



WESTERN RIVERSIDE COUNTY
REGIONAL WASTEWATER AUTHORITY

WRCRWA BOARD OF DIRECTORS

Agenda Item 4.A.

April 22, 2021

TO THE BOARD OF DIRECTORS:

Jane Anderson, Chair
Fauzia Rizvi
Katherine Aleman
Janey Gress
Tom Moody

FROM: Gary L. Miller, Administrator

**CONSIDER APPROVAL OF FISCAL YEAR 2021-2022 BUDGET, ADOPTION OF
RESOLUTION 21-004 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 2021-2022 Budget (Operating, Debt Service, and Capital), along with new rates consistent with the budget figures;
2. Adopt Resolution 21-004, Establishing Rates to be Charged for Conveyance, Treatment, and Disposal of Wastewater;
3. Direct Member Agencies to present this Fiscal Year 2021-2022 Budget to their governing boards for approval; and
4. Authorize the Administrator to open annual purchase orders, totaling \$1,723,000, for Fiscal Year 2021-2022 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 2021-2022 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 2021-2022 Budget, Member Agency contributions will increase in aggregate by \$5,952,900, or 30%. The Operating Budget will increase by \$589,483, or 6.7%; the Debt Service Budget remains the same, and the Capital Budget will increase by \$5,363,417, or 81.1%, mainly due to carryover of the prior year unspent Capital Budget.

The 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 \$1,723,000 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.

Gary L. 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 21-004

WRCRWA Budget Schedule
Fiscal Year 2021-2022
Member Contribution Summary Year-to-Year Comparison

Proposed Fiscal Year 2021-2022 Budget						
Expenditure Category	Corona	HGSD	JCSD	Norco	WMWD	Total
<u>Operations:</u>						
Treatment System	972,575	440,396	3,820,451	1,611,385	909,750	7,754,557
Conveyance System	-	42,981	-	150,762	179,095	372,838
General & Administration	247,421	70,827	566,613	254,976	182,261	1,322,098
Total Operating Contributions	1,219,996	554,204	4,387,064	2,017,123	1,271,106	9,449,493
<u>Debt Service:</u>						
SRF Loan	1,903,189	70,887	2,064,704	408,275	39,481	4,486,536
<u>Capital:</u>						
Non-Replacement Capital	1,891,997	630,659	4,332,869	2,246,702	1,957,833	11,060,060
Asset Replacement Reserve	125,567	58,740	287,561	205,393	236,878	914,139
Total Capital Contributions	2,017,564	689,399	4,620,430	2,452,095	2,194,711	11,974,199
Total Member Contributions	\$ 5,140,749	\$ 1,314,490	\$ 11,072,198	\$ 4,877,493	\$ 3,505,298	\$ 25,910,228
Adopted Fiscal Year 2020-2021 Budget						
Expenditure Category	Corona	HGSD	JCSD	Norco	WMWD	Total
<u>Operations:</u>						
Treatment System	911,953	455,648	3,445,342	1,525,224	844,317	7,182,484
Conveyance System	-	42,460	-	137,544	162,863	342,867
General & Administration	249,772	71,500	571,997	257,399	183,991	1,334,659
Total Operating Contributions	1,161,725	569,608	4,017,339	1,920,167	1,191,171	8,860,010
<u>Debt Service:</u>						
SRF Loan	1,903,189	70,887	2,064,704	408,275	39,481	4,486,536
<u>Capital:</u>						
Non-Replacement Capital	883,675	346,708	2,023,708	1,223,185	1,244,724	5,722,000
Asset Replacement Reserve	111,241	59,439	254,752	206,628	256,722	888,782
Total Capital Contributions	994,916	406,147	2,278,460	1,429,813	1,501,446	6,610,782
Total Member Contributions	\$ 4,059,830	\$ 1,046,642	\$ 8,360,503	\$ 3,758,255	\$ 2,732,098	\$ 19,957,328
Total Member Contribution YTY Change	\$ 1,080,919	\$ 267,848	\$ 2,711,695	\$ 1,119,238	\$ 773,200	\$ 5,952,900

WRCRWA Budget Schedule
Fiscal Year 2021-2022
Capacity, Rates, and Contributions
Fixed and Variable

	Treatment Plant		Conveyance		General & Administrative		
Fixed Rate per MGD:	\$24,275		\$2,605		\$7,870		
	Capacity	Contribution	Capacity	Contribution	Capacity	Contribution	Total by Agency
Corona	2.62	\$ 763,220	-	\$ -	2.62	\$ 247,421	\$ 1,010,641
HGSD	0.75	\$ 218,479	0.75	\$ 23,449	0.75	\$ 70,827	\$ 312,755
JCSD	6.00	\$ 1,747,833	-	\$ -	6.00	\$ 566,613	\$ 2,314,446
Norco	2.70	\$ 786,525	2.50	\$ 78,163	2.70	\$ 254,976	\$ 1,119,664
WMWD	1.93	\$ 562,220	4.75	\$ 148,508	1.93	\$ 182,261	\$ 892,989
Total	14.00	\$ 4,078,277	8.00	\$ 250,120	14.00	\$ 1,322,098	\$ 5,650,495
Variable Rate per MGD:	\$1,147		\$101		\$0		
	Est. Flows	Rate	Est. Flows	Rate	Est. Flows	Rate	Total by Agency
Corona	0.50	\$ 209,355	-	\$ -	-	\$ -	\$ 209,355
HGSD	0.53	\$ 221,917	0.53	\$ 19,532	-	\$ -	\$ 241,449
JCSD	4.95	\$ 2,072,618	-	\$ -	-	\$ -	\$ 2,072,618
Norco	1.97	\$ 824,860	1.97	\$ 72,599	-	\$ -	\$ 897,459
WMWD	0.83	\$ 347,530	0.83	\$ 30,587	-	\$ -	\$ 378,117
Total	8.78	\$ 3,676,280	3.33	\$ 122,718	-	\$ -	\$ 3,798,998
Grand Totals		\$ 7,754,557		\$ 372,838		\$ 1,322,098	\$ 9,449,493

WRCRWA Budget Schedule

Fiscal Year 2021-2022

Rate Calculation

Fixed Rates:

Based on Million Gallons Per Day (MGD) per Month

				<u>FY 2021-2022</u>	<u>FY 2020-2021</u>
	$\frac{\text{Total Fixed Expenses}}{\text{Capacity}}$	/12	=	Fixed Rate	Fixed Rate
Treatment Plant	$\frac{\$4,078,277}{14 \text{ MGD}}$	/12	=	\$24,275	\$22,650
Conveyance	$\frac{\$250,120}{8 \text{ MGD}}$	/12	=	\$2,605	\$2,391
General and Administrative	$\frac{\$1,322,098}{14 \text{ MGD}}$	/12	=	\$7,870	\$7,944

Variable Rates:

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

	$\frac{\text{Total Variable Expenses}}{\text{Estimated Flows}}$	/365	=	Variable Rate	Variable Rate
Treatment Plant	$\frac{\$3,676,280}{8.78 \text{ MGD}}$	/365	=	\$1,147	\$1,095
Conveyance	$\frac{\$122,718}{3.33 \text{ MGD}}$	/365	=	\$101	\$91

**WRCRWA Budget Schedule
Fiscal Year 2021-2022
Year-to-Year Comparison**

	2020-2021	2021-2022	Change	
	Budget	Budget	Amount	% Change
Treatment System				
<u>Treatment Plant</u>				
Labor Costs	2,728,475	2,916,023	187,548	6.9%
Outside Services (Laboratory)	150,000	157,500	7,500	5.0%
Facility Maintenance	1,100,000	1,240,000	140,000	12.7%
Vehicles/Equipment Rental	131,719	134,586	2,867	2.2%
Utilities	1,150,000	1,416,000	266,000	23.1%
Chemicals	1,274,500	1,225,480	(49,020)	-3.8%
Solids Disposal/Sludge	300,000	312,000	12,000	4.0%
Permits and Fees	136,000	131,000	(5,000)	-3.7%
Facility Maintenance - Bldg & Yard	63,930	74,585	10,655	16.7%
Supplies	102,800	102,800	-	0.0%
Total Treatment Plant	7,137,424	7,709,974	572,550	8.0%
<u>Pre-treatment</u>				
Labor Costs	37,738	37,359	(379)	-1.0%
Vehicle/Equipment Rental	1,822	1,724	(98)	-5.4%
Laboratory - Quality Testing	4,500	4,500	-	0.0%
Supplies	1,000	1,000	-	0.0%
Total Pre-treatment	45,060	44,583	(477)	-1.1%
Total Treatment System	7,182,484	7,754,557	572,073	8.0%
<u>Conveyance System</u>				
Labor Costs	178,697	201,156	22,459	12.6%
Facility Maintenance	75,000	70,000	(5,000)	-6.7%
Vehicle/Equipment Rental	8,627	9,284	657	7.6%
Utilities	65,863	77,718	11,855	18.0%
Facility Maintenance - Bldg & Yard	4,680	4,680	-	0.0%
Misc. Supplies/Operating Expenses	10,000	10,000	-	0.0%
Total Conveyance System	342,867	372,838	29,971	8.7%
<u>General and Administration</u>				
Labor	402,714	405,197	2,483	0.6%
Outside Services (Consulting)	562,878	463,400	(99,478)	-17.7%
Insurance Expense	142,500	187,500	45,000	31.6%
Audit Expense	15,000	15,000	-	0.0%
Mercury Monitoring - SARDA	6,930	8,000	1,070	15.4%
Basin Monitoring Program	17,000	25,000	8,000	47.1%
Cyanide Sampling	2,060	-	(2,060)	-100.0%
EC Sampling	7,500	-	(7,500)	-100.0%
Vehicle/Equipment Rental	2,777	18,701	15,924	573.4%
Bank Charges	1,300	5,300	4,000	307.7%
General Supplies	10,000	10,000	-	0.0%
Legal Costs - General	164,000	184,000	20,000	12.2%
Total General and Administration	1,334,659	1,322,098	(12,561)	-0.9%
Total Operating Expenses	8,860,010	9,449,493	589,483	6.7%

WRCRWA Budget Schedule
Fiscal Year 2021-2022
Fixed & Variable Cost Allocation

	Total Costs	Fixed Costs	Variable Costs
Treatment System			
<u>Treatment Plant</u>			
Labor	2,916,023	2,916,023	-
Laboratory	157,500	157,500	-
Facility Maintenance	1,240,000	620,000	620,000
Vehicle/Equipment Rental	134,586	134,586	-
Utilities	1,416,000	-	1,416,000
Chemicals	1,225,480	-	1,225,480
Solids Disposal/Sludge	312,000	-	312,000
Permits and Fees	131,000	131,000	-
Landscape	74,585	74,585	-
Supplies	102,800	-	102,800
Subtotal Treatment Plant	7,709,974	4,033,694	3,676,280
<u>Pre-treatment</u>	44,583	44,583	-
Total Treatment Operations	7,754,557	4,078,277	3,676,280
Conveyance System			
Labor	201,156	201,156	-
Facility Maintenance	70,000	35,000	35,000
Vehicle/Equipment Rental	9,284	9,284	-
Utilities	77,718	-	77,718
Outside Services-Landscape	4,680	4,680	-
Supplies	10,000	-	10,000
Total Conveyance System	372,838	250,120	122,718
General and Administrative	1,322,098	1,322,098	-
Total Operating Budget used for Rate Calculation	9,449,493	5,650,495	3,798,998
<u>Fixed and Variable Rates per MGD</u>	Fixed Per MGD	Variable	
	Per Month	Per MG	
Fiscal Year 2021-2022 Rates			
Treatment	24,275	1,147	
Conveyance	2,605	101	
General and Administration	7,870		
Total	34,751	1,248	
Fiscal Year 2020-2021 Rates			
Treatment	22,650	1,095	
Conveyance	2,391	91	
General and Administration	7,944		
Total	32,985	1,186	
Amount of Increase/(Decrease) From 2020-2021 Rates			
Treatment	1,626	52	
Conveyance	215	10	
General and Administration	(75)	-	
Total Increase/(Decrease)	1,766	62	
Percent Increase/(Decrease)	5.4%	5.2%	

WRCRWA Budget Schedule
Fiscal Year 2021-2022
Debt Service Expenditures

				Debt Service			Outstanding	
		Member	Allocation					Balance
SRF Loan	Due Date	Agency	Percentage	Interest	Principal	Payment	6-30-2021	
Plant Expansion	12/31/2021	Corona	42.420%	\$ 521,149	\$ 1,382,040	\$ 1,903,189	\$ 27,428,860	
		HGSD	1.580%	\$ 19,411	\$ 51,476	\$ 70,887	\$ 1,021,631	
		JCSD	46.020%	\$ 565,376	\$ 1,499,328	\$ 2,064,704	\$ 29,756,628	
		Norco	9.100%	\$ 111,798	\$ 296,477	\$ 408,275	\$ 5,884,079	
		WMWD	0.880%	\$ 10,810	\$ 28,671	\$ 39,481	\$ 569,010	
			100.000%	\$ 1,228,544	\$ 3,257,992	\$ 4,486,536	\$ 64,660,208	

WRCRWA Budget Schedule
Fiscal Year 2021-2022
Capital Budget

Description	Agency Amounts to be Contributed					
	Total	Corona	HGSD	JCSD	Norco	WMWD
Non-Replacement Capital						
<u>Treatment System</u>						
Odor Mitigation Project	4,243,000	794,035	227,298	1,818,423	818,305	584,939
Anaerobic Digester #3	5,812,060	1,087,669	311,352	2,490,875	1,120,914	801,250
CIP Evaluation and Needs Assessment	30,000	5,614	1,607	12,857	5,786	4,136
Electrical Improvements	25,000	4,679	1,339	10,714	4,822	3,446
Total Treatment Plant	10,110,060	1,891,997	541,596	4,332,869	1,949,827	1,393,771
 <u>Conveyance-South Regional Pump Station</u>						
SRPS Emergency Pump	950,000	-	89,063	-	296,875	564,062
Total Conveyance	950,000	-	89,063	-	296,875	564,062
 Replacement Capital						
<u>Asset Replacement Reserve</u>						
Treatment	670,978	125,567	35,944	287,561	129,405	92,501
Conveyance	243,161	-	22,796	-	75,988	144,377
Total Asset Replacement Reserve Contribution	914,139	125,567	58,740	287,561	205,393	236,878
Total Capital Contributions	\$ 11,974,199	\$ 2,017,564	\$ 689,399	\$ 4,620,430	\$ 2,452,095	\$ 2,194,711

WRCRWA Capital Improvement Projects Fiscal Year 2021-2022

Introduction

The WRCRWA Administrator is recommending approval and implementation of the following capital projects for Fiscal Year 2021-2022.

1. Odor Mitigation Project
2. Anaerobic Digester #3
3. CIP Evaluation and Needs Assessment
4. Electrical Improvements
5. SRPS Emergency Pump

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 2021-2022 Budget

Capital Project No. 1: Odor Mitigation Project

<i>Allocation:</i>	<i>Treatment</i>
<i>Estimated Cost:</i>	<i>\$4,776,000</i>
<i>Budget Carryover from Fiscal Year 2020-2021</i>	<i>\$4,243,000</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.

The requested budget for Fiscal Year 2021-2022 is for construction of the Odor Mitigation Project.

Schedule

It is anticipated bid and award will be completed at the start of the new Fiscal year 2021-2022 with construction starting around September 2021.

WRCRWA Capital Improvement Projects

Fiscal Year 2021-2022 Budget

Capital Project No. 2: Anaerobic Digester No. 3

Allocation:

Treatment

Estimated Total Cost:

\$6,270,000

FY2021-2022 Budget Request (includes Carryover from Prior Year)

\$5,812,060

Summary

Anaerobic Digester No. 3 design is complete. Due to the timing of other capital projects, the Administrator will schedule 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 is complete, and the project is ready for bid.

Schedule

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

WRCRWA Capital Improvement Projects

Fiscal Year 2021-2022 Budget

Capital Project No. 3: Capital Improvement Project (CIP) Evaluation and Needs Assessment

<i>Allocation</i>	<i>Treatment</i>
<i>Estimated Total Cost:</i>	<i>\$100,000</i>
<i>Budget Carryover from Fiscal Year 2020-2021</i>	<i>\$30,000</i>

Summary

Hire a consultant to complete a CIP Needs Assessment for the WRCRWA Treatment Plant.

Justification

A comprehensive CIP Needs Assessment will contribute in developing a long-term CIP plan and create 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. Some of these projects: chemical feed improvements, electrical improvements, construction of a recycled water pump station, construction of a storage/maintenance building, and administration building improvements.

A CIP Needs Assessment will determine project needs, scope, and budget, and identify necessary projects that are yet unknown. Once all projects are identified, a long-term strategy for financing and implementation will be developed.

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

Schedule

The CIP Needs Assessment will be completed in Fiscal Year 2020-2021. The requested \$30,000 carry-over for Fiscal Year 2021-2022 will be utilized should any additional study need to be conducted in the future year.

WRCRWA Capital Improvement Projects

Fiscal Year 2021-2022 Budget

Capital Project No. 4: Electrical Improvements (Load Study)

<i>Allocation:</i>	<i>Treatment</i>
<i>Estimated Total Cost:</i>	<i>\$50,000</i>
<i>Budget Carryover from Fiscal Year 2020-2021</i>	<i>\$25,000</i>

Summary

Phase I of this project is to complete an electrical load study of WRCRWA Treatment Plant and to consider electrical needs for future capital projects. This study will kick off once the CIP Needs Assessment evaluation has identified all future project needs.

Justification

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

Description

Staff is already aware of several future capital projects 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 switch gear.

Schedule

The study will begin in late 2020-2021 and will be complete by the end of Fiscal Year 2021-2022. Design for the Medium Voltage Switchgear will follow.

WRCRWA Capital Improvement Projects

Fiscal Year 2021-2022 Budget

Capital Project No. 5: South Regional Pump Station (SRPS) Emergency Pump

Allocation:

Conveyance

Estimated Total Cost:

\$1,000,000

Budget Carryover from Fiscal Year 2020-2021

\$950,000

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

If this project moves forward, the estimated time for completion is approximately two (2) years.

WRCRWA Fiscal Year 2021-2022 Estimated Annual Purchase Orders Over \$60,000

FY20-21 Vendor	FY21-22 Estimated Amount	Type of Work / Description of Services
Royal Wholesale	\$85,000	SCADA automation components and various electrical products 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 anticipated to be in place through June 2022.
David L. Wysocki	\$65,000	Legal services for WRCRWA. Single Source Justification Form to be completed. Estimated services for FY21-22 confirmed with legal counsel.
Babcock Laboratories	\$120,000	Lab services and sampling analysis at the WRCRWA treatment plant. RFP conducted in 2019 and pricing agreement in place through June 2022.
Synagro West, LLC	\$260,000	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 2022.
JCI Jones	\$590,000	Vendor provides Sodium Hypochlorite (12.5% Bleach), Sodium Bisulfite (Dechlor), and Sodium Hydroxide (Caustic Soda) for the treatment plant. Obtaining competitive quotes now. Pricing agreement anticipated to be in place through June 2022.
Pencco	\$140,000	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 anticipated to be in place through June 2022.
Solenis LLC	\$463,000	Vendor provides Sludge Dewatering Polymer for the treatment plant. Obtaining competitive quotes now. Pricing agreement anticipated to be in place through June 2022.

Total

\$ 1,723,000

RESOLUTION 21-004

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	24,275
Conveyance	<u>2,605</u>
Subtotal	\$26,880
Administration	<u>7,870</u>
Grand Total Fixed	<u><u>\$34,750</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	1,147
Conveyance	101
Grand Total Variable	<u>\$1,248</u>

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	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	1,057
Variable	1,147
Cap/Carry	<u>687</u>
Total Surcharge	\$2,891

b. Excess Capacity Conveyance Surcharge Rate

	MG Discharged
Fixed	86
Variable	101
Capital/Carry Costs	186
Total Surcharge	\$373

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, 2021. Resolution 20-001 is hereby superseded.

ADOPTED this 22nd day of April 2021.

WESTERN RIVERSIDE COUNTY REGIONAL
WASTEWATER AUTHORITY

JANE ANDERSON
Chair

I hereby certify that the foregoing is a full, true, and correct copy of Resolution 21-004 adopted by the Board of Directors of WESTERN RIVERSIDE COUNTY REGIONAL WASTEWATER AUTHORITY at a meeting held April 22, 2021.

FAUZIA RIZVI
Secretary-Treasurer