



Agenda Report

File #: 2023-2808, **Version:** 1

FROM: Robert Thompson, General Manager
Originator: Lorenzo Tyner, Assistant General Manager

SUBJECT:

PROPOSED ORDINANCE ADOPTING MISCELLANEOUS CHARGES AND FEES RELATING TO INDUSTRIAL DISCHARGERS, SOURCE CONTROL PERMITTEES AND WASTEHAULERS

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

- A. Motion to read Ordinance No. OC SAN-60 by title only and waive reading of said entire Ordinance on February 22, 2023;
- B. Introduce Ordinance No. OC SAN-60 entitled, "An Ordinance of the Board of Directors of Orange County Sanitation District Adopting Miscellaneous Charges and Fees Relating to Industrial Dischargers, Source Control Permittees and Wastehaulers and Repealing Ordinance No. OCSD-51; and
- C. Set March 22, 2023 as the date of the Public Hearing to hear protests and for the second reading of Ordinance No. OC SAN-60.

BACKGROUND

Based upon the 2022 Rate Study, the Facilities Master Plan, forecasted operating expenses, and cash flow modeling, staff recommends the five-year schedule below:

Industrial Sewer Services Charges for Class I and Class II Permittees for Flow, Biochemical Oxygen Demand (BOD), and Total Suspended Solids (TSS):

Class I and II	<u>FY 2023-24</u>	<u>FY2024-25</u>	<u>FY 2025-26</u>	<u>FY 2026-27</u>	<u>FY 2027-28</u>
Flow (*)	\$1676.09	\$1754.41	\$1836.37	\$1922.17	\$2011.98
B.O.D. (**)	\$705.08	\$744.23	\$785.55	\$829.17	\$875.21
S.S. (***)	\$815.51	\$855.92	\$898.34	\$842.86	\$989.58

(*) Flow Per million gallons of Flow
 (**) B.O.D. Per thousand pounds of BOD
 (***) S.S. Per thousand pounds of Suspended Solids

Special Purpose Discharge Permits (SPDP) for Flow:

<u>SPDP</u>	<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>	<u>FY 2026-27</u>	<u>FY 2027-28</u>
Flow (*)	\$1676.09	\$1754.41	\$1836.37	\$1922.17	\$2011.98

(*) Flow Per million gallons of Flow

Wastehauler charges for use*:

	<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>	<u>FY 2026-27</u>	<u>FY 2027-28</u>
Within OC San Boundaries*	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09
Outside OC San Boundaries*,**	\$0.32	\$0.32	\$0.32	\$0.32	\$0.32

(*) Per gallon of truck capacity

(**) Outside OC San boundaries and inside OC San service area or authorized by the OC San General Manager.

Class I, Class II, SPDP, Wastehauler, and Certified Permit Fees:

	<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>	<u>FY 2026-27</u>	<u>FY 2027-28</u>
A. Class I/Certified Discharger	\$ 1685.00	\$1,791.00	\$1,904.00	\$2,024.00	\$2,152.00
B. Class II	\$ 554.00	\$ 591.00	\$ 630.00	\$ 672.00	\$ 717.00
C. SPDP P ¹	\$1,192.00	\$1,225.00	\$1,259.00	\$1,293.00	\$1,328.00
SPDP Renewal	\$ 860.00	\$ 913.00	\$ 969.00	\$1,029.00	\$1,092.00
D. Wastehauler	\$ 207.00	\$ 225.00	\$ 245.00	\$ 267.00	\$ 291.00
E. Certified Zero/No Discharge	\$ 126.00	\$ 133.00	\$ 140.00	\$ 147.00	\$ 155.00

P¹ New permit only - add nonrefundable deposit for first 1 million gallons as defined in Table G

Additional Plan Check Fees and Miscellaneous Fees for Industrial Dischargers are proposed to be updated as well and are included in the attached revised ordinance.

RELEVANT STANDARDS

- Stable rates, no large unforeseen rate increases

PROBLEM

OC San's Board of Directors approved a five-year rate schedule for Industrial Sewer Service Charges, Wastehauler Charges and Miscellaneous Fees which expires at the end of the current fiscal year.

PROPOSED SOLUTION

Adopt an ordinance with the new proposed five-year rate schedule based on the 2022 Wastewater Rates, Fees, and Charges Study completed by HDR Engineering, Inc.

TIMING CONCERNS

February 3, 2023 - Notifications Mailed
February 22, 2023 - First Reading of the Ordinance
March 22, 2023 - Public Hearing, Second Reading, and Adoption of the Ordinance
July 1, 2023 - Ordinance takes effect

RAMIFICATIONS OF NOT TAKING ACTION

Revenues will be insufficient to support OC San's operating expenses and the Facilities Master Plan adopted in December 2017.

PRIOR COMMITTEE/BOARD ACTIONS

December 2022 - Received and filed the Orange County Sanitation District's 2022 Wastewater Rates, Fees, and Charges Study completed by HDR Engineering, Inc.

March 2018 - Adopted Ordinance No. OCSD-51.

December 2017 - Adopted the 2017 Facilities Master Plan as OC San's New Master Plan for Future Capital Planning.

ADDITIONAL INFORMATION

The Orange County Sanitation District's (OC San) current five-year sewer fee rate schedule expires at the end of the current fiscal year. OC San engaged HDR Engineering, Inc., an engineering consulting firm, to provide an independent analysis of OC San's cash flow modeling and a comprehensive cost of service study to ensure the appropriate allocation of costs and fees. This study has been completed and received and filed by the Board and demonstrates that OC San's proposed fees are appropriate and reasonable and will support projected capital and operating requirements.

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. These items have been budgeted.

ATTACHMENT

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

- Ordinance No. OC SAN-60 (Redlined)
- Ordinance No. OC SAN-60 (Clean)