



GreenNCC 

# Wilmington WWTP Sewer Agreement

Public Works Committee Meeting

March 5, 2019



# Background

Wilmington WWTP constructed in the 1950's.

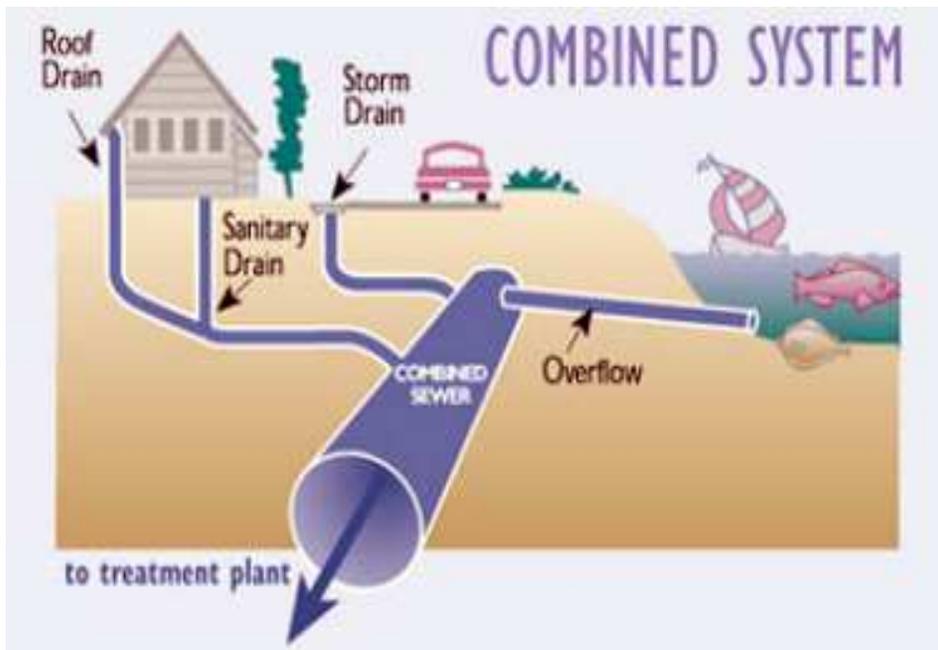
Expanded several times, most recently in late 90's to 105 MGD capacity (134 MGD in Permit)

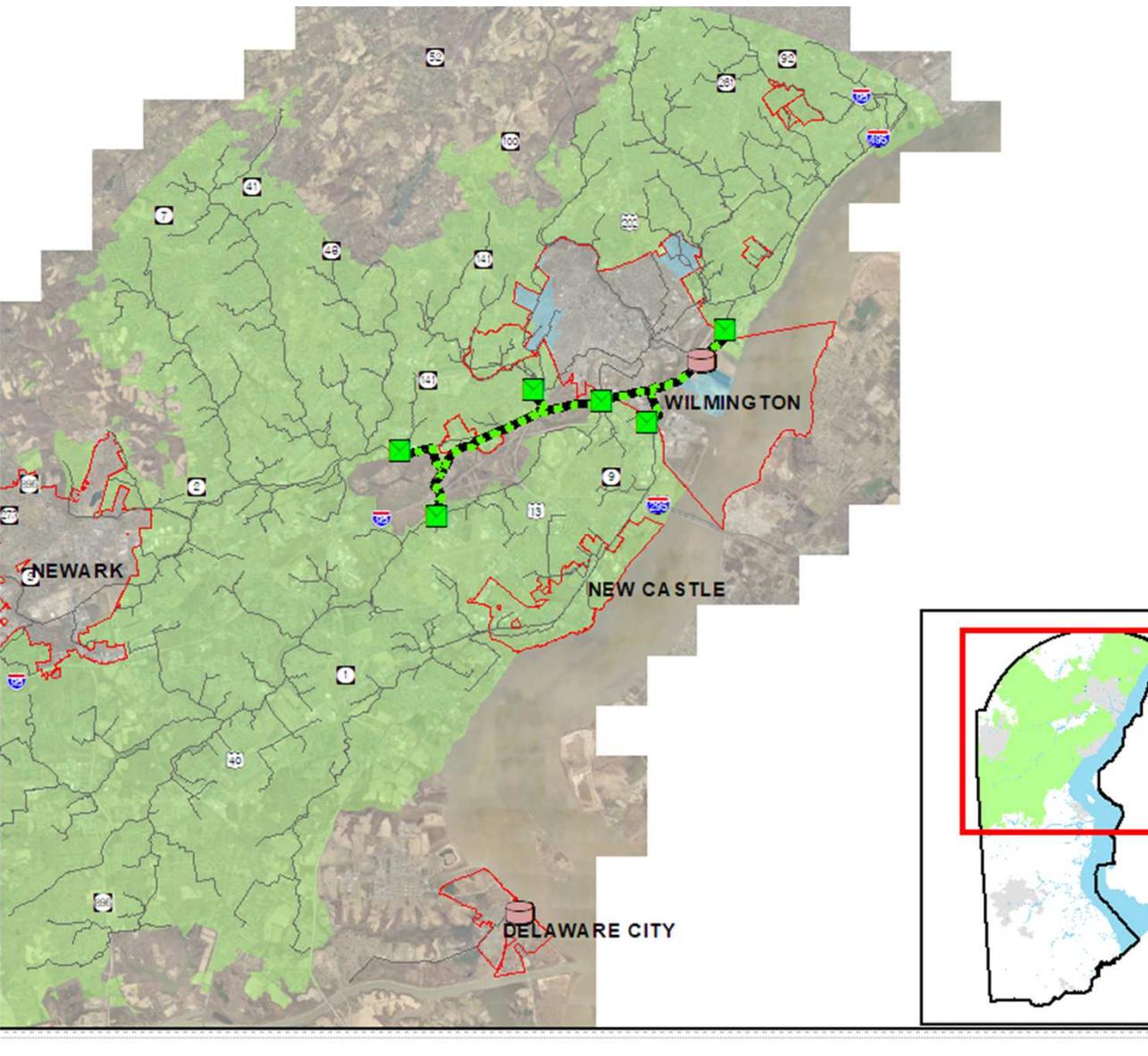
Receives majority of NCC sewer flows above the C&D Canal

2 major County forcemains, Edgemoor and CRFM connect to the WWTP from NCC

City of Wilmington has one forcemain connected.

# Combined vs Separate System





Service Area  
Map

# Contractual History

Historically 5-year terms

Actual wastewater strength and flow used for rate setting in early 1990s. FY98 & FY03 Sewer Agreements set an annual fixed fee with escalator.

FY03 Sewer Agreement set an annual fixed fee with 2.7% escalator

Sewer Agreement for FY08-FY12 was negotiated for almost a year w/out resolution. Went to arbitration in 2009-2010.

City had sought a significant increase in fixed fee and a 10% management fee.

# Final Arbitration Order 2010

Rejected the City's management fee

Accepted the City's "Billed Water Usage Formula"-County's estimated flow was 87.25% of total flow to WWTP

Required the City and County to meet and "seriously and in good faith" consider proposed flow and strength based calculation

This agreement resulting from the arbitration expired in 2012

Five amendments extended the expiration date until November of 2014; fee provision survived termination of agreement.

# Key Issues In Current Negotiations

Billed Water Usage Methodology vs Flow Strength Methodology

Management "Risk" Fee

Control of Pretreatment Decisions- Multi Jurisdictional Agreement

Capital Planning

Renewable Energy Biosolids Facility

Overall Decision Making

## Billed Water Usage Approach

- Current methodology
- Cost of service calculated only on one cost-causative component – flow
- Does not calculate true cost of service
- NCC and COW flows, including I&I contributions, are estimated, not measured
- Does not account for differences in systems (combined vs separate), water company data errors, etc.
- **City still attributes 87% of flow and corresponding operational cost to NCC even though a recent update to the City's approach shows the County's share to be 82%.**

# Wastewater Flow & Strength Approach

## Use three components for billing

- Flow
- Biochemical Oxygen Demand (BOD)
- Total Suspended Solids(TSS)

## Components reflect actual cost at WWTP

- Flow – hydraulic capacity of WWTP
- BOD – Electrical cost for blowers
- TSS- Solids removal and disposal

## Flow & Strength Study

- Initiated in 2010, Updated in 2018
- Flow measured at all major contributing pumping stations and at WWTP effluent
- BOD and TSS measured at CRFM, Edgemoor, Plant Influent and smaller inputs (Brandywine Int, BASF, DSWA, etc.)
- Mass balancing shows County's proposed method to be reliable
- Shows NCC 71% of flow, 76% of BOD, and 72% of TSS
- Under most conservative approach, NCC would be allocated 76% of O&M costs
- NCC now is attributed 87% of O&M costs based upon Billed Water Usage Approach **even though recent update by City shows its closer to 82%, and County's method shows at most 76%.**

# Industrial Pretreatment Program- MJA

NCC has engineer and full service lab that permit and monitor industrial sewer customers

Program is meant to protect the WWTP and our workers

Customers discharging over 25,000 gpd or that have certain processes need permit

City proposes inserting its personnel and policies into this program; justifies proposal under its NPDES permit requirement to have an MJA (multi-jurisdictional agreement)

City wants a larger role that could include having a say in acceptance of new business into NCC

# Overall Decision Making

City allows County no input on WWTP issues. It has not allowed County to participate in the selection of a new WWTP operator.

Capital Program- Deferred O&M leads to expensive capital fixes

Example, recent headworks upgrade

City can commit to risky investments - Renewable Energy Biosolids Facility – and County has to pay its allocated share

Bottom line – NCC is paying 67% for capital expenses & 87% of operational expenses without a say.

## Current Status of Agreement

County has been working in good faith with the City to try and resolve disputes. County last offered to move to an 85% allocation if City moved to Strength/Flow w/in 3 years. City seemed agreeable initially, but has now rejected offer and brought up new issues. City wants to arbitrate the methodology as a stand-alone issue.

County will continue to work towards an amicable but global (all issues) resolution with the City, but in response to City's call for arbitration, the County has retained the law firm of Beveridge & Diamond. If substantial progress has not been reached by June 1, 2019, the County proposes the parties then go to arbitration.