



WESTERN RIVERSIDE COUNTY
REGIONAL WASTEWATER AUTHORITY

WRCRWA BOARD OF DIRECTORS

Agenda Item 4.D.

April 27, 2023

TO THE BOARD OF DIRECTORS:

Katherine Aleman, Chair
Fauzia Rizvi, Vice Chair
Wes Speake, Secretary-Treasurer
Lupe Nava
Tracey LaBonte

FROM: Gary Miller, Administrator

Approved by the
WRCRWA Board of
Directors

April 27, 2023

Jayne Hansen
Board Secretary

CONSIDER APPROVAL OF FISCAL YEAR 2023-2024 BUDGET, ADOPTION OF RESOLUTION 23-003 ESTABLISHING RATES TO BE CHARGED FOR CONVEYANCE, TREATMENT AND DISPOSAL OF WASTEWATER, AND GIVE THE ADMINISTRATOR AUTHORITY TO OPEN ANNUAL PURCHASE ORDERS

RECOMMENDATION:

The WRCRWA Executive Committee and the Administrator recommend that the Board of Directors:

1. Adopt the proposed Fiscal Year 2023-2024 Budget (Operating, Debt Service, and Capital), along with new rates consistent with the budget figures;
2. Adopt Resolution 23-003, Establishing Rates to be Charged for Conveyance, Treatment, and Disposal of Wastewater;
3. Direct Member Agencies to present this Fiscal Year 2023-2024 Budget to their governing boards for approval; and
4. Authorize the Administrator to open annual purchase orders, totaling \$3,262,000, for Fiscal Year 2023-2024 that exceed the \$60,000 Board approved purchase authorization limit of the Administrator.

BUDGET IMPACT:

Upon budget approval by the Board of Directors and subsequent approval by each Member Agency, the Fiscal Year 2023-2024 Budget will become the official Western

Riverside County Regional Wastewater Authority (WRCRWA) Budget, which includes individual Member Agency contributions and establishes fixed and variable rates.

EXECUTIVE SUMMARY:

In the proposed Fiscal Year 2023-2024 Budget, Member Agency contributions will decrease in aggregate by \$7,205,601, or 24.5% due to significant reduction in capital contribution. The Operating Budget will increase by \$1,278,735, or 11.8%; the Debt Service Budget remains the same, and the Capital Budget will decrease by \$8,484,336, or 60.2%, mainly due to the Odor Mitigation project and the Anaerobic Digester #3 project are close to being finished.

DETAIL:

See attachments for further detail relating to the Operating, Debt Service, and Capital Budgets.

Gary Miller, Administrator

Attachment(s):

1. Member Contribution Summary Year-to-Year Comparison
2. Capacity, Rates, and Contributions - Fixed and Variable
3. Rate Calculation
4. Operations Fund Budget Year-to-Year Comparison
5. Fixed and Variable Cost Allocation
6. Debt Service Expenditures
7. Capital Budget
8. Capital Improvement Project Descriptions
9. Annual Purchase Orders over \$60,000
10. Resolution 23-003
11. Fiscal Year 2023-2024 Budget Presentation

WRCRWA Budget Schedule
Fiscal Year 2023-2024
Member Contribution Summary Year-to-Year Comparison

Proposed Fiscal Year 2023-2024 Budget						
Expenditure Category	Corona	HGSD	JCSD	Norco	Western	Total
Operations:						
Treatment System	1,459,804	629,070	5,078,223	2,071,560	1,064,495	10,303,152
Conveyance System	118,149	44,377	-	143,576	93,022	399,124
General & Administration	261,952	74,986	599,890	269,951	192,965	1,399,744
Total Operating Contributions	1,839,905	748,433	5,678,113	2,485,087	1,350,482	12,102,020
Debt Service:						
SRF Loan	1,903,189	70,887	2,064,704	408,275	39,481	4,486,536
Capital:						
Pay-go Capital Improvement Projects	936,356	268,038	1,983,850	959,624	695,132	4,843,000
Asset Replacement Reserve Funding	156,087	44,681	301,940	159,007	116,833	778,548
Total Capital Contributions	1,092,443	312,719	2,285,790	1,118,631	811,965	5,621,548
Total Member Contributions	\$ 4,835,537	\$ 1,132,039	\$ 10,028,607	\$ 4,011,993	\$ 2,201,928	\$ 22,210,104
Adopted Fiscal Year 2022-2023 Budget						
Expenditure Category	Corona	HGSD	JCSD	Norco	Western	Total
Operations:						
Treatment System	1,516,686	526,321	4,246,287	1,794,748	961,651	9,045,693
Conveyance System	122,859	39,855	-	131,987	88,999	383,700
General & Administration	260,857	74,673	597,382	268,822	192,158	1,393,892
Total Operating Contributions	1,900,402	640,849	4,843,669	2,195,557	1,242,808	10,823,285
Debt Service:						
SRF Loan	1,903,189	70,887	2,064,704	408,275	39,481	4,486,536
Capital:						
Pay-go Capital Improvement Projects	2,495,420	714,329	5,545,266	2,566,040	1,843,945	13,165,000
Asset Replacement Reserve Funding	227,089	65,006	247,476	224,941	176,372	940,884
Total Capital Contributions	2,722,509	779,335	5,792,742	2,790,981	2,020,317	14,105,884
Total Member Contributions	\$ 6,526,100	\$ 1,491,071	\$ 12,701,115	\$ 5,394,813	\$ 3,302,606	\$ 29,415,705
Total Member Contribution YTY Change	\$ (1,690,563)	\$ (359,032)	\$ (2,672,508)	\$ (1,382,820)	\$ (1,100,678)	\$ (7,205,601)
⁽¹⁾ \$4.5M is carried over from FY22-23 Budget						

WRCRWA Budget Schedule
Fiscal Year 2023-2024
Capacity, Rates, and Contributions
Fixed and Variable

	Treatment System		Conveyance System		General & Administrative		
Fixed Rate per	\$25,683		\$2,721		\$8,332		
MGD:	Capacity	Contribution	Capacity	Contribution	Capacity	Contribution	Total by Agency
Corona	2.62	\$ 807,468	2.62	\$ 85,544	2.62	\$ 261,952	\$ 1,154,964
HGSD	0.75	\$ 231,145	0.75	\$ 24,488	0.75	\$ 74,986	\$ 330,619
JCSD	6.00	\$ 1,849,162	-	\$ -	6.00	\$ 599,890	\$ 2,449,052
Norco	2.70	\$ 832,123	2.50	\$ 81,626	2.70	\$ 269,951	\$ 1,183,700
WMWD	1.93	\$ 594,814	2.13	\$ 69,546	1.93	\$ 192,965	\$ 857,325
Total	14.00	\$ 4,314,712	8.00	\$ 261,204	14.00	\$ 1,399,744	\$ 5,975,660
Variable Rate	\$1,787		\$89		\$0		
per MGD:	Est. Flows	Rate	Est. Flows	Rate	Est. Flows	Rate	Total by Agency
Corona	1.00	\$ 652,336	1.00	\$ 32,605	-	\$ -	\$ 684,941
HGSD	0.61	\$ 397,925	0.61	\$ 19,889	-	\$ -	\$ 417,814
JCSD	4.95	\$ 3,229,061	-	\$ -	-	\$ -	\$ 3,229,061
Norco	1.90	\$ 1,239,437	1.90	\$ 61,950	-	\$ -	\$ 1,301,387
WMWD	0.72	\$ 469,681	0.72	\$ 23,476	-	\$ -	\$ 493,157
Total	9.18	\$ 5,988,440	4.23	\$ 137,920	-	\$ -	\$ 6,126,360
Grand Totals		\$ 10,303,152		\$ 399,124		\$ 1,399,744	\$ 12,102,020

WRCRWA Budget Schedule Fiscal Year 2023-2024 Rate Calculation

Fixed Rates:

Based on Million Gallons Per Day (MGD) per Month

				FY 2023-2024	FY 2022-2023
	$\frac{\text{Total Fixed Expenses}}{\text{Capacity}} \quad /12 =$			Fixed Rate	Fixed Rate
Treatment System	$\frac{\$4,314,712}{14 \text{ MGD}} \quad /12 =$			\$25,683	\$23,897
Conveyance System	$\frac{\$261,204}{8 \text{ MGD}} \quad /12 =$			\$2,721	\$2,670
General and Administrative	$\frac{\$1,399,744}{14 \text{ MGD}} \quad /12 =$			\$8,332	\$8,297

Variable Rates:

Based on Million Gallons Day (MGD) of Estimated Flows per Day

				Variable Rate	Variable Rate
	$\frac{\text{Total Variable Expenses}}{\text{Estimated Flows}} \quad /365 =$			Variable Rate	Variable Rate
Treatment System	$\frac{\$5,988,440}{9.18 \text{ MGD}} \quad /365 =$			\$1,787	\$1,398
Conveyance System	$\frac{\$137,920}{4.23 \text{ MGD}} \quad /365 =$			\$89	\$71

**WRCRWA Budget Schedule
Fiscal Year 2023-2024
Year-to-Year Comparison**

	2022-2023	2023-2024	Change	
	Budget	Budget	Amount	% Change
Treatment System				
<u>Treatment Plant</u>				
Labor Costs	2,827,863	3,027,154	199,291	7.0%
Outside Services (Laboratory)	163,800	182,555	18,755	11.4%
Facility Maintenance	1,231,200	1,372,088	140,888	11.4%
Vehicles/Equipment Rental	141,393	151,358	9,965	7.0%
Utilities	1,884,483	2,167,155	282,672	15.0%
Chemicals	2,050,590	2,610,145	559,555	27.3%
Solids Disposal/Sludge	377,520	415,272	37,752	10.0%
Permits and Fees	151,996	158,075	6,079	4.0%
Facility Maintenance - Bldg & Yard	65,900	59,076	(6,824)	-10.4%
Supplies	102,800	109,824	7,024	6.8%
Total Treatment Plant	8,997,545	10,252,702	1,255,157	13.9%
<u>Pre-treatment</u>				
Labor Costs	40,617	42,638	2,021	5.0%
Vehicle/Equipment Rental	2,031	2,132	101	5.0%
Laboratory - Quality Testing	4,500	4,680	180	4.0%
Supplies	1,000	1,000	-	0.0%
Total Pre-treatment	48,148	50,450	2,302	4.8%
Total Treatment System	9,045,693	10,303,152	1,257,459	13.9%
Conveyance System				
Labor Costs	206,018	208,369	2,351	1.1%
Facility Maintenance	70,000	74,600	4,600	6.6%
Vehicle/Equipment Rental	10,301	10,418	117	1.1%
Utilities	82,381	90,620	8,239	10.0%
Facility Maintenance - Bldg & Yard	5,000	5,117	117	2.3%
Misc. Supplies/Operating Expenses	10,000	10,000	-	0.0%
Total Conveyance System	383,700	399,124	15,424	4.0%
General and Administration				
Labor	456,469	504,080	47,611	10.4%
Outside Services (Consulting)	471,000	384,620	(86,380)	-18.3%
Insurance Expense	304,000	303,000	(1,000)	-0.3%
Audit Expense	15,600	20,600	5,000	32.1%
Mercury Monitoring - SARDA	8,000	8,320	320	4.0%
Basin Monitoring Program	25,000	26,000	1,000	4.0%
Vehicle/Equipment Rental	22,823	25,204	2,381	10.4%
Bank Charges	5,500	5,540	40	0.7%
General Supplies	10,500	11,500	1,000	9.5%
Permits and Fees	-	15,880	15,880	100.0%
Legal Costs - General	75,000	95,000	20,000	26.7%
Total General and Administration	1,393,892	1,399,744	5,852	0.4%
Total Operating Expenses	10,823,285	12,102,020	1,278,735	11.8%

WRCRWA Budget Schedule
Fiscal Year 2023-2024
Fixed & Variable Cost Allocation

	<u>Total Costs</u>	<u>Fixed Costs</u>	<u>Variable Costs</u>
Treatment System			
<u>Treatment Plant</u>			
Labor	3,027,154	3,027,154	-
Laboratory	182,555	182,555	-
Facility Maintenance	1,372,088	686,044	686,044
Vehicle/Equipment Rental	151,358	151,358	-
Utilities	2,167,155	-	2,167,155
Chemicals	2,610,145	-	2,610,145
Solids Disposal/Sludge	415,272	-	415,272
Permits and Fees	158,075	158,075	-
Landscape	59,076	59,076	-
Supplies	109,824	-	109,824
Subtotal Treatment Plant	<u>10,252,702</u>	<u>4,264,262</u>	<u>5,988,440</u>
<u>Pre-treatment</u>	50,450	50,450	-
Total Treatment Operations	<u>10,303,152</u>	<u>4,314,712</u>	<u>5,988,440</u>
Conveyance System			
Labor	208,369	208,369	-
Facility Maintenance	74,600	37,300	37,300
Vehicle/Equipment Rental	10,418	10,418	-
Utilities	90,620	-	90,620
Outside Services-Landscape	5,117	5,117	-
Supplies	10,000	-	10,000
Total Conveyance System	<u>399,124</u>	<u>261,204</u>	<u>137,920</u>
General and Administrative	1,399,744	1,399,744	-
Total Operating Budget used for Rate Calculation	<u><u>12,102,020</u></u>	<u><u>5,975,660</u></u>	<u><u>6,126,360</u></u>
<u>Fixed and Variable Rates per MGD</u>	<u>Fixed Per MGD</u>	<u>Variable</u>	
	<u>Per Month</u>	<u>Per MG</u>	
Fiscal Year 2023-2024 Rates			
Treatment	25,683	1,787	
Conveyance	2,721	89	
General and Administration	8,332		
Total	<u>36,736</u>	<u>1,876</u>	
Fiscal Year 2022-2023 Rates			
Treatment	23,897	1,398	
Conveyance	2,670	71	
General and Administration	8,297		
Total	<u>34,864</u>	<u>1,469</u>	
Amount of Increase/(Decrease) from 2022-2023 Rates			
Treatment	1,786	389	
Conveyance	51	18	
General and Administration	35		
Total Increase/(Decrease)	<u>1,872</u>	<u>407</u>	
Percent Increase/(Decrease)	<u>5.4%</u>	<u>27.7%</u>	

**WRCRWA Budget Schedule
Fiscal Year 2023-2024
Debt Service Expenditures**

SRF Loan	Due Date	Member Agency	Allocation Percentage	Beginning Balance		Debt Service		Outstanding Balance
				7-01-2023	Interest	Principal	Payment	
Plant Expansion	12/31/2023	Corona	42.420%	\$ 24,638,521	\$ 468,132	\$ 1,435,057	\$ 1,903,189	\$ 23,203,464
		HGSD	1.580%	\$ 917,701	\$ 17,436	\$ 53,451	\$ 70,887	\$ 864,250
		JCSD	46.020%	\$ 26,729,484	\$ 507,861	\$ 1,556,844	\$ 2,064,704	\$ 25,172,640
		Norco	9.100%	\$ 5,285,491	\$ 100,424	\$ 307,850	\$ 408,275	\$ 4,977,641
		Western	0.880%	\$ 511,124	\$ 9,711	\$ 29,770	\$ 39,481	\$ 481,354
			100.000%	\$ 58,082,321	\$ 1,103,564	\$ 3,382,972	\$ 4,486,536	\$ 54,699,349

SRF Loan maturity date: 12/31/2036

**WRCRWA Budget Schedule
Fiscal Year 2023-2024
Capital Budget**

Description	Agency Amounts to be Contributed					
	Total	Corona	HGSD	JCSD	Norco	Western
Pay-go Capital Improvement Projects						
<u>Treatment System</u>						
Odor Mitigation Project	1,000,000	187,140	53,570	428,570	192,860	137,860
Anaerobic Digester #3	1,500,000	280,710	80,355	642,855	289,290	206,790
Solar Dryer Discharge Conveyor	1,792,000	335,355	95,997	767,997	345,605	247,046
Processed Non-potable Water Pump Improvements	337,000	63,066	18,053	144,428	64,994	46,459
Total Treatment System	4,629,000	866,271	247,975	1,983,850	892,749	638,155
<u>Conveyance System</u>						
South Regional Pump Station (SRPS) Emergency Pump	214,000	70,085	20,063	-	66,875	56,977
Total Conveyance System	214,000	70,085	20,063	-	66,875	56,977
Total Pay-go Capital Improvement Project Contribution	4,843,000	936,356	268,038	1,983,850	959,624	695,132
Asset Replacement Reserve Funding						
Treatment System	704,530	131,846	37,742	301,940	135,876	97,126
Conveyance System	74,018	24,241	6,939	-	23,131	19,707
Total Asset Replacement Reserve Contribution	778,548	156,087	44,681	301,940	159,007	116,833
Total Capital Contributions	\$ 5,621,548	\$ 1,092,443	\$ 312,719	\$ 2,285,790	\$ 1,118,631	\$ 811,965

WRCRWA Pay-go Capital Improvement Projects Fiscal Year 2023-2024

Introduction

The WRCRWA Administrator is recommending approval and implementation of the following pay-go capital improvement projects for Fiscal Year 2023-2024.

1. Odor Mitigation Project
2. Anaerobic Digester #3
3. Solar Dryer Discharge Conveyor
4. SRPS Emergency Pump
5. Processed Non-potable Water Pump Improvements

The capital projects are critical to the successful operation of the WRCRWA Wastewater Treatment Plant. The projects are described on the following pages.



WRCRWA Pay-go Capital Improvement Projects
Fiscal Year 2023-2024 Budget

Capital Project No. 1: Odor Mitigation Project

<i>Allocation:</i>	<i>Treatment</i>
<i>Estimated Cost:</i>	<i>\$6,418,193</i>
<i>Budget Carryover from Fiscal Year 2022-2023</i>	<i>\$1,000,000</i>

Summary

The WRCRWA Odor Mitigation Project will implement mitigation alternatives recommended by the engineering consulting firm hired to complete an Air Dispersion Model for the WRCRWA Treatment Plant. The project involves consolidating the six chemical scrubbers exhaust stacks (located very close to the eastern boundary of the WRCRWA Treatment Plant and nearby residential neighborhood) into a single larger diameter duct and relocating this consolidated exhaust stack farther to the west side of the WRCRWA Treatment Plant. This project also includes covering the cascading weir of Bioreactor No. 1 and capturing, routing, and treating foul air at the existing biofilter nearby. The biofilter will be modified as needed to treat the additional airflow.

Justification

Air Dispersion Model analysis indicated this project will help further mitigate fugitive odors at the WRCRWA Treatment Plant. This project aligns with the WRCRWA-adopted Odor Management Plan Policy goal to systematically and proactively identify potential odor sources at the WRCRWA Treatment Plant and determine control strategies to reduce identified odors.

Background

Air Dispersion Model findings determined that the chemical scrubbers located at the Solar Drying Facility and the cascading weir at Bioreactor No. 1, required mitigation to further reduce offsite odor impacts.

Jacobs Engineering developed the proposed solution and presented it to WRCRWA's Board of Directors in June 2019. Staff analyzed proposed solutions, vetted them through a third-party odor expert, and recommended that the Board of Directors move forward this Odor Mitigation Project. In September 2019, WRCRWA's Board of Directors authorized the Administrator to amend the Fiscal Year 2019-2020 Budget by \$500,000 to begin preliminary work, which included beginning the CEQA process and design. During Fiscal Year 2020-2021, CEQA and design were completed. During Fiscal Year 2021-2022 we began the construction.

The requested budget for Fiscal Year 2022-2023 is for construction of the Odor Mitigation Project.

Schedule

The project is well underway with completion anticipated in Fall 2023.

WRCRWA Pay-go Capital Improvement Projects
Fiscal Year 2023-2024 Budget

Capital Project No. 2: Anaerobic Digester No. 3

<i>Allocation:</i>	<i>Treatment</i>
<i>Estimated Total Cost:</i>	<i>\$9,240,000</i>
<i>Budget Carryover from Fiscal Year 2022-2023</i>	<i>\$1,500,000</i>

Summary

Anaerobic Digester No. 3 design is complete. Due to the timing of other capital projects, the Administrator scheduled construction of this project to begin in Fiscal Year 2021-2022.

Justification

Anaerobic Digester No. 3 is necessary to provide redundancy and back-up in case of emergency or planned and un-planned major maintenance of either of the existing digesters. Addition of Anaerobic Digester No. 3 provides necessary solids digestion and treatment capacity as projected flow increases, within the next 2 years, reach 10 million gallons per day.

Background

Based on the capacity review by the Designer (Webb/Aqua) and a Consultant (WT Troxel & Associates), as influent flows continue to increase at the WRCRWA Treatment Plant, the projected hydraulic and organic loading on the two in-place digesters will begin to stress their performance. The projected point at which overall treatment plant performance will be impacted is 10 million gallons per day (MGD).

Without the addition of a third digester, as flows increase there will be no capacity or redundancy available to take a digester out of service for maintenance or during an emergency, risking the WRCRWA Treatment Plant's ability to comply with its NPDES Effluent Permit requirements.

In Fiscal Year 2019-2020, the Board of Directors approved funding to hire an engineering firm to complete the design for Anaerobic Digester No. 3. Design was completed, and the project was advertised for public bidding, the bid opening was on October 14, 2021. Noticed To Proceed was issued on February 2, 2022. Construction began during Fiscal Year 2021-2022.

Schedule

Much progress has been made with completion expected in September 2023.

WRCRWA Pay-go Capital Improvement Projects
Fiscal Year 2023-2024 Budget

Capital Project No. 3: Solar Dryer Discharge Conveyor

<i>Allocation</i>	<i>Treatment</i>
<i>Estimated Total Cost:</i>	<i>\$1,792,000</i>
<i>Budget Carryover from Fiscal Year 2022-2023</i>	<i>\$1,792,000</i>

Summary

The Solar Dryer Conveyor project consists of the replacement of four conveyors at the “dry end” of the Solar Dryer and modifying the discharge chute. These conveyors transfer the processed sludge from the solar drier into the sludge loadout building where they are discharged into semi-trailers for offsite disposal.

Justification

This system is a single point of potential failure and needs to be fortified. During times of wetter solids, the current system conveys the wet solids to the end without much drying.

Background

The project consists of replacement of four conveyors at the “dry end” of the Solar Dryer. The conveyors on the “dry end” of the dryer that feed the truck loadout facility were sized for dryer solids. The solar dryer feed conveyors have sufficient capacity (provided the sludge is fairly dry, >50%). However, if dewatering equipment produces wetter solids, if a solar dryer bay is offline, or in periods of colder weather, wet solids could be conveyed from the wet end to the dry end without much drying occurring. Due to this potential, these conveyors should be replaced to allow for similar capacities as the “wet” feed conveyors. Also, the discharge chute at the end of the solar dryer needs to be modified to prevent solids bridging at times of the year.

It is recommended that with the replacement of the conveyance system, the chute should be modified to be wider and reduce the potential for “bridging” of solids above the conveyor. Additionally, it is recommended to have spare motors and parts to keep this system running.

Schedule

This project is planned to kick off in May 2023 with completion in Fiscal Year 2023-2024.

WRCRWA Pay-go Capital Improvement Projects
Fiscal Year 2023-2024 Budget

Capital Project No. 4: South Regional Pump Station (SRPS) Emergency Pump

Allocation:	Conveyance
Estimated Total Cost:	\$1,000,000
Budget Carryover from Fiscal Year 2022-2023	\$214,000

Summary

Design, purchase, and installation of a standalone diesel bypass pump at the SRPS.

Justification

Currently there is no back up power at the SRPS. By design, in the event of a power outage, the wet well fills and if power is not restored quickly, raw sewage overflows into the Inland Empire Brine Line (Brine Line). Numerous improvements and upgrades have been implemented at the SRPS and WRCRWA Treatment Plant since 2016 to increase the overall system redundancy and reliability. The goal of the improvements/upgrades are to prevent future sewage overflow into the Brine Line located adjacent to the SRPS. Installation of a standalone diesel bypass pump will provide additional redundancy and reliability to the sewage collection system. The pump will also allow WRCRWA to maintain independent hydraulic control in the event of mechanical and/or electrical equipment failures at SRPS allowing the SRPS to continue to pump flows to the WRCRWA Treatment Plant rather than discharging them to the Brine Line.

Background

The SRPS serves the City of Riverside, Home Gardens, City of Norco, and City of Corona by pumping wastewater from these cities just over three miles to the WRCRWA Treatment Plant. Average daily pumping flow is 3 MGD.

Orange County Sanitation recently objected to un-planned and unnoticed sewage flows in the Brine Line and added a requirement to the Santa Ana Watershed Project Authority's (SAWPA) discharge permit that required development of a plan to incorporate robust redundancies to prevent discharges to the Brine Line. Installation of the standalone diesel bypass pump will comply with this requirement should it be added to WRCRWA's permit from SAWPA.

The WRCRWA Treatment Plant was designed to rely on the Brine Line and ultimately Orange County Sanitation District as a back-up if there were problems that WRCRWA's system could not handle. This option provides for redundancy against failure not only due to electrical but also due to mechanical issues. It also provides an added advantage over the generator only option that was considered last year as it is a more efficient option.

Schedule

The project has been selected to receive a Cal OES Hazard Mitigation Assistance grant. Orange County Sanitation District and SAWPA have acknowledged the proposed plan. Work is slated to begin in late spring/early summer 2023 with completion expected in Fall 2025.

WRCRWA Pay-go Capital Improvement Projects
Fiscal Year 2023-2024 Budget

Capital Project No. 5: Processed Non-potable Water Pump Improvements

<i>Allocation:</i>	<i>Treatment</i>
<i>Estimated Total Cost:</i>	<i>\$337,000</i>
<i>Budget Carryover from Fiscal Year 2022-2023</i>	<i>\$0</i>

Summary

Replacement of processed non-potable water pumps and suction piping at the WRCRWA Treatment Plant.

Justification

Pumps for the processed non-potable water system have experienced degradation. The condition of the existing screen on the suction piping is unknown but based on material being in the pipe it appears the screen is not functional or the DIP pipe lining is falling apart and this is the material that is ending up in the pump. The suction pipe condition needs to be verified. Once the suction pipe condition is verified and resolved, new pumps should be purchased to replace the damaged units.

Background

It is speculated the degradation could be from a low suction head or even potentially chlorination being too high. The local representative for Grundfos visited the site and has been provided information regarding the installation and access to the existing pumps. Upon review of the pumps, it was noted that there is debris in the pumps and also in the suction piping. It is believed that this debris has caused the issues to the pumps by damaging the pump vanes.

Schedule

It is anticipated project completion will be during Fiscal Year 2023-2024.

WRCRWA Fiscal Year 2023-2024 Estimated Annual Purchase Orders Over \$60,000

FY22-23 Vendor	FY23-24 Estimated Amount	Type of Work / Description of Services
Babcock Laboratories	\$125,000	Lab services and sampling analysis at the WRCRWA treatment plant. RFP conducted in 2022 and pricing agreement in place through at least June 2024.
Olin Corporation/Pioneer Americas	\$1,200,000	Vendor provides Sodium Hypochlorite (12.5% Bleach) for the treatment plant. Single Source Justification form to be completed. Pricing agreement anticipated to be in place through June 2024.
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Estimated total \$ 3,262,000

RESOLUTION 23-003

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
WESTERN RIVERSIDE COUNTY REGIONAL WASTEWATER
AUTHORITY ESTABLISHING RATES TO BE CHARGED
FOR THE CONVEYANCE, TREATMENT AND DISPOSAL
OF WASTEWATER

WHEREAS, the WESTERN RIVERSIDE COUNTY REGIONAL WASTEWATER AUTHORITY ("the AUTHORITY") owns and operates a wastewater conveyance, treatment and disposal system ("system"); and

WHEREAS, the agencies having the right to discharge to the AUTHORITY's system are the AUTHORITY's Member Agencies: The Home Gardens Sanitary District, the Jurupa Community Services District, the City of Norco, the Western Municipal Water District of Riverside County, and the City of Corona (Corona); and

WHEREAS, in order to defray the costs of operating and maintaining its system, the AUTHORITY must establish, from time-to-time, rates to be charged to its Member Agencies for the operation and maintenance of the system.

NOW, THEREFORE, the Board of Directors of the WESTERN RIVERSIDE COUNTY REGIONAL WASTEWATER AUTHORITY hereby resolve as follows:

Section 1. Rate Components The rate to be charged to use the system shall consist of the following components:

a. A fixed rate component, which shall defray system operation and maintenance costs and expenses which do not vary significantly in proportion to the wastewater flow delivered to the system. The fixed rate component consists of the following sub-components:

- Treatment
- Conveyance
- Administration

b. A variable rate component, which shall defray the system operation and maintenance costs and expenses which vary generally in proportion to the wastewater flow delivered to the system. The variable rate component shall consist of the following sub-components:

- Treatment
- Conveyance

c. An Excess Capacity Surcharge Rate Component, which shall include the above Fixed and Variable Rate Components together with Annualized Capital Costs. This Excess Capacity Surcharge Rate Component shall be charged to a member agency for discharges in excess of that agency's owned capacity. The Surcharge Rate Component shall consist of the following sub-components:

- Treatment
- Conveyance

Section 2. Fixed Rate There is hereby established, and each Member Agency shall pay, whether or not any wastewater is delivered to the system, the total of the following fixed rate sub-components, per million gallons per day ("MGD") of capacities owned by the Member Agency:

Fixed Rates:	MGD per month
Treatment	25,683
Conveyance	<u>2,721</u>
Subtotal	\$28,404
Administration	<u>8,332</u>
Grand Total Fixed	<u><u>\$36,736</u></u>

Section 3. Variable Rate In addition to paying the total fixed rate provided for above, each Member Agency shall pay for

each million gallons of wastewater actually delivered by the Member Agency to the system the following variable rate sub-components:

Variable Rates:	MG Discharged
Treatment	1,787
Conveyance	89
	<hr/>
Grand Total Variable	\$1,876
	<hr/>

Section 4. Allocation of Capacity for Fixed Rate Calculation Purposes Fixed rates due hereunder shall be calculated on the basis of the following allocation of capacity in the system:

a. To calculate the fixed rate for the Treatment and Administration sub-components, the following capacities are hereby allocated to the Member Agencies using 14.0 MGD existing capacity:

Agency	MGD
HGSD	0.75
JCSD	6.00
NORCO	2.70
WMWD	1.93
Corona	2.62
	<hr/>
Total	14.00

b. To calculate the fixed rate Conveyance sub-component, the following capacities are hereby allocated to the Member Agencies using 8.0 MGD existing capacity:

Agency	MGD
HGSD	0.75
JCSD	0.00
NORCO	2.50
WMWD	2.13
Corona	<u>2.62</u>
Total	8.00

Section 5. Excess Capacity Management Service Rates

Excess capacity rate methodology was adopted by the Board on March 27, 2013 along with the Excess Capacity Management Service that allows Members in need of capacity to temporarily use capacity excess to the needs of another Member. The rate consists of the above Fixed and Variable rate components together with a Capital/Carry component calculated as a return on investment for capital and ongoing carrying costs paid by Members for ownership of capacity excess to their current needs. The Variable component is invoiced at the time capacity is used. The Fixed component and Capital/Carry component are billed separately throughout the year.

a. Excess Capacity Treatment Surcharge Rate

	MG Discharged
Fixed	1,118
Variable	1,787
Cap/Carry	<u>792</u>
Total Surcharge	\$3,668

b. Excess Capacity Conveyance Surcharge Rate

	MG Discharged
Fixed	89
Variable	89
Capital/Carry Costs	<u>192</u>
Total Surcharge	\$371

Section 6. Payment Due Date Invoices for Fixed Rates shall be paid monthly, in advance. The Fixed Rate invoice will be billed by approximately the 21st of the prior month and shall be considered delinquent if not paid by the 15th of the month for which the charge is being paid.

The variable charge shall be paid monthly, in arrears. The variable charge will be based on actual flows and will be billed on approximately the 21st of the month following the actual flows. Payment will be considered delinquent if not paid by the 15th of the following month.

Invoices for Excess Capacity Surcharge Rates shall be paid upon receipt, based on capacity used that exceeds capacity owned. The Excess Capacity Surcharge Rate Invoice will be based on actual flows and will be billed throughout the year based on Excess Capacity use activity. Payment will be considered delinquent if not paid by the 15th of the following month.

Section 7. Effective Date The rates established by this Resolution shall be effective on July 1, 2023. Resolution 22-004 is hereby superseded.

ADOPTED this 27th day of April 2023.

WESTERN RIVERSIDE COUNTY REGIONAL
WASTEWATER AUTHORITY

KATHERINE ALEMAN
Chair

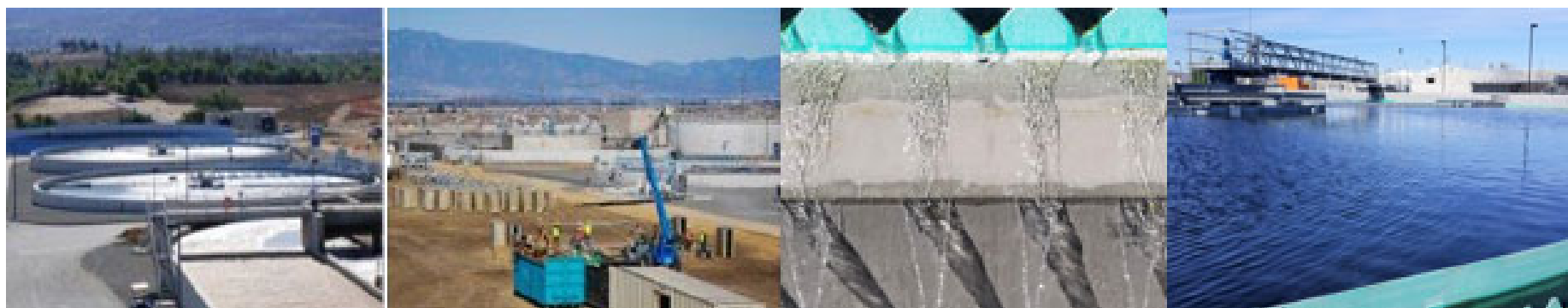
I hereby certify that the foregoing is a full, true, and correct copy of Resolution 23-003 adopted by the Board of Directors of WESTERN RIVERSIDE COUNTY REGIONAL WASTEWATER AUTHORITY at a meeting held April 27, 2023.

WES SPEAKE
Secretary-Treasurer



WESTERN RIVERSIDE COUNTY REGIONAL WASTEWATER AUTHORITY

Board Budget Presentation



Presented by:

Gary Miller, Administrator

Presentation for:

**WRCRWA Fiscal Year 2023-2024
Proposed Budget**

Budget Highlights

- **Operating**
 - Year-to-Year (YTY) total operating budget increased 11.8% primarily due to increases in chemicals, utilities, and labor costs
 - Overall fixed rates increased by 5.4% and overall variable rates increased by 27.7%
- **Debt Service**
 - Annual debt service for Plant Expansion SRF Loan remains the same amount as prior year
- **Capital**
 - Capital Budget decreased 60.2% because the Odor Mitigation Project and the Anaerobic Digester #3 Project are closed to being finished
- **Estimated Total Member Contribution Requirement decreased \$7.2 million or 24.5%**

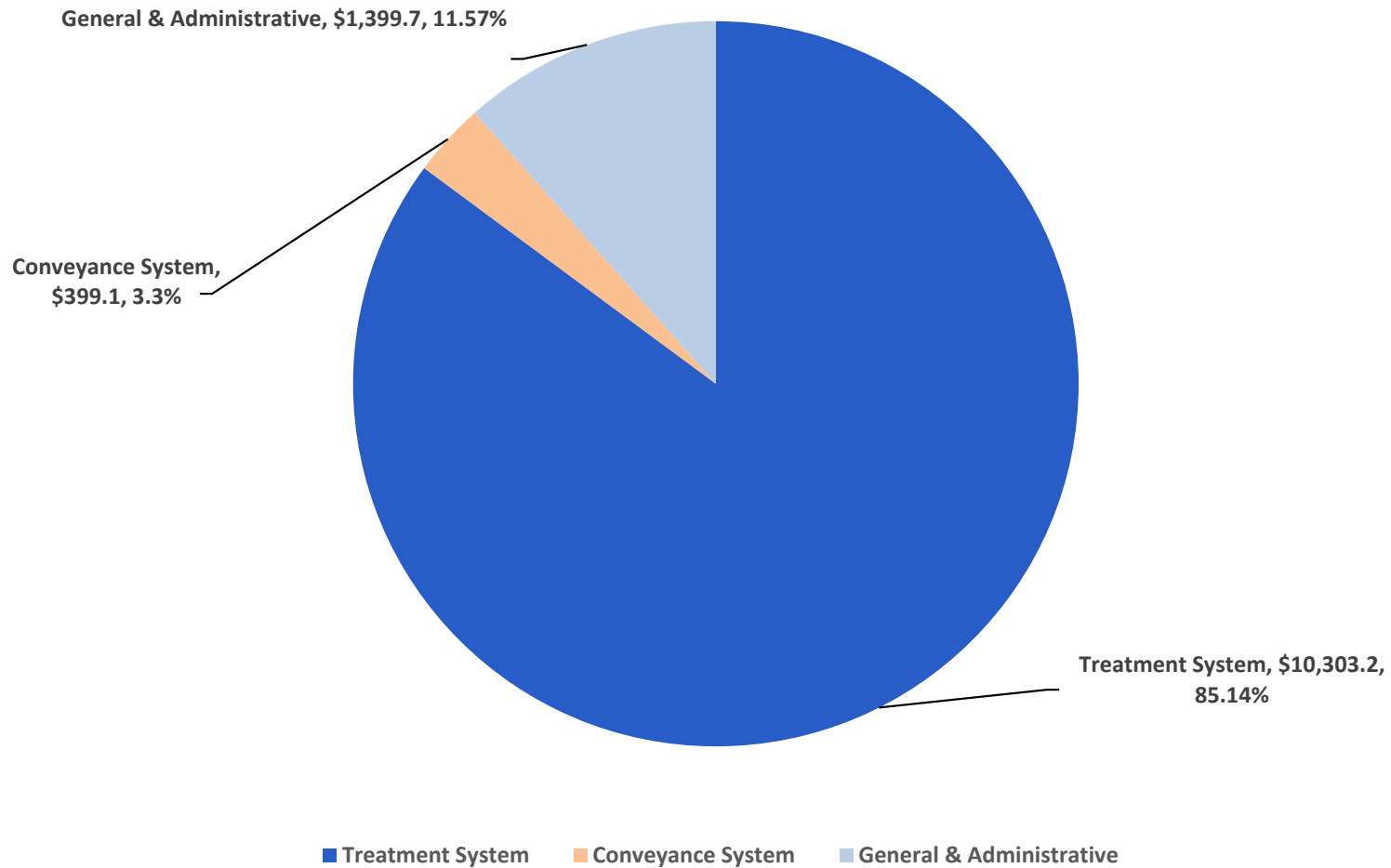


Operating Budget

Proposed Operating Budget

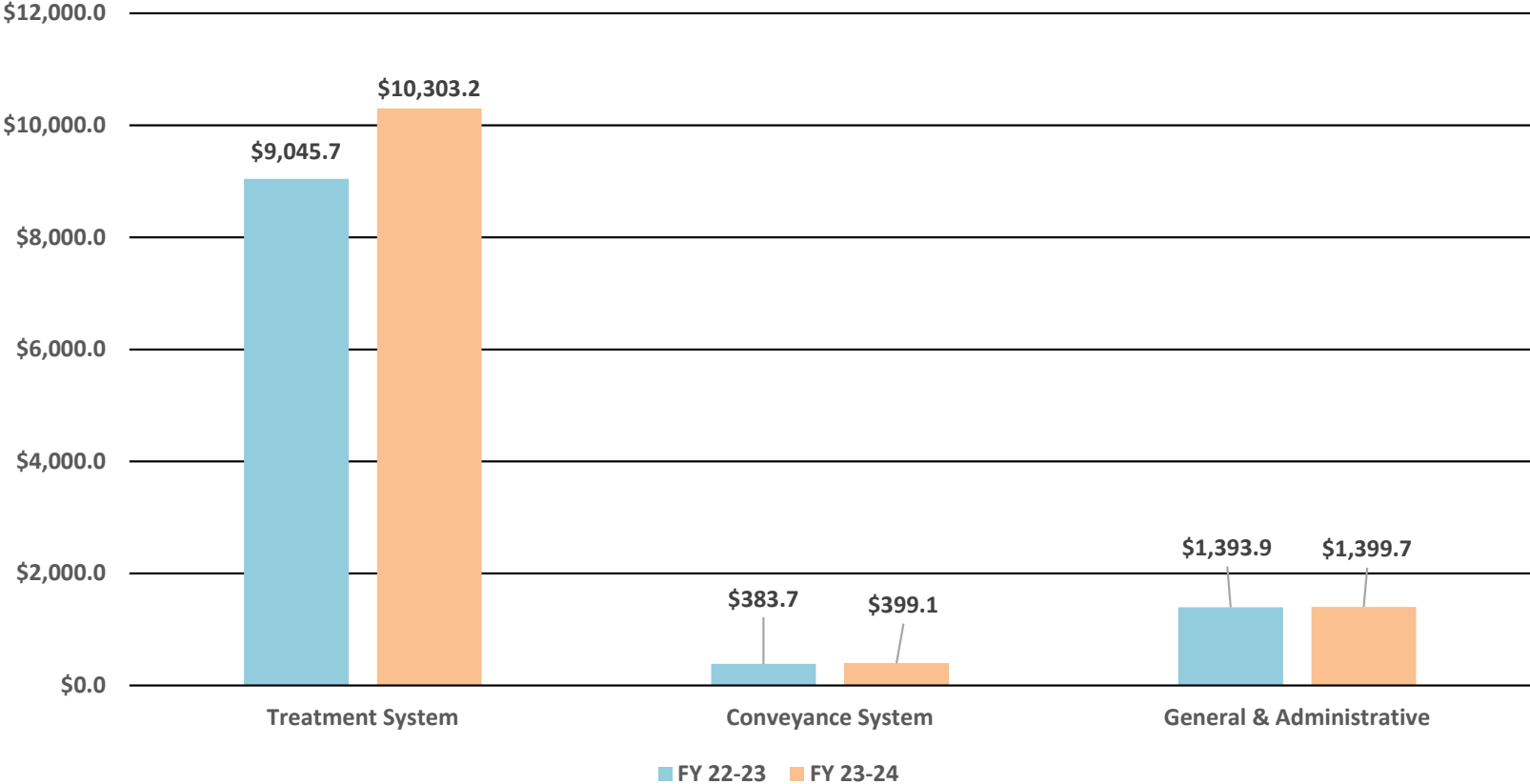
\$12,102K for Fiscal Year 2023-24

(in thousands)



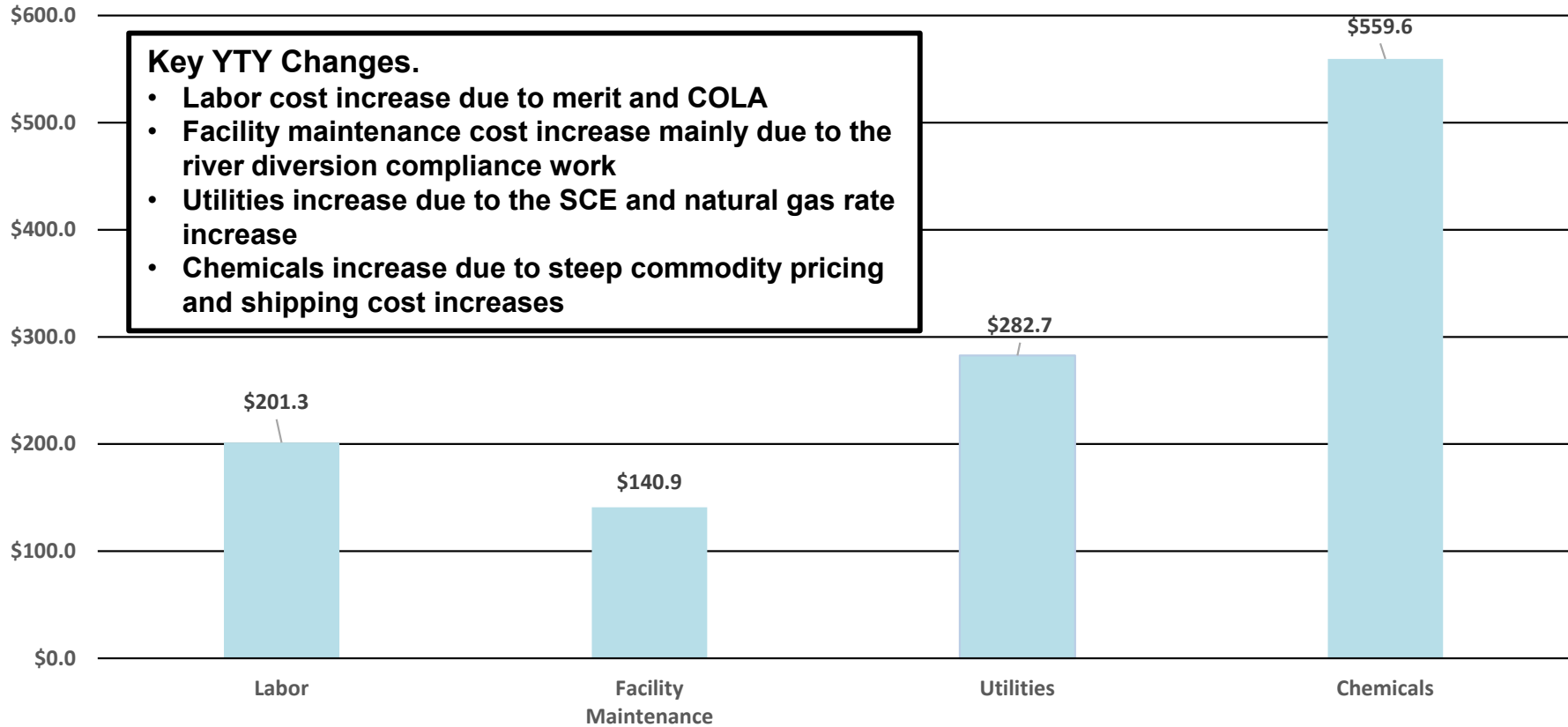
Proposed FY 2023-2024 Operating Budget

Operating Budget - YTY Changes
\$1,279K or 11.8%, net increase
(in thousands)



Proposed FY 2023-2024 Operating Budget

Major Causes of Treatment System - YTY Changes
\$1,257.5K net increase
(in thousands)





Rate Calculations

Proposed FY 2023-2024 Budget Capacity, Rates, and Contributions Fixed and Variable

	Treatment System		Conveyance System		General & Administrative		
Fixed Rate per MGD:	\$25,683		\$2,721		\$8,332		
	Capacity	Contribution	Capacity	Contribution	Capacity	Contribution	Total by Agency
Corona	2.62	\$ 807,468	2.62	\$ 85,544	2.62	\$ 261,952	\$ 1,154,964
HGSD	0.75	\$ 231,145	0.75	\$ 24,488	0.75	\$ 74,986	\$ 330,619
JCSD	6.00	\$ 1,849,162	-	\$ -	6.00	\$ 599,890	\$ 2,449,052
Norco	2.70	\$ 832,123	2.50	\$ 81,626	2.70	\$ 269,951	\$ 1,183,700
WMWD	1.93	\$ 594,814	2.13	\$ 69,546	1.93	\$ 192,965	\$ 857,325
Total	14.00	\$ 4,314,712	8.00	\$ 261,204	14.00	\$ 1,399,744	\$ 5,975,660
Variable Rate per MGD:	\$1,787		\$89		\$0		
	Est. Flows	Rate	Est. Flows	Rate	Est. Flows	Rate	Total by Agency
Corona	1.00	\$ 652,336	1.00	\$ 32,605	-	\$ -	\$ 684,941
HGSD	0.61	\$ 397,925	0.61	\$ 19,889	-	\$ -	\$ 417,814
JCSD	4.95	\$ 3,229,061	-	\$ -	-	\$ -	\$ 3,229,061
Norco	1.90	\$ 1,239,437	1.90	\$ 61,950	-	\$ -	\$ 1,301,387
WMWD	0.72	\$ 469,681	0.72	\$ 23,476	-	\$ -	\$ 493,157
Total	9.18	\$ 5,988,440	4.23	\$ 137,920	-	\$ -	\$ 6,126,360
Grand Totals		\$ 10,303,152		\$ 399,124		\$ 1,399,744	\$ 12,102,020

Proposed FY 2023-2024 Budget Rate Calculation

Fixed Rates:

Based on Million Gallons Per Day (MGD) per Month

				<u>FY 2023-2024</u>	<u>FY 2022-2023</u>
	$\frac{\text{Total Fixed Expenses}}{\text{Capacity}}$	/12	=	Fixed Rate	Fixed Rate
Treatment System	$\frac{\$4,314,712}{14 \text{ MGD}}$	/12	=	\$25,683	\$23,897
Conveyance System	$\frac{\$261,204}{8 \text{ MGD}}$	/12	=	\$2,721	\$2,670
General and Administrative	$\frac{\$1,399,744}{14 \text{ MGD}}$	/12	=	\$8,332	\$8,297

Variable Rates:

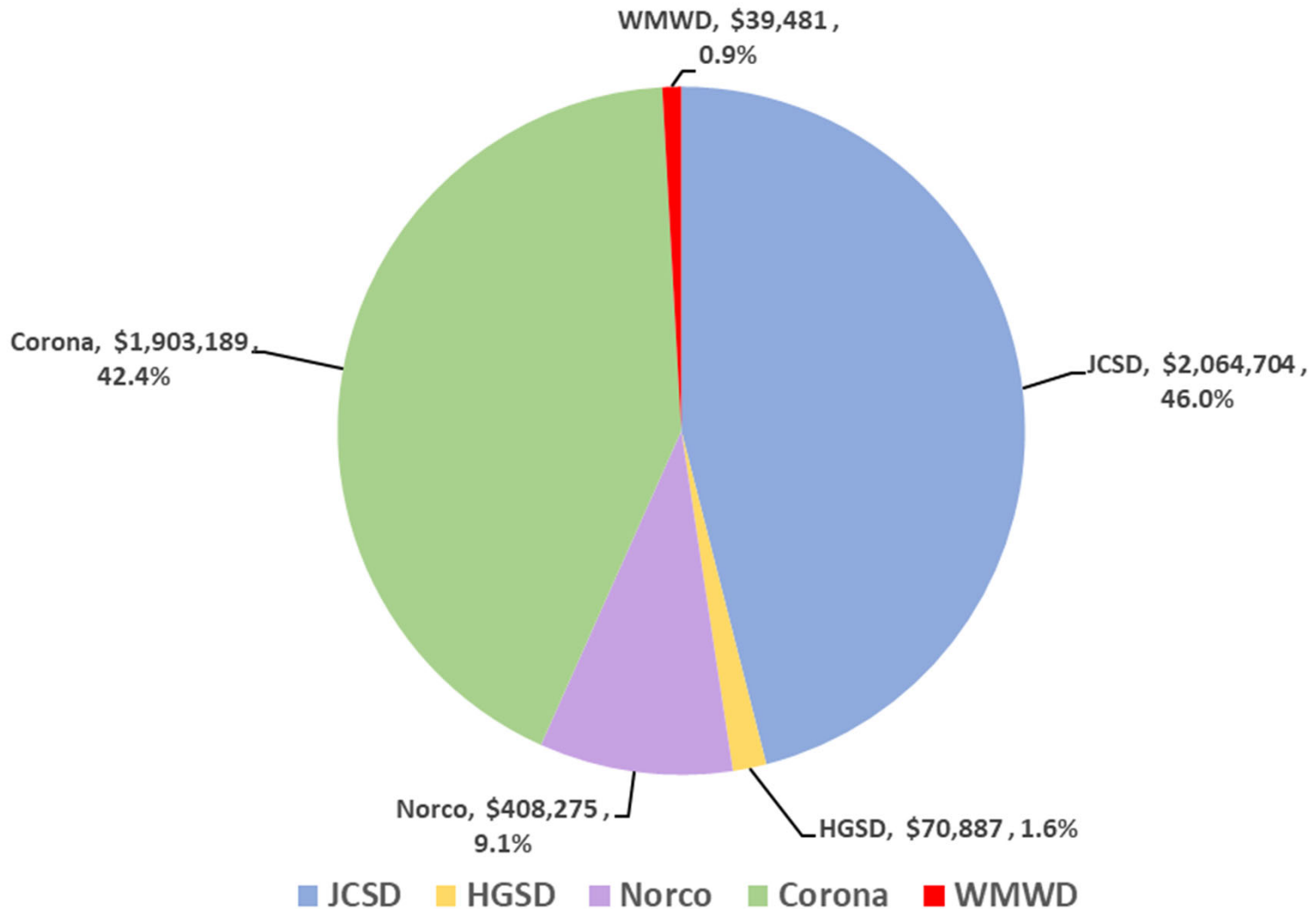
Based on Million Gallons Day (MGD) of Estimated Flows per Day

				<u>Variable Rate</u>	<u>Variable Rate</u>
	$\frac{\text{Total Variable Expenses}}{\text{Estimated Flows}}$	/365	=	Variable Rate	Variable Rate
Treatment System	$\frac{\$5,988,440}{9.18 \text{ MGD}}$	/365	=	\$1,787	\$1,398
Conveyance System	$\frac{\$137,920}{4.23 \text{ MGD}}$	/365	=	\$89	\$71



Debt Service Budget

Proposed FY 2023-2024 Budget Debt Service Budget Allocation of \$4,486,536





Capital Budget

Proposed FY 2023-2024 Capital Budget

	Estimated Total Project Cost	Estimated Spent by June 2023	Budget Amount to Carry Forward to FY 23-24	Additional Budget Need / New Request	Projected FY 23-24 Capital Budget Need
Pay-go Capital Improvement Projects					
<u>Treatment System</u>					
Odor Mitigation Project	\$ 6,418,193	\$ 5,418,193	\$ 1,000,000	\$ -	\$ 1,000,000
Anaerobic Digester #3	\$ 9,240,000	\$ 7,740,000	\$ 1,500,000	\$ -	\$ 1,500,000
Solar Dryer Discharge Conveyor	\$ 1,792,000	\$ -	\$ 1,792,000	\$ -	\$ 1,792,000
Processed Non-potable Water Pump Improvements	\$ 337,000	\$ -	\$ -	\$ 337,000	\$ 337,000
Total Treatment System	\$ 17,787,193	\$ 13,158,193	\$ 4,292,000	\$ 337,000	\$ 4,629,000
<u>Conveyance System</u>					
South Regional Pump Station(SRPS) Emergency Pump	\$ 1,000,000	\$ 786,000	\$ 214,000	\$ -	\$ 214,000
Total Conveyance System	\$ 1,000,000	\$ 786,000	\$ 214,000	\$ -	\$ 214,000
Asset Replacement Reserve Funding					
Treatment System					\$ 704,530
Conveyance System					\$ 74,018
Asset Replacement Reserve Funding Total					\$ 778,548
Grand Total	\$ 18,787,193	\$ 13,944,193	\$ 4,506,000	\$ 337,000	\$ 5,621,548

Proposed FY 2023-2024 Capital Budget By Member Agency

Description	Agency Amounts to be Contributed					
	Total	Corona	HGSD	JCSD	Norco	Western
Pay-go Capital Improvement Projects						
<u>Treatment System</u>						
Odor Mitigation Project	1,000,000	187,140	53,570	428,570	192,860	137,860
Anaerobic Digester #3	1,500,000	280,710	80,355	642,855	289,290	206,790
Solar Dryer Discharge Conveyor	1,792,000	335,355	95,997	767,997	345,605	247,046
Processed Non-potable Water Pump Improvements	337,000	63,066	18,053	144,428	64,994	46,459
Total Treatment System	4,629,000	866,271	247,975	1,983,850	892,749	638,155
<u>Conveyance System</u>						
South Regional Pump Station (SRPS) Emergency Pump	214,000	70,085	20,063	-	66,875	56,977
Total Conveyance System	214,000	70,085	20,063	-	66,875	56,977
Total Pay-go Capital Improvement Project Contribution	4,843,000	936,356	268,038	1,983,850	959,624	695,132
Asset Replacement Reserve Funding						
Treatment System	704,530	131,846	37,742	301,940	135,876	97,126
Conveyance System	74,018	24,241	6,939	-	23,131	19,707
Total Asset Replacement Reserve Contribution	778,548	156,087	44,681	301,940	159,007	116,833
Total Capital Contributions	\$ 5,621,548	\$ 1,092,443	\$ 312,719	\$ 2,285,790	\$ 1,118,631	\$ 811,965



Member Contributions

Member Contribution Summary

Year-to-Year Comparison

Proposed Fiscal Year 2023-2024 Budget						
Expenditure Category	Corona	HGSD	JCSD	Norco	Western	Total
<u>Operations:</u>						
Treatment System	1,459,804	629,070	5,078,223	2,071,560	1,064,495	10,303,152
Conveyance System	118,149	44,377	-	143,576	93,022	399,124
General & Administration	261,952	74,986	599,890	269,951	192,965	1,399,744
Total Operating Contributions	1,839,905	748,433	5,678,113	2,485,087	1,350,482	12,102,020
<u>Debt Service:</u>						
SRF Loan	1,903,189	70,887	2,064,704	408,275	39,481	4,486,536
<u>Capital:</u>						
Pay-go Capital Improvement Projects	936,356	268,038	1,983,850	959,624	695,132	4,843,000
Asset Replacement Reserve Funding	156,087	44,681	301,940	159,007	116,833	778,548
Total Capital Contributions	1,092,443	312,719	2,285,790	1,118,631	811,965	5,621,548
Total Member Contributions	\$ 4,835,537	\$ 1,132,039	\$ 10,028,607	\$ 4,011,993	\$ 2,201,928	\$ 22,210,104
Adopted Fiscal Year 2022-2023 Budget						
Expenditure Category	Corona	HGSD	JCSD	Norco	Western	Total
<u>Operations:</u>						
Treatment System	1,516,686	526,321	4,246,287	1,794,748	961,651	9,045,693
Conveyance System	122,859	39,855	-	131,987	88,999	383,700
General & Administration	260,857	74,673	597,382	268,822	192,158	1,393,892
Total Operating Contributions	1,900,402	640,849	4,843,669	2,195,557	1,242,808	10,823,285
<u>Debt Service:</u>						
SRF Loan	1,903,189	70,887	2,064,704	408,275	39,481	4,486,536
<u>Capital:</u>						
Pay-go Capital Improvement Projects	2,495,420	714,329	5,545,266	2,566,040	1,843,945	13,165,000
Asset Replacement Reserve Funding	227,089	65,006	247,476	224,941	176,372	940,884
Total Capital Contributions	2,722,509	779,335	5,792,742	2,790,981	2,020,317	14,105,884
Total Member Contributions	\$ 6,526,100	\$ 1,491,071	\$ 12,701,115	\$ 5,394,813	\$ 3,302,606	\$ 29,415,705
Total Member Contribution YTY Change	\$ (1,690,563)	\$ (359,032)	\$ (2,672,508)	\$ (1,382,820)	\$ (1,100,678)	\$ (7,205,601)
(1) \$4.5M is carried over from FY22-23 Budget						



Annual Purchase Orders

Proposed FY 2023-2024 Annual Purchase Orders Over \$60,000

WRCRWA Fiscal Year 2023-2024 Estimated Annual Purchase Orders Over \$60,000

FY22-23 Vendor	FY23-24 Estimated Amount	Type of Work / Description of Services
Babcock Laboratories	\$125,000	Lab services and sampling analysis at the WRCRWA treatment plant. RFP conducted in 2022 and pricing agreement in place through at least June 2024.
Olin Corporation/Pioneer Americas	\$1,200,000	Vendor provides Sodium Hypochlorite (12.5% Bleach) for the treatment plant. Single Source Justification form to be completed. Pricing agreement anticipated to be in place through June 2024.
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Estimated total \$ 3,262,000

Recommendation

The Executive Committee and the Administrator recommend the Board of Directors approve the following:

- **Adopt the proposed Fiscal Year 2023-2024 Budget**
- **Adopt Resolution 23-003, establishing the rates**
- **Direct Member Agencies to present the Fiscal Year 2023-2024 Budget to their governing boards for approval**
- **Authorize the Administrator to open annual purchase orders**





Questions?