergo an expansion under Phase 1 of Pure Water, politan Biosolids Center. To accommodate these the Metropolitan Biosolids Center are necessary. enance Manual, and Maintenance of Plant Operations as 4 ng of Raw Solids Feed Pump No. 2. ning Centrifuges Nos. 3 and 5, feed pumps, and Thickening Centrifuge 4, feed pumps, and polymer	
 Project Description: Metropolitan Biosolids Center is the City's regional bisolids from both the North City Water Reclamation F Plant. The North City Water Reclamation Plant will use increasing biosolids flows and loadings to the Metroe increased loadings, upgrades, and improvements at Significant Construction Activities: Continued shop drawings, Operations and Maint submittals and coordination with plant operation Continued installation of new Grit Separator No. Completed installation, testing and commissioni Placed Dewatering Centrifuge No. 1 into service Completed testing and commissioning of Thicke polymer pumps Performed demolition and began installation of pumps Began testing of Thickened Transfer Pump No. Completed testing and commissioning at Digest 	iosolids facility that receives and processes waste lant and the Point Loma Wastewater Treatment ndergo an expansion under Phase 1 of Pure Water, politan Biosolids Center. To accommodate these the Metropolitan Biosolids Center are necessary. enance Manual, and Maintenance of Plant Operations as 4 ng of Raw Solids Feed Pump No. 2. ning Centrifuges Nos. 3 and 5, feed pumps, and Thickening Centrifuge 4, feed pumps, and polymer	
 Project Description: Metropolitan Biosolids Center is the City's regional bisolids from both the North City Water Reclamation Plant. The North City Water Reclamation Plant will us increasing biosolids flows and loadings to the Metroi increased loadings, upgrades, and improvements at Significant Construction Activities: Continued shop drawings, Operations and Maint submittals and coordination with plant operation Continued installation of new Grit Separator No. Completed installation, testing and commissioni Placed Dewatering Centrifuge No. 1 into service Completed testing and commissioning of Thicker polymer pumps Began testing of Thickened Transfer Pump No. Completed installation of nozzles, mixing pumps 	iosolids facility that receives and processes waste lant and the Point Loma Wastewater Treatment ndergo an expansion under Phase 1 of Pure Water, politan Biosolids Center. To accommodate these the Metropolitan Biosolids Center are necessary. enance Manual, and Maintenance of Plant Operations as 4 ng of Raw Solids Feed Pump No. 2. ning Centrifuges Nos. 3 and 5, feed pumps, and Thickening Centrifuge 4, feed pumps, and polymer a finite contributes and the polymer as a contribute for the polymer and polymer and polymer and polymer and polymer a	

Project: North City Pure Water Facility and Pump Station



Contractor: Shimmick

Project Start: April 2021	Contract Completion: July 2025
Contract Award Amount: \$356.7M	Estimate Percent of Construction Completion as of June 30, 2024: 70.2%
Construction Change Orders Approved as of June 30, 2024: \$15.4M and 24 Working Days Added	Total Construction Expenditures as of June 30, 2024: \$261.0M

Project Description:

The North City Pure Water Facility will use the approved five-step process to treat recycled water to purified water standards. Upon completion, the facility will produce 30 mgd of purified water, which will be conveyed by the pump station to the Miramar Reservoir for storage. The North City Pure Water Facility and pump station will be built on Eastgate Mall across from the North City Water Reclamation Plant.

- Continued installation and backfill of blending water, fire water service, and potable water supply pipeline
- Area 111 Ozone: continued mechanical piping and electrical installations
- Area 120 Biological Activated Carbon: completed access road slab on grade concrete placement and commenced retaining wall rebar and formwork; continued structural steel for canopy installation
- Area 130 Process Building: continued mechanical process piping and electrical raceways, cable, and heating, ventilation, and air conditioning (HVAC) and other overhead conduit install; completed of reverse osmosis (RO) System cartridge filter installations
- Area 158 Product Water Tank: continued perimeter wall and stair concrete work
- Area 160 Pump Station: continued rebar, formwork, and concrete placement for pump station walls
- Area 170 Chemical System Tank Farm: performed coating of walls and tank pads and installation of various tanks
- Area 180 Main Electrical Building: continued HVAC and fire protection installations, and switchgear S installation
- Area 190 Operations and Maintenance Building: Installed interior steel metal stud framing, drywall, fire sprinklers, plumbing, painting of walls, and insulation; installed 95% of architectural exterior paneling

Project: North City Pure Water Pipeline, Dechlorination Facility, and Subaqueous Pipeline

Project Start: June 2021	Contract Completion: June 2025
Contract Award Amount: \$102.7 (Originally	Estimate Percent of Construction Completion as of
\$123.5M but removed AC Water Group 1038 project from contract)	June 30, 2024: 71.9%
Construction Changes Orders Approved as of June 30, 2024: \$13.1M and 0 Days Added	Total Construction Expenditures as of June 30, 2024: \$83.3M

Project Description:

The North City Pure Water Pipeline will convey 30 mgd of purified water to the Miramar Reservoir. This approximately 8-mile pipeline will be constructed along Eastgate Mall and Miramar Road and will tunnel underneath Interstate 15 then continue along Carroll Canyon Road to the Miramar Reservoir, where the pipeline will connect to a 1-mile Subaqueous Pipeline system at the bottom of Miramar Reservoir. The Dechlorination Facility will remove chlorine necessary for conveyance and disinfection from the purified water before it is blended into the reservoir. The Dechlorination Facility will be constructed at the end of Meanley Drive, approximately 1,500 feet southwest of Miramar Reservoir.

- Completed 30,300 linear feet of 48-inch pipe installation (77%)
- Continued installing beams for shoring system along Hoyt Park Drive
- Began rough grading and excavation at Dechlorination Building
- Total Tunneling Completed: 1,611 linear feet (78%)
 - o Miramar Reservoir (Microtunneling): 500 linear feet
 - Evans Pond (Microtunneling): 626 linear feet
 - Interstate 15 (Jack and Bore): 485 linear feet
- Completed excavation of launching and receiving shaft at Via Pasar
- Subaqueous Pipeline:
 - Completed high-density polyethylene (HDPE) pipe installation
 - o Subaqueous Subcontractor completed demobilization
 - o Miramar Reservoir reopened to public for recreational use

Project: Miramar Reservoir Pump Station Improvements
Contractor: Shimmick

contractor. Shimmek	
Project Start: October 2022	Contract Completion: March 2025
Contract Award Amount: \$12.7M	Estimate Percent of Construction Completion as of June 30, 2024: 70.1%
Construction Changes Orders Approved as of June 30, 2024: \$339K and 0 Days Added	Total Construction Expenditures as of June 30, 2024: \$9.1M

Project Description:

Purified water will blend with the City's imported water sources at Miramar Reservoir and be treated again at the Miramar Water Treatment Plant and distributed to the public. The Miramar Pump Station will convey 30 mgd of purified water from Miramar Reservoir to Miramar Water Treatment. Operational improvements associated with the treatment of purified water will be made to the Miramar Pump Station to allow the pump station to operate continuously to pump purified water from Miramar Reservoir to Miramar Water Treatment Plant. The project will also include the construction of a 1-megawatt Photovoltaic System at the Miramar Water Treatment Plant Clearwell 1 to supply power to the Miramar Pump Station.

- Continued Pump 2 and Pump 3 rehabilitation
- Completed installation of new generator
- Continued Pump Station conduit installations
- Complete installation of motor control center (MCC) breakers
- Installed light pole bases and fixtures for site lighting
- Installed Pump 2 and Pump 3 pipe supports

Attachment 5: Project Labor Agreement Statistics

State legislation adopted in late 2019 mandates all Pure Water construction contracts awarded after January 1, 2020, to require the contractor to enter into a Project Labor Agreement (PLA). This contract requirement for a PLA is a condition of receiving construction financing from the Safe Drinking Water State Revolving Fund. The Pure Water construction contracts also include Prevailing Wage and Equal Employment Opportunity Program requirements. Provided below is a summary of the oversight of all nine contractors to ensure compliance with these requirements.

Project Labor Agreement: The Pure Water PLA is an agreement between the San Diego Building and Construction Trades Council, craft unions signatory to the agreement, and the contractors performing construction work on the Pure Water Phase 1 projects. The PLA supports the employment of City residents and Targeted Workers. Targeted Workers are individuals who fall into categories, including veterans and spouses of veterans, newly enrolled apprentices, individuals lacking a high school diploma or GED, individuals aged out of the foster system, individuals experiencing homelessness, single parents, unemployed individuals, and/or formerly incarcerated individuals.

The PLA established goals that at least 35% of the total construction craft hours worked on each project be performed by City residents and 10% of the total construction craft hours worked on each project be performed by Targeted Workers. Pure Water Phase 1 continues to provide important career opportunities for thousands of individuals. As of June 30, 2024, over 4,593 workers have been employed on the Pure Water Phase 1 construction effort, including 119 veterans. Overall, the Pure Water Program contractors have exceeded the Targeted Worker hiring goal by 7%. City residents have received over \$28 million in wages and benefits from being employed on Pure Water Phase 1 projects. Finally, 287 City residents have been employed as apprentices on the Pure Water Phase 1 projects and 23% of all program hours worked were apprentice hours.

In an effort to increase the hiring of City residents and reach the 35% goal, City PLA management staff meet regularly with both contractors and union representatives to develop strategies to maximize employment opportunities for City residents. One such strategy is partnering with pre-apprenticeship programs to create a construction career pathway for City residents, thus growing that labor pool. Additional information can be found in the <u>Quarterly Progress Report through March 31, 2024.</u>

Prevailing Wage: The labor compliance team for the Pure Water Program ensures that state and federal prevailing wage requirements are being met by all contractors performing work on the projects by:

- Providing labor compliance training
- Verifying that each contractor has registered with the Department of Industrial Relations prior to commencing work
- Ensuring that all apprentices are properly registered by the state and federal entities
- Reviewing certified payrolls to ensure workers are paid appropriately and on a timely basis
- Conducting monthly payroll confirmations as required, including check stub review, fringe benefit review, and field investigations and interviews
- Enforcing labor compliance violations by withholding payment when necessary

Equal Opportunity Contracting (EOC): After the award of a contract, the City's Equal Employment Opportunity Program monitors subcontractor or supplier monthly payments to ensure the prime contractor is maintaining subcontracting participation commitment levels. Prime contractors are required to submit monthly invoicing reports identifying subcontractors and/or suppliers paid each month. To date, the contractors' projected subcontractor utilization remains in compliance with EOC goals.

METRO JPA/TAC Staff Report Date: 09/18/2024

Project Title:

Pure Water Program - Construction Change Order No. 12 with Kiewit Infrastructure West Co. for North City Water Reclamation Plant Expansion (K-21-1861-DBB-3).

Presenter(s) Name:

Akram Bassyouni/Jeff Soriano

Presenter(s) Title:

Deputy Director/ Senior Civil Engineer

Requested Action:

Approve Change Order No. 12, a settlement agreement between the City of San Diego and Kiewit Infrastructure West Co. for the North City Water Reclamation Plant Expansion and Influent Conveyance Project and forward item to Metro JPA/ Metro Commission for approval. Change Order No. 12 is for a total not to exceed amount of \$16,000,000.

Recommendations:

Approve Construction Contract Change Order No. 12.

	Metro TAC:	Approve the subject item and forward to Metro JPA/ Metro Commission for approval
	IROC:	N/A
	Prior Actions: (Committee/Commission, Date, Result)	N/A
F	iscal Impact:	
	Is this projected budgeted?	Yes No <u>x</u>
	Cost breakdown between Metro & Muni:	It is <u>estimated</u> that the funding will be allocated as follows: Water: 37% (approximately \$5,902,400), Wastewater: 63% (approximately \$10,097,600) (Metro: 100%, Muni: 0%).
	Fiscal impact to the Metro JPA:	33% of Metro cost (approximately \$3,332,208)
С	apital Improvement Progra	m:
	New Project? Yes	No <u>_X</u> N/A
	Existing Project? Yes <u>X</u>	No Upgrade/addition Change _X
	revious TAC/JPA Action: one	

Additional/Future Action:

Present item to Metro JPA/ Metro Commission for approval in October 2024

City Council Action:

City Council approval is anticipated in October 2024

Background:

As part of the Pure Water Program, the North City Water Reclamation Plant is currently undergoing an expansion of the primary, secondary and tertiary treatment facilities to allow the plant to treat up to 52 million gallons per day (MGD) on an annual average basis. The major scope elements associated with the expansion include: construction of new primary clarifiers, expansion and reconfiguration of the aeration basins and secondary clarifiers into first and

second stage bioreactor basins, installation of four new secondary clarifiers, one new tertiary filter, equipment replacements and other work (site work, yard piping, electrical and instrumentation work). This project also includes the construction of a new NCPWF Influent Pump Station and pipeline that will coney tertiary treated water to the future Pure Water Facility to produce purified pure water.

On June 16, 2021, the City Council approved the award of contract #K-21-1861-DBB-3 to Kiewit Infrastructure West Co., for the purposes of providing construction services for the Project for an amount of \$255,138,000 by Resolution R-312062. The original contract duration was 906 working days with a Notice to Proceed (NTP) date of August 4, 2021, and a projected completion date of March 14, 2025.

During construction of this Project, Kiewit claimed monetary damages related to delays encountered for extended procurement and delivery time for various large electrical equipment. Kiewit claimed that this delay was attributable to contract changes that resulted from site conditions that varied from the contract plans. Kiewit further claimed that the time needed for the Engineer to modify the design had deferred their ability to place orders for the required electrical equipment with their associated vendors and manufacturers which had resulted in a delay to the scheduled critical path. Kiewit claimed that they are entitled to additional compensation in the amount of \$ 27M, of which \$22M is for overhead costs associated with the additional time needed to complete the Project and \$5M is for subcontractor escalation claims. The mediation took place on May 29, 2024, and resulted in an agreement to settle the claim for an amount of \$16,000,000.

This settlement includes but is not limited to the following:

- Addition of 147 Working Days to Milestone (MS) 9, "Final Completion".
- Resolution of Time Impact Analysis (TIA) TIA-01, including time related overhead (TRO), all associated claims and subcontractor claims.
- Resolution of TIA-02, including TRO, all associated claims and subcontractor claims.

• Resolution of any and all claims related to project delays from executed Change Orders (CCOs) that occurred or may have occurred prior to May 29, 2024.

• Resolution of any and all claims related to project delays from Potential Change Orders (PCOs) that occurred or may have occurred prior to May 29, 2024.

This action will authorize the Mayor, or his designee to execute a construction change order with Kiewit Infrastructure West Co. for an agreed amount of \$16,000,000.00, which is equivalent to a 6.3% increase in the total Project construction cost.

Bid Results: N/A

METRO JPA/TAC Staff Report Date: 09/18/2024

Project Title:

Pure Water Program – Amendment No. 3 to the Agreement with CH2M Hill Engineers, Inc. for Design Engineering Services for the North City Water Reclamation Plant Expansion and Influent Conveyance Project

Presenter(s) Name:

Akram Bassyouni/ Reyhaneh Martin

Presenter(s) Title:

Deputy Director/ Senior Civil Engineer

Requested Action:

Approve Amendment No. 3 to the design engineering services agreement between the City of San Diego and CH2M Hill Engineers, Inc. for the North City Water Reclamation Plant Expansion and Influent Conveyance Project and forward item to Metro JPA/ Metro Commission for approval. Amendment No. 3 is for a total not to exceed amount of \$14,000,000, which will be utilized for construction support services.

Recommendations:

Approve Amendment No. 3 to the design agreement

Metro TAC:	Approve the subject item and forward to Metro JPA/ Metro Commission for approval
IROC:	N/A
Prior Actions:	N/A
(Committee/Commission,	
Date, Result)	
Fiscal Impact:	
Is this projected budgeted?	Yes X No
Cost breakdown between Metro & Muni:	It is <u>estimated</u> that the funding will be allocated as follows: Water: 21% (approximately \$2,940,000), Wastewater: 79% (approximately \$11,060,000) (Metro: 100%, Muni: 0%).
Fiscal impact to the Metro JPA:	33% of Metro cost (approximately \$3,649,800)
Capital Improvement Progra	m:
New Project? Yes	No <u>_X</u> _N/A
Existing Project? Yes X	No Upgrade/addition Change
Previous TAC/JPA Action:	
None	
Additional/Future Action:	
Present item to Metro JPA/ Me	etro Commission for approval in October 2024
City Council Action:	
City Council approval is anticip	pated in October 2024
Background:	
•	pplies face increasing stresses from a variety of sources. As a
0	e becoming less reliable and more expensive. These

circumstances, and the threat limitation on San Diego's water supplies, have intensified the need for new sources of water. Pure Water San Diego is the City of San Diego's 20-year program to provide a safe, secure and sustainable local drinking water supply for San Diego. Recycled water will be turned into drinkable water through the use of water purification technology. Further, Pure Water's system-wide reuse will significantly reduce flows to the Point Loma Wastewater Treatment Plant and will make San Diego more water independent. On April 29, 2014, City Council adopted Resolution Number R-308906 supporting the Pure Water Program. Pure Water implementation includes design and construction of new treatment and conveyance facilities. To ensure quality design and construction of future Pure Water facilities, the Public Utilities Department has elected to obtain professional engineering and technical services for completing the design work.

As part of the Pure Water Program implementation, the North City Water Reclamation Plant (NCWRP) will be expanded to treat an average annual flow of 52 million gallons per day (mgd), in order to continue serving recycled water customers and provide tertiary-treated water to the new Pure Water Facility. The scope of the NCWRP expansion project includes several process modifications throughout the entire plant. The major scope elements associated with the expansion of the plant include: construction of new primary clarifiers, a new flow equalization basin, expansion and reconfiguration of the aeration basins and secondary clarifiers into first and second stage bioreactor basins, installation of four new secondary clarifiers, one new tertiary filter, a new Pure Water Facility influent conveyance pump station, equipment replacement and other work (site work, yard piping, electrical and instrumentation work). At this time, major construction activities are anticipated to be completed in 2026, followed by the Pure Water commissioning and project closeout processes.

In October 2016, the City awarded an agreement to CH2M Hill Engineers, Inc. to perform design services for the North City Water Reclamation Plant Expansion and Influent Conveyance project. The original Agreement is on file in the Office of the City Clerk as Document No. R-310738. The Agreement was issued for an amount not to exceed \$17,198,752 for a duration of five (5) years.

In October 2018, City Council approved Amendment No. 1 (R-311991) for a total not to exceed amount of \$2,500,000, increasing the total contract amount from \$17,198,752 to \$19,698,752. The additional funds authorized under Amendment No. 1 addressed additional design efforts not included in the original agreement for new tasks such as upgrades to the plant equipment to bring the facility up to its original 30 mgd capacity, replacement of all sluice gates at the headworks facility, implementation of an alternate design concept to repurpose the secondary clarifiers, development of a sewer process model for facility control strategies, and the design of the brine line within the NCWRP footprint.

In August 2021, construction began on the NCWRP expansion project. In November 2021, City Council approved Amendment No. 2 (O-21393) for a total not to exceed amount of \$7,298,826, increasing the total contract amount from \$19,698,752 to \$26,997,578. The additional funds authorized under Amendment No. 2 provided funding for design support services during construction including review of submittals and shop drawings, responses to requests for information (RFI's) from the construction contractor, project construction meetings, facility commissioning support, geotechnical and structural observations, and as-needed technical support. In addition, Amendment No. 2 extended the contract term for an additional five years.

The NCWRP is a vital component of the City's wastewater system and needs to remain in continuous operation during construction. As the construction of the NCWRP expansion project approaches 50% completion, it has been determined that a larger level of effort is required to support a project of this magnitude and complexity. Amendment No. 3 of the design agreement with CH2M Hill Engineers, Inc. will provide all the remaining design support services during construction. These additional efforts include the following:

- This existing plant provides recycled water to customers in the northern part of the City, and therefore, must remain operational. As a result, the Contractor has to plan their work so that there is no disruption to the ongoing Operations & Maintenance activities. In some cases, the existing equipment has to be taken offline because they are being replaced, and this requires significant coordination between the Contractor, plant staff, and the designer to minimize shutdown impacts to the overall plant operation. Some of these efforts were identified during the design coordination efforts; however, more complexities have been encountered during the construction than anticipated, including encountering equipment not operating properly but needed for the completion of the expansion project.
- Communication between Pure Water and the City's other sewer facilities is currently
 implemented by a distributed control system (DCS). A larger and unanticipated effort
 from the designer has been identified to assist with resolving issues/conflicts related to
 integrating new equipment with existing DCS components while maintaining the current
 operation and preparing for the ultimate integration. In some instances, the existing DCS
 components needs to be reconfigured in order to connect to the new equipment. This
 was not anticipated initially since it was expected that the existing DCS would support
 this integration.
- Partial commissioning is being implemented for Pure Water Phase 1 to mitigate delays on some of the projects. To implement partial commissioning, NCWRP will have to be commissioned with a fraction of its design flow and prior to the full construction completion of the project. This is requiring the Design Consultant to revise the commissioning strategy and develop alternatives for testing & commissioning of the new equipment/processes.
- To meet the demands of the fast-paced and complex construction activities, the number of onsite engineering staff of the Design Consultant has increased or fluctuated based on the ongoing needs that were not possible to estimate previously.
- Due to the complexity of the project, there have been an unanticipated number of submittals, RFIs, and deviation/substitution requests from the construction contractor, which have resulted in an increased effort by CH2M Hill to review and analyze.
- As the contractor has progressed into various plant process areas of this 25+ year old facility, existing infrastructure like chemical feed lines and fittings that need upgrading have been identified. The contractor has also encountered unforeseen duct banks and piping that interfere with new pipelines that are being installed. The designer has had to prepare design modifications to include new upgrades and resolve underground utility interferences.
- Due to new treatment processes and process modifications, additional training for plant operations staff is required. While individual equipment training is being conducted by vendors through the Contractor, overall process area training is necessary for the Design Consultant.

The collective impact of the above factors has resulted in the need for additional budget and time to carry forward the project to completion. Amendment No. 3 for a total not to exceed amount of \$14,000,000 will increase the total contract amount from \$26,997,578 to 40,997,578. Of the \$14,000,000, \$12,034,869 will fund base services, and \$1,965,131 will fund additional

potential unforeseen services. In addition, Amendment No. 3 will extend the contract term for an additional 19 months to June 2028, in order to complete all of the required work for the NCWRP Expansion project.

Bid Results: N/A

METRO JPA/TAC Staff Report Date: 9/18/2024

Project Title:

Pure Water Phase 1 CIP Budget – Increase Pooled Contingency

Presenter(s) Name:

Amy Dorman

Presenter(s) Title:

Assistant Director

Requested Action:

 Authorization to increase the FY25 Capital Improvements Program Budget by \$102,640,000.00 in CIP P-19002, Pure Water Pooled Contingency, and to appropriate and expend an additional \$63,636,800.00 from Fund 700010, Water Utility CIP, and \$39,003,200.00 from Fund 700009, Metro Sewer CIP, for the purpose of funding construction change orders for the following projects:

• CIP A-LA.00001, Pure Water Program (B-15139, North City Pure Water Facility; B-15140, North City Pure Water Pump Station; B-15141, PWP Morena Conveyance; B-15142, NCWRP Expansion; B-16035, North City Pure Water Pipeline; B-16140, NCPWF Influent Pump Station and Pipeline; B-17006, San Diego NC-MBC Improvements; B-17190, Miramar Reservoir Pump Station Improvements; B-21058, PWP North City Pure Water Facility Pkg 2; B-21059, PWP NCWRP Flow Equalization Basin; B-21060, PWP North City Water Rec Plant Expansion; B21061, PWP Morena Wastewater Pump Station; B-21128, PWP NC Wtr Rec Plant Expansion (W); B-22024, Miramar Reservoir Automated In-Water Quality Monitoring System; B-22085, PW Genesee Avenue Median Improv; B-23085, NC Pure Water Facility Warehouse Storage);

• CIP A-BI.00001, Water Treatment Plants, (B-19099, Miramar Reservoir PS New Generator & Upg; B-23014, Miramar WTP Caustic Pumping System; B-23049, Miramar WTP Interim Solids Management);

• CIP A-BL.00001, Bldg Water Standpipes, (B-23136, Miramar Reservoir Recreation Facilities)

• CIP A-BP.00002, Metropolitan System Pump Stations, (B-21001, Penasquitos Pump Stn Oxygenation System);

- CIP S-17012, NCWRP Improvements to 30 MGD; and
- CIP S-17013, MBC Equipment Upgrades

Recommendations:

Approve actions

	Metro TAC:	Approve the subject item and forward to Metro JPA/ Metro Commission for approval
	IROC:	N/A
	Prior Actions: (Committee/Commission, Date, Result)	N/A
Fi	scal Impact:	
	Is this projected budgeted?	YesX_ No
	Cost breakdown between Metro & Muni:	\$63,636,800.00 Water; \$39,003,200.00 Metro; \$0 Muni.
	Fiscal impact to the Metro JPA:	\$13,066,072 (33.5% of Metro cost)
С	apital Improvement Progra	m:

New Project? Yes No _X_ N/A	
Existing Project? Yes X No Upgrade/addition X Change	 ∋
Previous TAC/JPA Action: None	
Additional/Future Action: Present item to Metro JPA/ Metro Commission in October 2024	
City Council Action: Environment Committee 9/12/2024; City Council approval expected in October 2024	
Background: <i>Provide background information on the need for the project</i> The pooled contingency was established for construction change orders and can be utilized the 17 Phase 1 construction contracts. Access to the pool by all projects allows change orde authorized more efficiently than adjusting individual project budgets. This is a key benefit, r that Pure Water is one large integrated system, and a delay on one of the Phase 1 contracts other contracts. The pooled contingency budget is \$114.7 million, as approved by City Coun The amount is approximately 10% of the estimated total for Phase 1 construction at that tin actual amount awarded was \$1.16 billion. The remaining amount in the pooled contingency million.	r work to be ecognizing could delay cil in 2021. ne. The
A number of factors are contributing to the need to increase the pooled contingency budge • Change order amounts are based on current pricing, whereas the budget was based on bid primarily in 2020 and 2021. The consumer price index for the San Diego region has increase 13.6% since 2021 and is expected to continue rising through the duration of construction. The price increases is being seen in capital project costs across the region and nation on projects • Large change orders like the Morena Pump Station Dewatering Changed Condition (\$26 m the Interstate 805 tunnel (\$9 million) have accelerated the contingency drawdown. These tw alone consumed 30% of the contingency.	ds received d by over his trend of s of all sizes. hillion) and
Negotiations have been finalized on two more significant change orders, for the North City I Facility and North City Pure Water Pump Station (\$11,360,000), and for the North City Water Reclamation Plant Expansion and North City Pure Water Facility Influent Pump Station and F Settlement (\$16,000,000). Given that construction is only 60% complete, staff proposes to in pooled contingency budget by an additional 10% of total construction cost, or a total of \$13 (this action for \$102.64 million plus the two aforementioned change orders for \$27.36 million potential change orders from now to the end of construction. The amount is based on the re- change orders have occurred thus far and the expectation is that this rate will taper off tows of construction. The combined increase would bring the total budgeted pooled contingency million, which is approximately 20% of the initial construction award amount. Having a high average contingency is not surprising for a Program of this size and complexity. It is an extra effort to manage eight different contractors on ten active projects who are coordinating wit and making changes to accommodate one another to ensure all projects work together. For projects will join the list of active projects before commissioning begins.	er Pipeline ncrease the 0 million on), to fund ate at which ards the end to \$245 er-than- ordinary th each other
To support the City in change order negotiations, the City Attorney's Office has hired an out and legal counsel. Thus far, the outside auditor has been instrumental in vetting the validity amounts of contractor claims, and outside counsel has provided significant support to the P team in determining the merit of a wide array of contractor claims based on legal precedent	and total ure Water

contractual requirements, and best practices. Both have been retained for the duration of construction.

Long-term bond financing is anticipated to be utilized to support the budget increase, although Public Utilities continues to actively seek grant opportunities at the State and Federal level to cover this amount. In the event that no additional grant funding is obtained, and new long-term bonds must be issued by the Water System in the amount of \$80.9 million, and \$49.1 million by the Sewer System, which equals the total of \$130 million increase to the Pooled Contingency (this action for \$102.64 million plus the two aforementioned change orders for \$27.36 million). These amounts may be wrapped into already planned bond issuances by the Water System or Sewer System in the next 2-3 years. Public Utilities has and will continue to work towards balancing the impacts of such increases. For instance, nearly \$120 million has been programmed for San Diego Gas and Electric (SDGE) utility relocations, but the most recent projected cost from SDGE is approximately \$40 million. Although unrelated to pooled contingency, reduced SDGE expenditures could ultimately lead to a lower bond issuance. Further savings could be realized if the City is successful in its ongoing litigation against SDGE, greatly reducing these costs further. Similarly, the total amount authorized by City Council for Phase 1 construction is \$1.2 billion and has been programmed in the total estimated funding need for Pure Water Phase 1. The actual amount awarded was \$40 million lower, at \$1.16 billion. This differential also helps to reduce the net impact of increasing the pooled contingency budget.

Discussion: Provide information on decisions made to advance the project

Bid Results: If bidding was done provide bidding format and results N/A $\ensuremath{\mathsf{N/A}}$

						Total Contract (Including Change Orders			30-06-2		
Construction Package	Contractor Intermediate Substantial Completion	Contractor Substantial Completion ⁽³⁾	Percent Complete (G = F / E)	Bid Award ⁽¹⁾ (A)	Change Orders ⁽²⁾ (B)	Water (C)	Wastewater (D)	Total Contract (E = A + B)	Paid to Date ⁽²⁾ (F)	Construction Company	
Early Sitework	July 27, 2021	July 27, 2021	100%	\$16,403,300	\$1,184,211	\$4,546,855	\$13,040,656	\$17,587,511	\$17,587,511	Shimmick	
NC Pure Water Facility & NC Pure Water Pump Station	September 25, 2024	March 17, 2025	70%	\$356,681,930	\$15,353,457	\$372,035,387	\$0	\$372,035,387	\$260,989,618	Shimmick	
Vorena Northern Alignment & Tunnels	April 30, 2025	May 22, 2025	64%	\$95,243,645	\$9,593,450	\$20,520,537	\$84,316,559	\$104,837,096	\$67,617,124	OHL USA, Inc	
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VC Pure Water Pipeline and Dechlorination Facility & Subaqueous Pipeline	November 29, 2023	April 21, 2025	72%	\$123,456,027	-\$7,631,278	\$115,824,749	\$0	\$115,824,749	\$83,301,232	W.A. Rasic Construction Company, Inc.	
VCWRP Expansion & PWF Influent Conveyance	March 10, 2025	April 16, 2026	51%	\$255,138,000	\$5,866,512	\$138,278,624	\$122,725,888	\$261,004,512	\$132,157,671	Kiewit Infrastructure West Co.	
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Viramar Reservoir Automated In-Water Quality Vonitoring System (AIWQMS)	October 15, 2026	October 15, 2026	54%	\$1,000,000	\$0	\$1,000,000	\$0	\$1,000,000	\$538,435	Soundnine Inc.	
Penasquitos Pump Station Oxygenation System	January 3, 2024	January 3, 2024	15%	\$4,391,767	\$0	\$0	\$4,391,767	\$4,391,767	\$674,644	Blue Pacific Engineering & Construction	
			62%	\$1,157,119,604	\$55,525,881	\$693,807,110	\$518,838,376	\$1,212,645,485	\$748,796,782		

Quarterly Contractor's Report - 6/30/24

Total Approved Change Orders Exlcuding Scope Removal Change Orders 4: \$76,263,821

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Monthly Executive Director's Report August 2024

August was a month with many Executive Team and PUD staff vacations however much work was accomplished. The following is a summary of key tasks currently being addressed by the Executive Team members:

Key Tasks and Updates:

- 1. Final Draft Second Amended and Restated Agreement (SARA) Language Review:
 - The City of San Diego's Attorney's office has completed their initial review of SARA. The next steps will be for FIG to meet as a team to work through questions/concerns and the City Attorney will also be following up with Adriana. We will be targeting by the end of October to wrap up this review process. At that time the draft SARA will be released to all Metro TAC and Metro JPA Directors to begin their review process.

2. FAB Implementation:

• Stantec and the FAB work group continue to QA/QC the FAB model. In addition work has begun on creating new Metro Billing Tables that incorporate the fixed and variable charges developed by the FAB system of charges.

3. Quarterly Pure Water Phase 1 Contractor's Report:

 Attached is the Quarterly Pure Water Phase 1 Contractor's Report which will be presented by Doug Owen of Stantec at the September Metro TAC continue to and October Metro JPA/Com meetings. Good progress – over \$1.5M per working day in Q4 FY2024 and overall project completion stands at 62%.

4. JPA Financial Policies and Systems:

- The Executive Team's legal and financial staff continue to draft several policies to provide management guidance for the JPA. These policies include:
 - An investment policy for the JPA's reserve funds and operating capital.
 - An electronic fund transfer policy.
 - A purchasing policy.
- In addition, the current records retention policy is being reviewed to update and potentially simply it. The current records retention policy can be found in the New Director's Manual at Section 14.2:

https://www.metrojpa.org/Home/ShowDocument?id=3570

• It is anticipated that these will first be reviewed by the Finance Committee in October before moving forward to Metro TAC and the full JPA Board.

5. Strategic Planning:

- The Strategic Planning consultant, John Gavares, administered a survey between August 1 and August 16, 2024. The survey responses provide valuable information for updating of the 2020 strategic plan and creation of the 2025 strategic plan.
- The survey received excellent participation with seventeen (17) responses received. The breakdown of responses was as follows:

Responder I	nformation			
Total	Director, Metro JPA	SP Ad Hoc Committee	Manageme nt Team member	TAC Member
17	3	5	1	8

• The first Strategic Planning AdHoc Committee meeting will be held September 5 from 2-4 PM via Zoom.

6. Director Orientation and Resources

- One respondent to the Strategic Planning Survey suggested creating an orientation and training program for new Directors, including written materials and a list of acronyms and definitions.
- Currently, orientations are held after the November elections, when new Directors are added to the JPA Board/Commission. The last orientation was held in March and April of 2023.
- Until the next orientation, I encourage everyone to visit the JPA website at https://www.metrojpa.org/home, where the "New Director's Manual" is available with a link under the "News" section of the homepage. https://www.metrojpa.org/about-us/-folder-100
- The manual is being updated to include current budgets and audits, but already provides valuable information on the Metro JPA/Commission's operations. The table of contents is attached for reference.
- Also attached, as requested, is a list of definitions and acronyms from the draft SARA document, which will be added to the manual during the next update. If any additional information would be helpful, please contact me.
- Currently Executive Team Members are coordinating a set of tours for Directors of the North City Pure Water Phase 1 project which has reached 62% overall project completion.

7. FY 2021 – FY 2023 Metro Contract Compliance Audit and Reconciliation

- Fieldwork Completion on O&M Sections: Fieldwork was completed for the O&M sections of the multi-year audit. The Annual Metro Exhibit E Audit purpose is to review Metro O&M and CIP costs to ensure that Participating Agencies (PAs) are not allocated costs from other City of San Diego departments such as water or municipal sewer and only pay their fair share of allowable Metro costs. Once the total allowable costs are determined, the allocation to each PA is reviewed to ensure correct cost allocations based on each agency's actual sewage flows and strengths for the audited year. These costs and allocations are then reconciled with that year's budgeted amounts that had been billed to each PA.
- O&M Audit Scope: The O&M portion of the audit includes reviewing over 500 samples (invoices) spanning three fiscal years. This part of the audit covers operational costs such as personnel and chemicals, as well as large non-capitalized consulting contracts for engineering, IT, and financial services and minor capital projects. Emphasis was placed on reviewing each Pure Water Phase 1 contract, including the Stantec Program Management contract, and other general engineering and soft costs associated with the project. Specific emphasis was also placed on COMNET contracts for monitoring/metering and the environmental services division cost allocations during this audit. During each audit specific areas of interest are determined and are focused on for more in-depth reviews.
- Upcoming Audit Reviews: In September and October, additional audit reviews will be conducted on major Metro CIP projects, including Pure Water Phase 1 and 2 capital project costs. These reviews will also cover Metro system revenues that offset the annual O&M and CIP costs, such as recycled water and utility income credits (non-operating revenues).

1. Inflow and Infiltration (I&I) Study:

- The TAC Committee including 3 representatives for the City of San Diego had a second meeting on August 29th.
- The committee includes all TAC Representatives thus all agencies are represented.
- The goal of the second meeting was to review the location of the existing Metro and Muni Meters, focusing on some of the ones previously identified as having high I&I/Peaking Factors. Potential areas for new Metro peaking meters were also discussed.

2. Review of Pure Water Phase 2 Alternatives:

• Stantec, the City of San Diego program manager, is conducting a validation study of the proposed Phase 2 Pure Water Program. The City of San Diego is taking a critical look at sizing and costs for Phase 2 Pure Water.

• A potential letter from the JPA to the City was presented at TAC last week recommending a few alternatives for Stantec to review including: optimizing North City, reducing the size of Phase 2, and the effect of I&I reduction.

Upcoming Meetings:

- Metro TAC Meeting:
 - **Date**: September 18, 2024
 - Format: Zoom
 - Main Topics: Design Build Contract for Pump Station 1 Consent Decree Compliance; Pure Water Program Quarterly Update and Consultant Contract Amendments; Quarterly Phase 1 Construction Report.
- Metro JPA/Commission Meeting:
 - Date: October 3, 2024
 - Main Topics: Key Item will be the presentation of Executive Team requested Phase 2 alternatives to be included in the scope of work of an upcoming Stantec study as well as several CIP projects which have been reviewed and approved by Metro TAC.

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Quarterly Contractor's Report - 6/30/24

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 7.1 Metro TAC Background 2023
 7.2 Metro TAC Workplan: Calendar 2022 Year-End
- Metro Staff and Their Roles
 8.1 Administration, Finance and General
 8.2 Engineering
- 9. Regional Wastewater Disposal Agreement
 - 9.1 Amended and Restated Regional Wastewater Disposal Agreement 10.23.18 Version with Complete Attachments-c1 (1)
 - 9.2 Original Regional Wastewater Disposal Agreement

- 10. Metro Facilities
- 11. Legislative Update for 2023
- 12. City of San Diego Public Utilities Department Five-Year Financial Forecast 2024-2028
- 13. City of San Diego FY2019 "Exhibit E" Audit & Closeout
- 14. Metro JPA Protocols, Policies, Procedures, and Resolutions
 - 14.1 Protocol No. 1 Debt Service Coverage and Operations Reserve Calculations
 - 14.2 Policy No. 1 Records Retention
 - 14.3 Policy No. 2 Social Media
 - 14.4 Policy No. 3 Metro JPA Invoice Processing And Payment Policy
 - 14.5 Procedure No. 1 Memo re AG Opinion 21-1102 Staff at Closed Session
 - 14.6 Resolution No. 2023-1 Establishing a Reserve Fund Policy
 - 14.7 Resolution No. 2023-02 Establishing Compensation of Directors
 - 14.8 Policy No. 4 Meeting Meals Policy
- 15. Forms: Conflict of Interest 700, W-9 and Per Diem
 - 15.1 Conflict of Interest Form 700
 - 15.2 W-9 Request for Taxpayer ID Number and Certification
 - 15.3 2023 Fillable Per Diem Form for Directors
- 16. Guidelines for Remote (Hybrid) Board of Director's Meetings under AB2449
 16.1 Excerpt from Legislative Update/Summary Memorandum on AB 2449
 Teleconferencing under the Brown Act. Prepared by PROCOPIO.
 16.2 Staff Checklist for Board Member Remote Appearance
 16.3 Metro Wastewater JPA Board Meeting Remote Appearance Form AB 2449 (Active)

Metro Wastewater JPA/Commission Definitions

(From Draft SARA Agreement)

Annual Average Daily Flow is the number, in millions of gallons of wastewater per day ("**MGD**"), calculated by dividing total Flow on a fiscal year basis by the number of days in the applicable year, which is a term used for billing purposes.

ARA shall mean the Amended and Restated Regional Wastewater Disposal Agreement entered into between the City and the Metro Participating Agencies effective August 2021.

Capital Expense Rate is the cost per acre foot that will apply if the Metro System's Capital Improvement Costs for the Pure Water Program and/or upgrading of the Point Loma WTP to secondary treatment exceed \$1.8 billion, as further described in Section 6.8.

Capital Improvement Costs means all aspects of the planning and environmental work, design, and construction necessary to render a capital project facility fully operational. This includes Planning and Environmental Work; procurement of consultants or contractors to perform such work; construction management; investigative studies and pre-design work; inspection and testing; and financing cost including interest on financial instruments.

Centrate shall mean the liquid byproduct that results from the dewatering of digested solids as part of wastewater treatment processes.

Chemical Oxygen Demand or "**COD**" means the measure of the chemically decomposable material in wastewater, as determined by the procedures specified in the most current edition of "Standard Methods for the Examination for Water and Wastewater," or any successor publication which establishes the industry standard.

City shall mean and refer to the City of San Diego.

City Water Utility PW Costs are those Pure Water Program costs allocated to the City's water utility and therefore excluded as Metro System Costs under Section 6.3 of this Agreement.

Contract Capacity is the contractual right possessed by each Participating Agency to discharge wastewater into the Metro System pursuant to this Agreement up to the limits set forth in Exhibit B attached hereto. Contract Capacity is stated in terms of Average Flow, Incremental Peak Flow, RSDP, COD and TSS.

CWA shall mean the San Diego County Water Authority.

ECAWP JPA shall mean the East County Advanced Water Purification Joint Powers Authority.

ECAWP JPA Agencies shall mean collectively the City of El Cajon, the Padre Dam Municipal Water District, and the San Diego County Sanitation District.

ECAWP Project shall mean the ECAWP JPA's project to capture and treat wastewater that would otherwise be disposed of in the Metro System to produce an annual average supply of approximately 11.5 MGD of new local drinking water, as well as other byproducts such as recycled water and energy recovery facilities.

Fixed Capacity shall mean the capacities for Average Flow, Incremental Peak Flow, RSDP, COD and TSS for each agency as set forth in Exhibit B.

Fixed Capacity Charge shall mean the portions of the Metro bill that pay for maintaining the wastewater network system; Fixed Capacity Charges are not based on how much wastewater is discharged, but on the Fixed Capacity Charges set forth in Exhibit B. Items such as debt service are included in the Fixed Capacity Charges.

Flow shall refer to the flow of wastewater discharged by the City and/or one or more Participating Agency/ies into the Metro System. It is measured through meters for billing purposes and compliance with Exhibit B.

Functional Allocated Billing (FAB) shall mean the method for distributing all capital, operations, and maintenance Metro System Costs and Revenues on an annual basis by grouping expenses according to their purposes and the current approved Functional-Design Methodology.

Functional-Design Methodology shall mean the process of allocating fixed and variable Operation and Maintenance Costs and Capital Improvement Costs to Flow, RSDP and Strength parameters recognizing the benefits of both the design criteria and the primary function of a unit process.

Incremental Peak Flow shall mean the Peak Flow minus the Average Flow in millions of gallons of wastewater per day.

MBC Return shall mean and refer to the centrate created by the dewatering of digested biosolids at the Metropolitan Biosolids Center. MBC Return shall contain Metered Flow, TSS and COD. MBC Return is added to a Party's Annual Flow and Strength for billing purposes only, and does not reduce a Party's Exhibit B Contract Capacities.

Metered Flow shall mean the amount or volume of wastewater captured by meters that exist throughout the Metro System, estimates from unit count areas, or estimates of flows when meters are out of service.

Metro Commission is the advisory body created under Section 9.

Metropolitan Biosolids Center shall mean and refer to the biosolids processing facility located at 5240 Convoy St, San Diego, CA 92111.

Metropolitan Sewerage System or **Metro System** shall mean and consist of those facilities which are listed, shown and/or described in Exhibit A attached hereto and incorporated by this reference into this Agreement, including any amendments thereto authorized by this Agreement. Exhibit A includes current constructed facilities and proposed future facilities.

Monthly Average Daily Flow (Average Flow) is the number, in MGD, calculated by dividing total Flow on a monthly basis by the number of days in that month, which is a term used in Exhibit B.

Municipal System shall mean the City's wastewater collection system, which consists of pipelines and pump stations, that collects wastewater within the City of San Diego and conveys it to the Metropolitan Sewerage System for treatment and disposal.

New Contract Capacity shall mean new capacity that is separate from the Contract Capacity set forth in Exhibit B attached hereto.

North City Water Reclamation Plant or **North City WRP** is the 52 million gallons per day (as of the date of this Agreement) wastewater treatment facility located at 4949 Eastgate Mall in San Diego, which includes four major processes: primary treatment, secondary treatment, tertiary treatment, and disinfection.

Operation and Maintenance Costs are the costs of operation and maintenance activities required by sound engineering and management practices to keep the conveyance, disposal, treatment, and reuse facilities functioning in accordance with all applicable laws, rules, and regulations.

Ocean Pollution Reduction Act of 1994 (or "**OPRA**") is the Act of Congress which obligated the City of San Diego to provide a wastewater reclamation capacity of 45 MGD and allowed the City of San Diego to apply for modified ocean discharge permits for the Point Loma Wastewater Treatment Plant.

Participating Agencies shall mean all of the local governments and agencies that executed this Agreement other than the City.

Peak Flow represents the wastewater flow in millions of gallons of wastewater per day that is captured in the highest 1-hour period in a fiscal year.

Phase 1 shall mean and refer to the first phase of the Pure Water Program, which modifies/constructs Metro System and Water Repurification System facilities and is designed to produce an annual average of 30 million gallons per day of Repurified Water.

Point Loma Ocean Outfall (PLOO) is the ocean outfall for the PLWTP which extends 4 ½ miles into the Pacific Ocean to a depth of 310 feet.

Point Loma Wastewater Treatment Plant or **Point Loma WTP (PLWTP)** is the main City of San Diego wastewater treatment plant with an Average Flow capacity of 240 million gallons per day and a peak flow capacity of 432 million gallons per day (as of the date of this Agreement). It is an advanced primary treatment plant which includes four major processes: screening, grit removal, chemically enhanced sedimentation, and digestion.

Pure Water Program (PWP) is the City's phased, multi-year program designed to produce at least 83 million gallons per day of Repurified Water using new, expanded, or modified facilities, some of which will include Metro System facilities.

Recycled Water shall have the definition set forth in Title 22, Division 4 of the California Code of Regulations and shall mean water which, as a result of treatment of wastewater, is suitable for a direct beneficial use or a controlled use that otherwise could not occur.

Reject Stream from Demineralization Process (RSDP) is a liquid reject stream from a demineralization process at a potable reuse facility. Separately conveyed, it bypasses all secondary wastewater treatment processes.

Repurified Water shall mean water which, as a result of advanced treatment of Recycled Water, is suitable for use as a source of domestic (or potable) water supply.

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 Section 6.

Residuals shall mean RSDP and Centrate. In the future, Residuals may include other waste byproducts if the Parties agree in writing that other byproducts may be discharged into the Metro System.

Reuse shall mean to use again, such as water which has been recycled or repurified, or sludge that has been converted to biosolids for beneficial use.

SARA shall mean the Second Amended and Restated Regional Wastewater Disposal Agreement currently being developed between the Participating Agencies and the City of San Diego Public Utilities Department.

South Bay Land/Ocean Outfall is the facility that is jointly owned by the International Boundary & Water Commission (U.S. Section IBWC) and the City of San Diego. The Outfall conveys and discharges treated effluent from the IBWC's International Wastewater Treatment Plant and treated effluent from the City's South Bay Water Reclamation Plant. As of the date of this Agreement, the Outfall has a current Average Daily Flow Capacity of 174 million gallons per day. As of the date of this Agreement, the City owns 39.94% of the capacity of the Outfall and the balance of the capacity is owned by the IBWC.

South Bay Water Reclamation Plant is the 15 million gallons per day (as of the date of this Agreement) wastewater treatment facility located at 2411 Dairy Mart Road in San Diego, which includes four major processes: primary treatment, secondary treatment, tertiary treatment, and disinfection.

Strength means the measurement of Total Suspended Solids and Chemical Oxygen Demand within the wastewater Flow and any other measurement required by law after the date of this Agreement.

Total Suspended Solids or **TSS** means the insoluble solid matter in wastewater that is separable by laboratory filtration, as determined by the procedures specified in the most current edition of "Standard Methods for the Examination of Water and Wastewater," or any successor publication which establishes the industry standard.

Tertiary Component is that portion of the wastewater treatment process that currently filters the secondary treated wastewater effluent through fine sand and/or anthracite coal to remove fine Suspended Solids and disinfects it to meet the requirements of the California Administrative Code, Title 22, or its successor for filtered and disinfected wastewater used for recycled and repurified water

Variable Costs shall refer to the portion of the Functional Design Methodology costs that are allocated based on Metered Flow and Strength.

Water Repurification System shall mean any facilities, including treatment and conveyance facilities, the purpose of which is the production or conveyance of Repurified Water. Water Repurification System includes, but is not limited to: the Tertiary Component of the North City Water Reclamation Plant to the extent being used to produce Repurified Water, the North City Pure Water Facility to be located across the street from the North City Water Reclamation Plant ("North City Pure Water Facility"); the Repurified Water conveyance system, which will transport Repurified Water from the North City Pure Water Facility and/or other facilities to the Miramar Reservoir or other alternative location(s) as determined by the City; and any other Repurified Water treatment or conveyance facilities which are part of the Pure Water Program. These facilities are constructed and maintained at the expense of the Water Utility and are excluded Metro costs under this Agreement.



A summary of action items, presentations, discussions and updates heard at the regularly scheduled Metro Technical Advisory Committee held on August 21, 2024.

Action Items Moved Forward to JPA:

- 1. Consideration and Possible Action to Recommend to the Metro Wastewater JPA Approval of an Ocean Monitoring Boat by the City of San Diego(Ryan Kempster)
 - The City of San Diego (City) requested approval to purchase a new ocean monitoring boat for its Ocean Monitoring Program as the current 43-foot vessel is no longer adequate for the City's monitoring needs, due to size restrictions, high maintenance costs and new California Air Resources Board requirements.
 - Motion passed unanimously.
- 2. Consideration and Possible Action to Recommend to the Metro Wastewater JPA Approval of the Pure Water Program – Amendment No. 2 to the Agreement with CH2M Hill Engineers, Inc. for Engineering Services for the Design of the North City Metropolitan Biosolids Center (MBC) Improvements Project (Akram Bassyouni/Reyhaneh Martin)
 - The City requested approval of the Second Amendment to the Agreement with CH2M Hill Engineers, Inc., for design engineering services for the Metropolitan Biosolids Center improvements due to the need for additional design changes and updated regulatory requirements for Pure Water.
 - Motion passed unanimously.

Presentations:

1. SCCWRP Presentation on San Diego River Investigative Order Study Findings (Ken Schiff)

A presentation was provided by Ken Schiff of Southern California Coastal Water Research Project regarding a five-year study; "<u>San Diego River Investigative Order: Quantifying</u> <u>Sources of Human Fecal Pollution in the San Diego River Watershed</u>." This five-year epidemiological study was conducted because of the noted increased rates of gastrointestinal issues after storm events over the last 10 years and focused on addressing human fecal pollution in the San Diego River Watershed. The data gained from the study will help guide planning decisions to ensure TMDLs for Regional Water Quality Control Board Basin 9 are met. This presentation will be provided to the Regional Board in November.

Discussions:

1. Phase 2 Planning (Dexter Wilson)

 Discussion regarding a proposed Metro JPA letter to the City providing a position on Phase 2 Pure Water and requesting the inclusion of additional items in the scope of work on Stantec's Phase 2 study. TAC Representatives provided input, and a draft letter was sent to TAC Representatives for further comment to be discussed and finalized at the September TAC meeting. This item will be brought to the October JPA meeting.

Standing Items to be Brought to JPA:

Items 2, 3, 4, 5, 8, 9 and 10 are expected to be brought to the October JPA meeting.

Metro Meetings:

Recent Meetings

- I&I Metro TAC Subcommittee:
 - **Date**: August 29, 2024
 - **Format**: Zoom only.

• San Diego IRWM RAC

- **Date**: August 7, 2024
- Format: Zoom Only
- Topics: Presentations from the California Water Efficiency Partnership on water use efficiency as well as a panel on potable reuse featuring the City of San Diego, City of Oceanside, and Padre Dam Municipal Water District and statewide and SDIRWM updates.

Upcoming Meetings

- Metro JPA Strategic Planning (1 of 5)
 - Date: September 5, 2024
 - Format: Zoom only.
- Metro TAC:
 - Date: September 18, 2024
 - Format: Zoom only.
 - Main Topic: Discussion on PS1 design-build contract and Quarterly Pure Water Update/Construction reports.