



ADMINISTRATION COMMITTEE

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Agenda Report

File #: 2022-2339

Agenda Date: 6/8/2022

Agenda Item No: 5.

FROM: James D. Herberg, General Manager
Originator: Lorenzo Tyner, Assistant General Manager

SUBJECT:

FY 2022-23 USE CHARGES FOR SANTA ANA WATERSHED PROJECT AUTHORITY

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

Adopt Resolution No. OC SAN 22-XX, entitled: "A Resolution of the Board of Directors of the Orange County Sanitation District Establishing Use Charges for the 2022-23 Fiscal Year Pursuant to the Wastewater Treatment and Disposal Agreement with the Santa Ana Watershed Project Authority ("SAWPA")."

BACKGROUND

Currently, the Orange County Sanitation District (OC San) invoices the Santa Ana Watershed Project Authority (SAWPA) on a quarterly basis for the wastewater discharge received from the SARI line. Annually, the rates for flow, biochemical oxygen demand (BOD), and total suspended solids (TSS) are calculated based upon the fiscal year budget for treatment and disposal costs and the 1996 Wastewater Treatment and Disposal Agreement. The rates calculated for each constituent for FY 2022-23 for wastewater discharge are:

FLOW	\$246.95
BOD	\$352.51
TSS	\$520.25

The FY 2022-23 rates are a 9.97 percent increase from the FY 2021-22 rates due to a 9.97 percent increase in the treatment and disposal costs in the proposed FY 2022-23 Budget. These rates are separate from the rates charged for additional capacity purchases by SAWPA.

RELEVANT STANDARDS

- Comply with OC San Policy - Establishing annual SAWPS treatment and disposal rates
- Support of 1996 Treatment and Disposal Agreement with SAWPA

TIMING CONCERNS

Rates should be effective July 1st of FY 2022-23.

RAMIFICATIONS OF NOT TAKING ACTION

Rates would not be established for FY 2022-23 for cost recovery for treatment and disposal of SAWPA's wastewater discharge.

PRIOR COMMITTEE/BOARD ACTIONS

A resolution is adopted annually in June pursuant to the Wastewater Treatment and Disposal Agreement with SAWPA.

ADDITIONAL INFORMATION

The FY 2022-23 proposed budget to operate, maintain, and manage OC San's sewage collection, treatment, and disposal system is \$201 million, an increase of approximately 10 percent, or \$17 million, from the prior year budget. The Operating Budget increase is primarily driven by increased chemical, utility, and infrastructure maintenance/repair costs. The historically high inflation that has impacted the nation's economy over the past year is also driving up OC San's cost of doing business.

CEQA

N/A

FINANCIAL CONSIDERATIONS

N/A

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

- Draft Resolution No. OC SAN 22-XX