



WESTERN RIVERSIDE COUNTY
REGIONAL WASTEWATER AUTHORITY

WRCRWA BOARD OF DIRECTORS

Agenda Item 4.A.

May 28, 2020

TO THE BOARD OF DIRECTORS:

Jane Anderson, Chair
Ted Hoffman, Vice Chair
S.R. "Al" Lopez, Secretary-Treasurer
Janey Gress
Tom Moody

FROM: Rod LeMond, Administrator

**CONSIDER APPROVAL OF FISCAL YEAR 2020-2021 BUDGET, ADOPTION OF
RESOLUTION 20-001 ESTABLISHING RATES TO BE CHARGED FOR
CONVEYANCE, TREATMENT AND DISPOSAL OF WASTEWATER, AND
ADMINISTRATOR AUTHORITY TO OPEN ANNUAL PURCHASE ORDERS**

RECOMMENDATION:

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

1. Adopt the proposed Fiscal Year 2020-2021 Budget (Operating, Debt Service, and Capital), along with new rates consistent with the budget figures;
2. Adopt Resolution 20-001, Establishing Rates to be Charged for Conveyance, Treatment, and Disposal of Wastewater;
3. Direct Member Agencies to present this Fiscal Year 2020-2021 Budget to their governing boards for approval; and
4. Authorize the Administrator to open annual purchase orders, totaling \$1,717,000, for Fiscal Year 2020-2021 that exceed the Board approved purchase authorization limit of the Administrator of \$60,000.

BUDGET IMPACT:

Upon budget approval by the Board of Directors and subsequent approval by each Member Agency, the Fiscal Year 2020-21 Budget will become the official Western Riverside County Regional Wastewater Authority (WRCRWA) Budget; and includes individual Member Agency contributions and establishes fixed and variable rates.

EXECUTIVE SUMMARY:

In the proposed Fiscal Year 2020-2021 Budget, Member Agency contributions will increase in aggregate by \$241,033, or 1.2%. The Operating Budget will increase by \$376,550, or 4.4%; the Debt Service Budget remains the same, and the Capital Budget will decrease by \$135,517, or 2.0%.

The Fiscal Year 2020-2021 Budget includes the Administrator's allocation for the Treatment Plant and Conveyance Labor, and the directly allocated labor of certain Administrative staff. In addition to the labor, the Administrator allocates certain indirect costs, including fringe benefits through an indirect cost rate of 160%.

Annual Purchase Orders, submitted for approval, total \$1,717,000 and include purchase orders that exceed the Board approved purchase authorization limit of the Administrator of \$60,000.

DETAIL:

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

Rod LeMond
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 Expense
8. Capital Improvement Project Descriptions
9. Annual Purchase Orders over \$60,000
10. Resolution 20-001

WRCRWA Budget Schedule
Fiscal Year 2020-2021
Member Contribution Summary Year-to-Year Comparison

Adopted Fiscal Year 2020-2021 Budget						
Expenditure Category	Western	JCSD	Norco	HGSD	Corona	Total
<u>Operations:</u>						
Treatment System	844,317	3,445,342	1,525,224	455,648	911,953	7,182,484
Conveyance System	162,863	-	137,544	42,460	-	342,867
General & Administration	183,991	571,997	257,399	71,500	249,772	1,334,659
Total Operating Contributions	-	-	-	-	-	-
Total Operating Contributions	1,191,171	4,017,339	1,920,167	569,608	1,161,725	8,860,010
<u>Debt Service:</u>						
SRF Loan	39,481	2,064,704	408,275	70,887	1,903,189	4,486,536
<u>Capital:</u>						
Non-Replacement Capital	1,244,724	2,023,708	1,223,185	346,708	883,675	5,722,000
Asset Replacement Reserve	256,722	254,752	206,628	59,439	111,241	888,782
Total Capital Contributions	1,501,446	2,278,460	1,429,813	406,147	994,916	6,610,782
Total Member Contributions	\$ 2,732,098	\$ 8,360,503	\$ 3,758,255	\$ 1,046,642	\$ 4,059,830	\$ 19,957,328
Adopted Fiscal Year 2019-2020 Budget						
Expenditure Category	Western	JCSD	Norco	HGSD	Corona	Total
<u>Operations:</u>						
Treatment System	779,386	3,225,323	1,392,098	441,340	924,756	6,762,903
Conveyance System	155,965	-	129,690	42,381	-	328,036
General & Administration	191,969	596,795	268,558	74,599	260,600	1,392,521
Total Operating Contributions	1,127,320	3,822,118	1,790,346	558,320	1,185,356	8,483,460
<u>Debt Service:</u>						
SRF Loan	38,584	2,064,704	407,377	70,887	1,904,983	4,486,536
<u>Capital:</u>						
Non-Replacement Capital	890,100	2,624,134	1,203,203	334,705	1,145,858	6,198,000
Asset Replacement Reserve	252,653	126,985	159,963	46,718	55,450	641,769
Less Asset Replacement Reserve Credit	-	(56,912)	(36,558)	-	-	(93,470)
Total Capital Contributions	1,142,753	2,694,207	1,326,608	381,423	1,201,308	6,746,299
Total Member Contributions	\$ 2,308,657	\$ 8,581,029	\$ 3,524,331	\$ 1,010,630	\$ 4,291,647	\$ 19,716,295
Total Member Contribution YTY Change	\$ 423,441	\$ (220,526)	\$ 233,924	\$ 36,012	\$ (231,817)	\$ 241,033

WRCRWA Budget Schedule
Fiscal Year 2020-2021
Capacity, Rates, and Contributions
Fixed and Variable

	Treatment Plant		Conveyance		General & Administrative		
Fixed Rate per MGD:	\$22,650		\$2,391		\$7,944		
	Capacity	Contribution	Capacity	Contribution	Capacity	Contribution	Total by Agency
Corona	2.62	\$ 712,113	-	\$ -	2.62	\$ 249,772	\$ 961,885
HGSD	0.75	\$ 203,849	0.75	\$ 21,516	0.75	\$ 71,500	\$ 296,865
JCSD	6.00	\$ 1,630,793	-	\$ -	6.00	\$ 571,997	\$ 2,202,790
Norco	2.70	\$ 733,857	2.50	\$ 71,720	2.70	\$ 257,399	\$ 1,062,976
WMWD	1.93	\$ 524,572	4.75	\$ 136,268	1.93	\$ 183,991	\$ 844,831
Total	14.00	\$ 3,805,184	8.00	\$ 229,504	14.00	\$ 1,334,659	\$ 5,369,347
Variable Rate per MGD:	\$1,095		\$91		\$0		
	Est. Flows	Rate	Est. Flows	Rate	Est. Flows	Rate	Total by Agency
Corona	0.50	\$ 199,840	-	\$ -	-	\$ -	\$ 199,840
HGSD	0.63	\$ 251,799	0.63	\$ 20,944	-	\$ -	\$ 272,743
JCSD	4.54	\$ 1,814,549	-	\$ -	-	\$ -	\$ 1,814,549
Norco	1.98	\$ 791,367	1.98	\$ 65,824	-	\$ -	\$ 857,191
WMWD	0.80	\$ 319,745	0.80	\$ 26,595	-	\$ -	\$ 346,340
Total	8.45	\$ 3,377,300	3.41	\$ 113,363	-	\$ -	\$ 3,490,663
Grand Totals		<u>\$ 7,182,484</u>		<u>\$ 342,867</u>		<u>\$ 1,334,659</u>	<u>\$ 8,860,010</u>

WRCRWA Budget Schedule Fiscal Year 2020-2021 Rate Calculation

Fixed Rates:

Based on Million Gallons Per Day (MGD) per Month

				<u>FY 2020-2021</u>	<u>FY 2019-2020</u>
	$\frac{\text{Total Fixed Expenses}}{\text{Capacity}}$	/12	=	Fixed Rate	Fixed Rate
Treatment Plant	$\frac{\$3,805,184}{14 \text{ MGD}}$	/12	=	\$22,650	\$19,952
Conveyance	$\frac{\$229,504}{8 \text{ MGD}}$	/12	=	\$2,391	\$2,055
General and Administrative	$\frac{\$1,334,659}{14 \text{ MGD}}$	/12	=	\$7,944	\$8,289

Variable Rates:

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

				Variable Rate	Variable Rate
	$\frac{\text{Total Variable Expenses}}{\text{Estimated Flows}}$	/365	=		
Treatment Plant	$\frac{\$3,377,300}{8.45 \text{ MGD}}$	/365	=	\$1,095	\$1,087
Conveyance	$\frac{\$113,363}{3.41 \text{ MGD}}$	/365	=	\$91	\$99

**WRCRWA Budget Schedule
Fiscal Year 2020-2021
Year-to-Year Comparison**

	2019-2020	2020-2021	Change	
	Budget	Budget	Amount	% Change
Treatment System				
<u>Treatment Plant</u>				
Labor Costs	2,417,333	2,728,475	311,142	12.9%
Outside Services (Laboratory)	150,000	150,000	-	0.0%
Facility Maintenance	911,000	1,100,000	189,000	20.7%
Vehicles/Equipment Rental	91,692	131,719	40,027	43.7%
Utilities	1,200,000	1,150,000	(50,000)	-4.2%
Chemicals	1,360,500	1,274,500	(86,000)	-6.3%
Solids Disposal/Sludge	300,000	300,000	-	0.0%
Permits and Fees	120,000	136,000	16,000	13.3%
Facility Maintenance - Bldg & Yard	62,780	63,930	1,150	1.8%
Supplies	95,000	102,800	7,800	8.2%
Total Treatment Plant	6,708,305	7,137,424	429,119	6.4%
<u>Pre-treatment</u>				
Labor Costs	47,304	37,738	(9,566)	-20.2%
Vehicle/Equipment Rental	1,794	1,822	28	1.6%
Laboratory - Quality Testing	4,500	4,500	-	0.0%
Supplies	1,000	1,000	-	0.0%
Total Pre-treatment	54,598	45,060	(9,538)	-17.5%
Total Treatment System	6,762,903	7,182,484	419,581	6.2%
Conveyance System				
Labor Costs	154,628	178,697	24,069	15.6%
Facility Maintenance	90,000	75,000	(15,000)	-16.7%
Vehicle/Equipment Rental	5,865	8,627	2,762	47.1%
Utilities	65,863	65,863	-	0.0%
Facility Maintenance - Bldg & Yard	1,680	4,680	3,000	178.6%
Misc. Supplies/Operating Expenses	10,000	10,000	-	0.0%
Total Conveyance System	328,036	342,867	14,831	4.5%
General and Administration				
Labor	367,562	402,714	35,152	9.6%
Outside Services (Consulting)	613,557	562,878	(50,679)	-8.3%
Insurance Expense	191,000	142,500	(48,500)	-25.4%
Audit Expense	13,940	15,000	1,060	7.6%
Mercury Monitoring - SARDA	6,600	6,930	330	5.0%
Basin Monitoring Program	18,000	17,000	(1,000)	-5.6%
Cyanide Sampling	2,060	2,060	-	0.0%
EC Sampling	6,000	7,500	1,500	25.0%
Vehicle/Equipment Rental	3,802	2,777	(1,025)	-27.0%
Bank Charges	1,000	1,300	300	30.0%
General Supplies	10,000	10,000	-	0.0%
Legal Costs - General	159,000	164,000	5,000	3.1%
Total General and Administration	1,392,521	1,334,659	(57,862)	-4.2%
Total Operating Expenses	8,483,460	8,860,010	376,550	4.4%

Attachment 5
WRCRWA Budget Schedule
Fiscal Year 2020-2021
Fixed & Variable Cost Allocation

	Total Costs	Fixed Costs	Variable Costs
Treatment System			
<u>Treatment Plant</u>			
Labor	2,728,475	2,728,475	-
Laboratory	150,000	150,000	-
Facility Maintenance	1,100,000	550,000	550,000
Vehicle/Equipment Rental	131,719	131,719	-
Utilities	1,150,000	-	1,150,000
Chemicals	1,274,500	-	1,274,500
Solids Disposal/Sludge	300,000	-	300,000
Permits and Fees	136,000	136,000	-
Landscape	63,930	63,930	-
Supplies	102,800	-	102,800
Subtotal Treatment Plant	7,137,424	3,760,124	3,377,300
<u>Pre-treatment</u>	45,060	45,060	-
Total Treatment Operations	7,182,484	3,805,184	3,377,300
Conveyance System			
Labor	178,697	178,697	-
Facility Maintenance	75,000	37,500	37,500
Vehicle/Equipment Rental	8,627	8,627	-
Utilities	65,863	-	65,863
Outside Services-Landscape	4,680	4,680	-
Supplies	10,000	-	10,000
Total Conveyance System	342,867	229,504	113,363
General and Administrative	1,334,659	1,334,659	-
Total Operating Budget used for Rate Calculation	8,860,010	5,369,347	3,490,663
<u>Fixed and Variable Rates per MGD</u>			
	Fixed Per MGD Per Month	Variable Per MG	
Fiscal Year 2020-2021 Rates			
Treatment	22,650	1,095	
Conveyance	2,391	91	
General and Administration	7,944		
Total	32,985	1,186	
Fiscal Year 2019-2020 Rates			
Treatment	19,952	1,087	
Conveyance	2,055	99	
General and Administration	8,289		
Total	30,296	1,186	
Amount of Increase/(Decrease) From 2019-2020 Rates			
Treatment	2,698	8	
Conveyance	336	(8)	
General and Administration	(345)	-	
Total Increase/(Decrease)	2,689	0	
Percent Increase/(Decrease)	8.9%	0.0%	

**WRCRWA Budget Schedule
Fiscal Year 2020-2021
Debt Service Expenditures**

				Debt Service			Outstanding
		Member	Allocation				Balance
SRF Loan	Due Date	Agency	Percentage	Interest	Principal	Payment	6-30-2020
Plant Expansion	12/31/2020	Corona	42.420%	\$ 546,918	\$ 1,356,271	\$ 1,903,189	\$ 28,785,131
		HGSD	1.580%	\$ 20,371	\$ 50,516	\$ 70,887	\$ 1,072,148
		JCSD	46.020%	\$ 593,332	\$ 1,471,372	\$ 2,064,704	\$ 31,227,999
		Norco	9.100%	\$ 117,326	\$ 290,949	\$ 408,275	\$ 6,175,028
		Western	0.880%	\$ 11,345	\$ 28,136	\$ 39,481	\$ 597,146
			100.000%	\$ 1,289,292	\$ 3,197,244	\$ 4,486,536	\$ 67,857,452

**WRCRWA Budget Schedule
Fiscal Year 2020-2021
Capital Budget**

Description	Agency Amounts to be Expended					
	Total	Corona	HGSD	JCSD	Norco	Western
Non-Replacement Capital						
<u>Treatment System</u>						
Odor Mitigation Project	4,276,000	800,211	229,065	1,832,565	824,669	589,489
Anaerobic Digester #3	100,000	18,714	5,357	42,857	19,286	13,785
Rerouting SCE Feeders	100,000	18,714	5,357	42,857	19,286	13,786
CIP Evaluation and Needs Assessment	100,000	18,714	5,357	42,857	19,286	13,786
Chemical Feed Improvements (purchase of Sodium Bisulfite Tank FY21)	96,000	17,965	5,143	41,143	18,515	13,235
Electrical Improvements (Load Study FY21, Design FY22)	50,000	9,357	2,679	21,429	9,643	6,893
Total Treatment Plant	4,722,000	883,675	252,958	2,023,708	910,685	650,974
 <u>Conveyance-South Regional Pump Station</u>						
SRPS Generator	1,000,000	-	93,750	-	312,500	593,750
Total Conveyance	1,000,000	-	93,750	-	312,500	593,750
 <u>Asset Replacement Reserve</u>						
Treatment	594,424	111,241	31,843	254,752	114,641	81,947
Conveyance	294,358	-	27,596	-	91,987	174,775
Total Asset Replacement Reserve Contribution	888,782	111,241	59,439	254,752	206,628	256,722
 Total Capital Expenditures	 \$ 6,610,782	 \$ 994,916	 \$ 406,147	 \$ 2,278,460	 \$ 1,429,813	 \$ 1,501,446

WRCRWA Capital Improvement Projects Fiscal Year 2020-2021

Introduction

The WRCRWA Administrator is recommending approval and implementation of the following capital projects for Fiscal Year 2020-2021.

1. Odor Mitigation Project
2. Anaerobic Digester #3
3. Rerouting SCE Feeders
4. CIP Evaluation and Needs Assessment
5. Chemical Feed Improvements
6. Electrical Improvements
7. SRPS Generator

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



WRCRWA Capital Improvement Projects

Fiscal Year 2020-2021 Budget

Capital Project No. 1: Odor Mitigation Project

Allocation: *Treatment*

Estimated Cost: *\$4,276,000*

Summary

The WRCRWA Odor Mitigation Project will implement mitigation alternatives recommended by the engineering consulting firm that WRCRWA hired to complete an Air Dispersion Model for the WRCRWA Treatment Plant. The project involves consolidating the six chemical scrubber exhaust stacks (located very close to the eastern boundary of the plant and the 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 will also cover the cascading weir of Bioreactor No. 1. The foul air captured by the weir cover will be routed to and treated at the existing biofilter located nearby. The biofilter will be modified as needed to treat this additional airflow.

Justification

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

Background

As a result of the Air Dispersion Model findings, it was determined that the chemical scrubbers located at the Solar Drying Facility and the cascading weir at Bioreactor No. 1, required further mitigation in order for the WRCRWA Treatment Plant to further reduce offsite odor impacts to the surrounding area.

Jacobs Engineering (formally CH2M Hill) developed the proposed solution and presented it to the Board of Directors in June 2019. Staff analyzed the proposed solution, had it vetted by a separate third-party odor expert, and recommended that the Board of Directors move forward with this Odor Mitigation Project. In September 2019, the Board of Directors authorized the Administrator to amend the Fiscal Year 2019-2020 Budget by \$500,000 to begin preliminary work on this project, which included hiring Jacobs Engineering to complete the design work and begin the CEQA process. Design is ongoing and is anticipated to be completed by August 2020.

The requested budget for Fiscal Year 2020-2021 is for construction of the Odor Mitigation Project.

WRCRWA Capital Improvement Projects

Fiscal Year 2020-2021 Budget

Schedule

Project design and CEQA are underway. Design is anticipated to be completed by August 2020. Construction is anticipated to be completed by the end of 2021.

Capital Project No. 2:	Anaerobic Digester No. 3 (Construction Bid and Award)
<i>Allocation:</i>	<i>Treatment</i>
<i>Estimated Cost:</i>	<i>\$100,000</i>

Summary

Anaerobic Digester No. 3 design is complete. However, due to the timing of other capital projects the Administrator has made the decision to schedule construction of this project to begin in Fiscal Year 2021-2022. The funding request for this year will cover expenses related to bidding and awarding the project for construction.

Justification

Anaerobic Digester No. 3 is needed to provide redundancy and back-up in case of emergency or planned and un-planned major maintenance of either of the existing digesters. Further, addition of a new third anaerobic digester will provide necessary solids digestion and treatment capacity as projected flow increases reach 10 million gallons per day in the next 1-2 years.

Background

Based on the capacity review by both the Designer (Webb/Aqua) and an Operations Consultant (WT Troxel & Associates), as influent flows continue to increase at WRCRWA, 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).

As flows increase and without the addition of a third digester unit, there will be no capacity or redundancy available to take a digester out of service for cleaning and maintenance, or during an emergency. This will increase the risk of the plant's ability to comply with its NPDES Effluent Permit requirements.

In Fiscal Year 2019-2020 the Board approved funding to hire an engineering firm to design complete the design for Anaerobic Digester No. 3. Design is complete and the project is ready for bid.

WRCRWA Capital Improvement Projects

Fiscal Year 2020-2021 Budget

Schedule

It is anticipated that the bid and award for the project will be completed by the end of Fiscal Year 2020-2021. Construction of the project will begin in Fiscal Year 2021-2022.

Capital Project No. 3: Rerouting SCE Feeders

Allocation: **Treatment**

Estimated Cost: **\$100,000**

Summary

This request is for Southern California Edison (SCE) to relocate an electrical feeder line at the WRCRWA Treatment Plant.

Justification

Rerouting of this line was planned during the construction of the 14 Million Gallons per Day (MGD) WRCRWA Treatment Plant Expansion Project and needs to be completed so the new Anaerobic Digester No. 3 can be constructed.

Background

During the 14 MGD WRCRWA Treatment Plant Expansion Project (Expansion Project), conduit was run to relocate the SCE feeders because the current location runs directly under the area where Anaerobic Digester No. 3 is planned to be built. The relocation did not occur during the Expansion Project because SCE estimated they would require two, 7-day shut-down periods to complete the work, which was not feasible for the WRCRWA Treatment Plant. Now that construction of Anaerobic Digester No. 3 is closer, the feeder relocation needs to occur. SCE has also indicated they can complete the work utilizing only two, 8-hour shutdowns instead of the much longer periods that were initially projected.

Schedule

It is anticipated that the project will be completed in Fiscal Year 2020-2021.

Capital Project No. 4: CIP Evaluation and Needs Assessment

Allocation: **Treatment**

Estimated Cost: **\$100,000**

Summary

This project is to hire a consultant to complete a Capital Improvement Project (CIP) Needs Assessment to help WRCRWA develop a long-term CIP plan and strategy.

WRCRWA Capital Improvement Projects

Fiscal Year 2020-2021 Budget

Justification

A comprehensive CIP Needs Assessment will help WRCRWA develop a long-term CIP plan and will provide a better understanding of long term capital funding needs.

Background

There are several large capital projects that are still necessary at the WRCRWA Treatment Plant. These projects include, but are not limited to: chemical feed improvements, electrical improvements, construction of a recycled water pump station, construction of a storage/maintenance building, and administration building improvements.

The projects listed above require more investigation to fully determine project needs, scope, and budget. The needs assessment will also allow staff the opportunity to identify any other areas at the WRCRWA Treatment Plant that should be addressed. Once all projects are identified, a long term strategy for financing and implementation can be developed.

The Administrator will utilize WRCRWA's Technical Advisory Committee (TAC) to provide input and guidance throughout this process. The outcome will be a fully developed long term capital plan and budget.

Schedule

It is anticipated that the assessment will be completed in Fiscal Year 2020-2021.

Capital Project No. 5:	Chemical Feed Improvements (Phase I: Sodium Bisulfite Storage Tank)
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Allocation:	Treatment
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Estimated Cost:	\$96,000
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Summary

Phase I of this project is to install an additional tank for sodium bisulfite storage.

Justification

Sodium bisulfite needs at the WRCRWA Treatment Plant are greater than anticipated and the current sodium bisulfite tank requires replenishment multiples time a week to meet usage demand. If delivery supply is disrupted or delayed, WRCRWA is at risk of running out of sodium bisulfite, which could cause compliance violations.

WRCRWA Capital Improvement Projects

Fiscal Year 2020-2021 Budget

Background

Without a Recycled Water Pump Station at the WRCRWA Treatment Plant, all treated wastewater is dechlorinated and discharged into the Santa Ana River. The size of the existing sodium bisulfite tank was chosen based on the assumption that a Recycled Water Pump Station would be constructed during the Expansion Project. A Recycled Water Pump Station for delivering treated water for reuse would reduce the amount of water requiring dechlorination and discharge to the river. An additional storage tank will reduce the amount of chemical deliveries and increase the chemical supply in the event of an emergency or supply chain disruption, which will help avoid compliance violations.

Schedule

Phase I of this project will be completed in Fiscal Year 2020-2021.

Capital Project No. 6:	Electrical Improvements (Load Study)
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Allocation:	Treatment
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Estimated Cost:	\$50,000
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Summary

Phase I of this project is to complete an electrical load study of the WRCRWA Treatment Plant and consider electrical needs for future capital projects.

Justification

Future projects at the WRCRWA Treatment Plant requiring power need to be studied to determine if there is enough electrical capacity or if additional electrical capacity is needed.

Background

There are already several projects on the preliminary 5-year capital improvement plan that will require power at the WRCRWA Treatment Plant. To determine if there is adequate power at the WRCRWA Treatment Plant for these projects, a power load study needs to be completed. Phase II of this project will address replacement of the Medium Voltage Switchgear. Results of the load study could influence the design of the new switchgear.

Schedule

The study is anticipated to be completed by the end of Fiscal Year 2020-2021. Medium Voltage Switchgear design will follow in the next Fiscal Year 2021-2022.

WRCRWA Capital Improvement Projects

Fiscal Year 2020-2021 Budget

Capital Project No. 7: SRPS Generator

Allocation: *Conveyance*

Estimated Cost: *\$1,000,000*

Summary

This project is for the design, purchase and installation of a permanent generator at the South Regional Pump Station (SRPS). The generator will provide back-up power in the event of power outages at the pump station.

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, the raw sewage overflows into the Brine Line. With power outages and Southern California Edison (SCE) Public Safety Power Shutdowns (PSPS) becoming more frequent, having a generator will allow the SRPS to continue to pump flows to the WRCRWA Treatment Plant rather than having to discharge to the Brine Line.

Background

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

Orange County Sanitation District (OCSD) has 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 automatic switch-over, on-site power generation be provided at all sites. Installation of the generator will be needed to comply with this requirement should it become part of WRCRWA's permit as well.

The WRCRWA Treatment Plant was designed to rely on the Brine Line and ultimately OCSD as a back-up if there were problems at WRCRWA that the system couldn't handle. Temporarily losing power falls into this category. Staff is currently in discussions with OCSD and SAWPA to try and resolve this issue without having to install a generator. This project will only move forward if resolution cannot be reached.

Schedule

If this project moves forward it is anticipated to be completed by the end of Fiscal Year 2020-2021.

WRCRWA Fiscal Year 2020-2021 Annual Purchase Orders Over \$60,000

Vendor Name	FY20-21 Estimated Purchase Orders	Type of Work / Description of Services
Royal Wholesale	\$ 85,000	SCADA automation components and various electrical material used at the treatment plant. Royal was selected by Rockwell Automation as the sole distributor for their product in WRCRWA's region. Single Source Justification Form to be completed. Pricing agreement in place through June 2021.
David L Wysocki	\$ 75,000	Legal services for WRCRWA. Single Source Justification Form completed and hourly rate confirmed for services through June 2021.
Babcock Laboratories	\$ 115,000	Lab services and sampling analysis at the treatment plant. RFP conducted in 2019 and pricing agreement in place through June 2022.
Synagro West, LLC	\$ 250,000	Biosolids handling services for removal, transportation, composting, land application, and other beneficial reuse of biosolids generated at the treatment plant. Single Source Justification Form to be completed. Pricing agreement in place through July 2021.
JCI Jones	\$ 640,000	Vendor provides Sodium Hypochlorite (12.5% Bleach), Sodium Bisulfite (Dechlor), and Sodium Hydroxide (Caustic Soda) for the treatment plant. Competitive quotes obtained in 2020. Pricing agreement in place through June 2021.
Pencco	\$ 132,000	Vendor provides Iron Salts (SULFeND RT) which is a proprietary product exclusive to Pencco. Their form of Iron Salts is nonhazardous with reduced risks for employees and the environment. Sole Source Justification Form to be completed. Pricing agreement in place through June 2021.
Solenis LLC	\$ 420,000	Vendor provides Sludge Dewatering Polymer for the treatment plant. Competitive quotes obtained in 2020. Pricing agreement in place through June 2021.

\$ 1,717,000

RESOLUTION 20-001

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	22,650
Conveyance	<u>2,391</u>
Subtotal	\$25,041
Administration	<u>7,944</u>
Grand Total Fixed	<u><u>\$32,985</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	1,095
Conveyance	91
Grand Total Variable	\$1,186

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

- c. 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	4.75
Corona	<u>0.00</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	1,006
Variable	1,095
Cap/Carry	<u>658</u>
Total Surcharge	\$2,759

b. Excess Capacity Conveyance Surcharge Rate

	MG Discharged
Fixed	79
Variable	91
Capital/Carry Costs	<u>183</u>
Total Surcharge	\$353

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, 2020. Resolution 19-003 is hereby superseded.

ADOPTED this 28th day of May 2020.

WESTERN RIVERSIDE COUNTY REGIONAL
WASTEWATER AUTHORITY

JANE ANDERSON
Chair

I hereby certify that the foregoing is a full, true, and correct copy of Resolution 20-001 adopted by the Board of Directors of WESTERN RIVERSIDE COUNTY REGIONAL WASTEWATER AUTHORITY at a special meeting held May 28, 2020.

S.R. "AL" LOPEZ
Secretary-Treasurer