## STAFF REPORT

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| **Agenda Item:** | 8 | **Name:** | Mike Reed |
| **Proposed No**.: | 2021-B0052 | **Date:** | April 7, 2021 |

**SUBJECT**

Committee Review of the Wastewater Treatment Division Clean Water Planning project.

**SUMMARY**

The Wastewater Treatment Division is continuing with a broad-scale planning effort of Division priorities and strategies across programs and agency services. This review, referred to as the Clean Water Plan, comes as the agency is faced with an increasingly challenging mix of mandates and program demands, together with potential rate impacts. Today’s briefing is part of a series of briefings in preparation for development of a recommended strategy addressing the future direction of the wastewater system.

**BACKGROUND**

The regional wastewater system is at a critical juncture in its development as a system. It is facing increasing pressures across the range of service offerings. These include the aging of the system and accelerated maintenance needs (both West Point and South treatment plants celebrated their 50-year anniversaries recently); increasing concerns about water quality-related issues; increasing regulatory requirements; increasing growth-related capacity concerns; climate change-related storm patterns that challenge system operations; and increasing rate pressures resulting from these system developments. Concurrently, there are discussions about alternative approaches to managing wastewater, including distributed systems, stricter biosolids standards, and stormwater retention opportunities. In sum, major strategic directional questions are facing the system, and have led to the initiation of a process to inventory, evaluate, and address the policy options associated with these questions.

In response to these developments, the Wastewater Treatment Division has undertaken a planning process, referred to as the Clean Water Plan. Planners have progressed through a number of stages in the planning effort, including outreach to stakeholders, identification of key decision areas, development of potential action alternatives for these decision areas, and policy considerations associated with potential actions.

More specifically, the identified Decision Areas include:

* Treatment Plants
* Pollution Source Control/Product Stewardship
* Stormwater and Combined Sewer Overflows
* Wastewater Conveyance System
* Asset Management, Resiliency, and Redundancy
* Legacy Pollution
* Resource Recovery
* Finance

Planners are now at the stage of engaging with policymakers regarding action alternatives, to help shape final recommendations. These recommendations are expected to lead to a preferred strategy, which may have significant implications for the future shape of the system, and for revenue needs.

At the March meeting of the Regional Water Quality Committee, project managers briefed the Committee on a selected strategy area, Asset Management. It was noted that much of the wastewater physical plant is aging, with the average age of sewer pipes at 45 years, pump stations average age at 38 years, and the two largest regional treatment plants over 50 years old. In order to address the asset management implications of the aging system, the Clean Water Plan is evaluating re-investment scenarios that range from less planned investment with longer replacement periods for system parts, to more planned investment and shorter parts replacement periods.

The impact of the planned investment strategy is played out in projected spill volumes: low planned investment may result in spill volumes of ten to 35 million gallons of spills annually; high planned investment could limit spill volumes to between five and ten million gallons annually. Similar impacts may be anticipated for the backlog of deferred renewal, and unplanned spending—less investment, in each case, leading to greater reactive, rather than proactive responses. Areas that the planning effort anticipates policy discussions on include:

* The level of investment in redundancy and resiliency;
* Guidance on acceptable levels of service and risk of failure and resulting consequences such as sewage overflows;
* The appropriate balance between planned spending and emergency spending.

At the April meeting, the Committee will be briefed on the topic:

 *Wastewater Treatment: What treatment plant and wet weather facility investments should be made?*

**INVITED**

* Tiffany Knapp, Clean Water Plan Project Lead, Wastewater Treatment Division
* Steve Tolzman, Clean Water Plan Project Lead, Wastewater Treatment Division
* Ian McKelvey, Brown and Caldwell

**ATTACHMENTS**

1. “Making the Right Investments at the Right Time” Clean Water Plan Presentation