

A dynamic graphic of water splashing from the top right towards the bottom left. The water is rendered in various shades of blue, with highlights and shadows that give it a three-dimensional, liquid appearance. Several individual droplets are shown falling away from the main splash, and some smaller bubbles are visible within the water's flow.

SAWPA

FYE 2022 and 2023
Brine Line Draft Budget

Brine Line Operations & Capital Budget





What is the Brine Line?

- The Inland Empire Brine Line (IEBL) is a 73 mile-long regional brine line designed to convey 30 million gallons per day of non-reclaimable waste water from the upper Santa Ana River Basin to the Pacific Ocean for disposal after treatment
- It was built as the fundamental method of salt export for the region
- Pipeline ranges in age from 19 to 47 years
 - Reach 4 was constructed in the mid-70's (around 1974)
 - Reaches 4A and 4B were constructed in the early 1980's (1982)
 - Reaches 4D and 4E were constructed in the early 1990's (1994)
 - Reach 5 was constructed in the early 2000's (2002). Rehab in 2017
- Pipe diameters range from 16 inch to 48 inch

Inland Empire Brine Line

— Brine Line Laterals

Brine Line

REACH

— IV

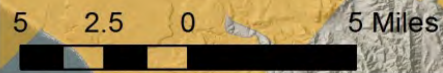
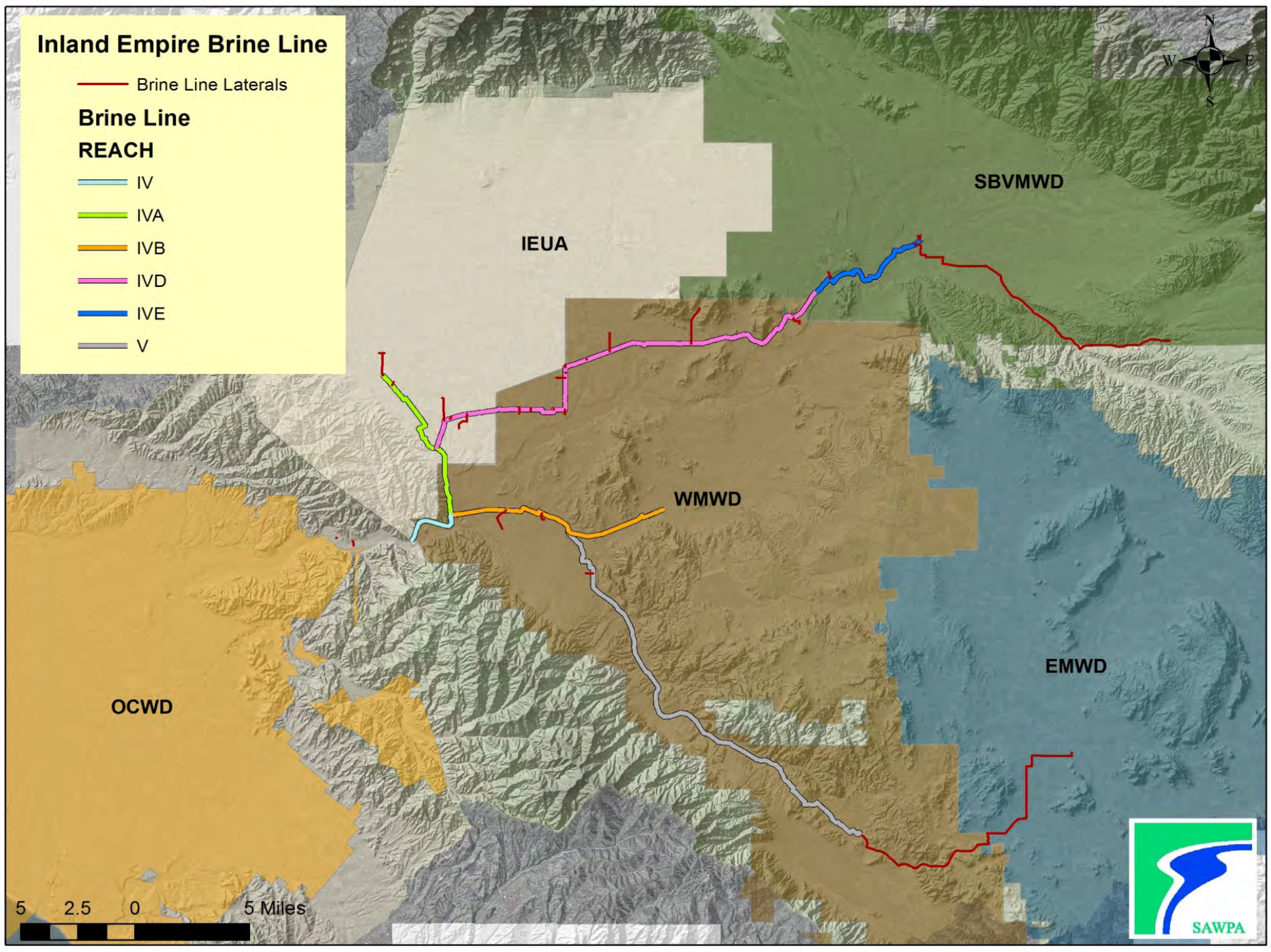
— IVA

— IVB

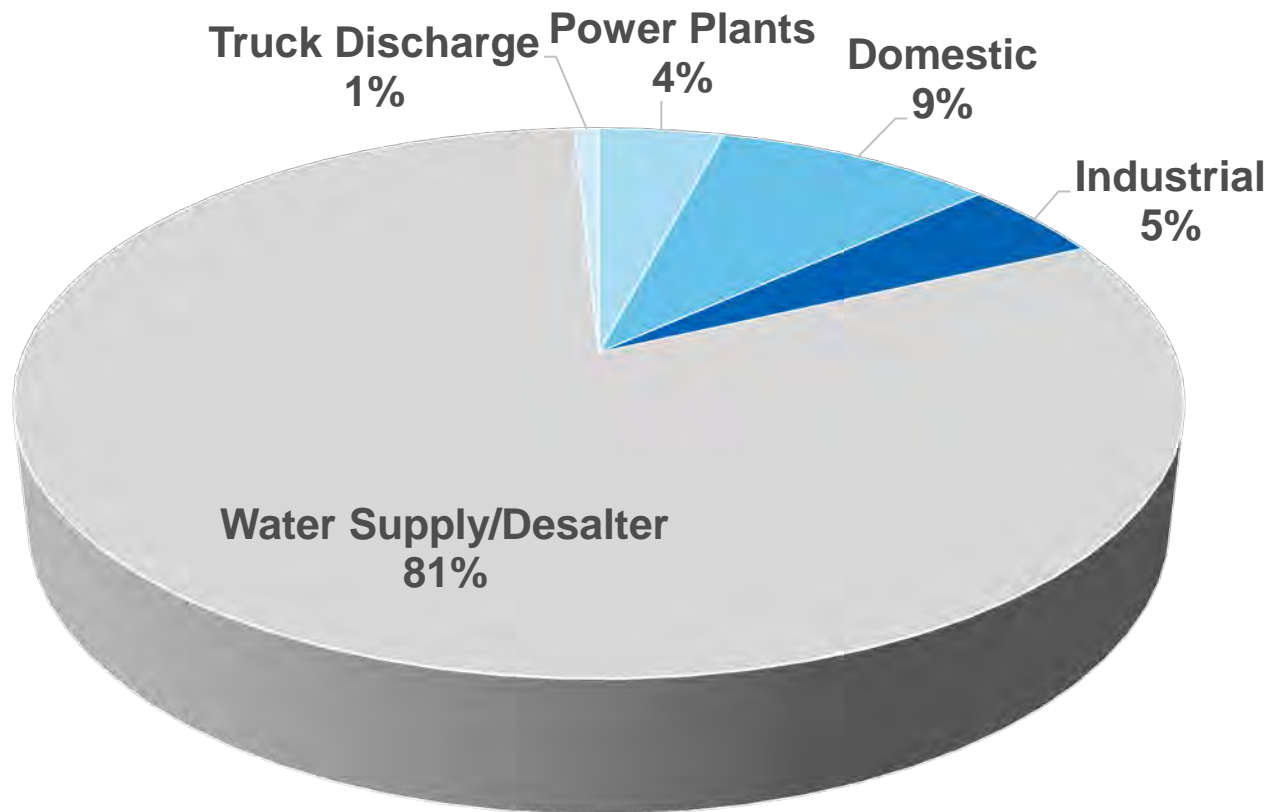
— IVD

— IVE

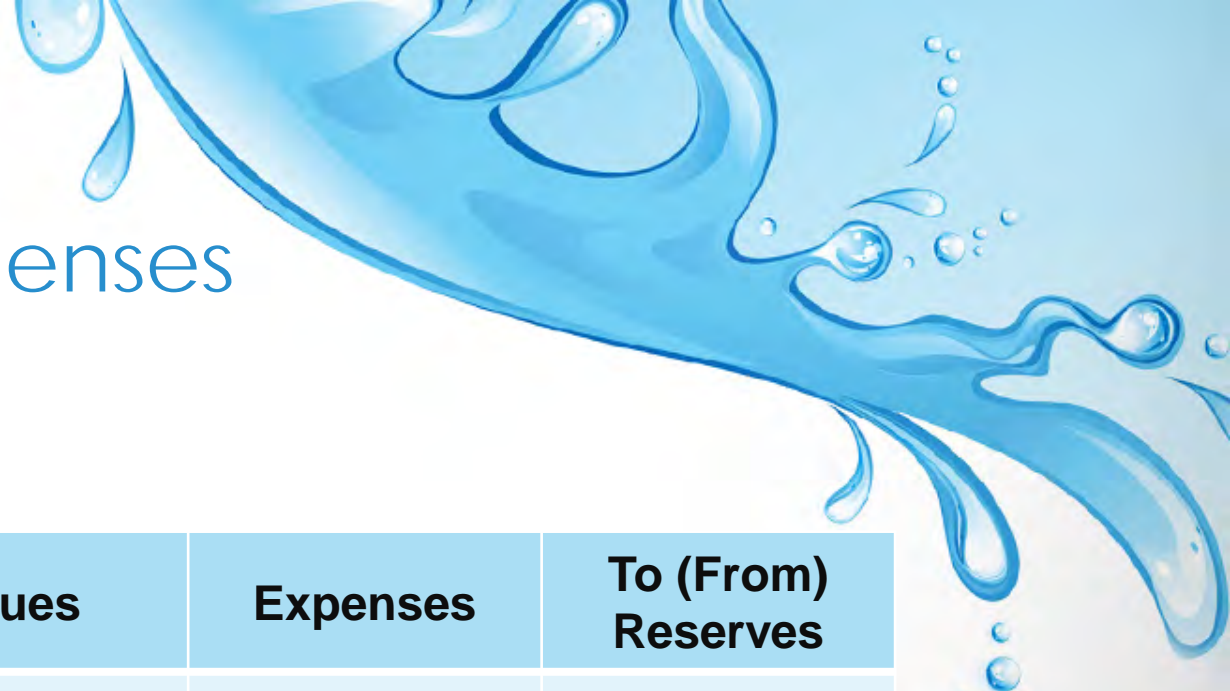
— V



Who Uses the Brine Line?



Historical Revenues & Expenses



FYE	Revenues	Expenses	To (From) Reserves
2018	10,894,643	(10,629,700)	264,943
2019	11,123,310	(10,032,452)	1,090,858
2020	11,539,517	(10,000,785)	1,538,732
2021	12,401,418	(12,401,418)	0
2022	12,192,272	(12,192,272)	0
2023	12,071,872	(12,071,872)	0

Budget

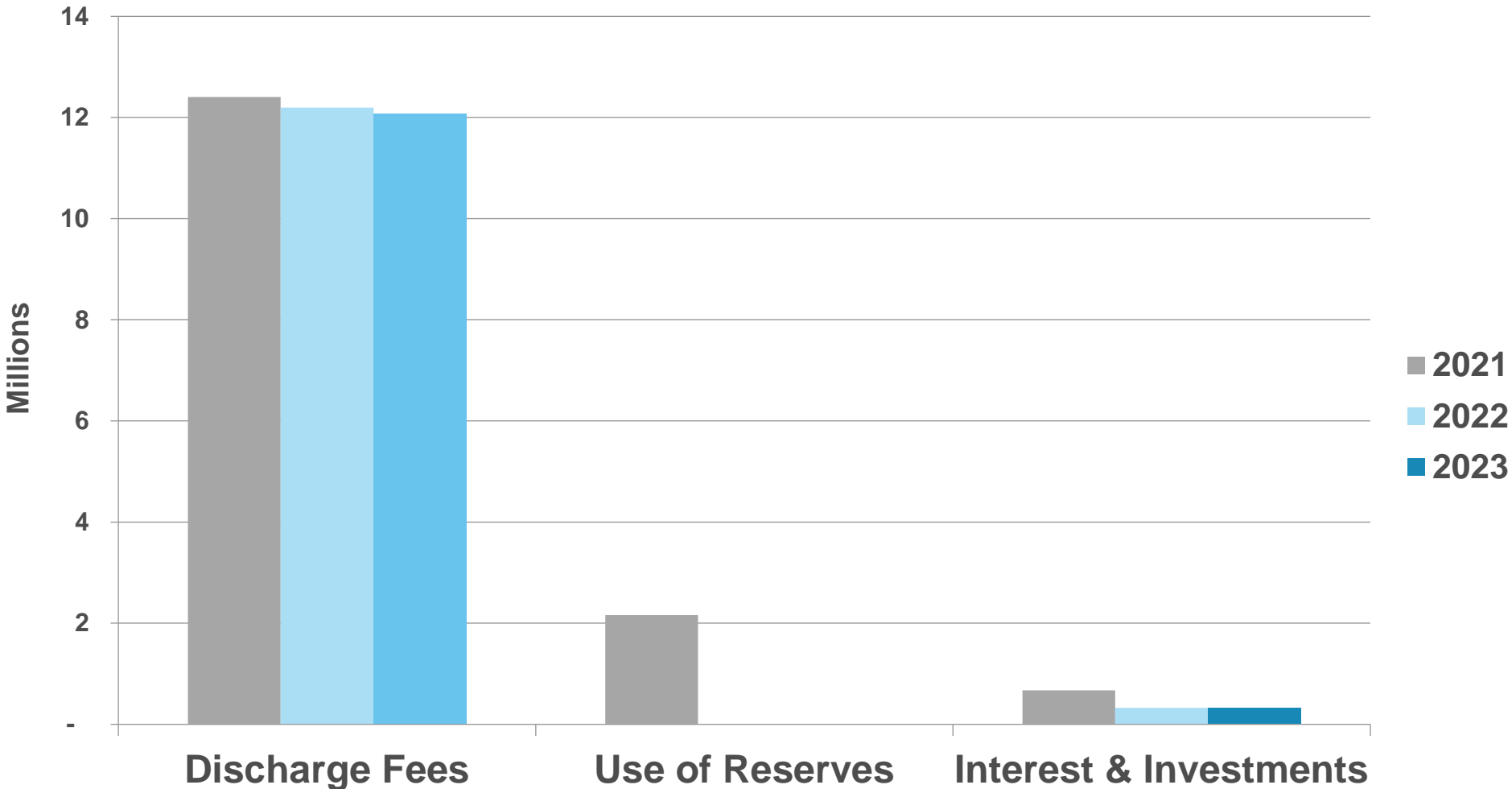
Numbers listed above are for operating revenues and expenses and do not include non-operating/debt service

Historical Flows



	FYE	Total Flows (MGD)
	2018	3,782
	2019	3,718
	2020	4,025
Budget {	2021	3,800
	2022	3,800
	2023	3,700

Brine Line Enterprise Revenue



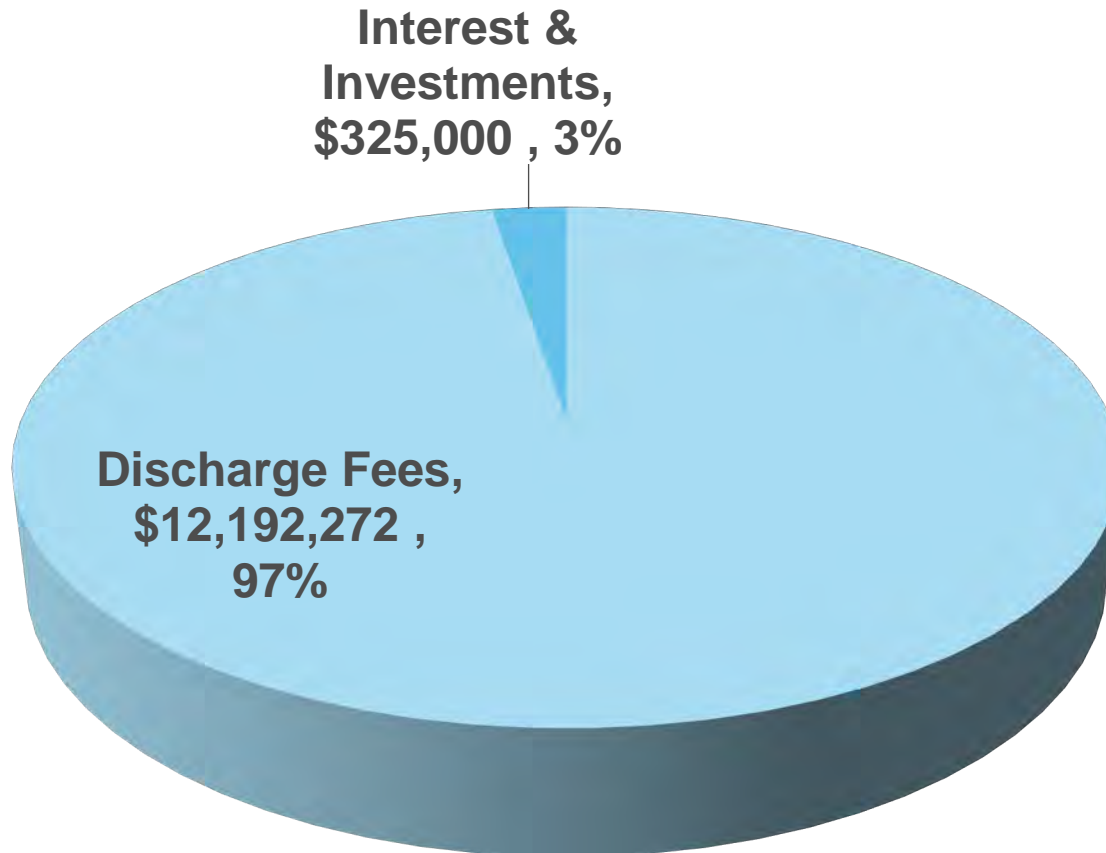
Brine Line Enterprise Revenues

Revenue	FYE 2021	FYE 2022	FYE 2023
Discharge Fees	\$12,401,418	\$12,192,272	\$12,071,872
Other Income (Use of Reserves)	2,160,027	0	0
Interest & Investments	675,000	325,000	325,000
Total	\$15,236,445	\$12,517,272	\$12,396,872

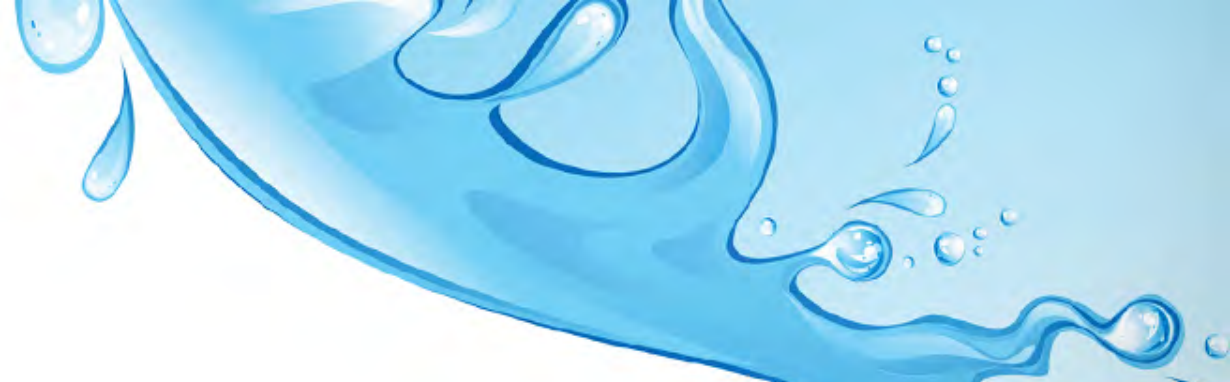
Flow (MGs)	3,800	3,800	3,700
BOD per 1,000 lbs.	1,300	1,300	1,200
TSS per 1,000 lbs.	4,550	4,550	4,400
Truck Discharge (MGs)	40	19	20

FYE 2022

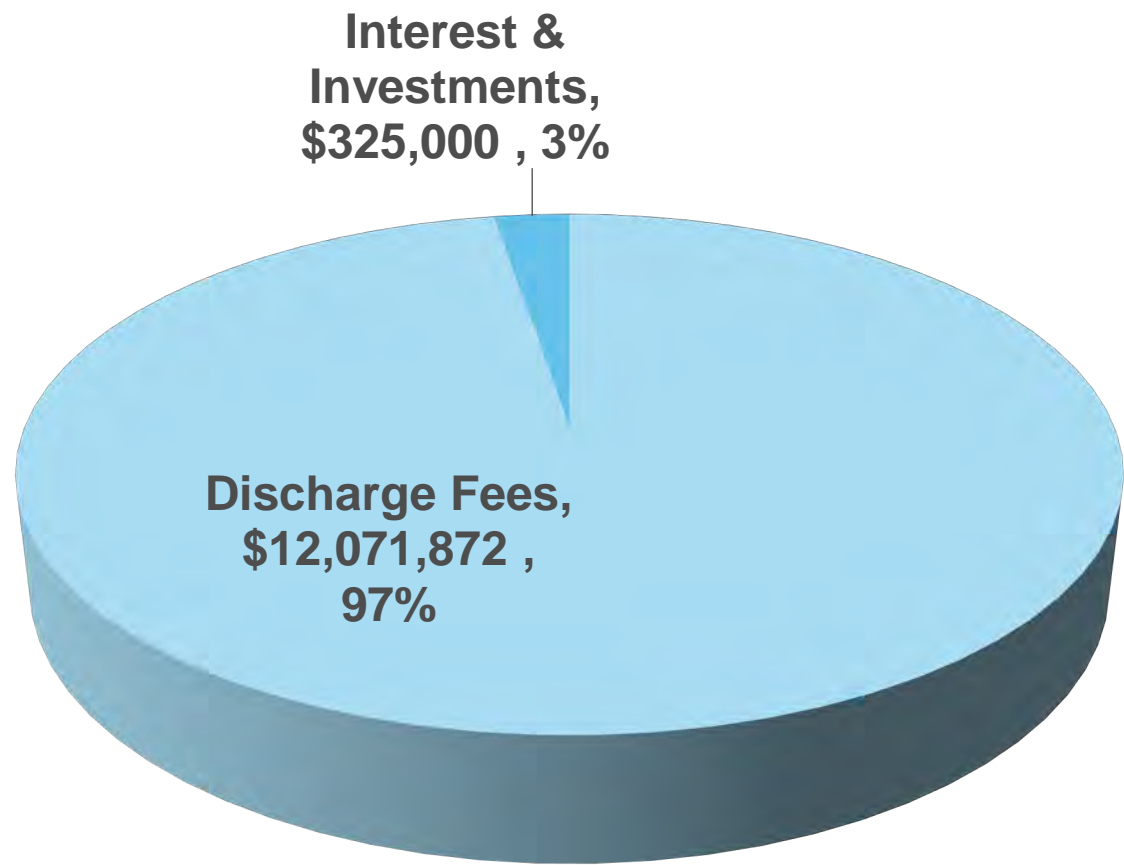
Brine Line Revenues \$12.5 Million



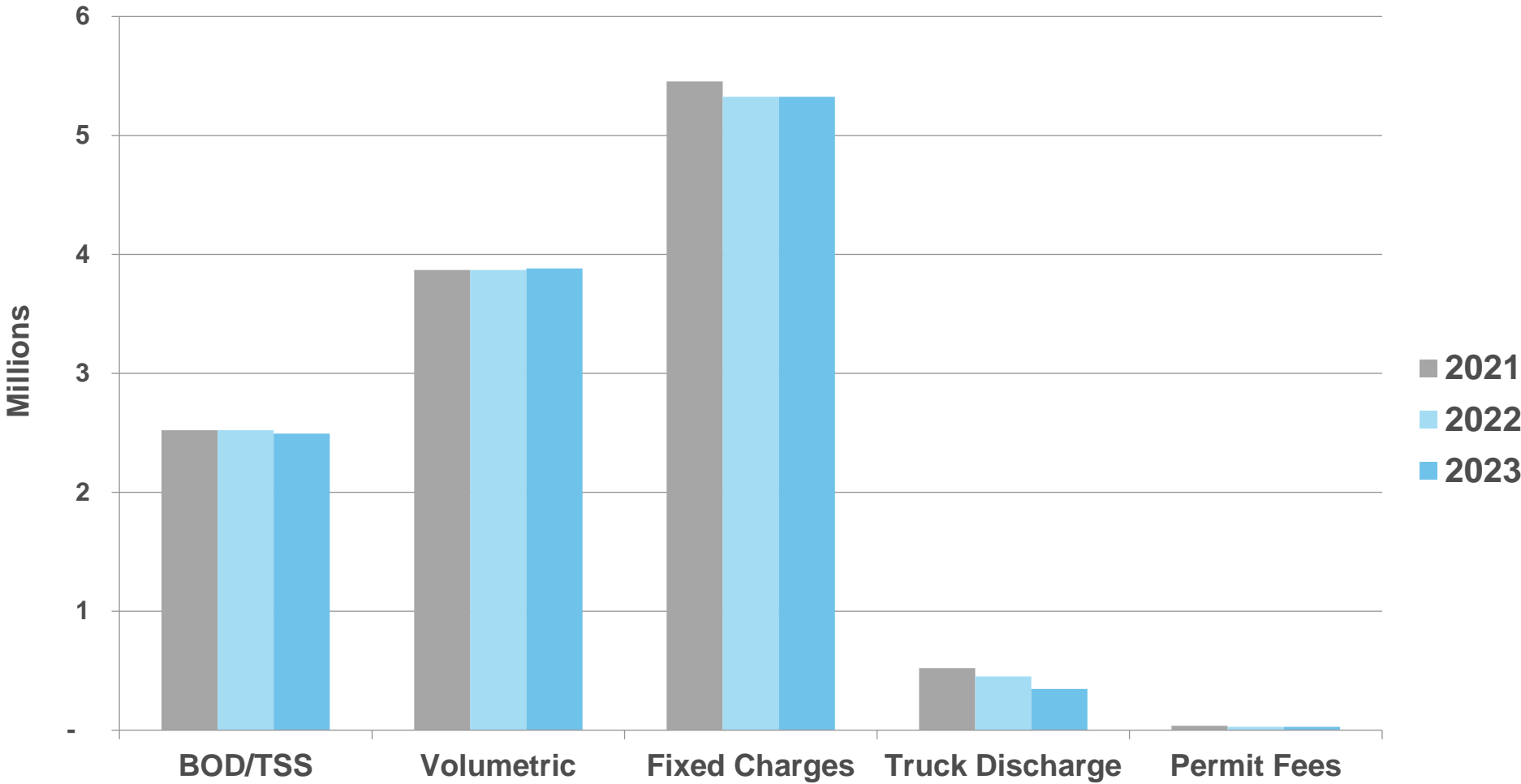
FYE 2023



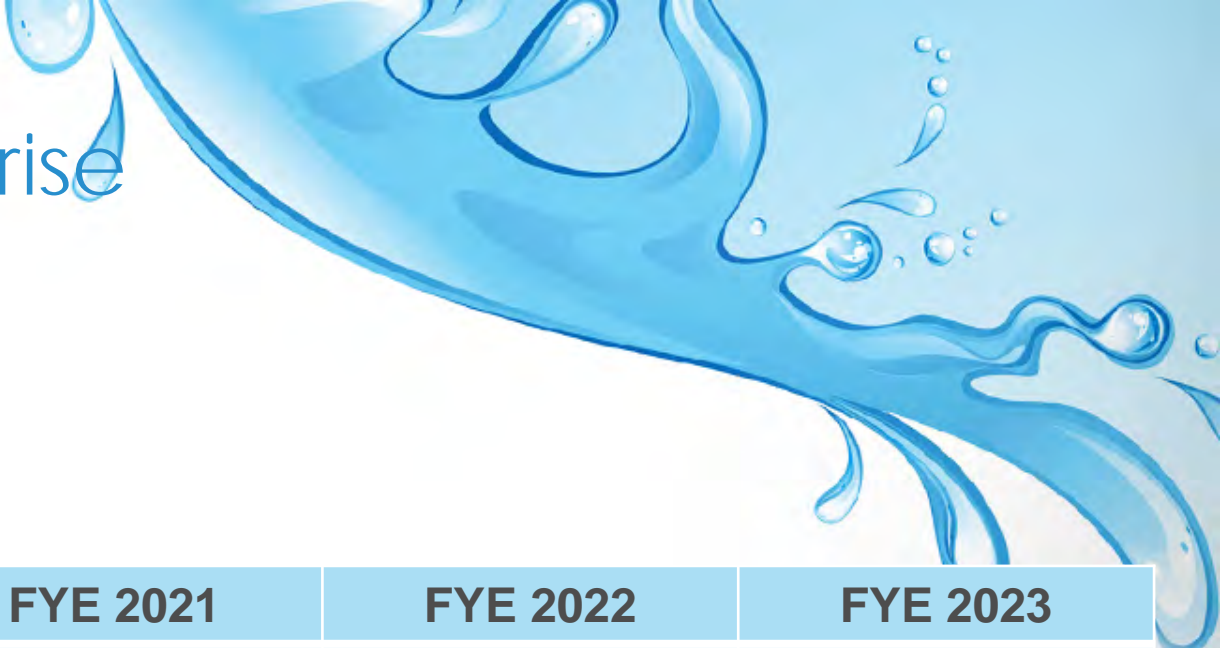
Brine Line Revenues \$12.4 Million



Brine Line Enterprise Discharge Fees



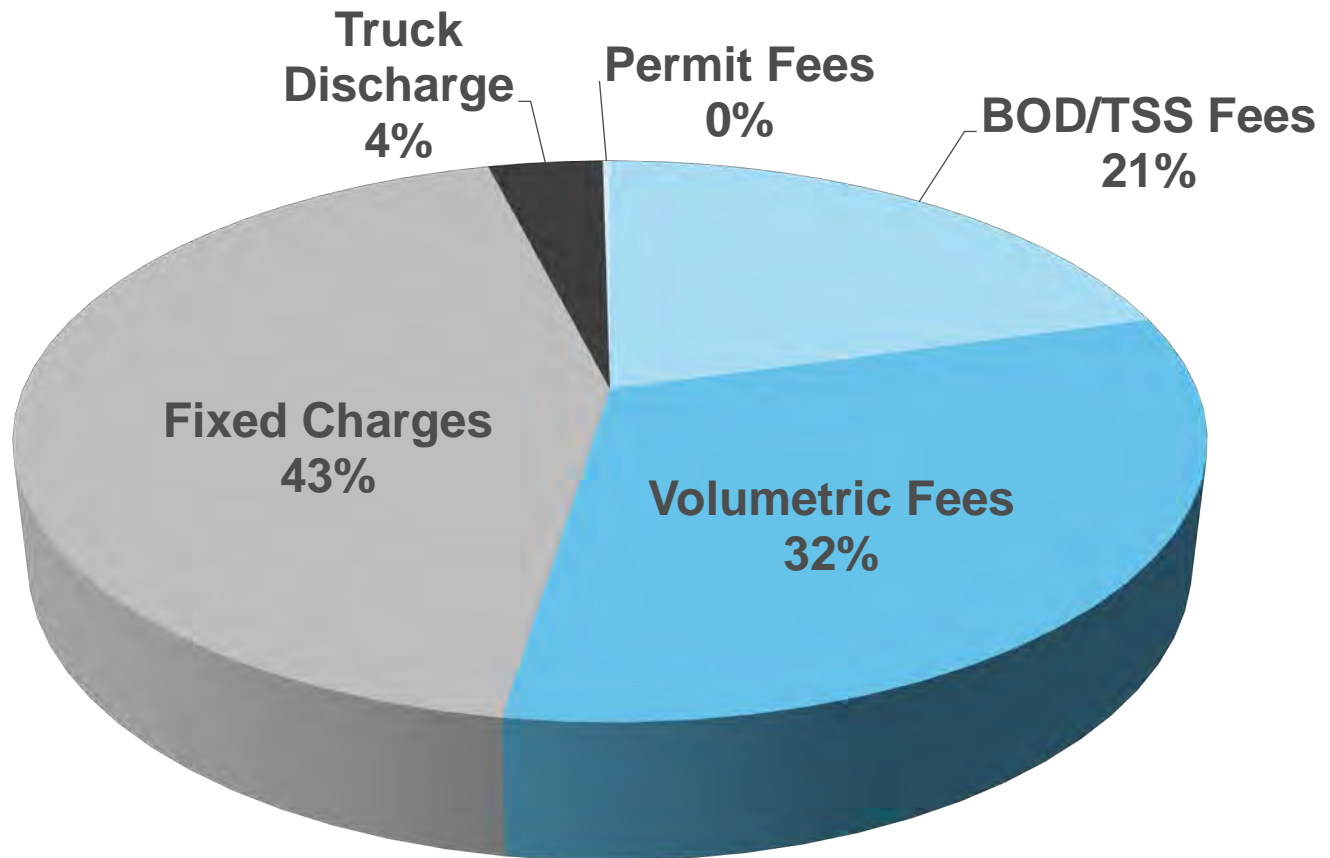
Brine Line Enterprise Discharge Fees



Expense	FYE 2021	FYE 2022	FYE 2023
BOD/TSS Fees	\$2,520,700	\$2,520,700	\$2,492,400
Volumetric Fees	3,868,400	3,868,400	3,881,300
Fixed Charges	5,453,233	5,323,422	5,323,422
Truck Dump Fees	521,000	451,500	346,500
Permit Fees	38,085	28,250	28,250
Total	\$12,401,418	\$12,192,272	\$12,071,872

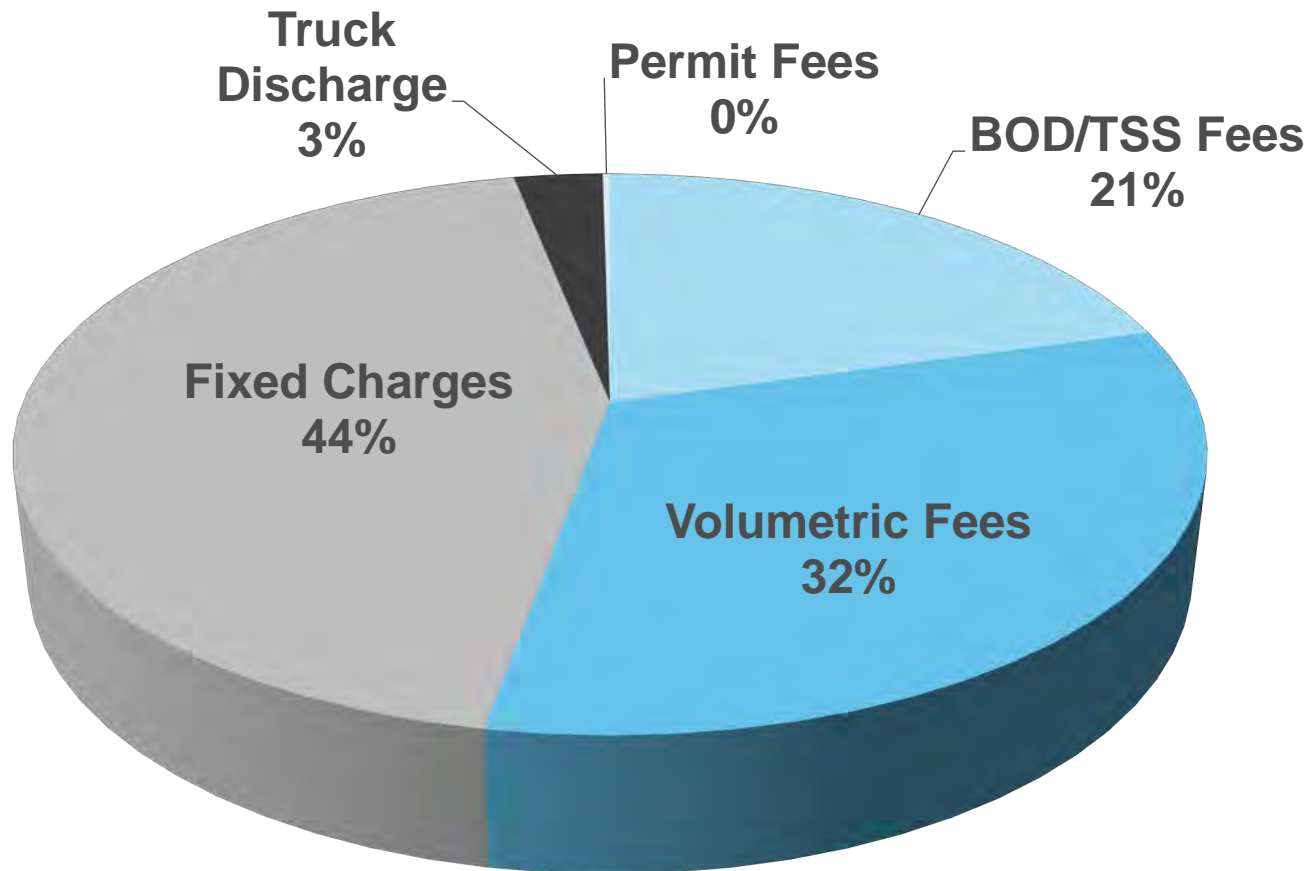
FYE 2022

Discharge Fees \$12.2 Million

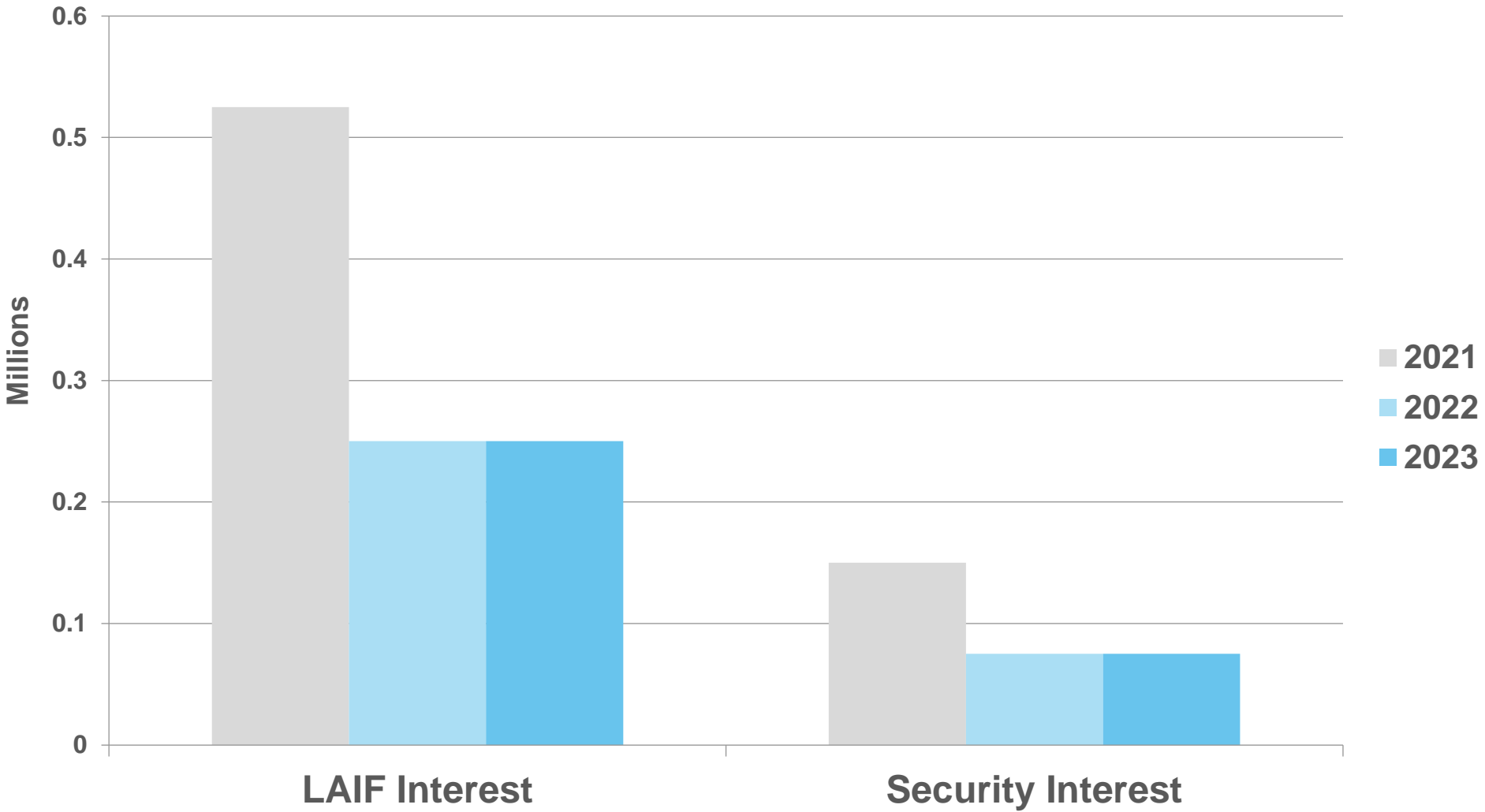


FYE 2023

Discharge Fees \$12.1 Million



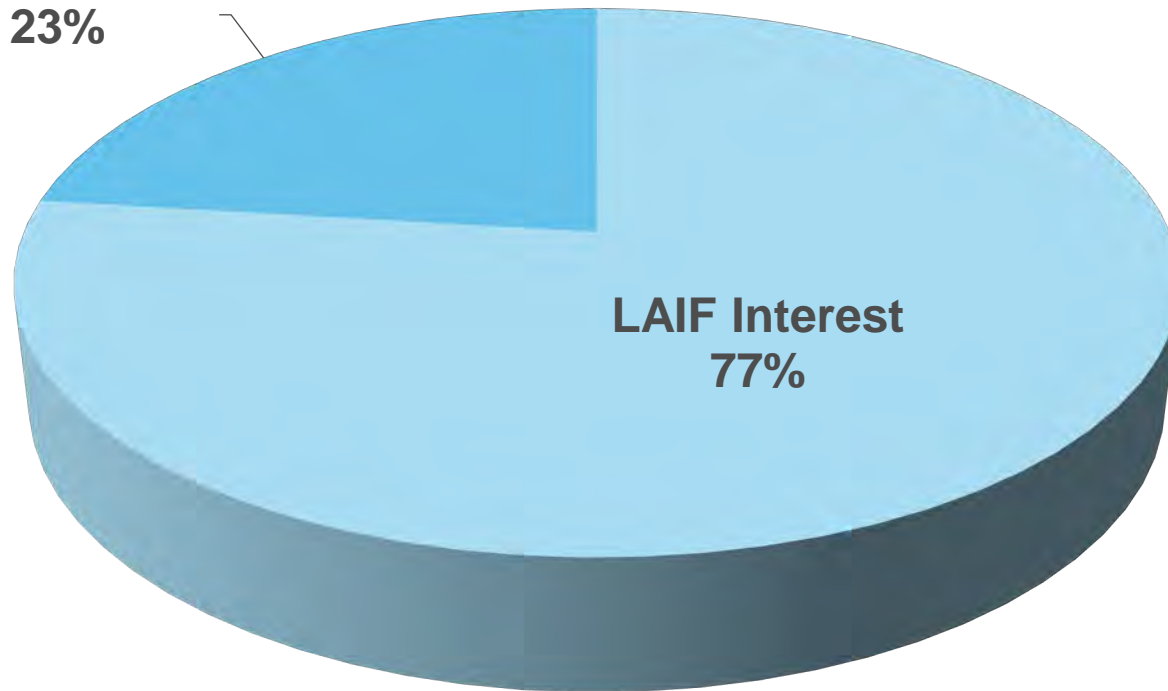
Interest & Investments



FYE 2022 & 2023

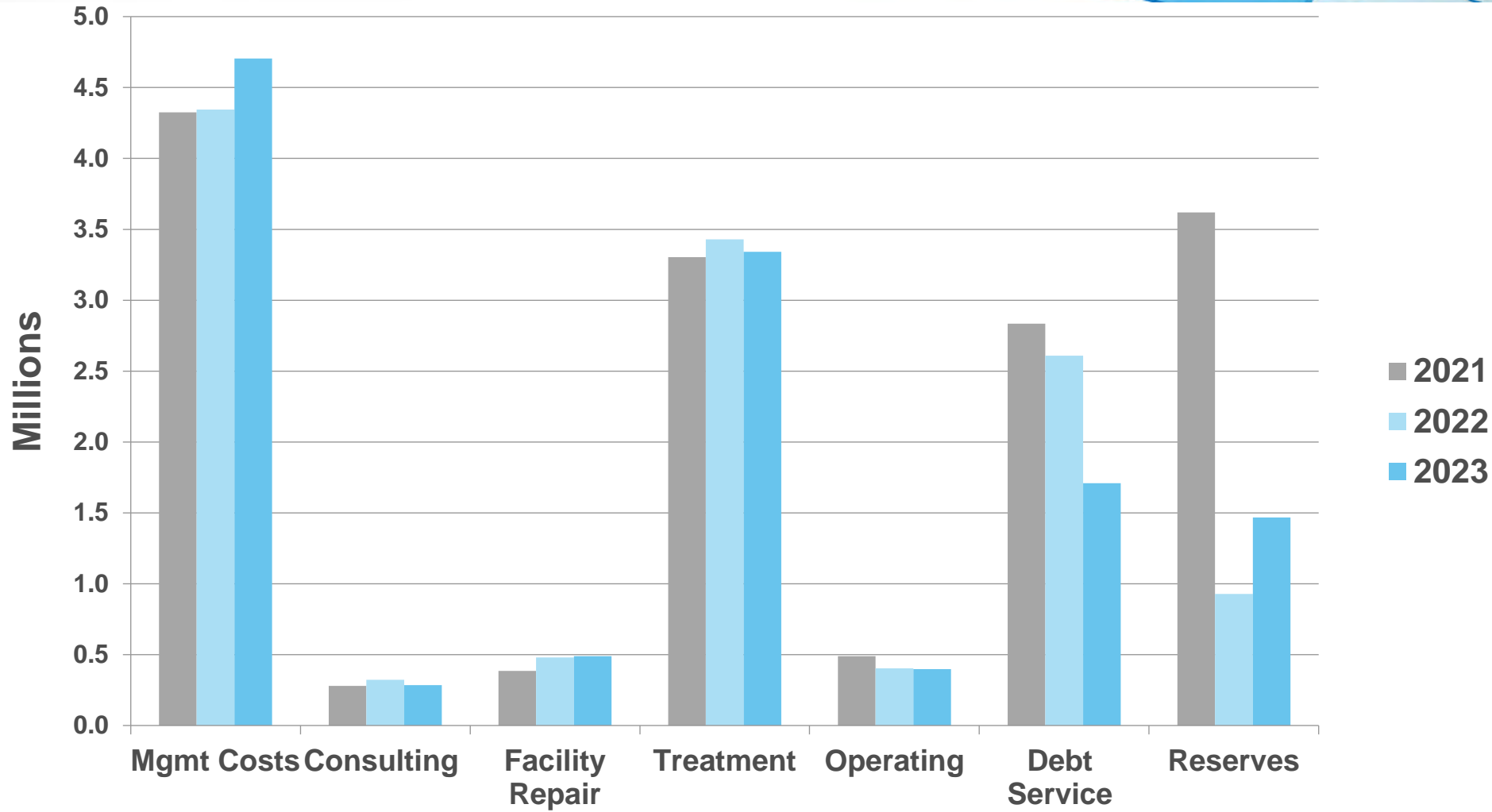
Interest & Investments \$325,000

**Security Interest
23%**

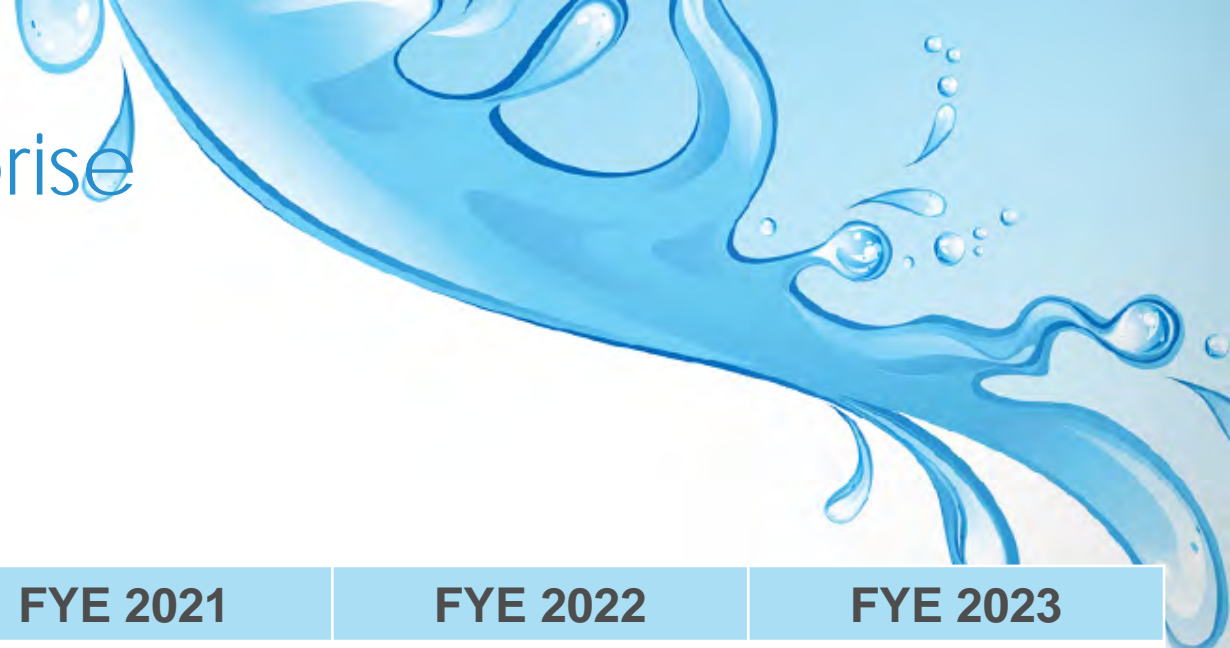


**LAIF Interest
77%**

Brine Line Enterprise Expenses



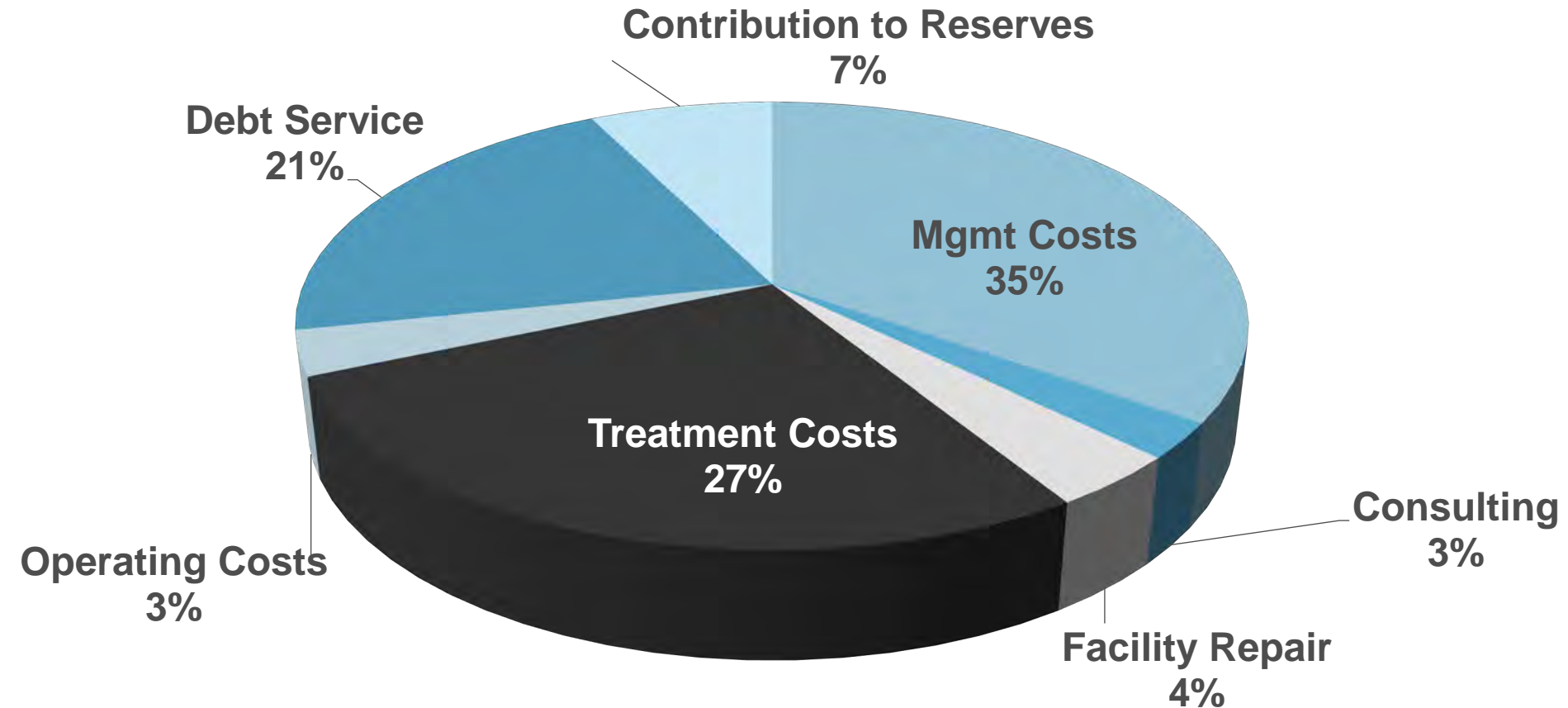
Brine Line Enterprise Expenses



Expense	FYE 2021	FYE 2022	FYE 2023
Management Costs	\$4,324,677	\$4,344,512	\$4,705,203
Consulting	280,000	322,000	285,000
Facility Repair	385,000	480,000	490,000
Treatment Costs	3,303,500	3,430,040	3,342,400
Operating Costs	489,000	403,500	397,250
Debt Service	2,835,027	2,608,439	1,709,476
Reserves	3,619,241	928,781	1,467,543
Total	\$15,236,445	\$12,517,272	\$12,396,872

FYE 2022

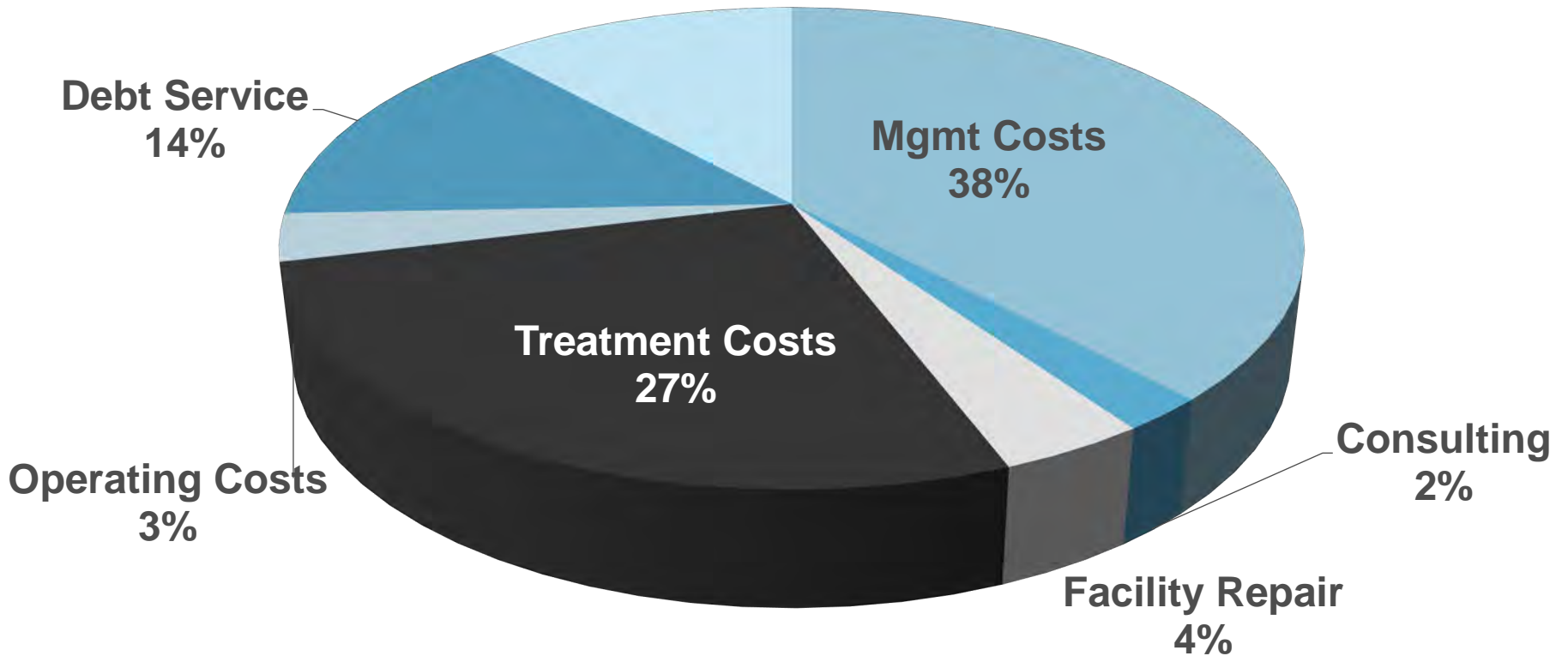
Brine Line Expenses \$12.5 Million



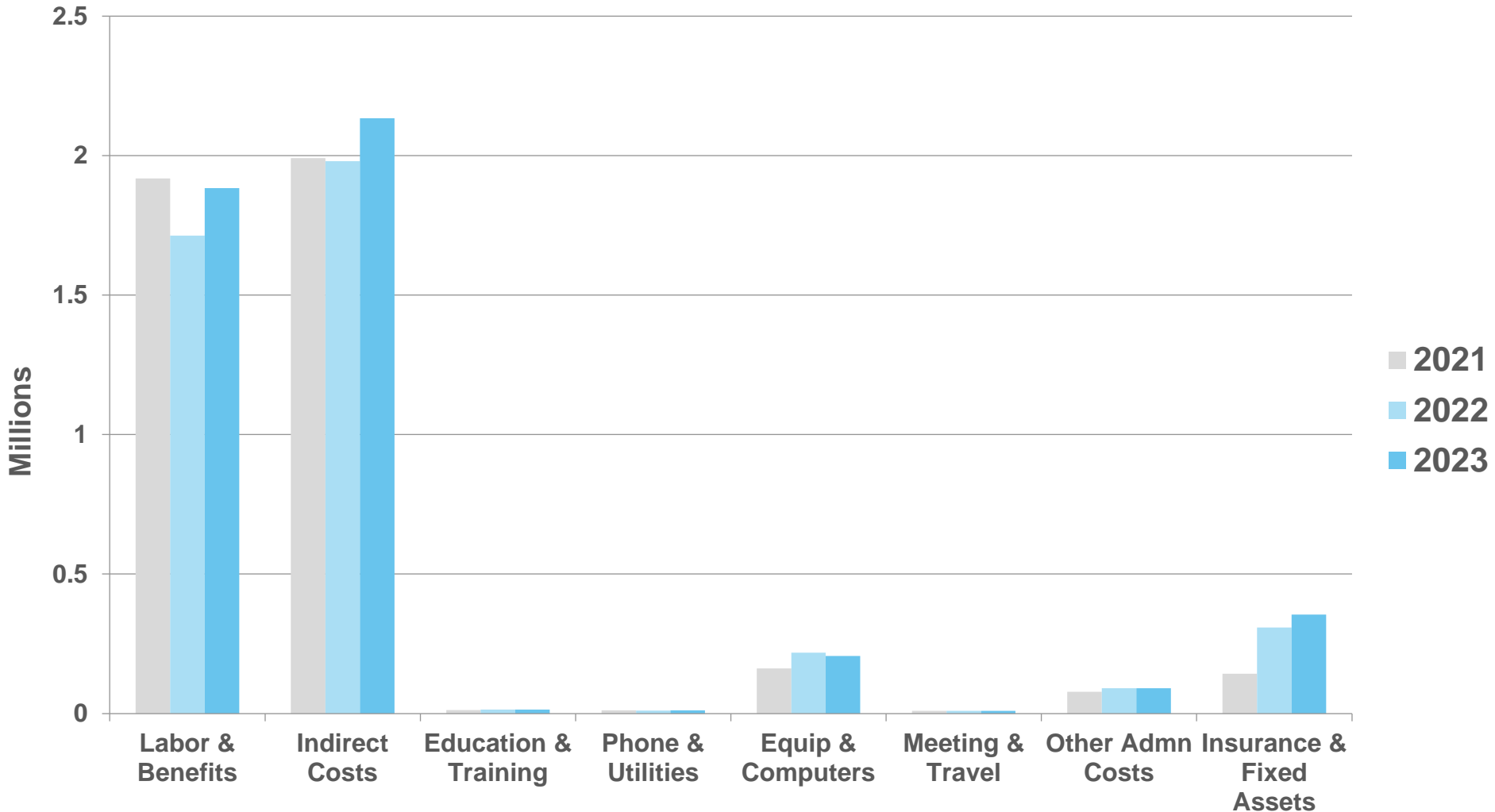
FYE 2023

Brine Line Expenses \$12.4 Million

Contribution to Reserves
12%



Management Costs

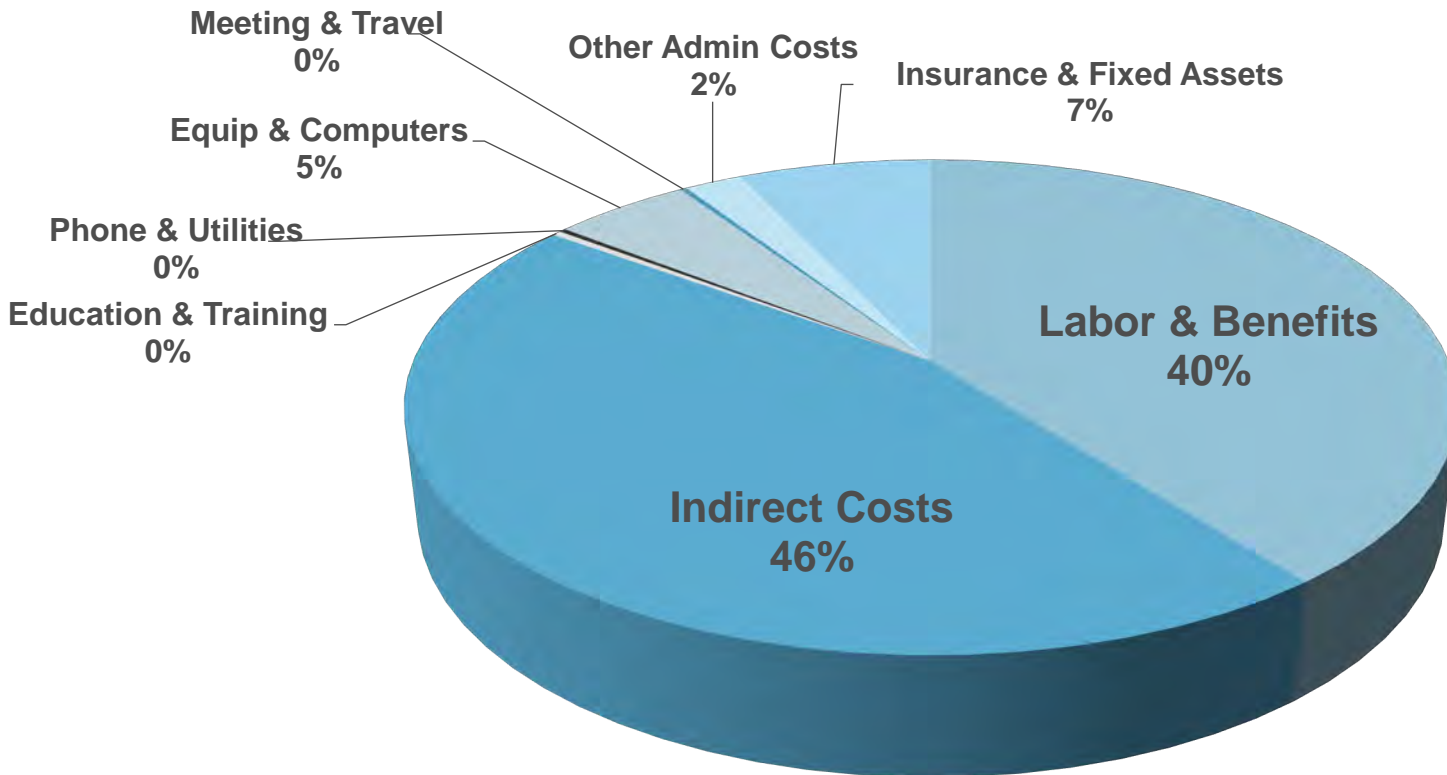


Management Costs

Expense	FYE 2021	FYE 2022	FYE 2023
Labor & Benefits	\$1,918,081	\$1,712,982	\$1,883,403
Indirect Costs	1,990,646	1,979,458	2,133,400
Education & Training	12,500	14,500	14,500
Phone & Utilities	11,700	10,200	11,500
Equip & Computers	161,500	218,000	206,500
Meeting & Travel	10,000	10,000	10,000
Other Admin Costs	77,900	90,900	90,900
Insurance, Rent, FA	142,350	308,472	355,000
Total	\$4,324,677	\$4,344,512	\$4,705,203

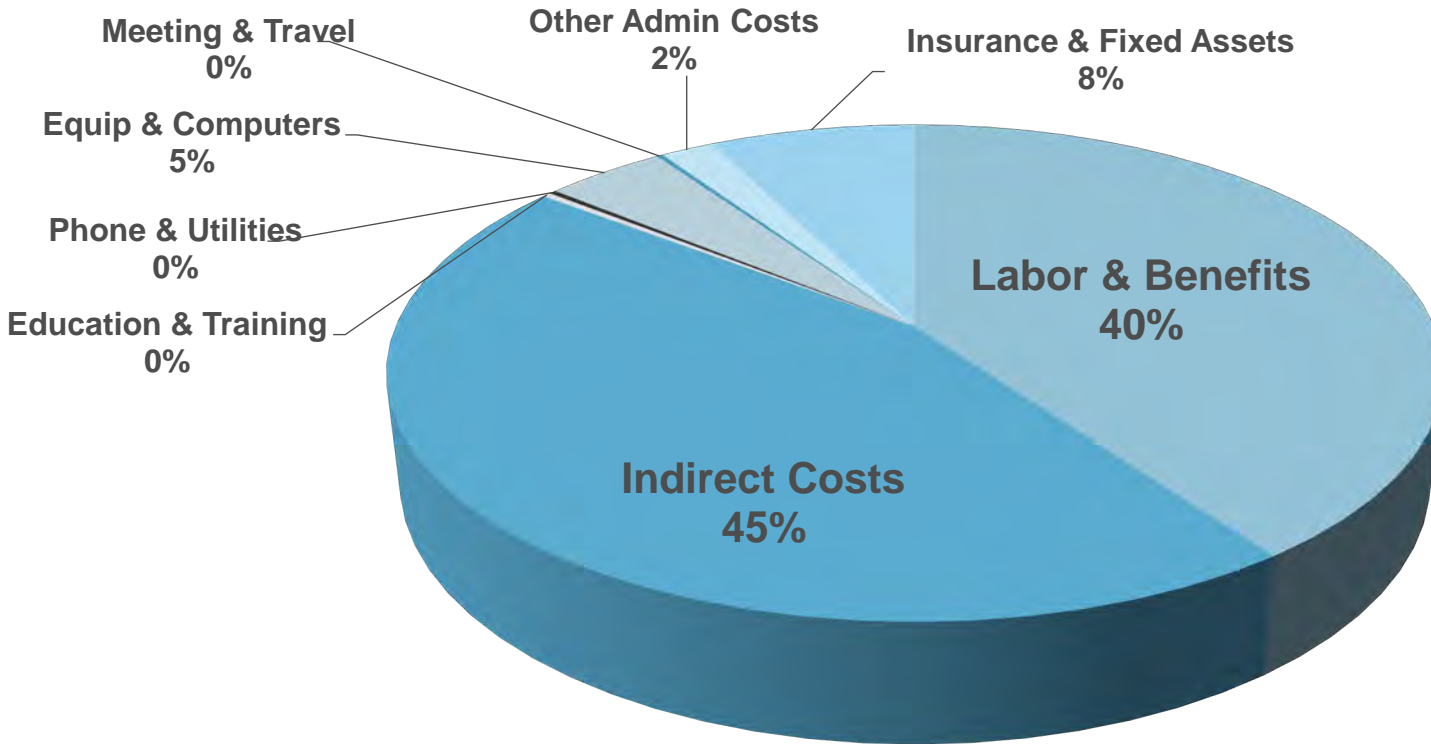
FYE 2022

Management Costs \$4.3 Million



FYE 2023

Management Costs \$4.7 Million



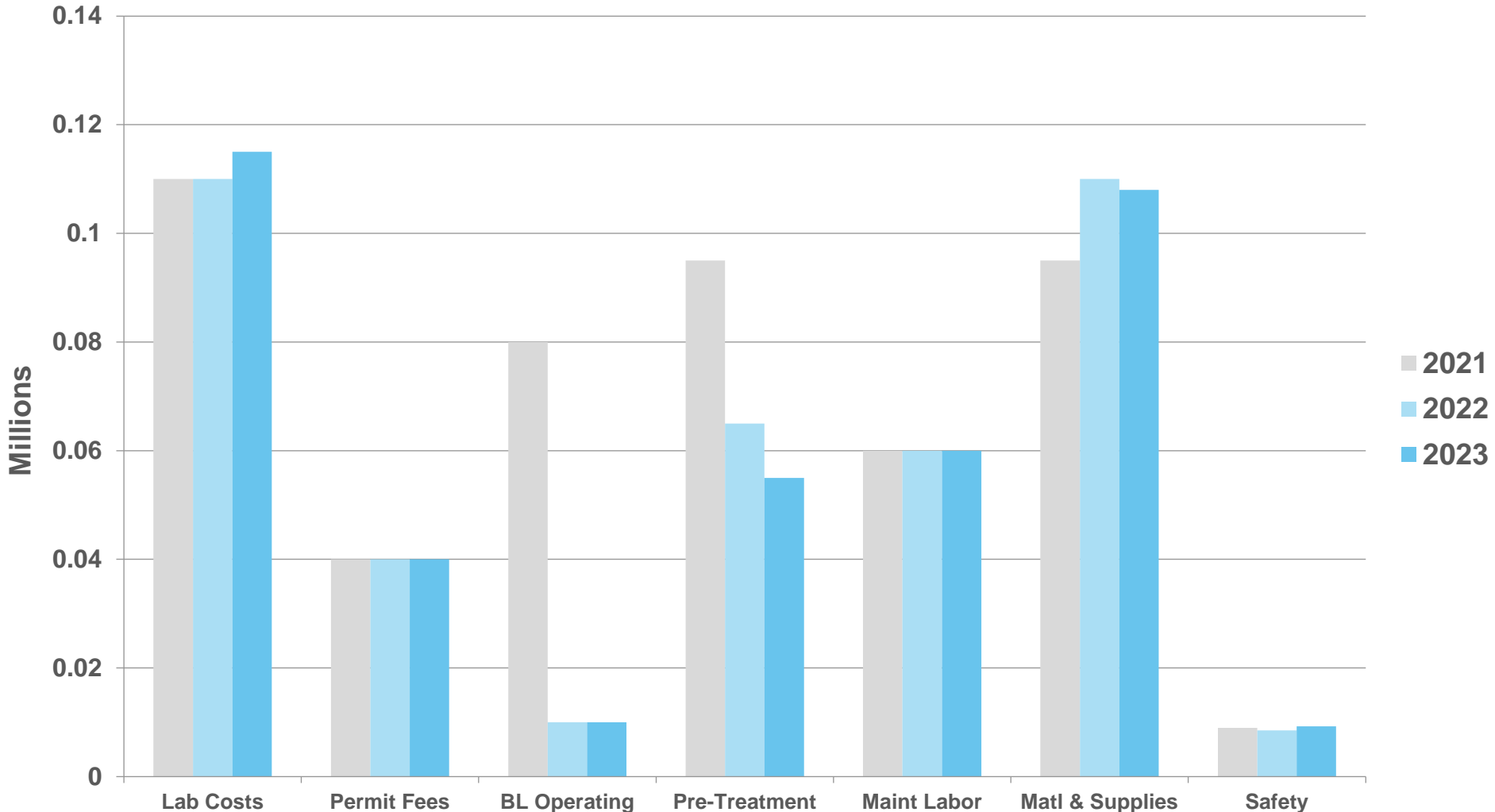
Fixed Asset Purchase

- FYE 2022
 - Purchase Dump Truck - \$100,000
- FYE 2023
 - Backhoe, trailer, buckets - \$140,000

(Staff will look at leasing options as well)



Operating Costs



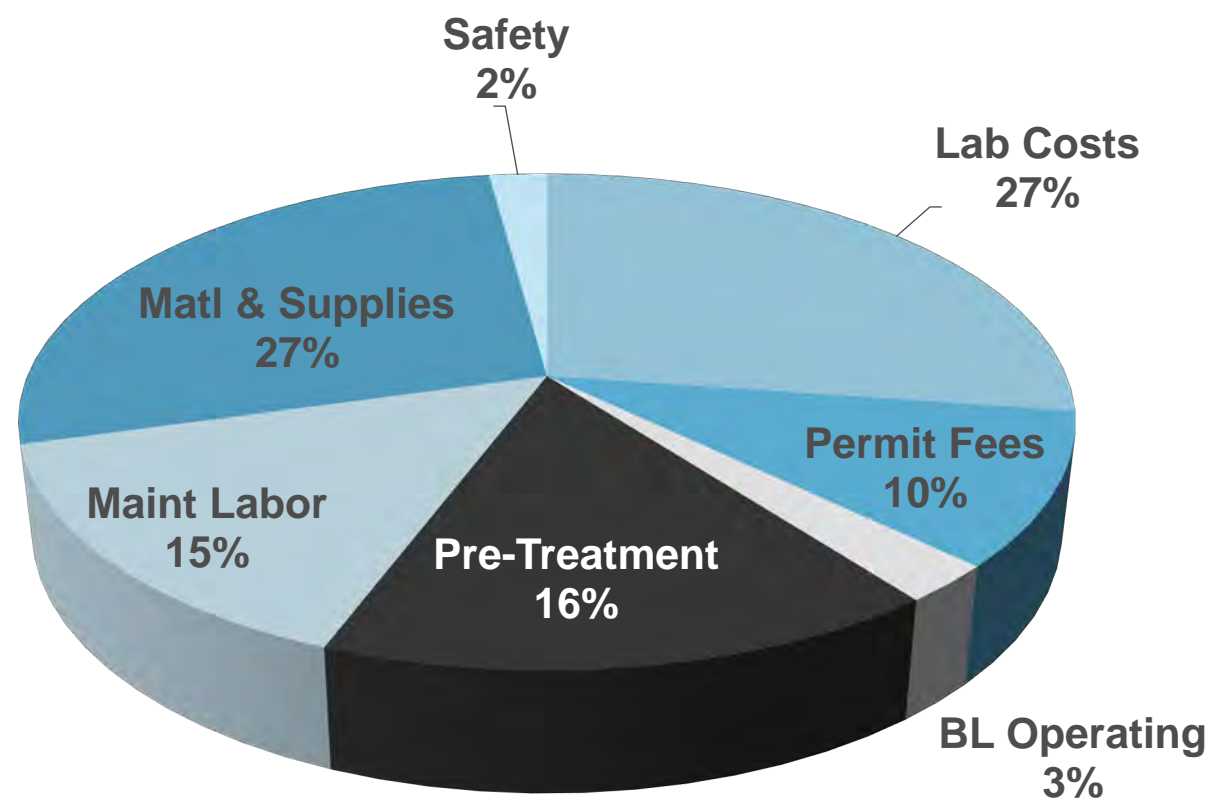
Operating Costs

Expense	FYE 2021	FYE 2022	FYE 2023
Lab Costs	\$110,000	\$110,000	\$115,000
Permit Fees	40,000	40,000	40,000
BL Operating Costs	80,000	10,000	10,000
Permitting/Pre-Treatment	95,000	65,000	55,000
Maintenance Labor	60,000	60,000	60,000
Materials & Supplies	95,000	110,000	108,000
Safety	9,000	8,500	9,250
Total	\$489,000	\$403,500	\$397,250

FYE 2022



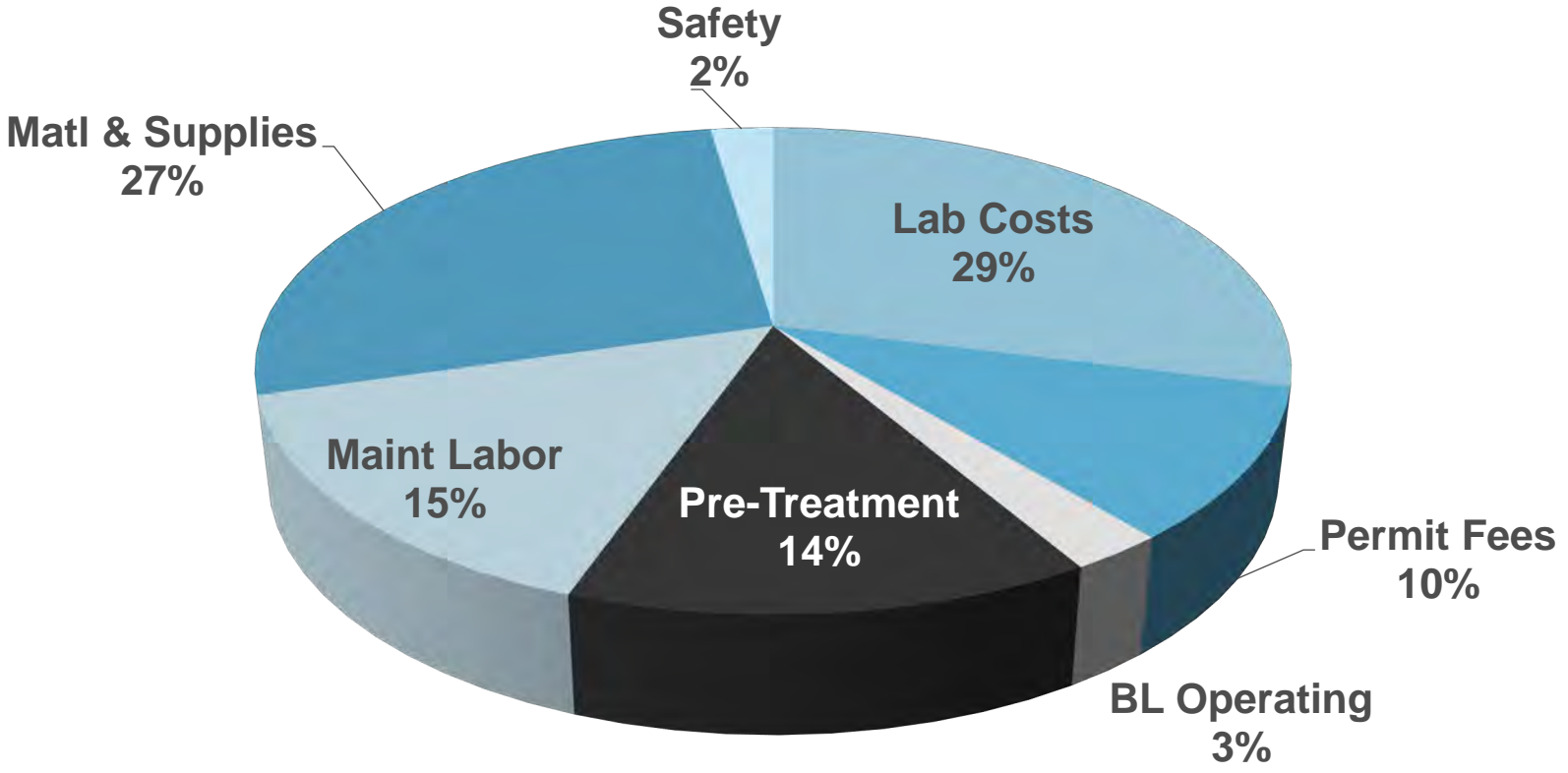
Operating Costs \$403,500



FYE 2023



Operating Costs \$397,250



Debt Service Payments


Debt	2021	2022	2023
Reach V Construction – SRF Loan 1 – 4	\$1,126,278	\$898,964	\$0
Reach IV-A & B Capital Repair – SRF Loan	1,044,273	1,044,273	1,044,273
Reach V Capital Repair – SRF Loan	664,476	665,202	665,202
Total Debt Service Payments	\$2,835,027	\$2,608,439	\$1,709,475

Debt Service Funding




Debt	Interest Rate	Final Payment	Funding Source
Reach V Construction	2.7%	10/05/21	Reserves
Reach IV-A & B Capital Repair	2.6%	12/29/32	Rates
Reach V Capital Repair	1.9%	03/31/48	Rates

Reserve Contributions



Fund	FYE 2021	FYE 2022	FYE 2023
Pipeline Repair/Replacement	\$1,810,491	\$928,781	\$1,467,543
Self Insurance Reserve	100,000	0	0
Debt Service Reserve	1,708,750	0	0
Total Contribution to Reserves	\$3,619,241	\$928,781	\$1,467,543

Proposed Brine Line Rates



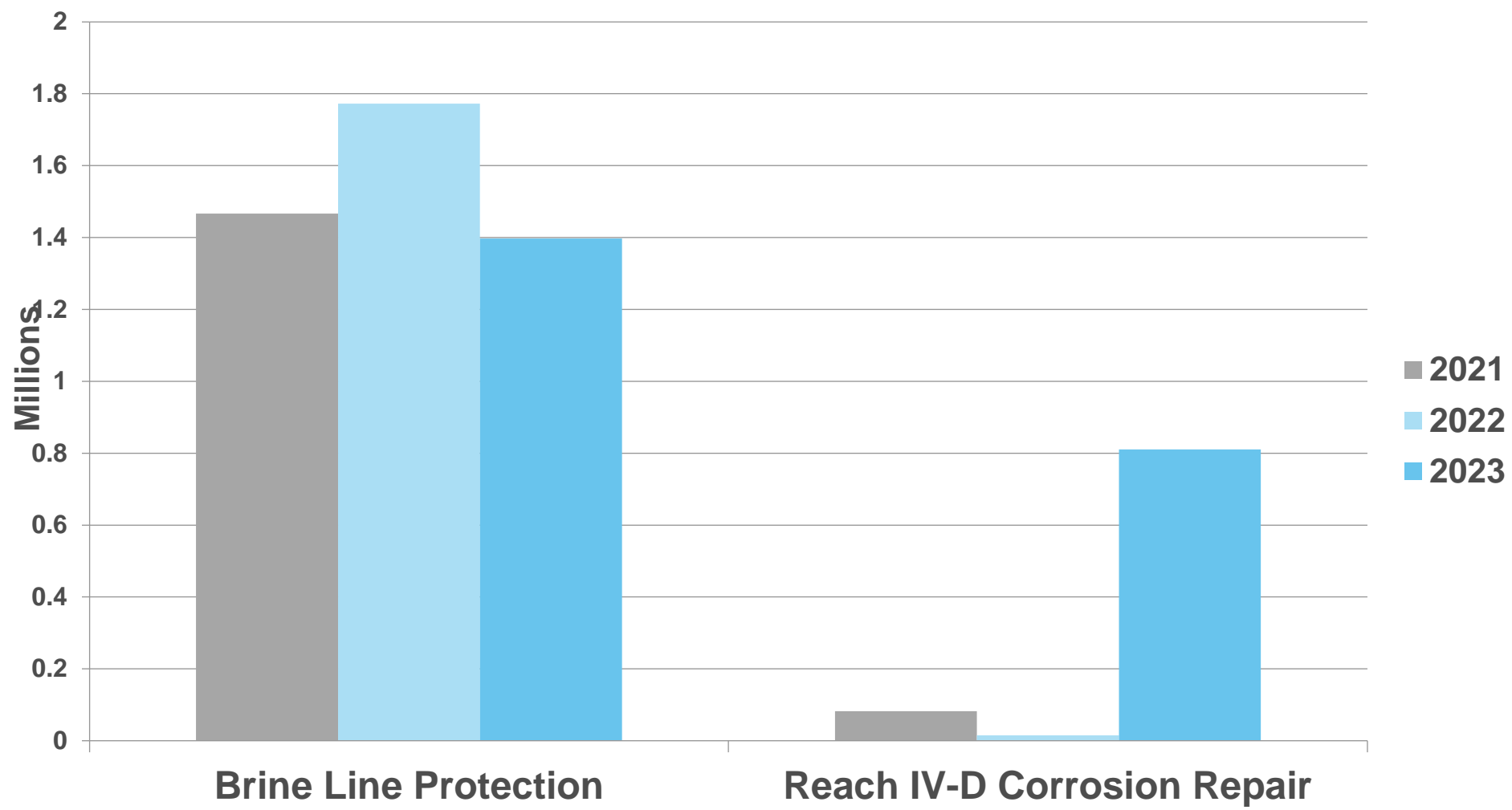
Component	Actual FYE 2021	FYE 2022	FYE 2023
Flow	\$1,018	\$1,018	\$1,049
BOD (per 1,000 lbs.)	\$329	\$329	\$339
TSS (per 1,000 lbs.)	\$460	\$460	\$474
Fixed Pipeline	\$6,654	\$6,654	\$6,654
Fixed Treatment	\$13,505	\$13,505	\$13,505

3% increase based on OC San estimated increases for 2022 and 2023

Reserve Balance (EOY)

Reserve	FYE 2022	FYE 2023
Pipeline Repair/Replacement Reserve	\$19,641,899	\$18,901,512
OC San Rehabilitation Reserve	2,374,235	2,374,235
OC San Future Capacity Reserve	1,839,595	1,839,595
Self-Insurance Reserve	4,487,655	4,487,655
Flow Imbalance Reserve	83,555	83,555
Rate Stabilization Reserve	1,025,765	1,025,765
Debt Service Reserve	3,328,129	3,328,129
Capacity Management Reserve	11,956,015	11,956,015
Operating Reserve	3,500,000	3,500,000
Total Reserves	\$48,236,848	\$47,496,460

Capital Improvement Projects



Capital Project Funding – Use of Reserves



Project	FYE 2021	FYE 2022	FYE 2023
Brine Line Protection	\$1,466,878	\$1,772,064	\$1,397,185
Reach IV-D Corrosion Repairs	82,151	14,818	810,746
Total	\$1,549,029	\$1,786,882	\$2,207,931

Capital Projects



- Fund 320 Brine Line Protection
 - Protection from stormwater/erosion
 - Reach IV-A Upper Pine Avenue siphon/relocation
 - Prado Reservoir MAS modifications
 - Pipeline inspection and condition study
 - Reach IV
 - Reach IV-B DIP
 - Reach V Temescal Canyon Road widening
 - Relocate airvac
 - Protection/relocation
- Fund 327 Reach IV-D Corrosion Repair
 - Condition assessment of 7 miles of pipeline

Brine Line Statistics



Project	FYE 2021	FYE 2022	FYE 2023
Staff Hours for Operations & Capital	22,980	21,120	21,914
Full Time Equivalents (FTE)	11.0	10.1	10.6
% of Indirect Costs paid	59.53%	64.17%	66.08%
Total of Indirect Costs paid	\$2,117,727	\$2,074,282	\$2,281,014



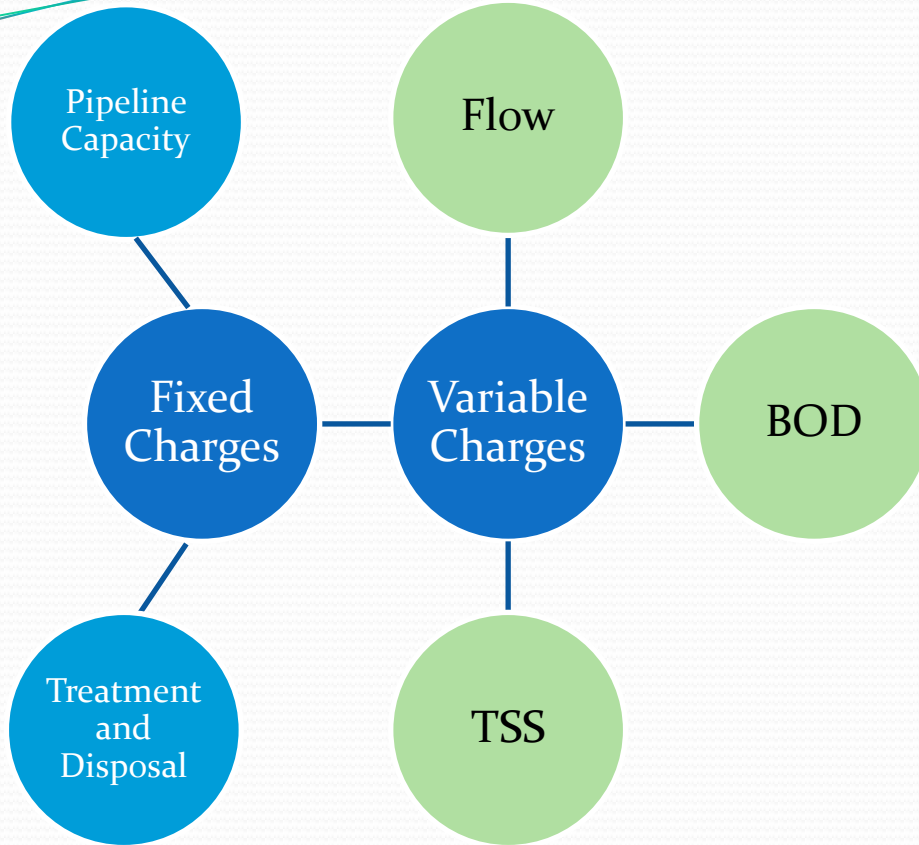
Questions?

Inland Empire Brine Line Rate Resolution 2021-04

Carlos Quintero, Operations Manager
PA24 Committee | May 4, 2021
Item 5.C.

Recommendation

- That the Project Agreement 24 Committee recommend approval by the SAWPA Commission of Resolution No. 2021-04 establishing the Fiscal Year 2021-22 Inland Empire Brine Line rates.



Brine Line Rate Components:

- Flow
 - Per Million Gallons
- Biochemical Oxygen Demand (BOD)
 - Per 1,000 lbs
- Total Suspended Solids (TSS)
 - Per 1,000 lbs
- Fixed Charges for Pipeline and Treatment and Disposal Capacity Owned
 - Per Million Gallons/Day

Brine Line Rates Direct Dischargers (FY21-22)

Options	Effective date	Flow (MG)	BOD - 1,000 lbs	TSS - 1,000 lbs	Fixed Pipe	Fixed T&D
Current rates FY20-21	-	1,018	329	460	6,654	13,505
Proposed Rates FY21-22	7/1/2021	1,018	329	460	6,654	13,505

Indirect Dischargers

- Currently using a 2-tier system:
 - Brine (< 100 mg/L of both BOD or TSS)
 - Non-Brine (≥ 100 mg/L of either BOD or TSS)
 - Charges based on a per gallon base for brine tier and a per gallon base plus pounds of BOD and pounds of TSS for non-brine tier.

Indirect Discharger Rates

Option	Brine ^(a) Tier (< 100 mg/L) / gallon	Non-Brine ^(b) Tier* (≥ 100 mg/L) / gallon	BOD/lb	TSS/lb
Current (FY19-20)	\$0.016	\$0.016	\$0.78	\$0.745
Proposed (FY21-22)	\$0.016	\$0.016	\$0.78	\$0.745

**Non-brine tier charges the flow component plus any pounds of BOD and TSS.*

(a) Brine Tier if both BOD and TSS concentrations are less than 100 mg/L

(b) Non-Brine Tier if any of the BOD or TSS concentrations are 100 mg/L or greater.

Capacity Pool Lease Rates

Option	Flow (per gallon)	Additional BOD (per lb)	Additional TSS (per lb)
Current (FY20-21) [250 mg/L BOD/TSS]	\$0.00263	\$0.4080	\$0.2501
Proposed (FY21-22)	\$0.00263	\$0.4080	\$0.2501
Treatment and Disposal Only	\$0.00117	\$0.4080	\$0.2501

Treatment & Disposal Surcharge Rates

Option	Flow (per gallon)	BOD (per lb)	TSS (per lb)
Current (FY20-21)	\$0.0021	\$0.4080	\$0.2501
Proposed (FY21-22)	\$0.0021	\$0.4080	\$0.2501

These rates apply to dischargers that exceed their contractually owned capacity in any given month.

Proposed Permit Fees

Type of Permit	FY20-21 Fee	Proposed FY21-22 Fee
Direct Discharger	\$600	\$600
Indirect Discharger	\$300	\$300
Connection Authorization	\$1,100	\$1,100
Liquid Waste Hauler	\$250	\$250

Brine Line Approved Budgeted Expenses

Category	FY20-21	FY21-22*	Change (%)	Change (\$)
TOTAL	11,617,205	11,588,491	-0.25%	-28,714

*Draft Budget

Recommendation

- That the Project Agreement 24 Committee recommend approval by the SAWPA Commission of Resolution No. 2021-04 establishing the Fiscal Year 2021-22 Inland Empire Brine Line rates.



Questions??