



ADMINISTRATION COMMITTEE

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Agenda Report

File #: 2024-3582

Agenda Date: 6/12/2024

Agenda Item No: 3.

FROM: Robert Thompson, General Manager
Originator: Wally Ritchie, Director of Finance

SUBJECT:

FY 2024-25 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 24-XX, entitled: "A Resolution of the Board of Directors of the Orange County Sanitation District Establishing Use Charges for the 2024-25 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 SAWPA on a quarterly basis for the wastewater discharge received from the SARI line. Annually, the rates for flow, BOD, and 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 2024-25 for wastewater discharge are:

FLOW	\$293.46 per million gallons of flow
BOD	\$395.62 per thousand pounds
TSS	\$496.37 per thousand pounds

The FY 2024-25 rates are an average 0.5 percent increase from the FY 2023-24 rates due to an increase in the treatment and disposal costs in the proposed FY 2024-25 Budget. These rates are separate from the rates charged for additional capacity purchases by SAWPA.

RELEVANT STANDARDS

- Comply with OC San Policy - Establishing Annual SAWPA Treatment and Disposal Rates
- Support of 1996 Treatment and Disposal Agreement with SAWPA

TIMING CONCERNS

Rates should be effective July 1, 2024 (FY 2024-25).

RAMIFICATIONS OF NOT TAKING ACTION

Rates would not be established for FY 2024-25 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 2024-25 proposed budget to operate, maintain, and manage OC San's sewage collection, treatment, and disposal system is \$233.7 million, an increase of approximately 8.3 percent, or \$17.9 million, from the prior year budget. The Operating Budget increase is primarily driven by increased outside contractual, utility, and personnel costs. 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 24-XX