

CITY OF SAN DIEGO
INTERDEPARTMENTAL MEMORANDUM OF UNDERSTANDING

[PUD DEMONSTRATION FACILITY – HALSEY ROAD]

THIS CITY OF SAN DIEGO INTERDEPARTMENTAL MEMORANDUM OF UNDERSTANDING ("MOU") is made by and between the City of San Diego Real Estate Assets Department ("READ"), the City of San Diego Fire-Rescue Department ("SDFD"), and the City of San Diego Public Utilities Department ("PUD"), to be effective as of January 1, 2020 (the "Effective Date"), as follows:

RECITALS

- A. READ has management authority over that certain 22.84 acres (994,910.4 square feet) of City-owned property (the "City Property") located north of North Harbor Drive, between McCain Road and Kincaid Road, San Diego, CA, 92101 (APN 450-790-29) and more particularly described in **Exhibit A: City Property**, attached hereto. The City Property is currently used by SDFD.
- B. PUD is committed to acquiring the City Property by August 1, 2027 for the Pure Water Program, subject to City's successful relocation of existing SDFD staff from the City Property.
- C. PUD has management authority over Pump Station No. 2 ("PS2") that is located east of the City Property at 4077 North Harbor Drive, San Diego, CA 92101 (APN 450-790-02).
- D. PUD requires use of a 2-acre (87,120 square foot) portion of the City Property, as more particularly described in **Exhibit B: Area of Use**, on **August 1, 2021**, to construct and operate a Demonstration Plant for its Pure Water Program ("Demonstration Plant"). The purpose of the Demonstration Plant is to demonstrate to the Department of Drinking Water (and other regulators) that PUD's proposed treatment processes used to convert raw wastewater to purified water for Phase 2 of the Pure Water Program ("Phase 2") will effectively treat the raw wastewater conveyed from PS2 to the Demonstration Plant and comply with required pathogen removals and other discharge standards. Phase 2 will involve wastewater and water treatment processes that ultimately result in producing fifty-three million gallons per day (53 mgd) of purified water.
- E. READ acknowledges and consents to PUD's use of a portion of the City Property under the terms of this MOU.

TERMS AND CONDITIONS

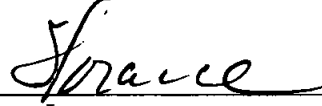
- 1. **Area of Use.** PUD's use of the City Property will be limited to the area described on **Exhibit B: Area of Use**, attached hereto.
- 2. **Use.** PUD may use the Area of Use for the purpose of constructing and operating the Phase 2 Demonstration Plant including the following:
 - a. The two (2) buildings and other structures (e.g., vaults) and piping within the Area of Use will be abated for any potential asbestos or lead, demolished, and

- all materials removed from the City Property and properly disposed.
- b. The Area of Use, which includes an area currently containing stock-piled construction materials and construction equipment that will be removed, will be improved with a combination of paved and unpaved surfaces. The existing fence will be enhanced and modified to allow for vehicle and delivery truck access.
 - c. The Demonstration Plant will consist of skid-mounted pilot scale process units likely placed on concrete equipment pads and possibly covered with a canopy to protect the equipment from the sun and improve the aesthetics of the Demonstration Plant.
 - d. Temporary office and public outreach trailers will be located within the Area of Use.
3. **Term.** The term of this MOU ("Term") shall commence on **August 1, 2021** ("Commencement Date") and shall terminate on July 31, 2027. It is the intention of the various departments that as of August 1, 2027, the entire City Property shall be transferred to PUD subject to the successful relocation of the Training and Fire Academy and availability of funding to reimburse the General Fund for the market value of the City Property.
 4. **Rent.** Annual rent in the amount of Three Hundred Seventy-Six Thousand, Four Hundred Dollars (\$376,400) shall be paid annually in advance, with the first annual payment due on or before August 1, 2021. Should this MOU be terminated early, any rent prepaid for the time period not occupied by PUD, shall be prorated and reimbursed to PUD. The rent for any and all consecutive years of this MOU shall be increased annually by three percent (3%) on each anniversary of the Commencement Date.
 5. **Risk.** PUD shall bear all risks, liability and costs arising out of or in any manner directly or indirectly connected with PUD's use of the Area of Use and any damages to the improvements on, under or in the vicinity of the Area of Use resulting directly or indirectly thereby. PUD accepts and assumes all risk of harm to all persons and property, and shall be solely responsible therefor.
 6. **Facilities' Costs.** PUD shall bear all costs related directly or indirectly to the construction, installation, maintenance, repair, restoration and removal of all demonstration facilities constructed or installed on the Area of Use by PUD.
 7. **Maintenance of the Property.** PUD shall maintain the Area of Use in a decent, safe, healthy and sanitary condition at all times, to READ's satisfaction.
 - a. PUD shall modify the perimeter fence to allow vehicle and delivery truck access to the site. Modification to the fence will be at PUD's sole cost. Any damage to the fence shall be promptly repaired by PUD, at PUD's sole cost and expense, to READ's reasonable satisfaction, except to the extent such damage is caused by READ or its employees, representatives or agents during any inspection or entrance onto the Area of Use.
 8. **Access to City Property.** Throughout the term of this MOU, PUD may require access to portions of the City Property as required for planning and design investigations including, but not limited to, permitting, preliminary design, surveys, geotechnical investigations, utility locating and potholing, environmental surveys, environmental

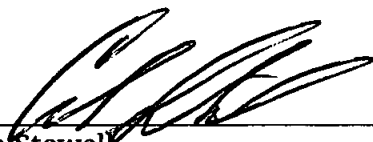
assessments, hazardous materials testing, assessment, and abatement, and other site investigations. Prior to accessing the City Property, PUD must provide SDFD's Deputy Fire Chief of Logistics (currently Deputy Chief James Gaboury), a minimum of three (3) business days advance written notice with a description of the activities intended to be performed and the location(s). SDFD will have three (3) business days to provide written approval, or disapproval with alternate proposed access dates, for said access. Copies of the notice and the approval shall be sent simultaneously to READ.

IN WITNESS WHEREOF, this MOU is executed to be effective as of the Effective Date.

Date: Jan 6, 2020

By: 
Shauna Lorange
Director, Public Utilities Department

Date: 1/10/20

By: 
Colin Stowell
Fire Chief, City of San Diego Fire-Rescue
Department

Date: 1/7/20

By: 
Cybele L. Thompson
Director, Real Estate Assets Department

Exhibit A: City Property
Exhibit B: Area of Use

Exhibit A: City Property

APN 450-790-29



Exhibit B: Area of Use

