

WASTEWATER MASTER PLAN

Wastewater Management System and Capacity Fee
Summary and Recommendations

WASTEWATER MANAGEMENT SYSTEM UPDATE

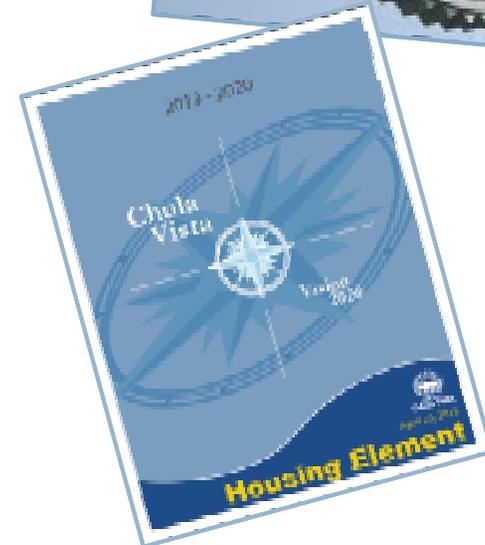


July 2014

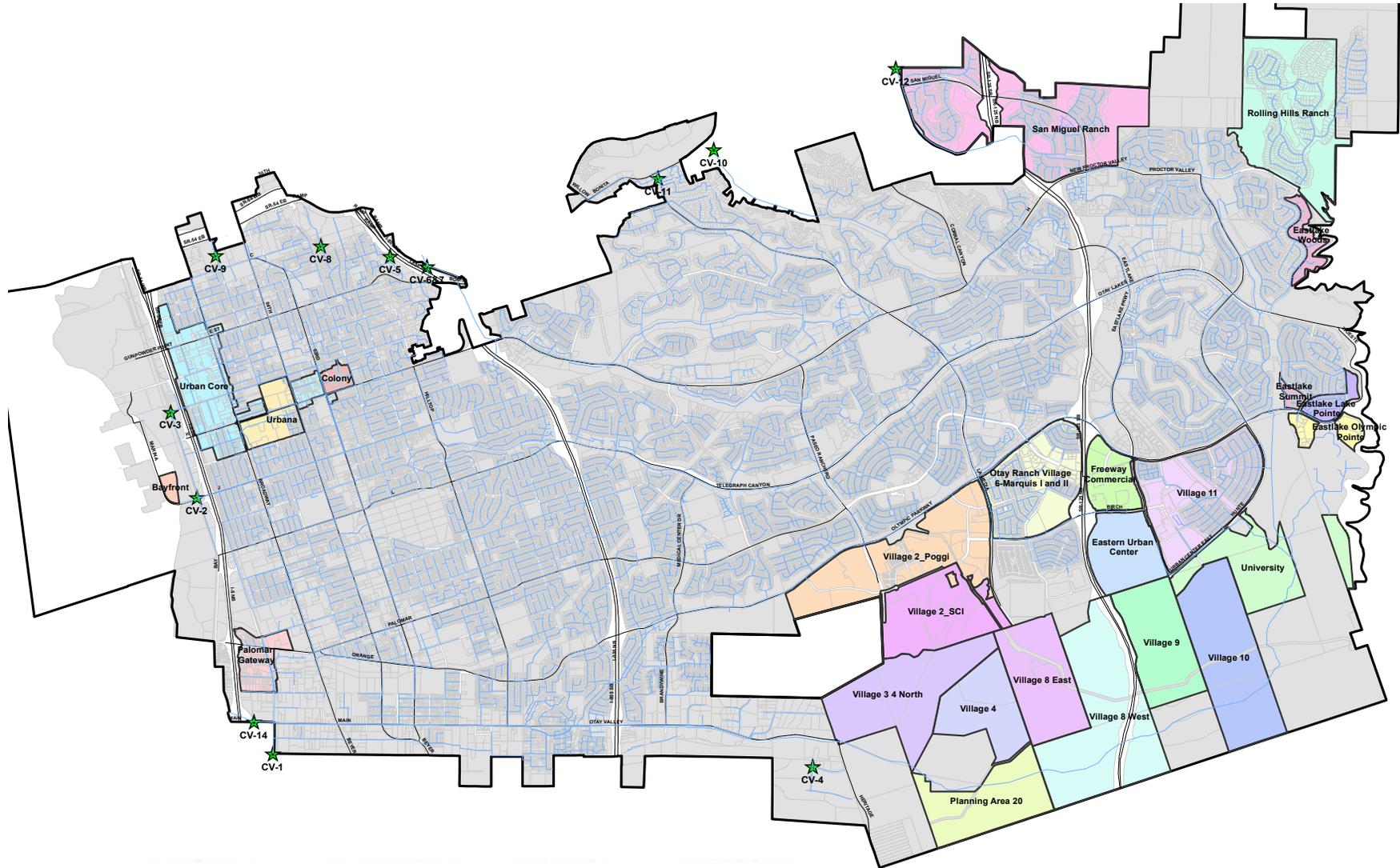


WMS Update Purpose

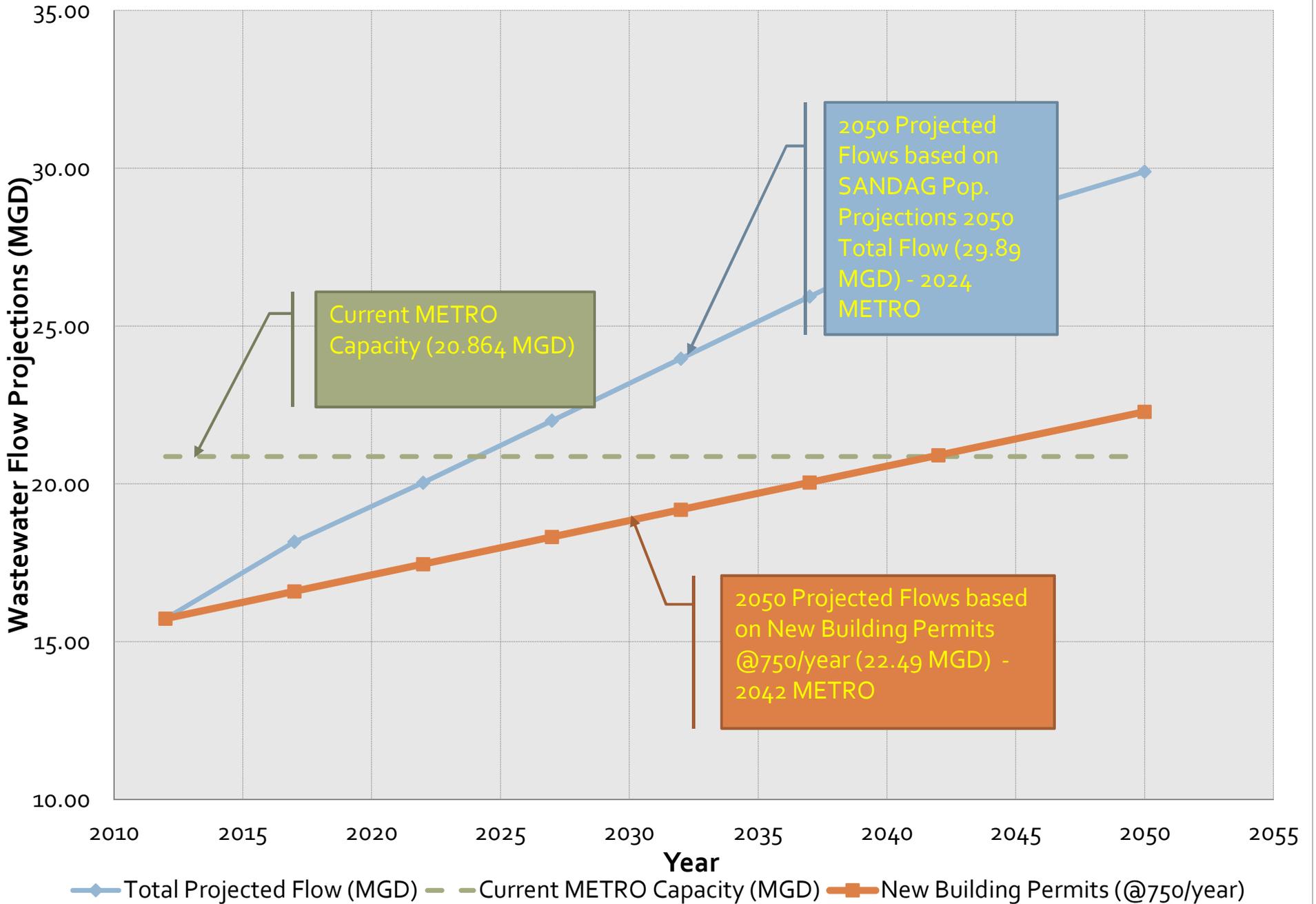
- Ensure adequate capacity to accommodate planned growth
- Provide framework for proactive, cost-effective management of wastewater assets
 - ▣ Infrastructure needs identified and prioritized in advance
 - ▣ Funding in place
 - ▣ Timely implementation of upgrades, replacements, and new installations
 - ▣ Continue to avoid SSOs, spills



Overview of Sewer System



Projected Wastewater Flows - Exceed METRO Capacity by 2024



Treatment Options

- ❑ Purchase Capacity at Point Loma WWTP or build Wastewater Treatment Plant
- ❑ No decision at this time/City will continue to monitor
- ❑ Regional factors may influence decision (potable re-use)



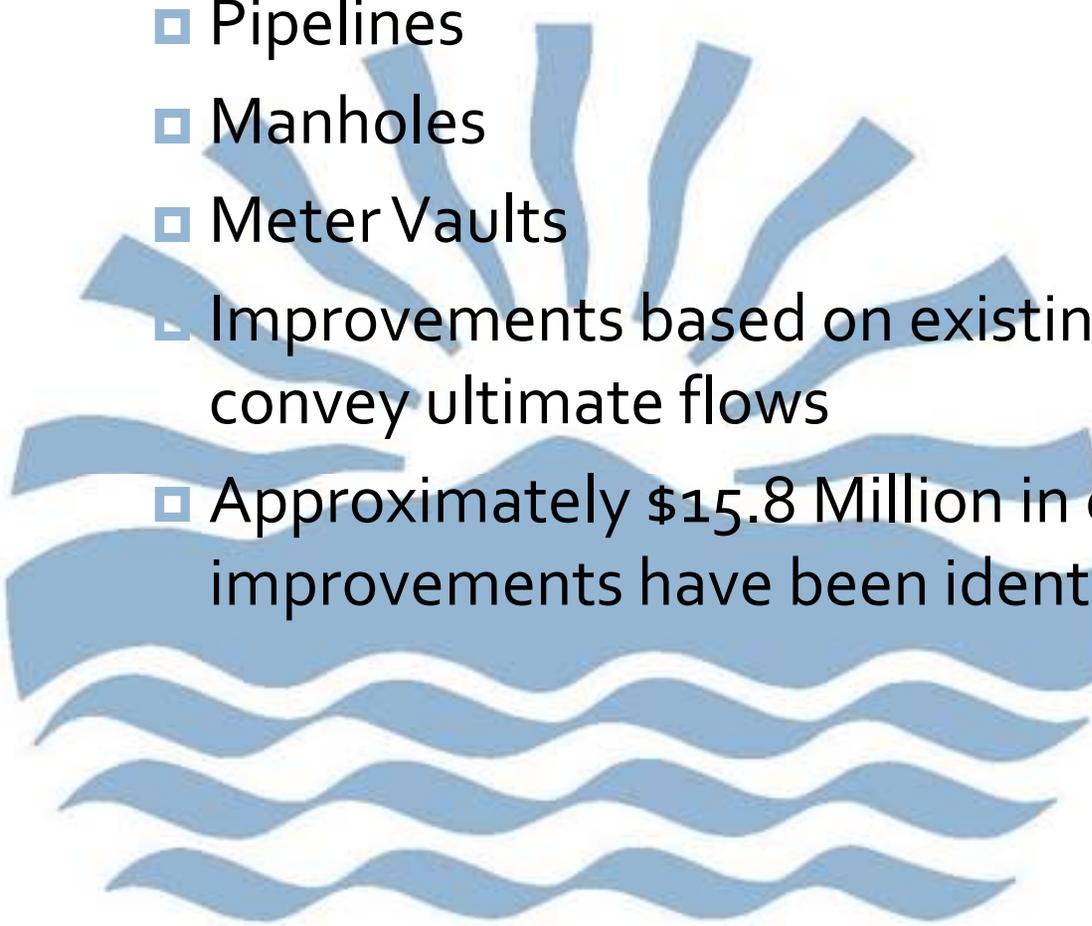
WMS Capital Improvement Program

- Driven by infrastructure evaluation
- Identifies capital projects
 - ▣ Repair/replacement of existing infrastructure
 - ▣ Infrastructure improvements (new facilities, major upgrades)
- Presents capital projects schedule
- Estimates budget needs
- Reflects Asset Management approach:
Strategic Spending (the right project at the right time)

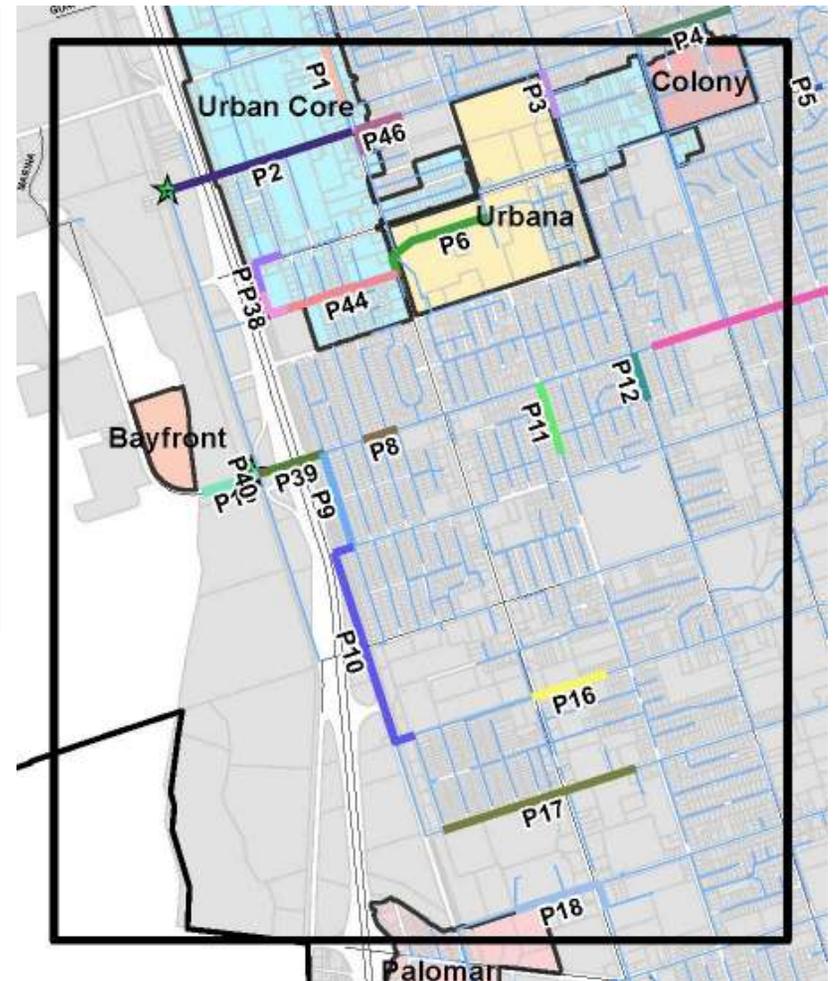
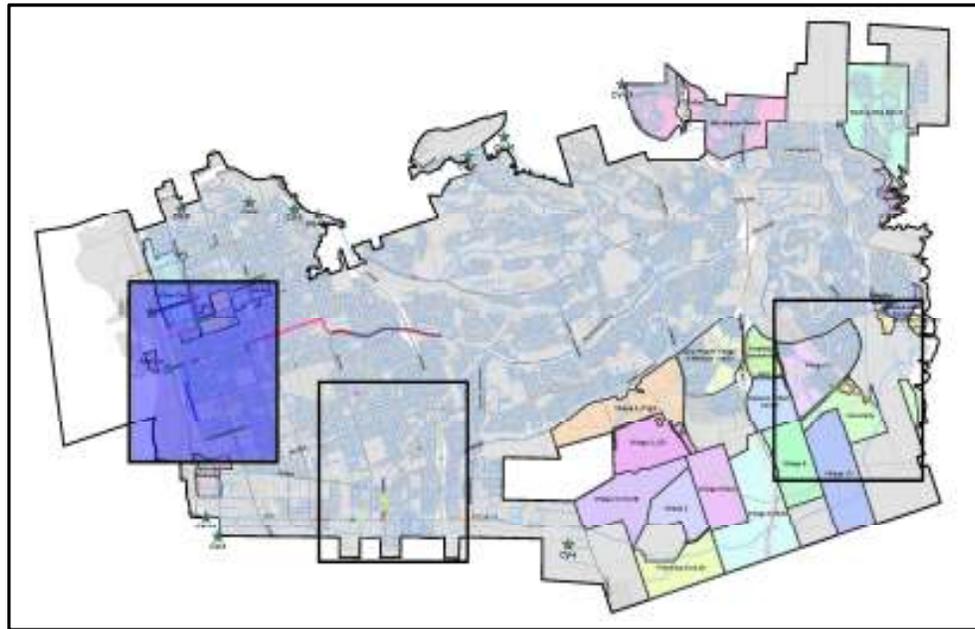


WMS Capital Improvement Program

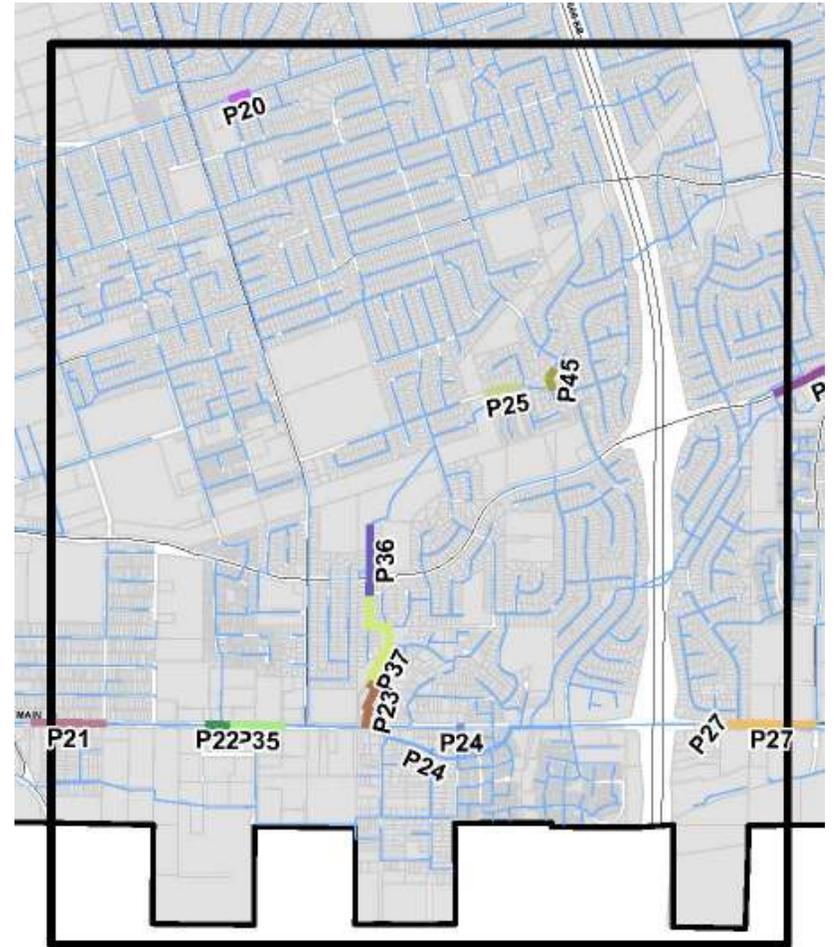
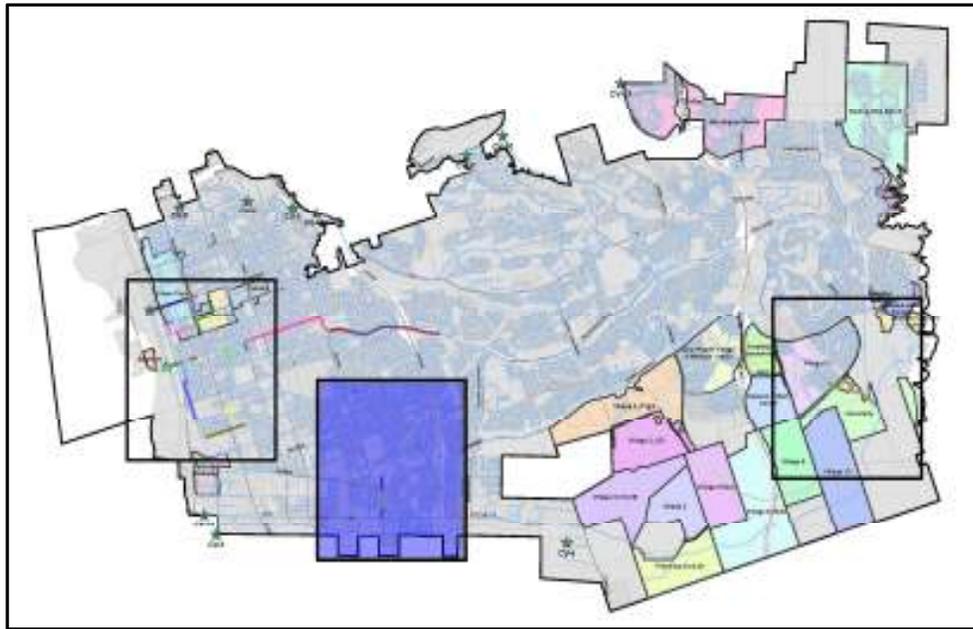


- Capital Improvement Projects
 - Pipelines
 - Manholes
 - Meter Vaults
 - Improvements based on existing systems' ability to convey ultimate flows
 - Approximately \$15.8 Million in collection system improvements have been identified
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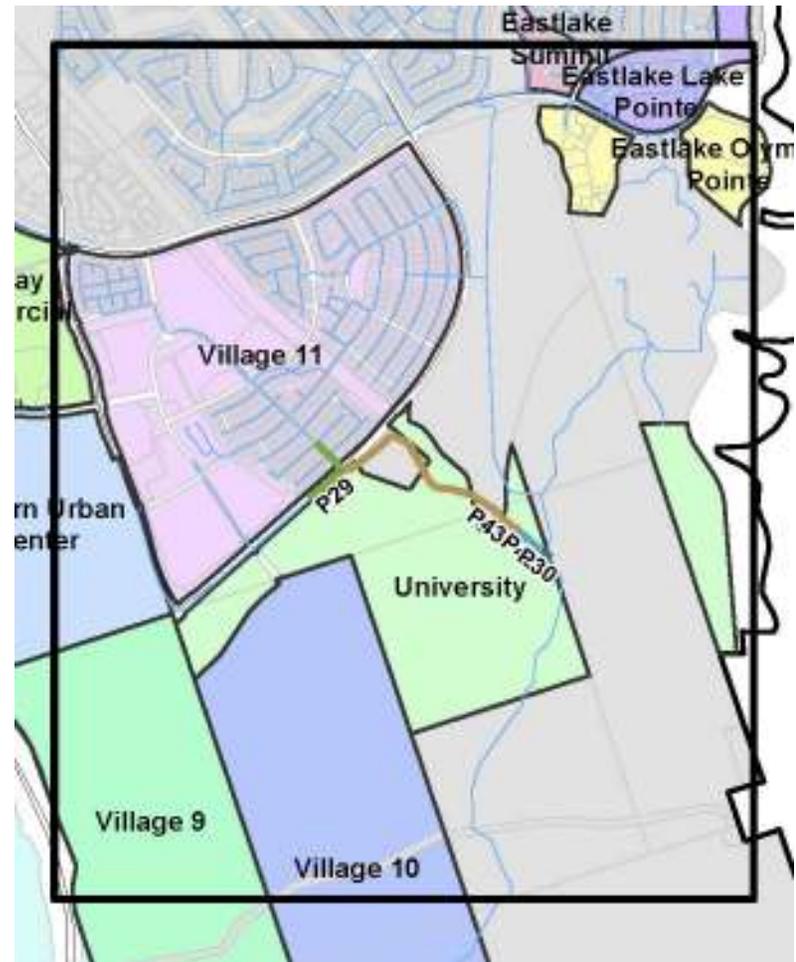
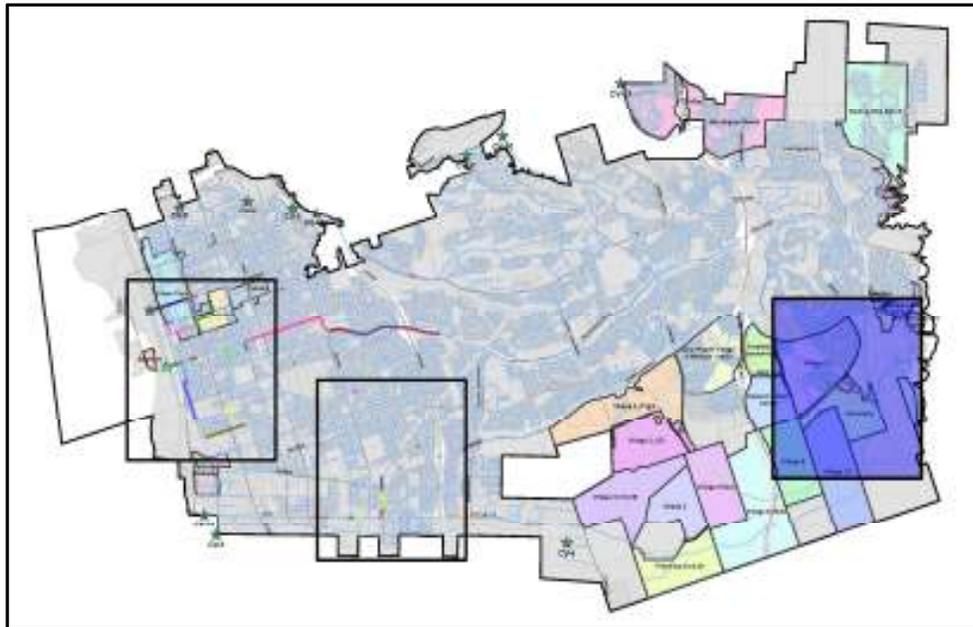
WMS Capital Projects West



WMS Capital Projects Central



WMS Capital Projects East



Fee Calculation Methods

□ OPTION 1: Buy-in to existing facilities:

New customers pay an amount equal to the investment made by existing customers

- Basis for current capacity fee
- Results in a fee of \$4,092/EDU

Existing collection system + Value of available Metro treatment rights

Total build-out capacity

(29.89 mgd)

Available Metro treatment rights

(5.134 mgd)

Fee Calculation Methods

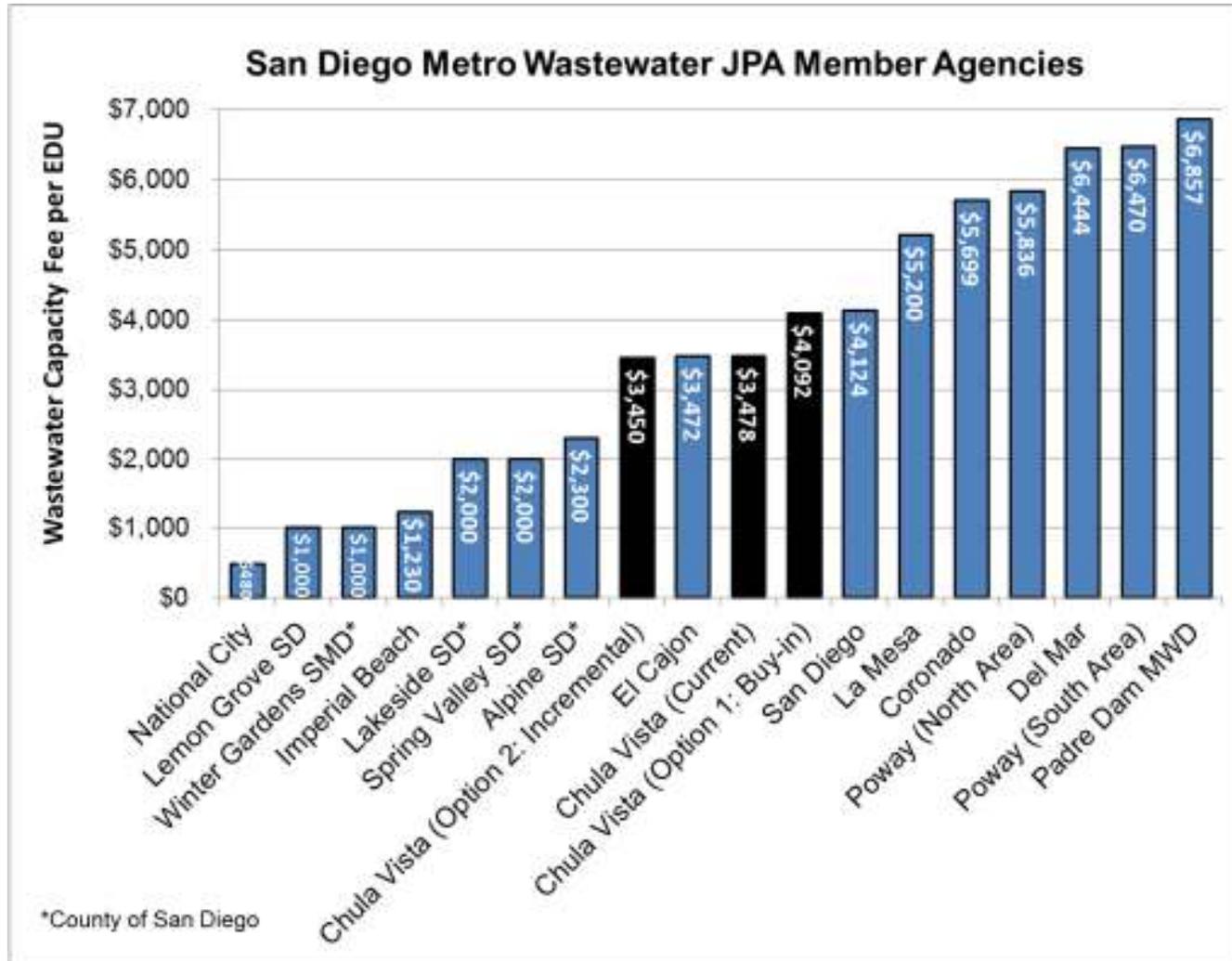
- OPTION 2: Incremental capacity expansion costs:
New customers pay marginal cost of new facilities needed to serve them
 - No charge for existing system
 - Produces lowest fee of \$3,450/EDU

Collection system expansion + Expansion of treatment

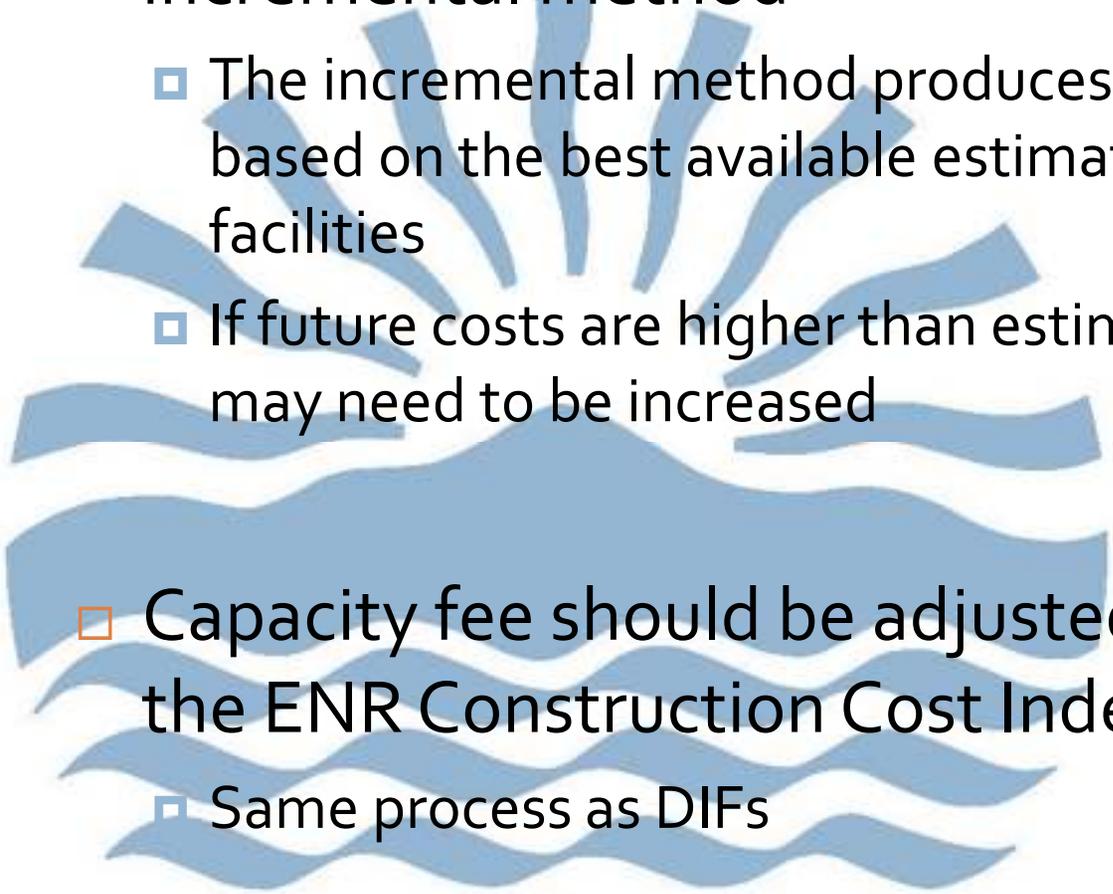
Remaining EDUs to build-out
(14.16 mgd)

Remaining EDUs to build-out
less available treatment
capacity at Metro
(9.026 mgd)

Capacity Fee Survey



Recommendations

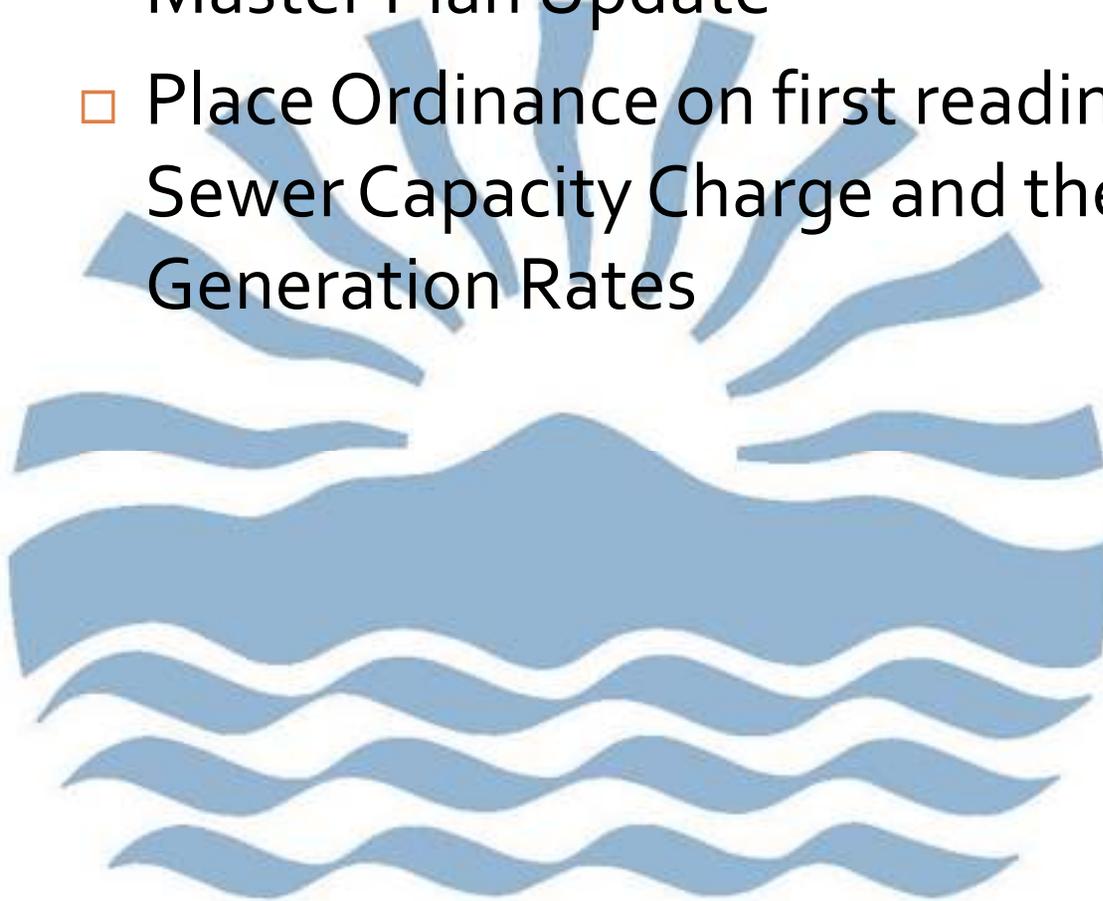


- Adopt new capacity fee of \$3,450 based on the incremental method
 - ▣ The incremental method produces a lower fee and is based on the best available estimates of the cost of future facilities
 - ▣ If future costs are higher than estimated, the capacity fee may need to be increased

- Capacity fee should be adjusted annually based on the ENR Construction Cost Index
 - ▣ Same process as DIFs

Recommended Action

- Adopt resolution accepting the 2014 Wastewater Master Plan Update
- Place Ordinance on first reading to modify the Sewer Capacity Charge and the Wastewater Unit Generation Rates



Questions

