

A stack of vintage suitcases. The top suitcase is brown leather with 'A.H.B.' printed in blue. The middle suitcase is tan canvas with a dark brown handle. The bottom suitcase is tan canvas with a striped pattern. The text 'TASK FORCE PROPOSAL IRWD WITHDRAWAL FROM SOCWA' is overlaid in white, sans-serif font.

TASK FORCE PROPOSAL IRWD WITHDRAWAL FROM SOCWA

SOCWA Managers Meeting

August 11, 2020

Kevin Burton, IRWD

Dan Ferons, SMWD

Three Primary Paths for Change in Participation in SOCWA

01

Withdrawing from the JPA and assigning capacity ownership and obligations to another agency

02

Withdrawing from the JPA, maintain ownership of capacity and contract for services

03

Withdrawing from a Project Committee through agreement with other PC Members.

Test Case: Irvine Ranch Water District

- IRWD sends effluent from its Los Alisos Water Recycling Plant through the Effluent Transmission Main to the Aliso Creek Ocean Outfall (PC 21 and 24)
- IRWD currently participates in the SOCWA pretreatment program (PC 8)
- Request to Withdraw
 - Minor percentage ownership compared to obligations of participating in meetings and governance issues
 - Proposing to right-size their participation
 - Annual review of costs and charges
 - Participation in any engineering study on facilities in which they have capacity
- Other Agencies that may consider this option include City of San Clemente and Trabuco Canyon Water District

Key Draft Terms

- IRWD will withdraw from the SOCWA JPA and Project Committees
 - Retaining its current use capacity in Reaches B through E of the Effluent Transmission Main and the Aliso Creek Ocean Outfall.
- IRWD will not have a Board seat.
- Cost for IRWD's contract services will be the same as the SOCWA Board approved costs for JPA members of PC 8, 21 and 24, inclusive of general administrative costs.
 - i.e. no change in what they currently pay
- IRWD will fund its portion of the unfunded public pension liability.

Draft Terms Continued

- Contract services continue until a mutually approved termination.
- IRWD will remain
 - Advisory member of the SOCWA Engineering Committee for items covered by Project Committees 21 and 24.
 - Participant in SOCWA contracts for chemicals, solids hauling, etc. that SOCWA negotiates.
- IRWD will only be responsible for permit violations and fines that are directly attributable to IRWD's discharge.
- IRWD will continue to be governed by SOCWA's Pre-Treatment Rules/Regulations until such time as IRWD and SOCWA mutually agree to an alternate agreement.



QUESTIONS, COMMENTS

South Orange County Wastewater Authority
Task-Force Report
Alternatives for Transition to Contract Services with SOCWA

To: Member Agency Managers

Date: August 11, 2020

From: Kevin Burton, IRWD
Dan Ferons, SMWD

DISCUSSION:

Over the last couple of years, Member Agencies have discussed potential changes in their level of participation in SOCWA and/or its Project Committees (PC). There are primary three paths:

1. Withdrawing from the Joint Powers Agreement (JPA) and assigning capacity ownership and obligations to another member agency, i.e. SMWD's proposed annexation of the City of San Juan Capistrano (CSJC). Status is a draft agreement is being reviewed by legal counsel for SMWD, CSJC and SOCWA. The proposal was discussed during the recent Member Agency legal counsel meeting concerning provisions that capacity may be swapped between PC participating agencies.
2. Withdrawing from the JPA, maintaining capacity ownership and contracting for services, i.e. IRWD's proposed contracting for ocean disposal services through the Effluent Transmission Main and Aliso Creek Ocean Outfall. Status is the subject of this Task Force and discussion today.
3. Withdrawing from a PC through agreement with other participants. i.e. MNWD's proposed withdrawal from PC 15. Status is work is under way by PC 15 members.

Contracting for Services:

Test Case: IRWD sends effluent from its Los Alisos Water Recycling Plant through the Effluent Transmission Main to the Aliso Creek Ocean Outfall and participates in PC 8 permitting. IRWD does not participate in any treatment plant project committees. From an administrative perspective, they would like to withdraw from the JPA participation and contract because their percentage ownership is minor compared to the obligations to participate in regular meetings and overall governance of the JPA. In other words, they would like to review a budget and annual charge once a year instead.

Other examples of Member Agencies that may be considering options are the City of San Clemente's disposal of effluent out the San Juan Ocean Outfall and Trabuco Canyon Water District's (TCWD) participation in permitting service. The difference with TCWD is that they do not own any capacity in PC facilities.

The following is a draft outline of a proposal for discussion, it has not been formally reviewed by IRWD's Board.

TASK FORCE PROPOSAL
for IRWD Withdrawal from SOCWA JPA and PCs
Draft Term Sheet
August 11, 2020

1. IRWD will withdraw from the SOCWA JPA and Project Committees and retain its current use capacity in Reaches B through E of the Effluent Transmission Main and the Aliso Creek Ocean Outfall.
2. IRWD will contract with SOCWA for services equivalent to Project Committees 8, 21 and 24.
3. The cost for IRWD's contract services will be the same as the SOCWA Board approved costs for JPA members of Project Committees 8, 21 and 24, inclusive of general administrative costs.
4. IRWD will fund its portion of the unfunded public pension liability.
5. IRWD's contract services will continue until such time as IRWD and SOCWA mutually agree to a termination agreement.
6. IRWD will remain an advisory member of the SOCWA Engineering Committee for items covered by Project Committees 21 and 24.
7. IRWD will not have a representative on the SOCWA Board.
8. IRWD will be allowed to participate in SOCWA contracts for chemicals, solids hauling, etc. that SOCWA negotiates.
9. IRWD will only be responsible for permit violations and fines that are directly attributable to IRWD's discharge.
10. IRWD will continue to be governed by SOCWA's Pre-Treatment Rules/Regulations until such time as IRWD and SOCWA mutually agree to an alternate agreement.