CITY OF SAN DIEGO
PUBLIC UTILITIES DEPARTMENT

Independent Accountant's Report on Applying Agreed-Upon Procedures to the Schedule of Allocation for Billing to Metropolitan Wastewater Utility

For the Fiscal Year Ended
June 30, 2023

MGO | Certified Public Accountants

CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT
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Independent Accountant's Report

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

We have performed the procedures enumerated below on the accompanying modified cash basis Schedule of Allocation for Billing to Metropolitan Wastewater Utility (Schedule) (attached as Attachment A) prepared by the City of San Diego Public Utilities Department (PUD) for the year ended June 30, 2023. The Metropolitan Wastewater Utility is an enterprise fund within the City of San Diego's (City) Sewer Utility Enterprise Fund which accounts for sewer services to both the City and participants of the Metropolitan Wastewater Joint Power Authority (Metro JPA). PUD's management is responsible for the Schedule and compliance with the Regional Wastewater Disposal Agreement filed on May 18, 1998, and amended on May 15, 2000, and June 30, 2010 (Agreements).

The City and Metro JPA have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in understanding the allocations reported in the Schedule for the year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. Inquire and confirm any changes in the Agreements.

   Results:
   We inquired of PUD management and confirmed that there were no amendments to the Agreements and no new agreements during the fiscal year ended June 30, 2023.

2. Inquire and confirm any changes in the Exhibit E billing process.

   Results:
   We inquired of PUD management and confirmed that there were no changes in the Exhibit E of Strength Based Billing (SBB) process during the fiscal year ended June 30, 2023.

3. Calculate the change in line-item balances in the Schedule of Allocation for Billing to Metropolitan Wastewater Utility (**Attachment A**) between the year ended June 30, 2023, and the prior year and inquire about changes greater than 10%.

Results:
We noted the following line-items with changes greater than 10% from the prior year:

- Transmission Main Cleaning under Municipal System increased by 21.4% ($3.1 million). Per inquiry with the PUD accountant, the change was related to the following: 1) increase of $1.8 million in cost center (cctr) 2000181215 for Fleet Services Additional Vehicle Purchases. Division 200018 purchased additional vehicles in FY23 due to surplus of funds; 2) increase of $500 thousand in cctr 2000181212 for Fleet Services Additional Vehicle Purchases due to FY23 expense representing a transfer to the Fleet Fund for the purchase of chase trucks needed to support Vactor operations. These vehicles were required to ensure compliance with State and Federal safety regulations; and 3) increase of $670 thousand in Equipment Rental - Motive Assign due to Fleet's revised assignment fee methodology implemented in FY23, which now bases fees on projected vehicle replacement costs incorporating inflation, original acquisition cost, and years of service. This change resulted in higher and more accurate charges that align more closely with budget projections.
- Transmission Sewer Pump Stations under Municipal System increased by 30.5% ($2.1 million). Per inquiry with the PUD accountant, the change was related to the following: 1) increase of $131 thousand in Engineering Services due to a feasibility study at Pump Stations G and 17. This study included a condition assessment to determine whether the existing facilities can continue functioning for the 10-year period that may be required before the new pump stations are constructed and put into service; 2) increase of $600 thousand in Fleet Services Additional Vehicle Purchases due to a transfer to the Fleet Fund for the purchase of chase trucks needed to support Vactor operations. These vehicles were required to ensure compliance with State and Federal safety regulations; 3) increase of $742 thousand in Waste Removal/Disposal primarily due to pumping services associated with the sewage overflow at Pump Station 77A from March 24 through April 4, 2023; 4) increase of $268 thousand in Electric Services` due to several high-usage accounts charging to Cost Center 2000181311 saw increases of 8% to 38%, and a new account added roughly $38 thousand in FY23. Together with SDG&E's approximately 20% rate increase, these factors account for the variance; and 5) increase of $83 thousand in Equipment Rental - Motive Assign, due to Fleet's revised assignment fee methodology implemented in FY23, which now bases fees on projected vehicle replacement costs incorporating inflation, original acquisition cost, and years of service. This change resulted in higher and more accurate charges that align more closely with budget projections.
- Transmission Other Pump Stations under Municipal System increased by 32.1% ($1.9 million). Per inquiry with the PUD accountant, the change was related to the following: 1) increase of $574 thousand in Electric Services due to higher usage & rate increases; 2) increase of $712 thousand in Chemicals due to FY23 chemicals purchased with U S Peroxide for Ferrous Chloride for NCWRP. Since the use of the chemicals benefits NCWRP, the FY23 expenses in the amount of $712 thousand should have been charged using the facility Cost Center (2000191215) and Metro Fund (700001). The journal entry has been processed in FY26 (JE 103997393). This has been adjusted on the FY24 Exhibit E Operating Exp file, with a reduction to Muni and an increase in Metro for $712 thousand; 3) Increase of $564 thousand in Chemicals that were erroneously recorded in Muni. Journal entry was done in FY26 and adjusted on the FY24 op exp file to move from Muni to Metro for $564 thousand.
- Transmission Pump Station 1 (PS 1) under Metropolitan System increased by 59.0% ($2.1 million). Per inquiry with the PUD accountant, the change was mainly due to the following: 1) increase in Negotiated Settlement related to a negotiated settlement payment for PS1 in the amount of $908 thousand to the SWRCB. The total amount of the negotiated settlement is $4,609,724, which is to be paid over the course of a few years. The $908 thousand is the first

of the agreed upon payments; 2) increase of $229 thousand in Equipment Rental due to increase in equipment rentals with Herc Rentals for the Emergency Bypass Pump and Manifold work: POs 4000149603, 4000150386 & 4000172921. (cctr 2000191211) and increase of $246 thousand due to unexpected 6-month Herc rental for a bypass pump and accessories (pumping system parts and components). Two-month rental for temporary power and HVAC equipment on cctr 2000191229; 3) increase of $271 thousand in Repair/Maint Svcs due to PO 4200002841 w/ Cass Construction used for the emergency sewer repair of Pump Station 1; 4) increase of $153 thousand in City Services Billed due to a delayed billing in FY22, which were charged in FY23; and 5) increase of $129 thousand in Maint-Bldg,Rds,Equi due to PO 4200002748 which had an increase in work/costs in FY23 with Orion Construction for the emergency sewer repair of Pump Station 1.

- Transmission Pump Station 2 (PS 2) under Metropolitan System increased by 21.0% ($2.2 million). Per inquiry with the PUD accountant, the change was mainly due to increase of $1.8 million in Electric Services due to a large rate increase for electricity at 27%.
- Transmission Other Muni Agencies under Municipal System increased by 11.6% ($334 thousand). Per inquiry with the PUD accountant, the change was mainly due to increase of $334 thousand related to Contract Svc-Agency due to increased costs related to wastewater flows and maintenance charges from partner agencies.
- Transmission Wastewater Collection (WWC) Engineering & Planning under Municipal System decreased by 12.2% ($406 thousand). Per inquiry with the PUD accountant, the change was mainly due to decrease of $383 thousand in various personnel expenses primarily due to having five fewer FTEs, resulting in reduced salaried wages and associated retirement expenses.
- Treatment and Disposal Point Loma Wastewater Treatment Plan (PLWWTP) under Metropolitan System increased by 18.4% ($6.9 million). Per inquiry with the PUD accountant, the change was related to the following: 1) Several chemical vendors had price increases in FY23 for chemicals used by PLWWTP, as well as an increase in chemical usage; 2) $680 thousand of FY22 chemical invoices (JCI, CWT, Kemira, USP) were paid in FY23 (most in July 2022 – FY23) 3) During a trial period in April 2022, Pt Loma temporarily used the chemical Sulfelox in place of USP's Ferrous Chloride, and Kemira's Ferrous/Ferric Chloride blend. The invoices in the amount of $623 thousand were not paid until Dec 2022 (FY23).
- Treatment and Disposal NCWRP under Metropolitan System increased by 16.2% ($1.9 million). Per inquiry with the PUD accountant, the change was mainly due to a $1.2 million increase in electric services due to standby charges fell off billing then began charging again in FY23.
- Treatment and Disposal SBWRP under Metropolitan System increased by 31.0% ($2.2 million). Per inquiry with the PUD accountant, the change was related to the following 1) increase of $1.4 million in Electric Services related to higher usage and rate increase; and 2) increase of $169 thousand in H2O Svc-Incl Hydr due to delayed billing in FY22 which was charged in FY23.
- Treatment and Disposal MBC under Metropolitan System increased by 35.4% ($6.5 million). Per inquiry with the PUD accountant, the change was related to the following: 1) increase of $427 thousand in Salaried Wages related to 2 additional FTEs at MBC in FY23, as well as 5% wage increase; 2) increase of $783 thousand in Chemicals related to vendor Polydyne who increased delivery prices for Mannich Polymer; 3) increase of $1.1 million in Construction Contract was caused by a request for an emergency declaration to inspect & repair the area 76 Electrical Power Distribution System at MBC (PO 4200003056 and IO 30006137); 4) Waste Removal/Disposal by vendor San Diego Landfill Systems due to an extra payment of $561

thousand made in FY23, a price increase in the dry ton rate estimated at $138 thousand, & an increase in usage from FY22 to FY23 of $422 thousand; 5) increase of $319 thousand in Electric Services due to a Minnesota Methane/ Fortistar Methane kilowatt 15% increase; 6) GL 514104- increase of $307 thousand in H2O Svc-Incl Hydr. Variance is due to delayed billing in FY22 which was charged in FY23; and 6) increase of $1.1 million in Electrical Comp-Motive due to Rotork Controls upgrade for the digesters' actuators as part of its support for Pure Water.

- Treatment and Disposal Cogen Facilities under Metropolitan System decreased by 99.5% ($1.8 million). Per inquiry with the PUD accountant, the change was mainly due to $1.3 million decrease in Prior Year Costs that is related to an MOU between ESD & PUD for Miramar landfill gas electrical generation facilities. Two journal entries (JE) (102853961 & 102633032) done in FY22 for prior year reconciliations (FY19 & FY20). This reconciliation did not occur in FY23. The FY21 reconciliation occurred in FY24 (JE 103271523).
- Treatment and Disposal Wastewater Treatment and Disposal (WWTD) Plant Engineering under Metropolitan System increased by 11.7% ($119 thousand). Per inquiry with the PUD accountant, the change was related to the following: 1) increase of $60 thousand in salaried wages; and 2) increase of $21 thousand in City Services Billed related to IO 21005249 - PUD staff charges to WWTD Metro for EPM to assist Engineering group with various projects.
- Quality Control Sewage Testing & Control under Municipal System decreased by 42.8% ($94 thousand). Per inquiry with the PUD accountant, the change was mainly due to decrease of $87 thousand in personnel expense primarily due to 6-month Assoc Chemist vacancy in FY23.
- Quality Control Sewage Testing & Control under Metropolitan System decreased by 25.2% ($282 thousand). Per inquiry with the PUD accountant, the change was mainly due to decrease of $447 thousand in Consulting Services for the National Pollutant Discharge Elimination System (NPDES) permit, which is issued every 5 years. This is offset by the personnel expenses, which had an increase of $161k due to Biologist II being vacant for 10 months in FY22.
- Quality Control Wastewater Chemistry Services under Municipal System decreased by 10.8% ($37 thousand). Per inquiry with the PUD accountant, the change was related to the following: 1) decrease of $21 thousand in CERS General Retire due to 3 FTE moved from general retirement program to DROP retirement program; and 2) decrease of $9 thousand in Chem, Lab, Med Supp because FY22 included higher purchases of consumables and supplies from contracted vendors, such as Agilent Technologies and Fisher Scientific, who provide scientific equipment for the labs.
- Engineering Program Management & Review under Municipal System increased by 21.9% ($851 thousand). Per inquiry with the PUD accountant, the change was related to the following: 1) increase of $354 thousand in Misc Prof/Tech Svcs due to an FY23 project was completed by Condition Assessments for the start-up of a project. Funds for this start-up were a one-time expenditure and it now falls with the cost center completing the work; 2) increase of $214 thousand in Salaried Wages due to an increase in staffing and new FTEs in FY23; and 3) increase of $181 thousand in Miscellaneous Professional/Technical Services due to GIS' work to digitize the backlog was in FY23.
- Operational Support Central Support: Clean Water Operations Management Network (Comnet) under Municipal System increased by 112.0% ($85 thousand). Per inquiry with the PUD accountant, the change was related to the following: 1) increase of $103 thousand in IT App Svcs. Departments are billed based on the actual hours worked by the vendor per application, so expenses can fluctuate year by year; and 2) decrease of $20 thousand due to no longer using vendor CGI Technologies, and Emerson spending also decreased in costs in FY23.

- Operational Support Central Support: Clean Water Operations Management Network (Comnet) under Metropolitan System decreased by 11.7% ($525 thousand). Per inquiry with the PUD accountant, the change was related to the following: 1) increase of $103 thousand in IT App Svcs. Departments are billed based on the actual hours worked by the vendor per application, so expenses can fluctuate year by year; and 2) decrease of $20 thousand due to no longer using vendor CGI Technologies, and Emerson spending also decreased in costs in FY23.
- Operational Support under Municipal System increased by 14.7% ($162 thousand). Per inquiry with the PUD accountant, the change was related to the following: 1) increase of $65 thousand in Electric Services due to a rate increase with SDG&E that took place in January of 2023; 2) increase of $98 thousand in Chemicals due to PUD-Finance advising the annual bioxide chemical costs for the East Mission Bay Trunk Sewer (EMBTS) located at Emerald/Gresham will be processed under CSF's cost center.
- General & Administrative Business Support under Metropolitan System increased by 10.7% ($2.4 million). Per inquiry with the PUD accountant, the change was mainly due to a $1.5 million increase in Pension Liability.
- General & Administrative Operating Division under Municipal System increased by 21.7% ($1.8 million). Per inquiry with the PUD accountant, the change was mainly due increase in property claims of $1.3 million for "FBO Marks, Miller".
- Capital improvement expense Non-Pure Water under Municipal System increased by 8.8% ($6.6 million). Per inquiry with the PUD accountant, the change was mainly due to increase related to less donated assets compared to the acquisition value of assets in FY23 ($16 million in assets less donated assets of $13.4 million) vs FY22, which had assets of $24.1 million less donated assets of $25.2 million.
- Capital improvement expenses Non-Pure Water and Pure Water combined under Metropolitan System increased by 27.2% ($25.2 million). Per inquiry with the PUD accountant, FY23 is the first year non-Pure Water and Pure Water are broken out. However, when combining the projects expenses, the increase in costs is related to the following Pure Water projects: $35.6 million increase in B15141-PWP Morena Conveyance and $22.9 million increase in B15142-NCWRP Expansion. These increases are offset by the following Pure Water projects: B21061-PWP Morena Wastewater PS ($22.5 million decrease) and B21060-PWP NCWRP Expansion ($9.5 million decrease). In addition, there was a $1.2 million decrease in the acquisition value of assets in Metro for Non-Pure Water.
- Debt service allocation under Municipal System increased by 23.3% ($9.2 million). Per inquiry with the PUD accountant, the change was mainly due to increase related to new Bond 2022A – principal and interest payments started in FY23 for $9.2 million.
- Operating revenue under Metropolitan System increased by 82.9% ($10.8 million). Per inquiry with the PUD accountant, the change was mainly due to increase of $8.5 million in FY23 for new North City Recycled Water Revenue. This will occur each FY after FY22. In FY22, this did not yet exist.
- CIP – Revenue Bond under Metropolitan System decreased by 12.9% ($2.2 million). Per inquiry with the PUD accountant, the change was mainly due to a decrease in bonds issued.
- Operating Grant Revenue under Metropolitan System decreased by 100% ($1.8 million). Per inquiry with the PUD accountant, the change was mainly due to WaterSMART: Title XVI Water Reclamation and Reuse Program Funding for FY20 PW North City Project Preconstruction Activities was funded in FY22, but not in FY23.
- CIP – Grant/SRF Revenue under Metropolitan System increased by 279.5% ($53.1 million). Per inquiry with the PUD accountant, the change was mainly due to $59.7 million increase in loans received and decrease of $6.6 million in grants received.

4. Inquire and confirm changes in the monitoring process over the sewer flow measurement.

   Results:
   We inquired of PUD management and confirmed that there were no changes in the sewer flow monitoring process.

5. Inquire and confirm any changes in the process and criteria for capturing and summarizing sewer flow data reported in the Flow Metering Section Monthly Reports.

   Results:
   We inquired of PUD management and confirmed that there were no changes in process and criteria for capturing and summarizing sewer flow data in the Flow Metering Section Monthly Report.

6. Obtain the Flow Metering Section Monthly Reports (FMS Reports) (excel workbook: FY23 FMS Report) for the fiscal year for each Participating Agency (PA) of Metro JPA and the City both which participate in the Metropolitan Wastewater Collection System (the Metropolitan System). Recalculate the Summary tab of the FMS Reports workbook using each individual monthly tab.

   Result:
   Procedure performed without exception.

7. Obtain the Strength Based Billing schedule of percentages (SBB schedule) for each PA and the City under the Metropolitan System and recalculate mathematical accuracy of the schedule.

   Result:
   Procedure performed without exception. Refer to **Attachment B** for the SBB schedule for each PA and the City of the Metropolitan System.

8. Agree the individual sewer flow schedules in the FMS Reports workbook and SBB schedule for each PA and the City to the allocation schedule prepared to aggregate and summarize all PA's and City sewer flows allocations. Recalculate the mathematical accuracy of the summary schedule.

   Result:
   Procedure performed without exception. Refer to **Attachment B** for the allocation schedule for each PA and the City under the Metropolitan System.

9. Recalculate the mathematical accuracy of the amount billed to each PA. Agree each PA's final adjustment to the PA invoices.

   Result:
   We obtained the summary of invoices submitted to each PA and the schedule of allocation of costs by flow, suspended solids and chemical oxygen demand. We traced the allocated cost to each PA to the Schedule to compare to the invoiced amount to verify mathematical accuracy of the adjustment amount. Refer to **Attachment C.**

10. Compare the City's SAP GL system utilized to compile and prepare the City's fiscal year ended June 30, 2023 Annual Comprehensive Financial Report (ACFR), to the Schedule to confirm completeness of the Exhibit E expense population used to select individual transactions samples.

Result:
We obtained a reconciliation from the operating expenses reported in the City's fiscal year ended June 30, 2023 ACFR to the total expenses in the Schedule to verify the completeness of the population of expenses.

11. From the transaction detail of the Schedule, select 55 transactions using the following stratifications:

    a) Five (5) transactions exceeding $15,000 related to chemical purchases.

    b) 25 transactions exceeding $15,000 and less than $50,000.

    c) 25 transactions exceeding $50,000.

    For each transaction selected perform the following procedures:

    a) Agree transaction to original source documentation and inclusion in the Schedule.

    b) Confirm the transaction is in compliance with the City and PA's contractual agreements.

    Result:
    We selected 55 expense transactions from the Metropolitan System fund and performed the procedures. Refer to **Attachment D** for the summary of findings.

12. Select 50 transactions from a transaction report extracting a listing of all expense transactions in excess of $15,000. For each transaction selected, confirm the transaction was excluded from the total allocation for billing purpose of Metropolitan system.

    Result:
    We selected 50 expense transactions from the Municipal System fund and performed the procedures. Procedures performed without exception. Refer to **Attachment D** for the summary of findings.

13. Obtain 50 transactions selected by the Metro Commission/Metro TAC representative from the Metropolitan fund described above, consisting of Pure Water transactions of $2,500 or more and non-Pure Water transactions of $15,000 or more.

    a) For each Pure Water transaction, confirm the purchase order allocation percentage in the SAP system agrees with the agreements between the City and PA.

    b) For each non-Pure Water transactions agreed to original source documentation and inclusion in the total allocation for the billing purpose of the Metro system.

    c) For each transaction confirm compliance with the City and PA's contractual agreements.

    Result:
    We obtained 50 transactions selected by the Metro Commission/Metro TAC representative and performed the procedures. Procedures performed without exception.

14. The City will provide Metro Commission/Metro TAC representatives with the detailed annual capital projects report (WBS Summary workbook) and the Debt Service Allocation workbook that support the capital improvement expense and debt service allocation line items, respectively in the Schedule. Agree WBS Summary workbook and Debt Service Allocation workbook to the CIP and debt service reconciliations and agree the reconciliations to respective line-item captions on the Schedule.

Result:
Procedure performed without exception.

15. Obtain supporting documents for 25 transactions (related to capital projects and income credits and other fund contributions) agree amounts to the Revenue Ledger maintained by the City. Metro Commission/Metro TAC representatives are to select and provide the 25 transactions.

    Result:
    We obtained the supporting documents for 25 transactions selected by the Metro Commission/Metro TAC representative and agreed amounts to the Revenue Ledger maintained by the City. Refer to **Attachment D** for the summary of findings.

16. Agree the debt service allocation agreed to by the City and Metro JPA to the Debt Service Allocation workbook and trace the actual transaction records in the SAP GL system. Ascertain that benefits and credits, if any, associated with bond financing have been reported in accordance with the agreed upon allocation percentages. Confirm that the methodology used in billing the PAs for debt services payments are in accordance with the agreed upon allocation.

    Result:
    Procedure performed without exception.

17. Obtain the listing of legal expense transactions recorded in the Metropolitan System fund for the period July 1, 2022 through June 30, 2023. For transactions greater than $15,000, obtain supporting documentation and confirm that transactions relate to the activities of the Metropolitan System fund and recalculate the allocation between the Municipal System and Metropolitan System.

    Result:
    Procedure performed without exception.

18. Obtain the listing of charges allocated from the City Attorney's Office (Internal Order) recorded in the Metropolitan System fund for the period July 1, 2022 through June 30, 2023. Summarize the transactions by program description and recalculate the allocation of expenses, based on the allocation methodology defined in the Internal Order, between the Municipal System and Metropolitan System.

    Result:
    No exceptions noted as a result of the procedure.

19. Recalculate the operating reserve and debt service coverage ratio and compare to the thresholds outlined in the Administrative Protocol document dated April 19, 2010.

    a. If the operating reserve is less than 45 days, confirm that the City calculated and billed the PAs for additional funding.

    b. If the debt service coverage ratio is less than 1.2, confirm that the City calculated and billed the PAs for additional funding.

    Result:
    We recalculated the operating reserve without exception and noted the additional funding billed to meet the minimum threshold defined in the Administrative Protocol of 45 days. Refer to Attachment E for the operating reserve contribution and operating reserve balance as of June 30, 2023, by PA. We recalculated the debt service coverage ratio of 1.17 which is less than the minimum threshold defined in the Administrative Protocol of 1.2 and noted that the PAs will be billed subsequently for additional funding.

20. Obtain a schedule of operating and maintenance (O&M) and capital expenditures incurred on Pure Water projects from July 1, 2022 through June 30, 2023, and agree amounts to the SAP system.

    Result:
    Procedure performed without exception. Refer to **Attachment F** for the summary schedule of Pure Water project costs.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Schedule. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the PUD and the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of management of the City and PUD, the Metro Commission and the participant agencies of Metropolitan System, and is not intended to be and should not be used by anyone other than these specified parties.

Macias Gini & O'Connell LLP

San Diego, California
July 27, 2026

Attachment A

CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT
Schedule of Allocation for Billing to Metropolitan Wastewater Utility
For the Fiscal Year Ended June 30, 2023

	Operating Expenses		
	Municipal System	Metropolitan System	Total
Transmission			
Main Cleaning	$ 17,485,644	$ -	$ 17,485,644
Sewer Pump Stations	9,014,532	-	9,014,532
Other Pump Stations	7,905,949	2,335,880	10,241,829
Pump Station 1	-	5,653,020	5,653,020
Pump Station 2	-	12,923,623	12,923,623
Other Muni Agencies	3,209,058	-	3,209,058
Pipeline Maintenance & Repair	14,757,703	-	14,757,703
Wastewater Collection (WWC) Engineering & Planning	2,925,976	-	2,925,976
Total Transmission	55,298,862	20,912,523	76,211,385
Treatment and Disposal			
Point Loma Wastewater Treatment Plan (PTLWWTP)	-	44,261,056	44,261,056
North City Water Reclamation Plant (NCWRP)	-	13,602,270	13,602,270
South Bay Water Reclamation Plant (SBWRP)	-	9,461,888	9,461,888
Metropolitan Biosolids Center (MBC)	-	24,871,228	24,871,228
Cogeneration Facilities	-	8,493	8,493
Gas Utilization Facility (GUF)	-	1,099,267	1,099,267
Wastewater Treatment and Disposal (WWTD) Plant Engineering	-	1,130,597	1,130,597
Total Treatment and Disposal	-	94,434,799	94,434,799
Quality Control			
Sewage Testing & Control	125,728	836,049	961,777
Marine Biology & Ocean Operations	-	7,207,858	7,207,858
Wastewater Chemistry Services	305,835	7,356,216	7,662,051
Industrial Permitting & Compliance	5,990,496	-	5,990,496
Total Quality Control	6,422,059	15,400,123	21,822,182
Engineering			
Program Management & Review	4,735,309	12,408,772	17,144,081
Environmental Support	904,021	437,809	1,341,830
Total Engineering	5,639,330	12,846,581	18,485,911
Operational Support			
Central Support: Clean Water Operations Management Network (Comnet)	162,437	3,982,683	4,145,120
Operational Support	1,261,861	5,226,219	6,488,080
Total Operational Support	1,424,298	9,208,902	10,633,200
General & Administrative			
Business Support Admin	24,641,913	24,765,921	49,407,834
Operating Division Admin	9,859,372	7,237,857	17,097,229
Total General & Administrative	34,501,285	32,003,778	66,505,063
TOTAL EXPENSES	103,285,834	184,806,706	288,092,540
CAPITAL IMPROVEMENT EXPENSE (Non Pure-Water)	80,941,805	28,290,235	109,232,040
CAPITAL IMPROVEMENT EXPENSE (Pure Water)	-	89,621,390	89,621,390
DEBT SERVICE ALLOCATION	48,587,707	66,521,721	115,109,428
METROPOLITAN SYSTEM INCOME CREDITS			
Operating Revenue	-	(23,847,559)	(23,847,559)
CIP - Revenue Bond	-	(14,752,143)	(14,752,143)
CIP - Grant/SRF Revenue	-	(72,142,917)	(72,142,917)
TOTAL METROPOLITAN SYSTEM INCOME CREDITS	-	(110,742,619)	(110,742,619)
TOTAL ALLOCATION FOR BILLING PURPOSES	$ 232,815,346	$ 258,497,433	$ 401,691,389
AMOUNT INVOICED IN FY23 FOR FY23 SERVICES		**$ 84,499,996**	
(OVER) / UNDER BILLED REVENUE FOR THE YEAR ENDED 06/30/2023		$ 5,377,312	

Attachment B

CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT

System Wastewater Characteristics in Quantities and in Percentages by Participating Agencies

For the Fiscal Year Ended June 30, 2023

	WASTEWATER CHARACTERISTICS			UNADJUSTED ANNUAL USE			ADJUSTED ANNUAL USE					Expressed in Percents		
AGENCY	AVERAGE FLOW - mgd (a)	SS mg/l (b)	COD mg/l (b)	2023 FLOWS million gallons	SS thousand pounds	COD thousand pounds	2023 FLOWS million gallons	Flow Difference (c)	FY 2023 Billing Flows	SS thousand pounds	COD thousand pounds	Flow	SS	COD
CHULA VISTA	17.002	314.005	827.920	6,205.705	16,260.335	42,872.809	6,568.311	115.947	6,684.258	17,731.278	38,788	10.72%	12.10%	11.99%
CORONADO	1.324	306.196	742.141	483.346	1,234.978	2,993.278	511.588	9.031	520.619	1,346.697	2,708	0.83%	0.92%	0.84%
DEL MAR	(0.006)	297.340	487.831	(2.087)	(5.179)	(8.497)	(2.209)	(0.039)	(2.248)	(5.648)	(8)	0.00%	0.00%	0.00%
EAST OTAY MESA	0.252	256.005	680.967	91.901	196.324	522.216	97.271	1.717	98.988	214.083	472	0.16%	0.15%	0.15%
EL CAJON	7.779	417.909	810.512	2,839.470	9,901.968	19,204.320	3,005.384	53.052	3,058.436	10,797.721	17,375	4.90%	7.37%	5.37%
IMPERIAL BEACH	1.991	266.023	626.654	726.812	1,613.403	3,800.598	769.280	13.580	782.860	1,759.355	3,438	1.25%	1.20%	1.06%
LA MESA	4.629	175.337	506.728	1,689.458	2,471.854	7,143.730	1,788.175	31.566	1,819.740	2,695.463	6,463	2.92%	1.84%	2.00%
LAKESIDE/ALPINE	2.954	271.172	676.070	1,078.120	2,439.574	6,082.206	1,141.115	20.144	1,161.259	2,660.263	5,503	1.86%	1.81%	1.70%
LEMON GROVE	1.921	163.185	550.884	701.302	954.965	3,223.800	742.280	13.103	755.383	1,041.353	2,917	1.21%	0.71%	0.90%
NATIONAL CITY	3.958	257.254	811.646	1,444.698	3,101.279	9,784.672	1,529.113	26.993	1,556.106	3,381.827	8,852	2.49%	2.31%	2.74%
OTAY	0.277	811.013	815.056	101.243	685.165	688.580	107.159	1.892	109.050	747.146	623	0.17%	0.51%	0.19%
PADRE DAM	2.759	725.357	1,277.123	1,006.929	6,094.712	10,730.848	1,065.765	18.813	1,084.578	6,646.052	9,708	1.74%	4.53%	3.00%
POWAY	2.524	228.286	453.114	921.366	1,755.151	3,483.711	975.202	17.215	992.417	1,913.925	3,152	1.59%	1.31%	0.97%
SPRING VALLEY	5.162	249.905	674.279	1,883.959	3,928.708	10,600.183	1,994.041	35.200	2,029.241	4,284.107	9,590	3.25%	2.92%	2.96%
WINTERGARDENS	0.936	287.329	822.630	341.492	818.771	2,344.161	361.446	6.380	367.826	892.838	2,121	0.59%	0.61%	0.66%
SUBTOTAL PARTICIPATING AGENCIES	**53.462**	**315.980**	**758.241**	**19,513.714**	**51,452.007**	**123,466.615**	**20,653.922**	**364.593**	**21,018.515**	**56,106.462**	**111,702.835**	**33.6945%**	**38.2788%**	**34.5309%**
SAN DIEGO	105.205	258.908	730.540	38,399.933	82,961.800	234,086.887	40,643.685	717.462	41,361.146	90,466.695	211,783.314	66.31%	61.72%	65.47%
REGIONAL SLUDGE RETURNS	9.271	632.810	271.642	3,383.960	17,869.028	7,670.517								
FLOW DIFFERENCE	2.965			1,082.055	(5,709.679)	(41,737.870)								
TOTAL	**170.903**	**281.585**	**621.456**	**62,379.662**	**146,573.156**	**323,486.148**	**61,297.607**	**1,082.055**	**62,379.662**	**146,573.156**	**323,486.148**	**100.0000%**	**100.0000%**	**100.000%**

(a) Flows based on metered, housecounts and inter-agency flow, adjustment to City of San Diego flow for centrate, chemical additons reduction, plus an addition for recycled water.

(b) SS and COD characteristics based on samples taken by PUD's Environmental Monitoring and Technical Services Division through June 30, 2023 - proportionate share of return flow loadings calculated in the "ADJUSTED ANNUAL USE" BOX.

(c) Flow difference between metered/housecount and facility totals.

Attachment C

CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT
System Wastewater Characteristics Allocation by Participating Agencies
For the Fiscal Year Ended June 30, 2023

AGENCY	ALLOCATION OF COSTS BY FLOW, SUSPENDED SOLIDS AND CHEMICAL OXYGEN DEMAND: FLOW (a)	SS (a)	COD (a)	TOTAL FLOW, SS & COD	ALLOCATION OF COSTS BY 2050 PARAMETERS: PURE WATER CAP	TOTAL ALLOCATED COSTS (TOTAL FLOW, SS & COD + PURE WATER CAP)	TOTAL PAID FOR FY 2023	DIFFERENCE	45-DAY OPERATING RESERVE	TOTAL
CHULA VISTA	$ 12,553,412	$ 7,984,638	$ 6,864,622	$ 27,402,672	$ 2,116,406	$ 29,519,078	$ 26,806,452	$ 2,712,626	$ 61,277	$ 2,773,902
CORONADO	977,752	606,436	479,272	2,063,459	208,484	2,271,943	2,180,828	91,115	4,773	95,888
DEL MAR	(4,223)	(2,543)	(1,361)	(8,126)	3,595	(4,531)	45,784	(50,315)	(21)	(50,336)
EAST OTAY MESA	185,906	96,405	83,615	365,926	198,299	564,224	700,417	(136,192)	907	(135,285)
EL CAJON	5,743,915	4,862,362	3,074,919	13,681,195	89,884	13,771,079	12,304,064	1,467,015	28,038	1,495,053
IMPERIAL BEACH	1,470,255	792,262	608,537	2,871,053	255,263	3,126,317	3,132,024	(5,707)	7,177	1,469
LA MESA	3,417,574	1,213,804	1,143,825	5,775,204	510,697	6,285,901	6,912,772	(626,871)	16,682	(610,189)
LAKESIDE/ALPINE	2,180,909	1,197,953	973,858	4,352,721	27,666	4,380,387	4,983,698	(603,311)	10,646	(592,665)
LEMON GROVE	1,418,653	468,936	516,182	2,403,770	252,407	2,656,177	2,842,232	(186,055)	6,925	(179,130)
NATIONAL CITY	2,922,454	1,522,883	1,566,682	6,012,020	515,932	6,527,952	7,136,436	(608,484)	14,265	(594,218)
OTAY	204,803	336,450	110,253	651,506	82,729	734,235	508,512	225,723	1,000	226,723
PADRE DAM	2,036,899	2,992,808	1,718,180	6,747,888	80,359	6,828,247	4,789,488	2,038,759	9,943	2,048,702
POWAY	1,863,814	861,867	557,798	3,283,479	338,031	3,621,510	3,934,328	(312,818)	9,098	(303,720)
SPRING VALLEY	3,811,028	1,929,192	1,697,259	7,437,479	681,130	8,118,609	6,706,969	1,411,640	18,603	1,430,243
WINTERGARDENS	690,798	402,057	375,338	1,468,193	7,987	1,476,179	1,515,992	(39,813)	3,372	(36,441)
SUBTOTAL PARTICIPATING AGENCIES	$ 39,473,950	$ 25,265,510	$ 19,768,978	$ 84,508,438	$ 5,368,870	$ 89,877,308	$ 84,499,996	$ 5,377,312	$ 192,683	$ 5,569,995
SAN DIEGO	77,678,551	40,738,396	37,481,051	155,897,998	12,722,127	168,620,125				
TOTAL	$ 117,152,501	$ 66,003,906	$ 57,250,029	$ 240,406,436	$ 18,090,997	$ 258,497,434				

(a) Allocations based on annual flows and strength loadings - See Attachment B

Attachment D

CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT

Summary of Findings over Cost Allocation

For the Fiscal Year Ended June 30, 2023

Finding #	Procedure #	Amount	Finding Explanation	Muni Fund	Metro Fund	Water Fund	Other Departments
1	11	$ 177,078	Pure Water allocation used for Attorney Services was 50/50 in error. Should be 38% Metro and 62% Water. Decrease Metro and Increase Water by $42,498.63.	$ -	$ (42,499)	$ 42,499	$ -
2	11	44,200	Incorrect Fund allocation used; Should be Division Allocation: 20% Muni, 54% Metro, 26% Water. Decrease Muni by ($2,550), Increase Metro by $1,700, and Increase Water by $850.	(2,550)	1,700	850	-
3	11	18,429	All the expenditures on this PO should be Water. Decrease Metro and Increase Water by $20,547.52.	-	(20,548)	20,548	-
4	11	49,822	Incorrect Fund allocation used; Should be Division Allocation: 20% Muni, 54% Metro, 26% Water. Decrease Muni by ($2,796.61), Increase Metro by $1,864.42, and Increase Water by $932.19.	(2,797)	1,864	932	-
5	11	96,405	Incorrect Fund allocation used; Should be EMTS ECS Allocation: 5% Muni, 95% Metro. Increase Muni and decrease Metro by $7,049.35.	7,049	(7,049)		-
6	12	427,459	This Journal was processed in error. The expenditure benefits the odor control at NCWRP so should be paid by the Metro Fund. Increase Metro and Decrease Muni by $427,459.39.	(427,459)	427,459	-	-
7	12	32,114	Should be 100% Water. Correcting all Turf Rebates for the year. Decrease Muni and Increase Water by $93,521.05.	(93,521)		93,521	-
8	12	27,375	PO was opened with an incorrect Fund allocation. All the invoices were analyzed. Decrease Muni ($27,698.16), Decrease Metro ($44,286.21), Increase Water $71,984.37.	(27,698)	(44,286)	71,984	-
9	15	8,690	Print Shop charged 100% to Metro Fund. Should be 83% Metro, 17% Water. Decrease Metro and Increase Water by $1,477.25.	-	(1,477)	1,477	-
10	15	48,997	DSD Plan Check Fees posted as 100% Metro in error. Should be 38% Metro and 62% Water. Decrease Metro and Increase Water by $30,377.94.	-	(30,378)	30,378	-
				$ (546,976)	$ 284,787	$ 262,189	$ -

Attachment E

CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT
Participating Agencies Reserve Contribution by Participating Agencies
For the Fiscal Year Ended June 30, 2023

Agency	FY 2023Flow Percentage (1)	FY 2023 Reserve Beginning Balance	FY 2023 Reserve Interest Allocation (2)	FY 2023 Fund Balance Interest Allocation (3)	FY 2023 Reserve Ending Balance	FY 2023 PA Contribution to meet minimum (4)	FY 2023 Adjusted Reserve Ending Balance
CHULA VISTA	31.802%	$ 1,919,954	$ 47,058	$ 32,456	$ 1,999,469	$ 61,277	$ 2,060,745
CORONADO	2.477%	210,998	3,665	2,528	217,191	4,773	221,964
DEL MAR	-0.011%	59,097	(16)	(11)	59,070	(21)	59,050
EAST OTAY MESA	0.471%	5,946	697	481	7,124	907	8,031
EL CAJON	14.551%	983,666	21,532	14,851	1,020,049	28,038	1,048,086
IMPERIAL BEACH	3.725%	250,230	5,511	3,801	259,543	7,177	266,719
LA MESA	8.658%	587,356	12,811	8,836	609,003	16,682	625,685
LAKESIDE/ALPINE	5.525%	361,801	8,175	5,639	375,615	10,646	386,261
LEMON GROVE	3.594%	241,395	5,318	3,668	250,381	6,925	257,306
NATIONAL CITY	7.404%	507,477	10,955	7,556	525,989	14,265	540,254
OTAY	0.519%	33,469	768	530	34,766	1,000	35,766
PADRE DAM	5.160%	335,748	7,636	5,266	348,650	9,943	358,593
POWAY	4.722%	370,147	6,987	4,819	381,952	9,098	391,050
SPRING VALLEY	9.655%	668,402	14,286	9,853	692,542	18,603	711,144
WINTERGARDENS	1.750%	104,631	2,590	1,786	109,006	3,372	112,378
TOTAL	100.00%	$ 6,640,318	$ 147,974	$ 102,058	$ 6,890,350	$ 192,683	$ 7,083,033

NOTES

(1) FY2023 Audited PA Flow percentage used to determine allocation
(2) FY2023 Interest earned on Reserve account added to reserve
(3) FY2023 Interest earned on undesignated fund balance added to reserve
(4) 45 - day operating reserve

Attachment F

CITY OF SAN DIEGO PUBLIC UTILITIES DEPARTMENT

Pure Water Project Program Costs to the Metropolitan System

For the Fiscal Year Ended June 30, 2023

		FY2023 Pure Water Program Costs
Total Operating and Maintenance Costs	$	5,212,823
Capital Improvement Costs:		
Morena Conveyance		30,494,546
North City Water Reclamation Plant (NCWRP) Expansion - Early Site Work		(2,934,688)
Metropolitan Biosolids Center (MBC) Improvements		1,828,000
North City Water Reclamation Plant (NCWRP) Flow Equalization		1,583,139
North City Water Reclamation Plant (NCWRP) Expansion		30,537,554
Morena Wastewater Pump Station		24,115,317
Genesee Avenue Median Improvement		18,987
Central Area Small-Scale Facility		1,010,389
Total Capital Improvement Costs		86,653,244
Total Pure Water Program - Metropolitan Wastewater Fund Costs	$	91,866,067