

RESOLUTION NO. 2020-06

**A RESOLUTION OF THE COMMISSION OF THE
SANTA ANA WATERSHED PROJECT AUTHORITY
ESTABLISHING THE RATES (FOR THE TREATMENT AND DISPOSAL OF
NON-RECLAIMABLE WASTEWATER, TEMPORARY DOMESTIC WASTEWATER,
COLLECTION STATION DISCHARGES, AND CHARGES FOR SUSPENDED SOLIDS
AND BIOCHEMICAL OXYGEN DEMAND) IN THE
INLAND EMPIRE BRINE LINE
AND RESCINDING RESOLUTION NO. 2019-05 AS STATED**

WHEREAS, the Santa Ana Watershed Project Authority (hereafter “SAWPA”) has constructed the Inland Empire Brine Line (Brine Line, also known as the Santa Ana Regional Interceptor) for the treatment and disposal of non-reclaimable wastewater, temporary domestic wastewater, and collection station discharges;

WHEREAS, the best and highest use of the Brine Line is the export of salt with the ultimate goal of achieving watershed “salt balance” and requires maximum utilization of the Brine Line;

WHEREAS, SAWPA’s vision is to maintain and operate the Brine Line as efficiently as possible, collect charges from SAWPA’s Member Agencies (“dischargers”) for the treatment and disposal of non-reclaimable wastewater, temporary domestic wastewater, and collection station discharges, including charges for the discharge of total suspended solids (“TSS”) and biochemical oxygen demand (“BOD”);

WHEREAS, it is the policy of the Commission to accurately and equitably allocate costs to those who generate the costs;

WHEREAS, SAWPA has implemented a rate structure using a characteristics-based rate that results in a “pass-through” of charges for Flow, BOD, and TSS from the Orange County Sanitation District (“OCSD”);

WHEREAS, SAWPA will make an adjustment to the flow measured at each discharge site if the total flow at meter S-01, located at the Orange County line, is higher than the aggregate of all dischargers;

WHEREAS, OCSD charges and other factors affecting the rate are outside SAWPA’s control, and it is the intention of the Commission that staff review the rates, propose modifications as necessary, and seek approval of any modifications prior to the beginning of each fiscal year;

WHEREAS, the sampling and monitoring fee policy allows recovery of all SAWPA costs related to sampling and monitoring of discharges;

WHEREAS, SAWPA is implementing a planned 20-year capital improvement program for the long-term repair and replacement of the Brine Line and is funding a 25% operating reserve for the Brine Line, all of which are intended to ensure the long-term reliability of the Brine Line;

WHEREAS, long-term system reliability is beneficial to the Brine Line, SAWPA has included debt repayment, long-term replacement, and operating reserve components in the rate structure;

WHEREAS, the collection station discharge rates, permit fees, and lease rates are derived from the same rate structure, and inclusion in this resolution provides clarity;

WHEREAS, a Peaking or Emergency Rate and two fixed charge components are included, consistent with the adoption of Resolution No. 461 establishing SAWPA's fee for service business model;

WHEREAS, some dischargers may from time-to-time fall below economical billing levels, a minimum charge is included;

WHEREAS, "Fiscal Year" means the period beginning July 1 of each year and ending June 30 of the following year for purposes of initiating a new rate period;

WHEREAS, "Rate Period" means the period of time from July 1, 2020 through December 31, 2020 and January 1, 2021 through June 30, 2021.

WHEREAS, SAWPA conducted a solids formation study to accurately measure and allocate TSS formed within the pipeline and has used a formula since July 1, 2007 to distribute the additional load created. The total TSS load is measured at the Orange County line and allocated to dischargers based on the individual discharger's direct and indirect contribution to the total load; the TSS allocation is based on a twelve (12) month rolling average. Any required adjustment will be approved by the Commission by separate action;

WHEREAS, SAWPA has completed and continues to update closed-circuit television (CCTV) inspection of the gravity flow portion of the system and found significant accumulation of material throughout most of the pipeline. Pipeline cleaning in these areas is required on a recurring basis. The cost for pipeline cleaning is included in the Flow charge;

WHEREAS, a surcharge for Flow, BOD, and TSS treatment and disposal capacity is applicable when discharge quantities exceed owned capacity; and

WHEREAS, a rate stabilization fund has been established to mitigate the impact of larger cost increases.

WHEREAS, SAWPA and the Member Agencies established a Lease Capacity Pool Agreement to allow smaller dischargers to lease Pipeline and Treatment & Disposal Capacity Rights from SAWPA in lieu of purchasing capacity rights. Brine Line lease rates are derived from the same rate structure, and inclusion in this resolution provides clarity. Leasing capacity requires a lease agreement between SAWPA and the discharger, if lease capacity is available.

WHEREAS, the SAWPA Commission has established different rates for the July 1, 2020 through December 31, 2020 and the January 1, 2021 through July 31, 2021 periods.

NOW, THEREFORE, BE IT RESOLVED that the Commission of the Santa Ana Watershed Project Authority hereby resolves that:

- For the Rate Periods identified below, the treatment and volumetric user charges paid to SAWPA for treatment and disposal of non-reclaimable and temporary domestic wastewater shall be as follows, with a minimum charge of \$150.00 for the flow component:

<u>Rate Period</u>	<u>Flow/MGD</u> <u>(a)</u>	<u>BOD/</u> <u>1,000 lbs.</u> <u>(b)</u>	<u>TSS/</u> <u>1,000 lbs.</u> <u>(c)</u>	<u>Fixed</u> <u>Pipe</u> <u>(d)</u>	<u>Fixed</u> <u>Treatment</u> <u>(e)</u>
7/1/2020 – 12/31/2020	\$979	\$316	\$442	\$6,398	\$12,985
1/1/2021 – 6/30/2021	\$1,018	\$329	\$460	\$6,654	\$13,505
FY2021-22 (f)	\$1,059	\$342	\$478	\$6,920	\$14,045

- This component shall be calculated and assessed per gallon (i.e., \$0.000979 from July 1, 2020 through December 31, 2020 and \$0.001018 from January 1, 2021 through June 30, 2021) of discharge (flow) to the Brine Line each month. The flow charge is comprised of an OCSA “Pass-Through” flow charge as well as a SAWPA flow charge.
 - This component shall be calculated and assessed per pound (i.e., \$0.316 from July 1, 2020 through December 31, 2020 and \$0.329 from January 1, 2021 through June 30, 2021) of dry weight of BOD calculated from the average of sample results each month.
 - This component shall be calculated and assessed per pound (i.e., \$0.442 from July 1, 2020 through December 31, 2020 and \$0.460 from January 1, 2021 through June 30, 2021) of dry weight of TSS calculated from the average of sample results each month.
 - This component for fixed costs (also known as Readiness to Serve) shall be assessed per MGD of owned pipeline/connection capacity per month.
 - This component for fixed costs shall be assessed per MGD of owned treatment and disposal capacity per month for the corresponding rate period.
 - Future rates are for planning purposes only. The Commission will separately evaluate and set the rates annually for each FY.
- Total flow for each discharger will be adjusted if flows at meter S-01 are higher than the aggregate of all the discharger flows.
 - Actual OCSA charges for Flow, BOD, and TSS shall be “passed through” to dischargers.
 - A sampling surcharge shall be applied to all BOD and TSS dischargers to account for the actual cost of necessary sampling and shall be assessed to all dischargers. Increased sampling is defined as any and all costs in excess of one sample per month. Increased sampling shall be determined solely by SAWPA and billed monthly. High BOD, TSS, or high variability dischargers will be sampled more frequently as required, and low BOD/TSS or low variability dischargers will be sampled monthly or quarterly as required to obtain reliable data.

5. SAWPA shall continue to measure BOD and TSS entering and exiting the system. Should a difference in BOD and TSS exist between the total of all dischargers and the SAWPA discharge to OCSD, the strength values for each discharger shall be adjusted to fully allocate the SAWPA discharge to OCSD. This adjusted strength shall be used for determining discharger invoice amounts.
6. The annual permit fee for each directly connected discharger shall be not less than \$600. The annual permit fee for each indirect discharger shall be not less than \$300. The annual fee for emergency permits is \$1,100. Additional permit fees may be charged for speculative or special permit work to cover actual costs and administration as determined by the SAWPA General Manager. The annual fee for a Liquid Waste Hauler permit shall be not less than \$250.
7. Truck-delivered non-reclaimable wastewater discharges from sources within the Santa Ana River Watershed at SAWPA-authorized collection stations shall be charged based on the strength of the waste discharged. Waste shall be charged at \$0.015 per gallon (from July 1, 2020 through December 31, 2020) and at \$0.016 (from January 1, 2021 through June 30, 2021) of waste discharged to the Brine Line for Brine discharges (less than 100 milligrams per liter (mg/l) average concentration for BOD and TSS), and a Non-Brine tier which shall be charged based on the measured strength for each load as defined by Notes (b) and (c) corresponding to the July 1, 2020 through December 31, 2020 and January 1, 2021 and June 30, 2021, respectively. Proposed and future estimated rates are shown below. All permitting, permit fees, monitoring, labor, and other costs are the responsibility of the member agency providing the service.

Waste Strength	BOD or TSS Concentration	7/1/2020 – 12/31/2020	1/1/2021 – 6/30/2021	FY 2021-22 (a)
Brine Tier	Less than 100 mg/l	\$0.015	\$0.016	\$0.016
Non Brine Tier	100 mg/l and higher	(b)	(c)	

- (a) Future rate for planning purposes only. The Commission will separately evaluate and set the rates annually for each FY. Planned FY21-22 charges are: \$0.016 per gallon, \$0.81/pound of BOD, and \$0.77/pound of TSS.
- (b) If either BOD or TSS exceeds the concentration of 100 mg/l, the full discharge will be charged using the following cost component: \$0.015 per gallon, \$0.75/pound of BOD, and \$0.716/pound of TSS
- (c) If either BOD or TSS exceeds the concentration of 100 mg/l, the full discharge will be charged using the following cost component: \$0.016 per gallon, \$0.78/pound of BOD, and \$0.745/pound of TSS.

8. If approved in the future by Orange County Sanitation District and the Commission, truck-delivered non-reclaimable wastewater discharges from outside the Santa Ana River Watershed at SAWPA-authorized collection stations, shall be charged a surcharge of 10% on waste discharged to the Brine Line. This surcharge shall be added to the rates indicated in paragraph 7 and represents the administrative costs associated with serving these customers. All permitting, monitoring, labor, and other costs are the responsibility of the Member Agency providing the service. Discharges from sources outside the watershed require specific Commission and Orange County Sanitation District approval.
9. An Emergency Rate shall be charged for standby discharges. The Emergency Rate shall be comprised of 110% of the surcharges in Paragraph 10, plus 110% of the Flow, BOD, and TSS

charges in Paragraph 1. Surcharges shall be assessed for discharges in excess of the owned capacity, subject to General Manager's approval.

10. A treatment and disposal surcharge shall be charged when contractually owned capacity for BOD, TSS, and/or Flow is exceeded in any given month. Rates from July 1, 2020 through December 31, 2020 shall be \$0.3923 per pound BOD, \$0.2405 per pound TSS, and \$0.0020 per gallon Flow; rates from January 1, 2021 through June 30, 2021 shall be \$0.4080 per pound BOD, \$0.2501 per pound TSS, and \$0.0021 per gallon Flow. These charges are in addition to the charges for Flow, BOD, and TSS outlined in Paragraph 1.
11. Capacity Lease Rate. Rates from July 1, 2020 through December 31, 2020 shall be \$0.00253 per gallon up to 250 mg/l BOD and 250 mg/l TSS; rates from January 1, 2021 through June 30, 2021 shall be \$0.00263 per gallon up to 250 mg/l BOD and 250 mg/l TSS. This rate is in addition to the charges for Flow, BOD, and TSS outlined in Paragraph 1. Any discharge exceeding the 250 mg/l BOD and 250 mg/l TSS concentration shall be billed as a loading surcharge at a rate of \$0.3923 per pound BOD and \$0.2405 per pound TSS for the period corresponding to July 1, 2020 through December 31, 2020; and at a rate of \$0.4080 per pound of BOD and \$0.2501 per pound of TSS for the period between January 1, 2021 and June 30, 2021.
12. The provisions of SAWPA Ordinance No. 8 and any amendments or successors thereto, are hereby incorporated by this reference, as though set forth herein in full.
13. Payment of invoices not made within 45 days of the invoice date shall bear interest at a rate of one percent (1.0%) per month from the date of invoice.
14. The user's charges and surcharges established by this Resolution are effective July 1, 2020 and as indicated for the corresponding periods between July 1, 2020 through December 31, 2020 and January 1, 2021 and June 30, 2021, and Resolution No. 2019-05 is rescinded once this Resolution takes effect.

ADOPTED this 16th day of June 2020.

SANTA ANA WATERSHED PROJECT AUTHORITY

By: David J. Slawson
David J. Slawson, Chair

Attest:

By: Kelly Berry
Kelly Berry, CMC, Clerk of the Board