

TCWD Termination Proposed Agreement

SOCWA Finance Committee Meeting

3-20-2023

TCWD Termination Agreement

- ▶ Why is an agreement needed?
 - TCWD has opted to withdraw and there on-going obligations to be settled:
 - OPEB
 - UAL
 - Interim recycled water and SNMP services needed until TCWD receives its own recycled water permit.
 - Future permit services for SNMP permit work
 - Request for other future services:
 - Participate in future bulk chemical/Biosolids contracting.

OPEB and UAL Costs

- ▶ Methodology presented at last Finance Committee
- ▶ Method based on CalPERS method
- ▶ Value to be determined on the effective date of the agreement.

Recycled and SNMP Services – T&M

- ▶ Currently determined to be about \$209 per hour for SOCWA costs (of proportionate share of total hours)
 - Salary, benefits, and SOCWA admin
 - No office costs
 - Question: Should a premium be added like 5%?
- ▶ Special projects will require new agreements
- ▶ Direct costs to be shared proportionately based on PC12 membership plus TCWD (as is today)
- ▶ Escalators and ability to correct fees in the future.

Bulk Chemical/Biosolids Contracts

- ▶ About \$10,000 for each major contract effort
- ▶ Proportional share of agencies participating in any RFP.
- ▶ Escalated in future by CPI.
- ▶ SOCWA has requested that TCWD “may” participate in RFP in the draft contract.

Other items

- ▶ Indemnity (in progress)
- ▶ General fund
 - No participation
- ▶ Administration fund
 - The admin (no GF) about 10.8% (FY23–24) rate on the employee's hourly rate (as is done today)
 - Neutral impact
 - The admin (no GF) about 10.8% (FY23–24) on the direct expenses would charged (as is done today)
 - FY23–24 about \$9,300
 - FY22–23 about \$28,000 (large SNMP costs)

Questions

Supporting data

- ▶ OPEB est. \$4,000 calculated in February
- ▶ UAL est. \$17,000 calculated in February
- ▶ General Fund \$11,242
- ▶ Admin Fund est. neutral (labor and direct costs to include)