



Inland Empire Brine Line Reserve Policy RFP

David Ruhl, Engineering Manager
Project Agreement 24 Committee
September 7, 2021 | Item No. 5.A

SAWPA Reserve Policy

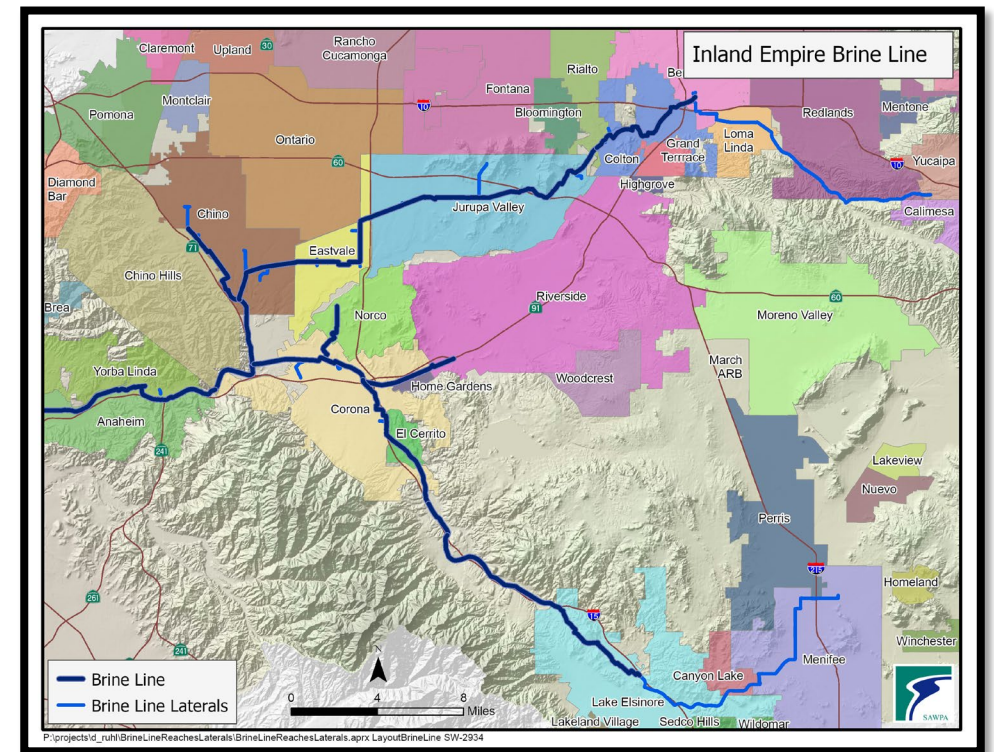
Recommendation:

- Direct staff to release an RFP for professional services for review of the SAWPA Reservice Funds Policy.

Background

SAWPA maintains 9 reserves that pertain to the Brine Line

- *Brine Line Operating Reserve*
- *Rate Stabilization Reserve*
- *Pipeline Replacement Reserve*
- *OC San Rehabilitation Reserve*
- *Debt Retirement Reserve*
- *OC San Future Capacity Reserve*
- *Self-Insurance Reserve*
- *Capacity Management Reserve*
- *Flow Imbalance Reserve*



Reserve Policy RFP

- Scope of Work
 - Review reserve policies and fund balance requirements for each reserve.
 - Recommend minimum, maximum, and target reserve levels.
 - Recommend methodology to determine reserve levels and provide basis for recommendation.
 - Review lease rate for Brine Line capacity.
 - Prepare Technical Memorandum, meeting with SAWPA and Agency staff, present recommendations to PA 24 and Commission



RFP Schedule

- Issue Request for Proposals September 15, 2021
- Pre-proposal meeting September 30, 2021
- Proposals due (4:00 p.m.) October 14, 2021
- Interview panel conducts
interview of top proposing firms October 21, 2021
- Recommend award November 2, 2021
- Issue Notice to Proceed November 15, 2021

SAWPA Reserve Policy

Recommendation:

- Direct staff to release an RFP for professional services for review of the SAWPA Reservice Funds Policy.

Questions?

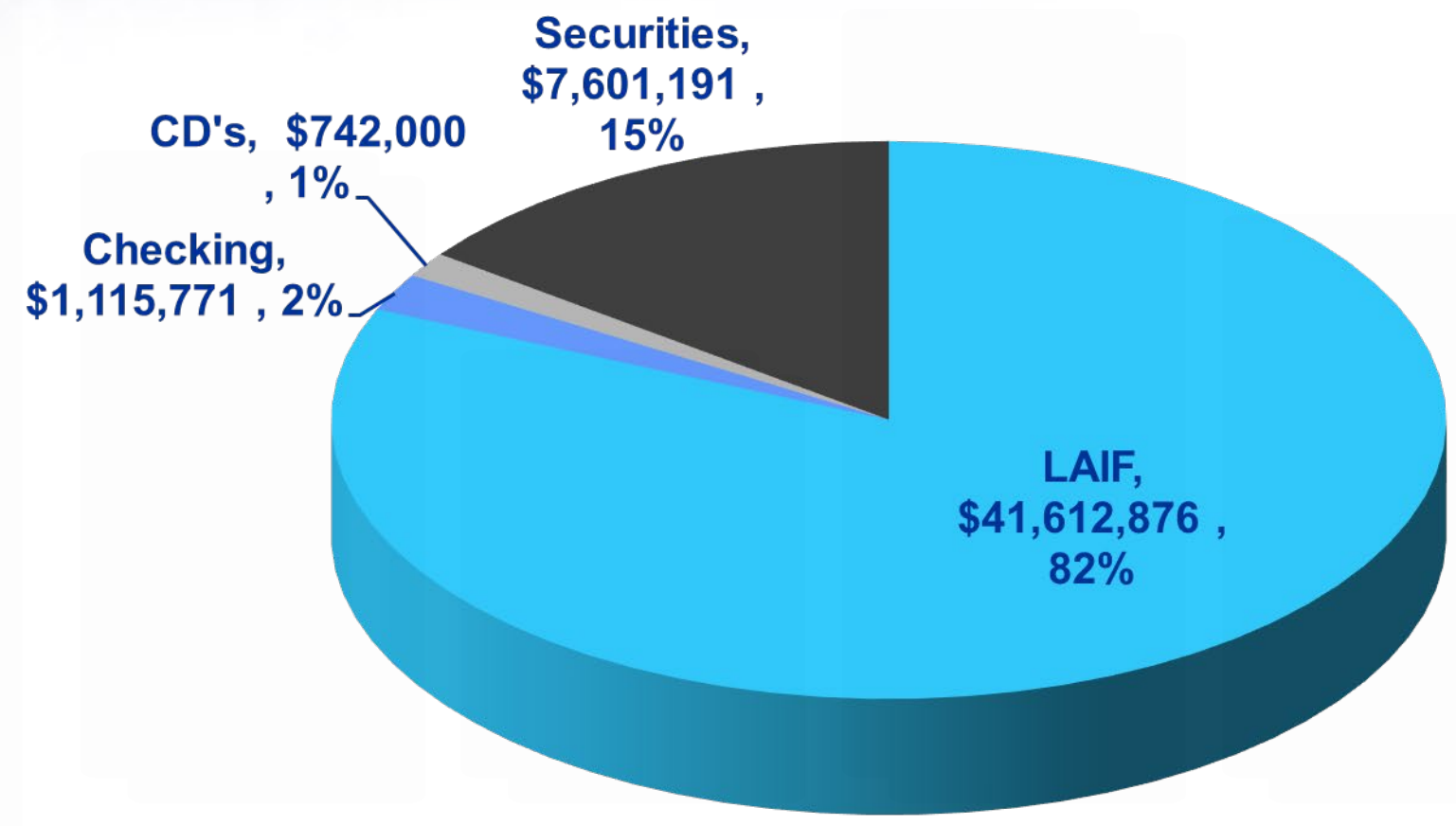
Agenda

The background features a collage of financial data visualizations. On the left, there's a grid of vertical bars. In the center, a 3D bar chart shows five bars of increasing height. On the right, a pie chart is visible. Below these, there are overlapping document windows, one of which has the text 'PAGE 1' and 'CP' visible.

- **Cash & Investments**
- **Reserve Account Balances**
- **Transfer, Uses & Contributions from/to Reserves**
- **Enterprise Revenues**
- **Enterprise Expenses**
- **Enterprise Performance**
- **Capital Improvement Program**

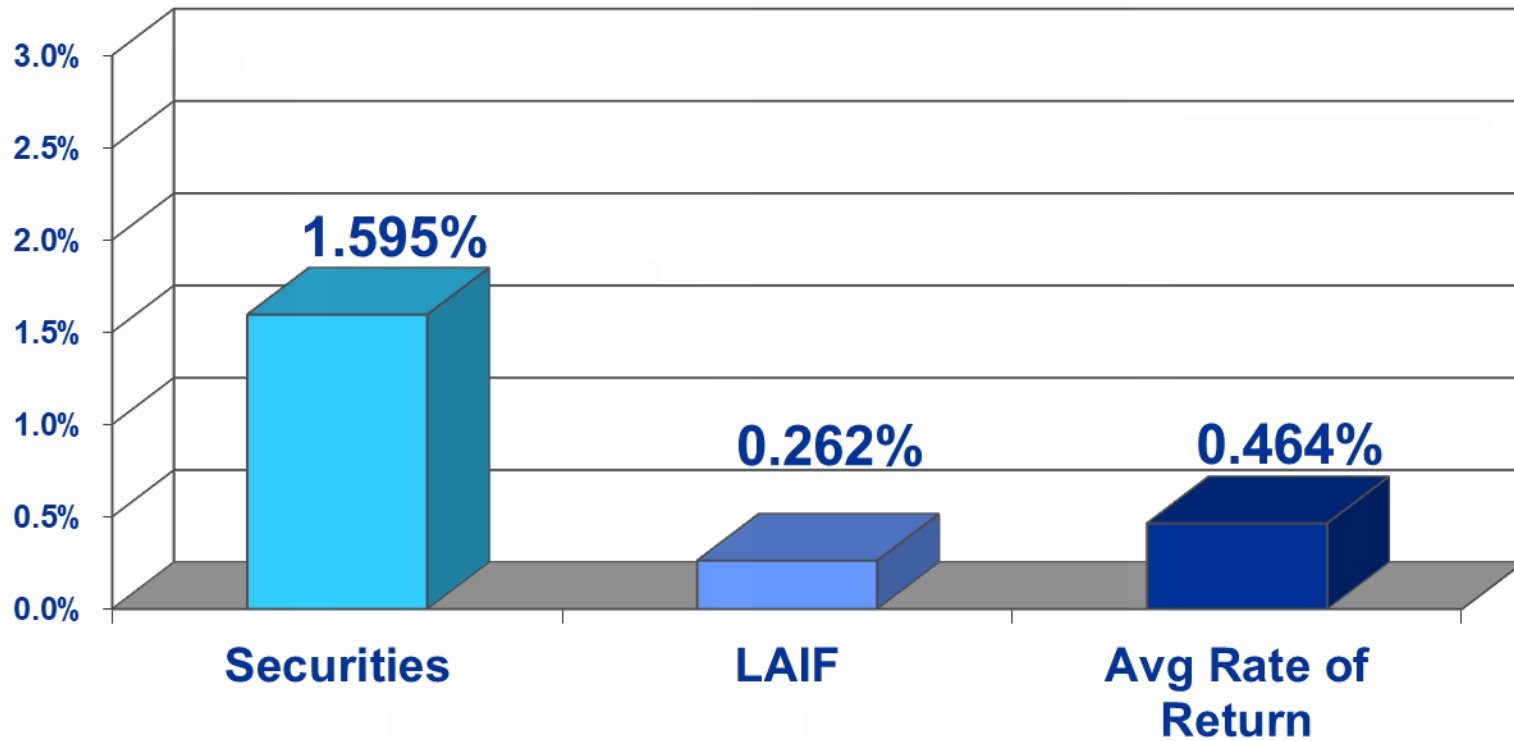
Cash & Investments

\$51,071,838



Cash & Investments

Interest Rate Analysis



Reserve Account Balances

Reserve Account	Balance
Self Insurance	\$4,494,364
Debt Retirement	3,712,038
Pipeline Replacement	21,889,082
OC San Rehabilitation	2,377,813
Capacity Management	11,981,707
OC San Future Capacity	1,833,264
Flow Imbalance Reserve	83,681
Rate Stabilization Reserve	1,027,311
Operating Reserve	3,672,578
Total Reserves	\$51,071,838

Reserve Account Balances Trends

Reserve	Balance @ 09/30/20	Balance @ 12/31/20	Balance @ 03/31/21	Balance @ 06/30/21
Self Insurance	\$4,395,735	\$4,429,783	\$4,462,656	\$4,494,364
Debt Retirement	3,077,709	2,468,280	3,945,215	3,712,038
Pipeline Replacement	21,549,970	22,208,667	21,155,970	21,889,082
OC San Rehabilitation	3,719,181	2,368,201	2,374,235	2,377,813
Capacity Mgmt	11,910,170	11,934,754	11,956,015	11,981,707
OC San Future Capacity	1,823,486	1,827,250	1,830,505	1,833,264
Flow Imbalance Reserve	83,234	83,407	83,555	83,681
Rate Stabilization Reserve	1,021,832	1,023,941	1,025,765	1,027,311
Operating Reserve	4,269,033	4,386,799	3,834,890	3,672,578
Total	\$51,850,350	\$50,731,082	\$50,668,806	\$51,071,838

Transfers, Use and Contributions To/From Reserves



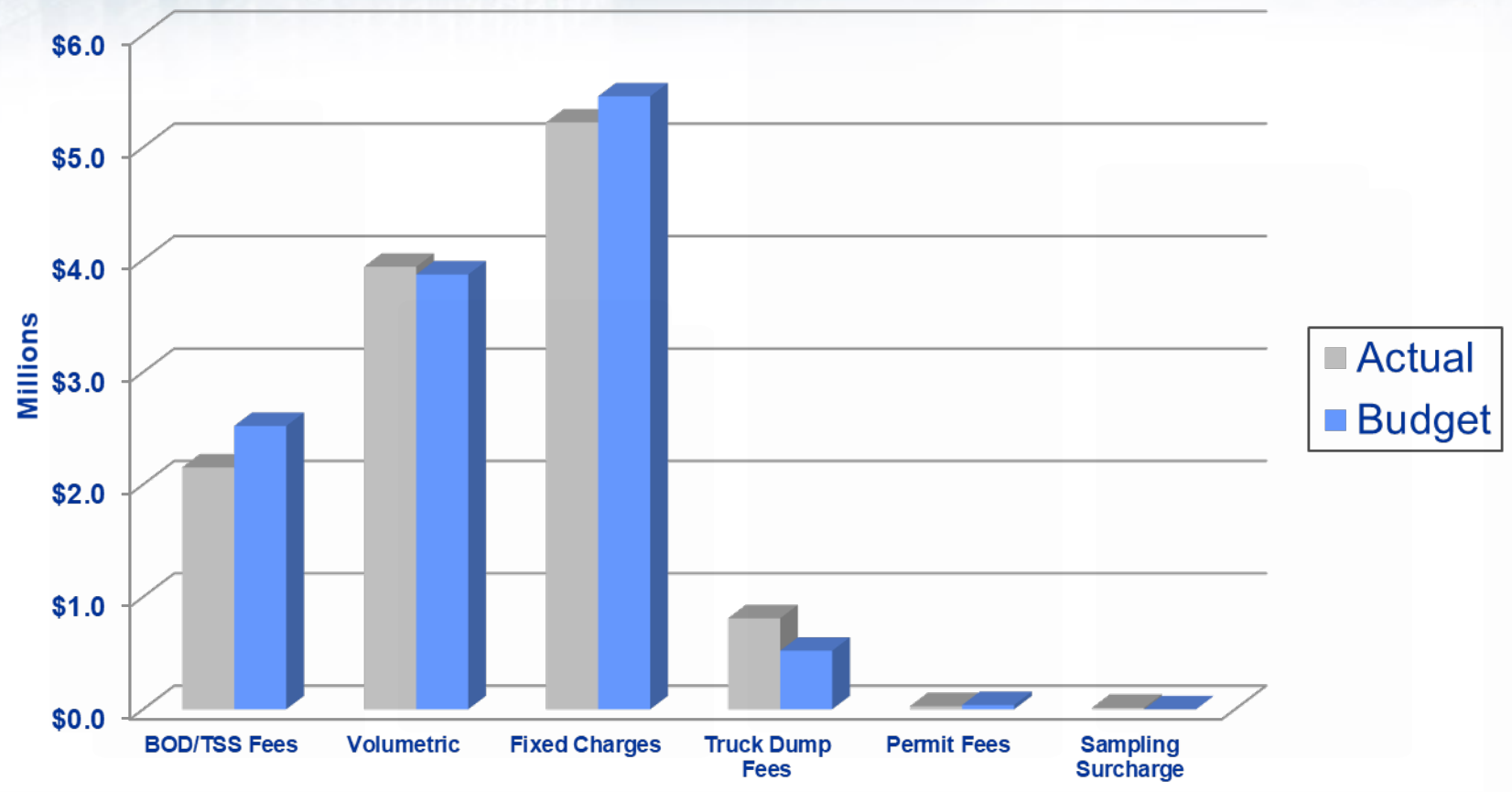
- **Pipeline Replacement Reserve**
 - Contribution of \$2,439,477
 - Use of \$1,552,676 - Fund 320 Brine Line Protection
- **OC San Rehabilitation Reserve**
 - Use of \$1,358,656 – Rock Removal Project
- **Self Insurance Reserve**
 - Contribution of \$100,000
- **Debt Service Reserve**
 - Contribution of \$1,708,750
 - Use of \$1,791,480

Total Operating Revenues

Source	Actual	Budget	Variance Positive/(Negative)
BOD/TSS Fees	\$2,151,704	\$2,520,700	(\$368,996)
Volumetric Fees	3,936,962	3,868,400	68,562
Fixed Charges	5,220,975	5,453,233	(232,258)
Truck Discharge	809,159	521,000	288,159
Permit Fees	27,750	38,085	(10,335)
Sampling Surcharge	12,881	0	12,881
Total Operating Revenues	\$12,159,431	\$12,401,418	(\$241,987)

Operating Revenues vs. Budget

Budget vs. Actual

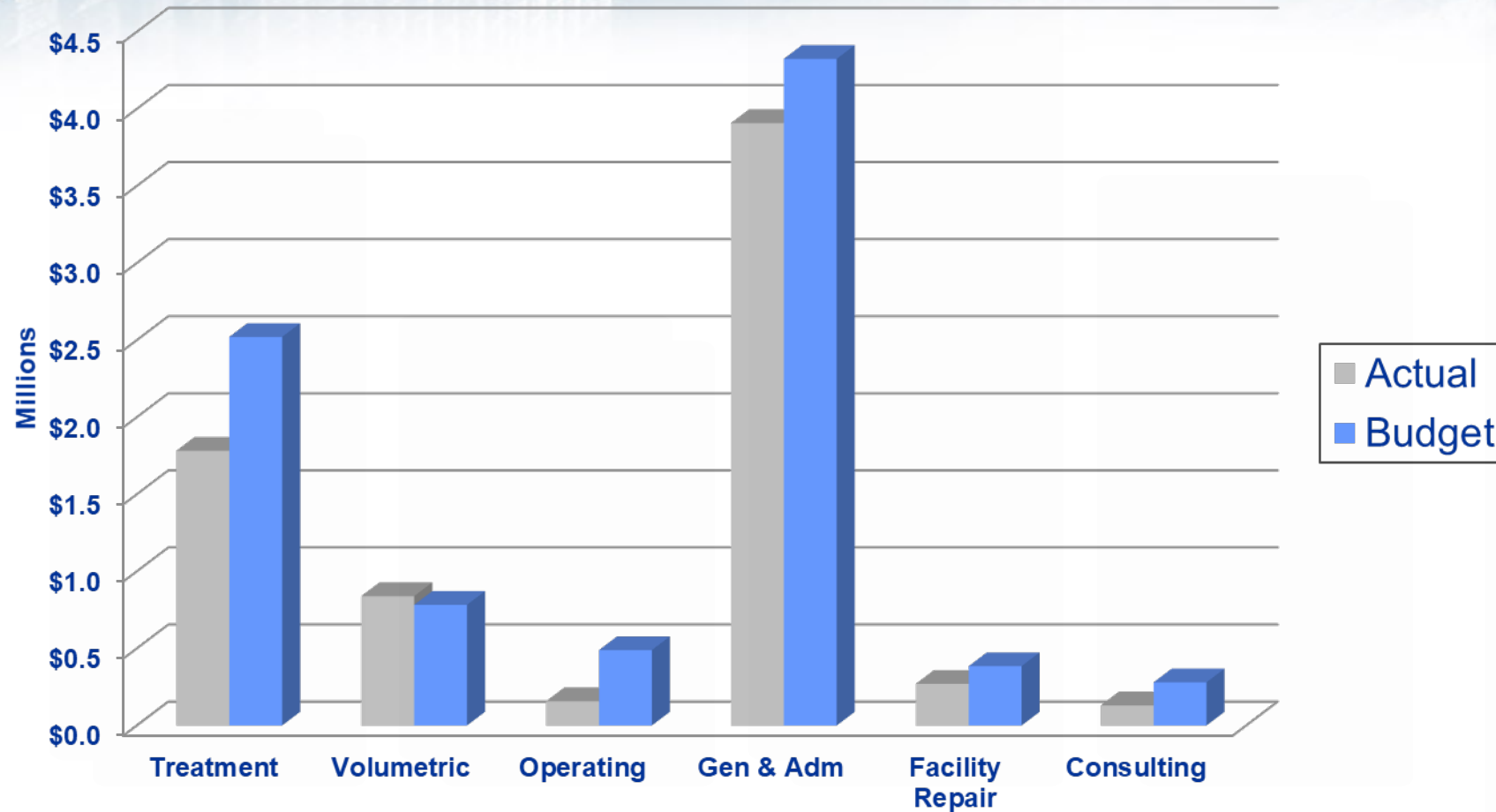


Total Operating Expenses

Source	Actual	Budget	Variance Positive/(Negative)
Treatment Costs	(\$1,782,088)	(\$2,520,700)	\$738,612
Volumetric Costs	(839,054)	(782,800)	(56,254)
Operating Costs	(157,296)	(489,000)	331,704
General & Administration	(3,908,005)	(4,324,677)	416,672
Facility Repair & Maintenance	(270,380)	(385,000)	114,620
Consulting & Prof. Services	(130,145)	(280,000)	149,855
Total Operating Expenses	(\$7,086,968)	(\$8,782,177)	\$1,695,209

Operating Expenses vs. Budget

Budget vs. Actual



Non-Operating Revenues and Expenses

Source	Actual	Budget	Variance Positive/(Negative)
Use of Reserves (Debt Service)	\$2,160,027	\$2,160,027	\$0
Interest & Investments	342,986	675,000	(332,014)
Other Income	317,425	0	317,425
Debt Service Payments	(2,835,753)	(2,835,027)	(726)
Contributions to Reserves	(3,619,241)	(3,619,241)	0
Total Non-Operating	(\$3,634,556)	(\$3,619,241)	(\$15,315)

Enterprise Performance

Flow, BOD, TSS Actual vs. OCSD Billing

	SAWPA Billed	OCSD Billing	Difference
Total Flow (MG)	3,969.3918	3,933.680	35.7118
Total BOD (1,000 lbs)	1,456.06	1,300.070	155.99
Total TSS (1,000 lbs)	3,827.1244	3,284.954	542.1704
Flow - Pass through per MG	\$206.00	\$213.30	(\$7.30)
BOD cost per 1,000 lbs	\$316.00	\$304.47	\$11.53
TSS cost per 1,000 lbs	\$442.00	\$449.36	(\$7.36)

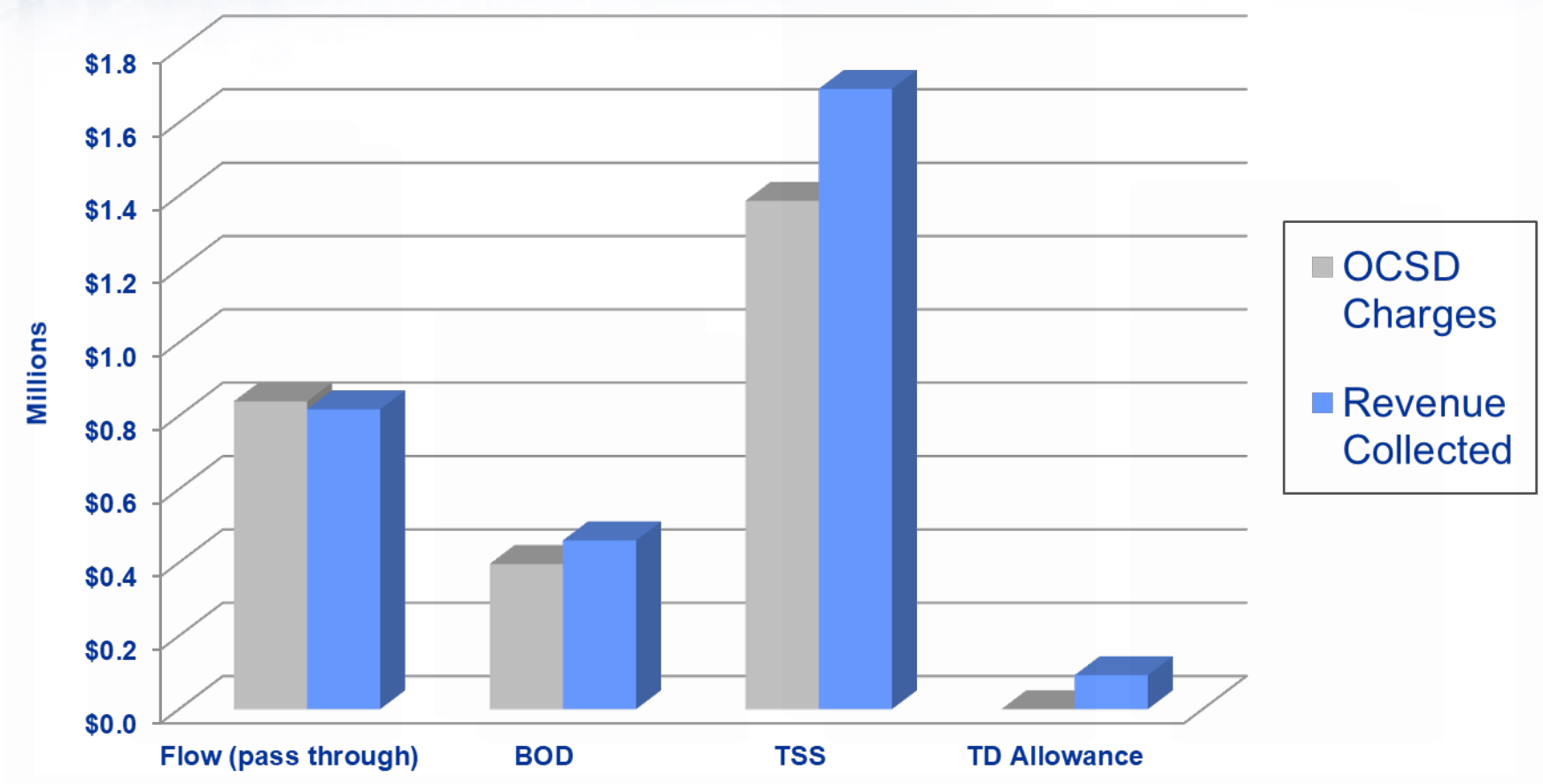
Enterprise Performance

OCSD Flow, BOD & TSS Charges vs. Revenue Billed

	Revenue Billed	OCSD Charges	Difference
Flow (pass through)	\$817,695	\$839,054	(\$21,359)
BOD	460,115	395,833	64,282
TSS	1,691,589	1,386,255	305,334
TD Allowance	92,545	0	92,545
Total	\$3,061,944	\$2,621,142	\$440,802

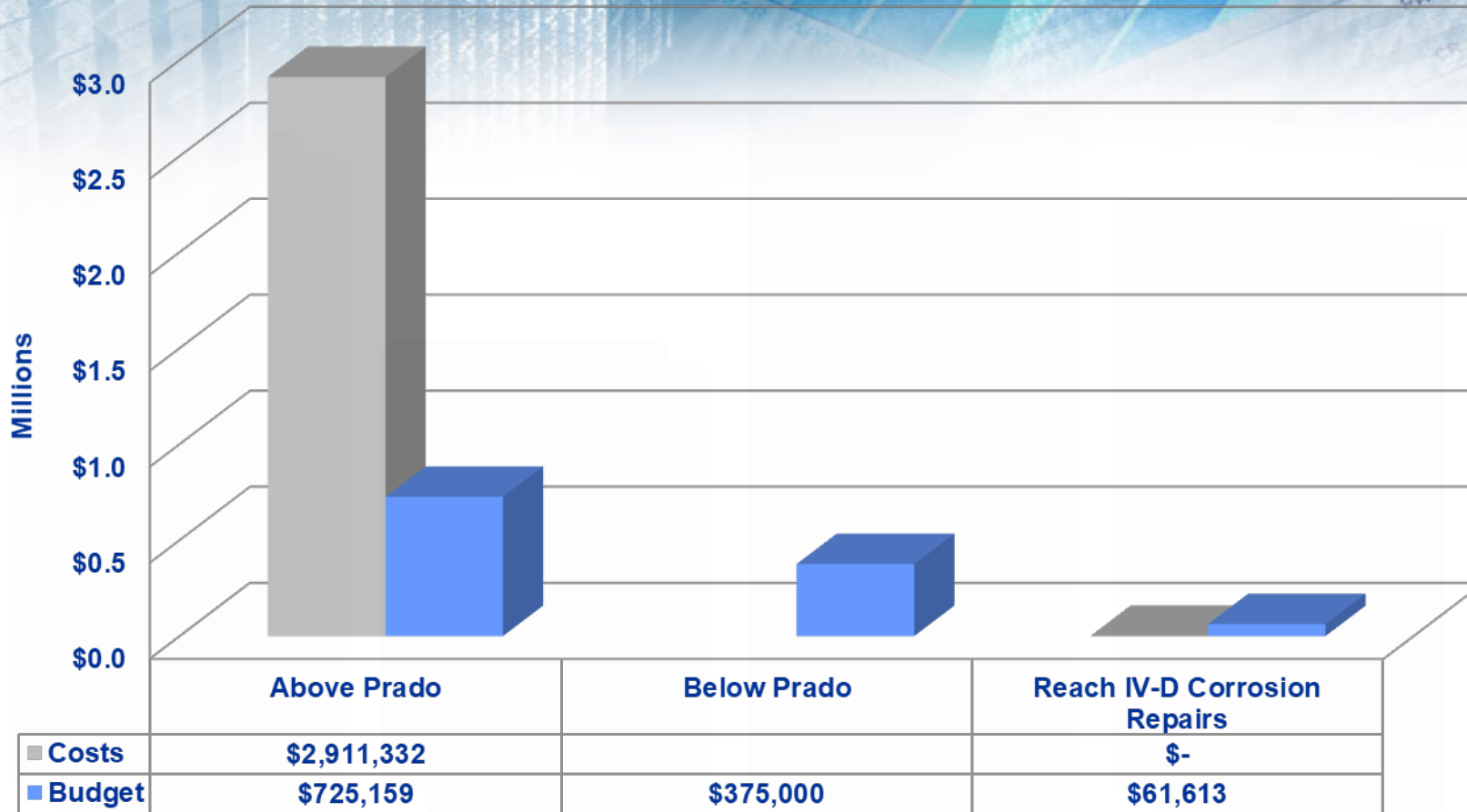
Enterprise Performance

OCSD Flow, BOD & TSS Charges vs. Revenue Collected



Capital Project Fund

Costs vs. Budget



Capital Project Fund (320)



Brine Line Protection / Relocation Projects

- **D/S Prado in OC** – emergency protection work, pipeline relocation
- **Above Prado** - pipeline relocation and manhole lid adjustments – when required
- **D/S Prado in Riv County** – bank armoring

Questions ?

