



Orange County Sanitation District

Administration Building
10844 Ellis Avenue
Fountain Valley, CA 92708
(714) 593-7433

Agenda Report

File #: 2020-1085, **Version:** 1

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

SUBJECT:

FY 2020-21 USE CHARGES FOR SANTA ANA WATERSHED PROJECT AUTHORITY

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

Adopt Resolution No. OCSD 20-XX, entitled: "A Resolution of the Board of Directors of the Orange County Sanitation District Establishing Use Charges for the 2020-21 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 (Sanitation District) invoices 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 2020-21 for wastewater discharge are:

FLOW	\$213.30
BOD	\$304.47
TSS	\$449.36

The FY 2020-21 rates result in approximately a 3.5% decrease in the Flow rate, a 4.7% decrease in the BOD rate, and a 4.7% decrease in the TSS rate. Using the 2017 Rate Study, the Sanitation District determined discharge rates for SAWPA. Changes to the allocation parameters between discharge constituents and the change in equivalent usage per EDU for each constituent resulted in rate increases that were larger than SAWPA anticipated or budgeted. SAWPA requested that the Sanitation District spread their rate increases over a two-year period to minimize the impact to their budget. SAWPA rates have now caught up with the original rate model. As a result, the FY 2020-21 rates decrease approximately 3.5% for the Flow rate, 4.7% for the BOD rate, and 4.7% for the TSS rate. These rates are separate from the rates charged for additional capacity purchases by SAWPA.

RELEVANT STANDARDS

- Comply with OCSD Policy - Establishing annual SAWPA treatment and disposal rates
- Supports 1996 Treatment and Disposal agreement with SAWPA

PROBLEM

N/A

PROPOSED SOLUTION

N/A

TIMING CONCERNS

Rates should be effective for July 1 of FY 2020-21.

RAMIFICATIONS OF NOT TAKING ACTION

Rates would not be established for FY 2020-21 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

N/A

CEQA

N/A

FINANCIAL CONSIDERATIONS

N/A

ATTACHMENT

The following attachment(s) may be viewed on-line at the OCSD website (www.ocsd.com) with the complete agenda package:

- Draft Resolution No. OCSD 20-XX