



S A W P A

SANTA ANA WATERSHED PROJECT AUTHORITY
 11615 Sterling Avenue, Riverside, California 92503 • (951) 354-4220

PURSUANT TO THE PROVISIONS OF EXECUTIVE ORDER N-29-20, THIS MEETING WILL BE CONDUCTED VIRTUALLY. ALL VOTES TAKEN WILL BE AN ORAL ROLL CALL.

This meeting will be accessible as follows:

Meeting Access Via Computer (Zoom)*:	Meeting Access Via Telephone*:
<ul style="list-style-type: none"> • https://sawpa.zoom.us/j/94170948929 • Meeting ID: 941 7094 8929 	<ul style="list-style-type: none"> • 1 (669) 900-6833 • Meeting ID: 941 7094 8929
* Participation in the meeting via the Zoom app (a free download) is strongly encouraged; there is no way to protect your privacy if you elect to call in by phone to the meeting.	

AGENDA

TUESDAY, MAY 4, 2021 – 10:00 A.M.

(*or immediately following the 9:30 a.m. SAWPA Commission meeting, whichever is earlier)

REGULAR MEETING OF THE PROJECT AGREEMENT 24 COMMITTEE

Inland Empire Brine Line

Committee Members

Eastern Municipal Water District	Inland Empire Utilities Agency
Paul D. Jones, General Manager	Director Jasmin A. Hall
Director David J. Slawson (Alt)	Shivaji Deshmukh, General Manager (Alt)
San Bernardino Valley Municipal Water District	Western Municipal Water District
Director T. Milford Harrison, Chair	Director Brenda Dennstedt, Vice Chair
Director Gil Botello (Alt)	Craig Miller, General Manager (Alt)

1. CALL TO ORDER | PLEDGE OF ALLEGIANCE (T. Milford Harrison, Chair)

2. PUBLIC COMMENTS

Members of the public may address the Committee on items within the jurisdiction of the Committee; however, no action may be taken on an item not appearing on the agenda unless the action is otherwise authorized by Government Code §54954.2(b).

3. ITEMS TO BE ADDED OR DELETED

Pursuant to Government Code §54954.2(b), items may be added on which there is a need to take immediate action and the need for action came to the attention of the Santa Ana Watershed Project Authority subsequent to the posting of the agenda.

4. APPROVAL OF MEETING MINUTES: APRIL 6, 20215

Recommendation: Approve as posted.

5. COMMITTEE DISCUSSION/ACTION ITEMS

A. OC SAN / SAWPA JOINT POLICY COMMITTEE (PA24#2021.8)9

Presenter: David Ruhl

Recommendation: Appoint two Commissioners to the Orange County Sanitation District (OC San) / Santa Ana Watershed Project Authority (SAWPA) Joint Policy Committee.

B. FYE 2022 AND 2023 BRINE LINE FUND DRAFT BUDGET (PA24#2021.9) 11

Presenter: Karen Williams

Recommendation: Adopt the draft FYE 2022 and 2023 Brine Line Fund Budget.

C. FY 2021 – 2022 INLAND EMPIRE BRINE LINE RATES (PA24#2021.10)57

Presenter: Carlos Quintero

Recommendation: Recommend approval by the SAWPA Commission of Resolution No. 2021-4 establishing the Fiscal Year 2021-22 Inland Empire Brine Line Rates.

6. INFORMATIONAL REPORTS

Recommendation: Receive for information.

A. BRINE LINE FINANCIAL REPORT – FEBRUARY 202179

Presenter: Karen Williams

B. FINANCIAL REPORT FOR THE SECOND QUARTER ENDING DECEMBER 31, 202085

Presenter: Karen Williams

7. REQUEST FOR FUTURE AGENDA ITEMS

8. CLOSED SESSION

There were no Closed Session items anticipated at the time of the posting of this agenda.

9. ADJOURNMENT

PLEASE NOTE:

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Clerk of the Board at (951) 354-4220. Notification at least 48 hours prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility to this meeting.

Materials related to an item on this agenda submitted to the Committee after distribution of the agenda packet are available for public inspection during normal business hours at the SAWPA office, 11615 Sterling Avenue, Riverside, and available at www.sawpa.org, subject to staff's ability to post documents prior to the meeting.

Declaration of Posting

I, Sara Villa, Acting Clerk of the Board of the Santa Ana Watershed Project Authority declare that on April 28, 2021, a copy of this agenda has been uploaded to the SAWPA website at www.sawpa.org and posted at SAWPA's office, 11615 Sterling Avenue, Riverside, California.

2021 Project Agreement 24 Committee Regular Meetings

Inland Empire Brine Line

First Tuesday of Every Month

(Note: All meetings begin at 10:00 a.m., or immediately following the 9:30 a.m. SAWPA Commission meeting, whichever is earlier, unless otherwise noticed, and are held at SAWPA.)

January		February	
1/5/21	Regular Committee Meeting [cancelled]	2/2/21	Regular Committee Meeting
March		April	
3/2/21	Regular Committee Meeting	4/6/21	Regular Committee Meeting
May		June	
5/4/21	Regular Committee Meeting	6/1/21	Regular Committee Meeting
July		August	
7/6/21	Regular Committee Meeting	8/3/21	Regular Committee Meeting
September		October	
9/7/21	Regular Committee Meeting	10/5/21	Regular Committee Meeting
November		December	
11/2/21	Regular Committee Meeting	12/7/21	Regular Committee Meeting

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PROJECT AGREEMENT 24 COMMITTEE
Inland Empire Brine Line
REGULAR MEETING MINUTES
April 6, 2021

COMMITTEE MEMBERS PRESENT

T. Milford Harrison, Chair, San Bernardino Valley Municipal Water District Governing Board
Brenda Dennstedt, Vice Chair, Western Municipal Water District Governing Board
Paul D. Jones, Eastern Municipal Water District General Manager
Jasmin A. Hall, Inland Empire Utilities Agency Governing Board

ALTERNATE COMMITTEE MEMBERS PRESENT [Non-Voting]

David J. Slawson, Alternate, Eastern Municipal Water District Governing Board
Gil Botello, Alternate, San Bernardino Valley Municipal Water District Governing Board

STAFF PRESENT

Jeff Mosher, Karen Williams, Carlos Quintero, David Ruhl, Dean Unger, Alison Lewis, Sara Villa,
Haley Mullay

OTHERS PRESENT

Andrew D. Turner, Lagerlof, LLP; Derek Kawaii, Western Municipal Water District; Craig Proctor,
Inland Empire Utilities Agency; Ken Tam, Inland Empire Utilities Agency

1. CALL TO ORDER | PLEDGE OF ALLEGIANCE

The regular meeting of the PA 24 Committee was called to order at 11:36 a.m. by Chair Harrison on behalf of the Santa Ana Watershed Project Authority, 11615 Sterling Avenue, Riverside, California. Pursuant to the provisions of Executive Order N-29-20, this meeting was conducted virtually. All votes taken during this meeting were conducted via oral roll call.

2. PUBLIC COMMENTS

There were no public comments; there were no public comments received via email.

3. ITEMS TO BE ADDED OR DELETED

There were no added or deleted items.

4. APPROVAL OF MEETING MINUTES: March 2, 2021

Chair Harrison called for a motion to approve the March 2, 2021 meeting minutes as posted.

MOVED, approve the March 2, 2021 meeting minutes.

Result:	Adopted by Roll Call Vote (Unanimously)
Motion/Second:	Dennstedt/Jones
Ayes	Dennstedt, Hall, Harrison, Jones, Slawson
Nays:	None
Abstentions:	None
Absent:	None

5. COMMITTEE DISCUSSION/ACTION ITEMS

A. FYE 2022 AND 2023 BRINE LINE FUND DRAFT BUDGET (PA24#2021.6)

Karen Williams provided a PowerPoint presentation on the FYE 2022 and 2023 Brine Line Fund Draft Budget contained in the agenda packet on pages 11-54. A brief description of the Inland Empire Brine Line historical revenues and expenses were presented from FYE 2018 through FYE 2023. Committee member Jones referred to Brine Line Enterprise Revenues slide (page 19 of the agenda packet) and asked where the funding for the “Other income use of reserves) is transferred from; Ms. Williams noted that it was from the Debt Service Reserve. Chair Harrison questioned the significant decrease of \$3 million in the revenues in FYE 2022 and FYE 2023 over FYE 2021; Ms. Williams noted that it is due to the use of reserves in FYE 2021. Chair Harrison referred to Management Costs slide (page 33 of the agenda packet) and asked why the line item for “Insurance, Rent, FA (fixed asset)” doubled from FYE 2021; Ms. Williams noted that we currently have two (2) facilities that SAWPA’s renting for the Brine Line Operations and in previous years there was only one (1) facility, and budget for purchasing new equipment under the fixed asset. It was questioned if the fixed asset is retiring or replacing existing equipment and/or vehicles. Ms. Williams noted it is for new equipment; Dump Truck (5 cylinder) for FYE 2022 and Backhoe, trailer, buckets for FYE 2023. Jeff Mosher added that purchasing the equipment would enable SAWPA operators to do more work in the system rather than having to contract with contractors on either repairs or projects. Committee member Dennstedt noted that Western entered a leasing program with their fleet of vehicles and other items and that saved money, because the contractor assumes the responsibility for all the equipment and maintenance; and recommends SAWPA to contact Western staff to get more details. Committee member Jones agreed with Committee member Dennstedt due to SAWPA not having a vehicle repair and maintenance facility, it may be more economical to enter a leasing program. Carlos Quintero noted that he will contact Western staff and explore the option. Committee Member Jones referred to Proposed Brine Line Rates slide (page 44 of the agenda packet) and asked if there is no rate increase plan for the upcoming FYE 2022, though for FYE 2023 there is a projection of a 3% rate increase based on the Flow, BOD, and TSS costs from OC San; Ms. Williams confirmed and stated that the Brine Line Rates Resolution is anticipated to be brought forward in May.

This item was for informational and discussion purposes; no action was taken on Agenda Item No. 5.A.

B. CAPACITY UTILIZATION PROGRAM AGREEMENT (PA24#2021.7)

David Ruhl provided a PowerPoint presentation on the Capacity Utilization Program Agreement contained in the agenda packet on pages 57 – 67. The creation of a Lease Capacity Pool was approved by the SAWPA Commission in December 2018. The Lease Capacity Pool allows existing and potential customers to lease rather than purchase pipeline capacity and treatment and disposal rights. SAWPA has purchased 17 MGD of treatment and disposal capacity right from OC San, and the capacity currently being utilized in the Brine Line is about 11 MGD, leaving 6 MGD of unused capacity right. The Capacity Utilization Program utilizes the unused portion of capacity right in the Brine Line for customers needing capacity. All existing customers continue to discharge up to their purchased capacity, and existing customers will not lose their capacity. The Discharger

Lease Agreement follows the terms of the Lease Capacity Pool Agreement. Committee Member Jones thanked SAWPA staff on all their efforts in the Capacity Utilization Program.

MOVED, Approve and authorize the General Manager to execute an agreement for the creation of a Capacity Utilization Program for the Inland Empire Brine Line, subject to minor, non-substantive changes contingent on concurrence by legal counsel.

Result:	Adopted by Roll Call Vote (Unanimously)
Motion/Second:	Jones/Dennstedt
Ayes	Dennstedt, Hall, Harrison, Jones, Slawson
Nays:	None
Abstentions:	None
Absent:	None

6. INFORMATIONAL REPORTS

Recommendation: Receive and file the following oral/written reports/updates.

A. BRINE LINE FINANCIAL REPORT – JANUARY 2021

7. REQUEST FOR FUTURE AGENDA ITEMS

Committee Member Jones questioned the status of the designation of members for the OC San Joint Policy Committee. Jeff Mosher noted that he had a meeting with Rob Thompson and has a meeting scheduled with Jim Herberg the following week to further discuss the current structure and format of the meeting.

8. CLOSED SESSION

There was no closed session.

9. ADJOURNMENT

There being no further business for review, Chair Harrison adjourned the meeting at 12:19 a.m.

Approved at a Regular Meeting of the Project Agreement 24 Committee on May 4, 2021.

T. Milford Harrison, Chair

Attest:

Sara Villa, Acting Clerk of the Board

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PA 24 COMMITTEE MEMORANDUM NO. 2021.8

DATE: May 4, 2021

TO: Project Agreement 24 Committee
(Inland Empire Brine Line)

SUBJECT: OC San / SAWPA Joint Policy Committee

PREPARED BY: David Ruhl, Engineering Manager

RECOMMENDATION

That the Project Agreement 24 Committee appoint two Commissioners to the Orange County Sanitation District (OC San) / Santa Ana Watershed Project Authority (SAWPA) Joint Policy Committee.

DISCUSSION

The OC San/SAWPA Joint Policy Committee meets annually with designated OC San Board Members to consider present and future policy matters. Discussions have included strategic planning, collaboration on legislative issues impacting brine discharge, emerging constituents, and funding opportunities. Staff requests the appointment of two Commissioners to serve on this Committee.

RESOURCE IMPACTS

None

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PA 24 COMMITTEE MEMORANDUM NO. 2021.9

DATE: May 4, 2021

TO: Project Agreement 24 Committee

SUBJECT: FYE 2022 and 2023 Brine Line Fund Draft Budget

PREPARED BY: Karen Williams, DGM/CFO

RECOMMENDATION

It is recommended that the Committee adopt the draft FYE 2022 and 2023 Brine Line Fund Budget.

DISCUSSION

On January 21, 2021, staff presented the FYE 2022 and 2023 Goals and Objectives to the Commission for their review. On March 11, 2021, the first draft FYE 2022 and 2023 Budget was presented to member agencies' financial staff at the Budget Workshop. There were no comments or suggested changes from the member agencies' financial staffs. As per the Budget Schedule, the Budget will be presented to the Commission in three meetings. The OWOW and Roundtable Budgets were presented on March 16, 2021, the General Fund Budget was presented on April 6, 2021, and the combined Comprehensive Budget was presented on April, 20, 2021. The Brine Line Fund Budget was presented for review to PA24 on April 6, 2021. Today that same budget will be presented for approval.

As in the past, the FYE 2022 and 2023 is a two-year budget and is being prepared in accordance with the Government Finance Officers Association's (GFOA) recommended guidelines and practices. SAWPA has received the GFOA Distinguished Budget Presentation Award for the last six bi-annual budgets. Staff will submit the FYE 2022 and 2023 Budget for this award program after final adoption.

The following documents are attached for your review and will be discussed in detail at the PA24 Committee meeting:

- ◆ Brine Line Enterprise Budget – FYE 2022 and 2023
- ◆ Brine Line Capital Budget – FYE 2022 and 2023

RESOURCE IMPACTS

Brine Line rates will remain the same for FYE 2022 and will have a 3% increase for flow, BOD and TSS for FYE 2023.

Attachments:

1. PowerPoint Presentation
2. Budget Documents:
 - Brine Line Enterprise Budget – FYE 2022 and 2023
 - Capital Budget – FYE 2022 and 2023

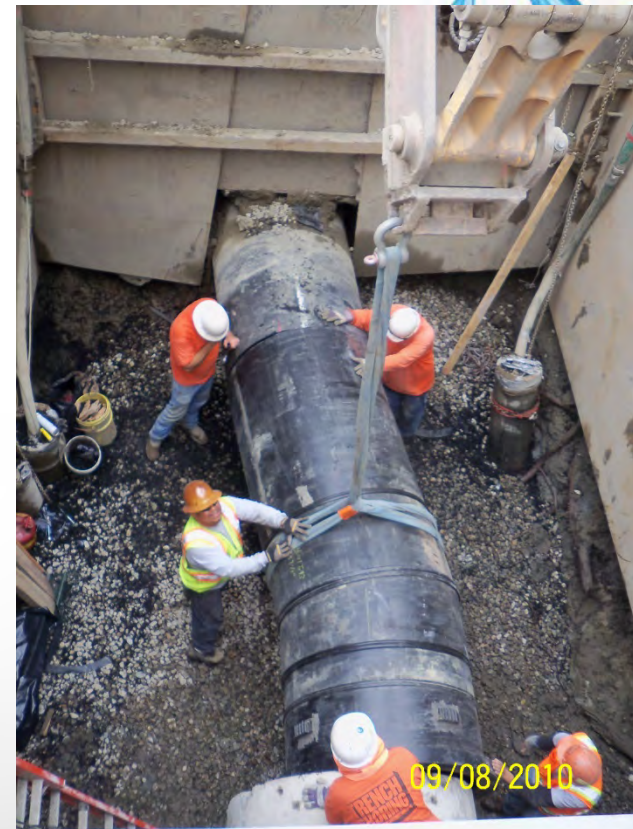
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A large, stylized graphic of a water splash in shades of blue, flowing from the top right towards the bottom left. The splash is composed of various droplets and bubbles, creating a sense of movement and freshness. The background is a light, gradient blue.

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

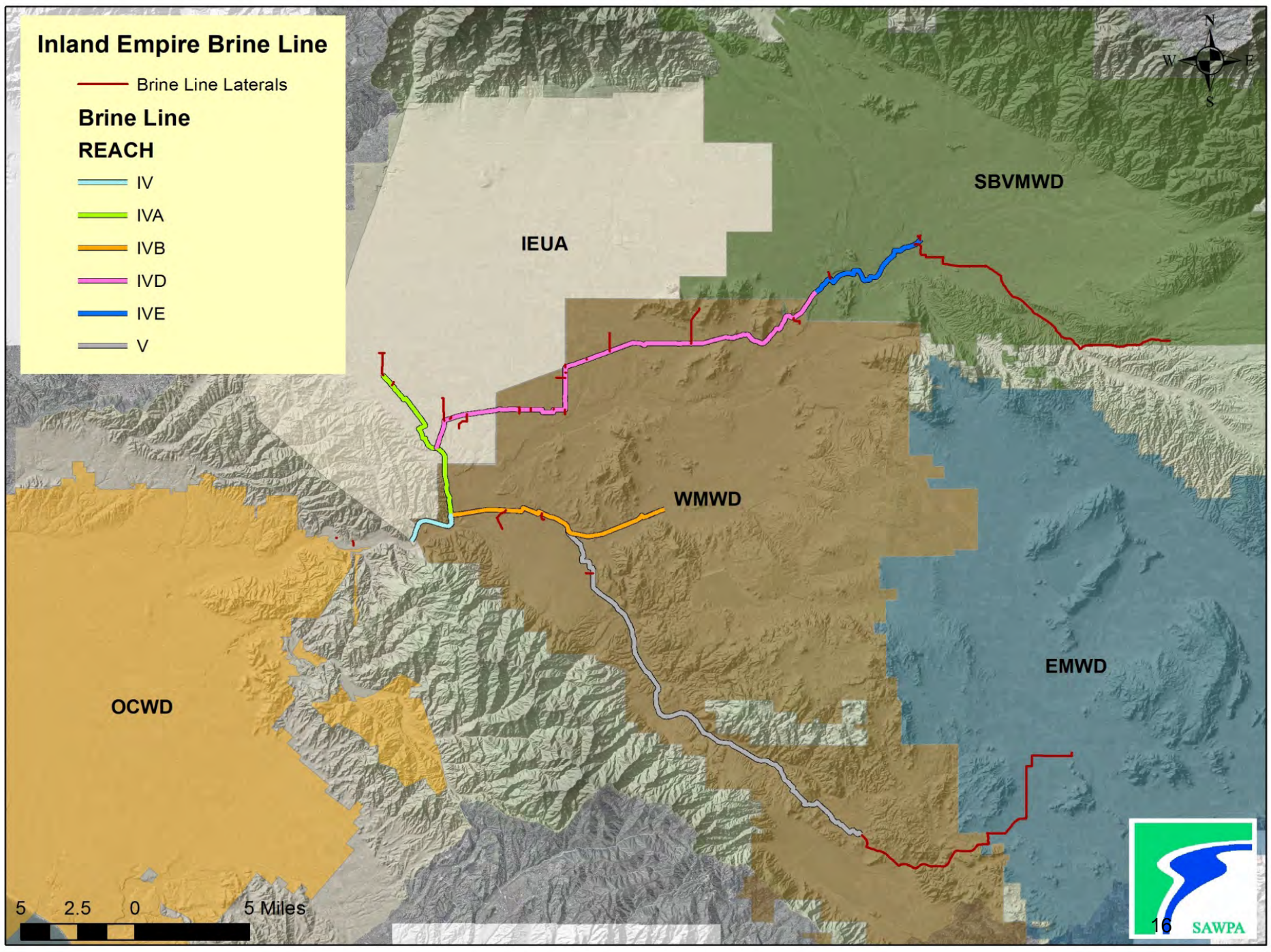
— IVA

— IVB

— IVD

— IVE

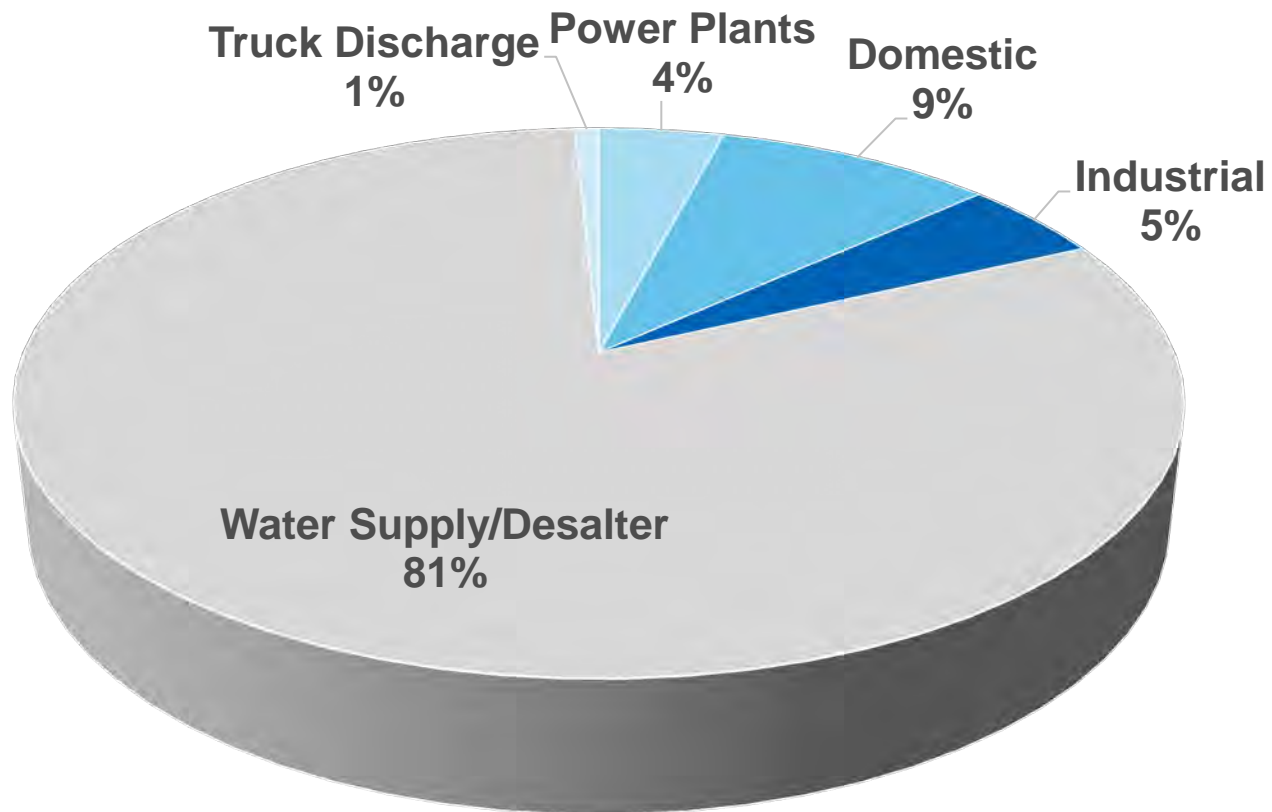
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5 2.5 0 5 Miles



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
Budget	2021	12,401,418	(12,401,418)	0
	2022	12,192,272	(12,192,272)	0
	2023	12,071,872	(12,071,872)	0

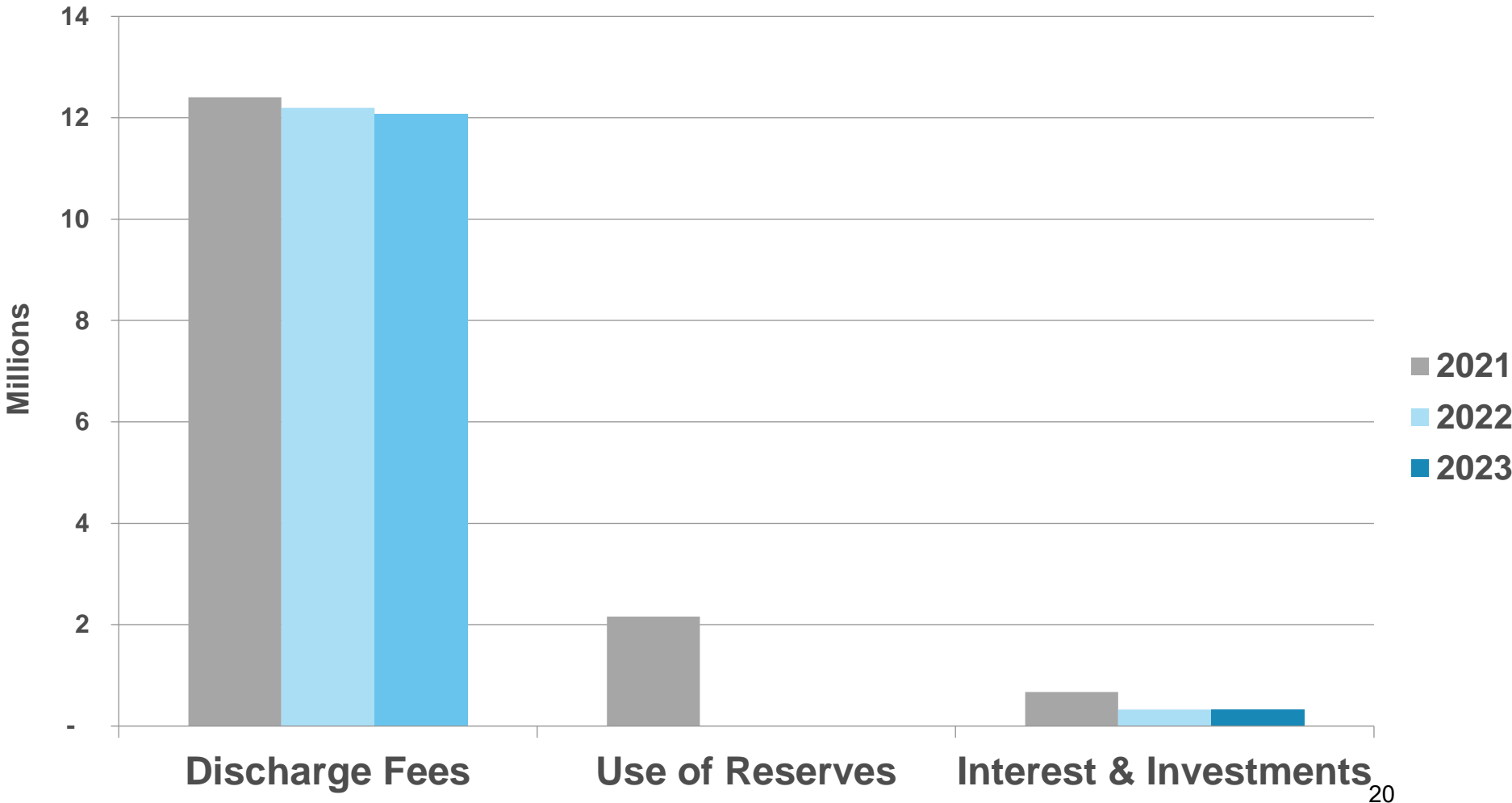
Numbers listed above are for operating revenues and expenses and do not include non-operating/debt service

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



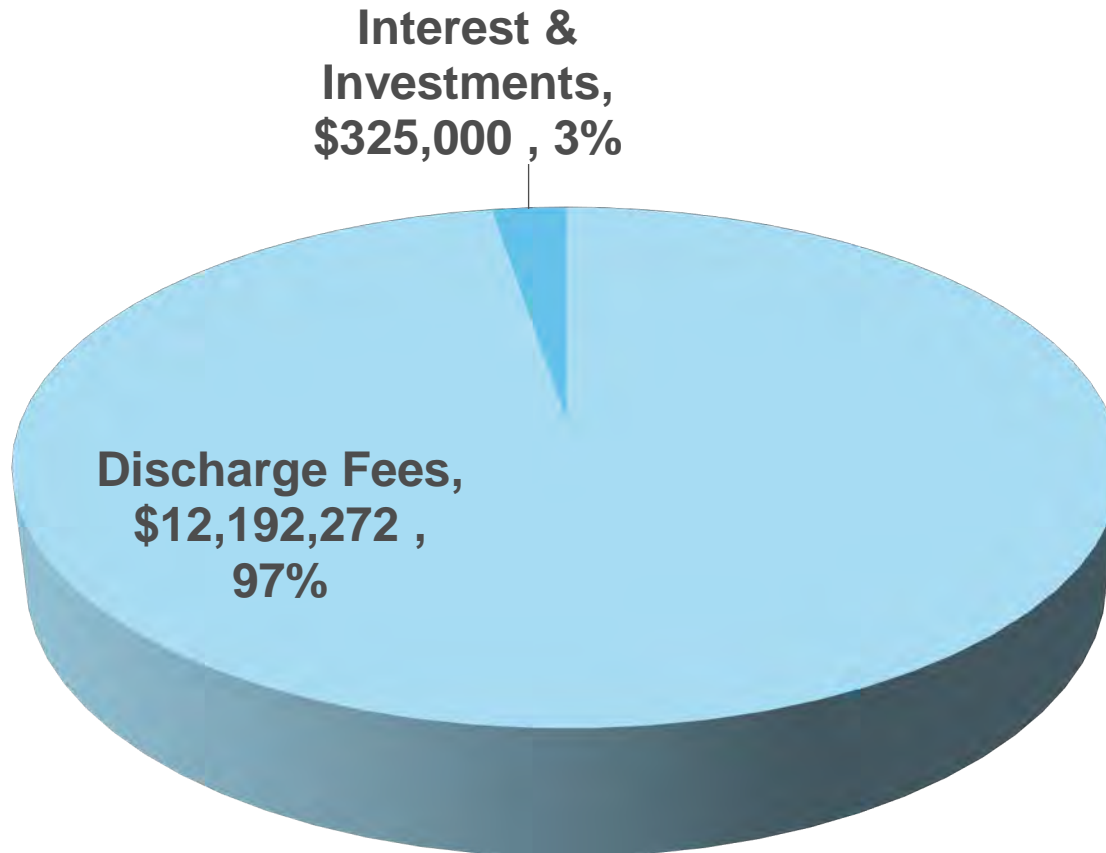
Brine Line Enterprise Revenues

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

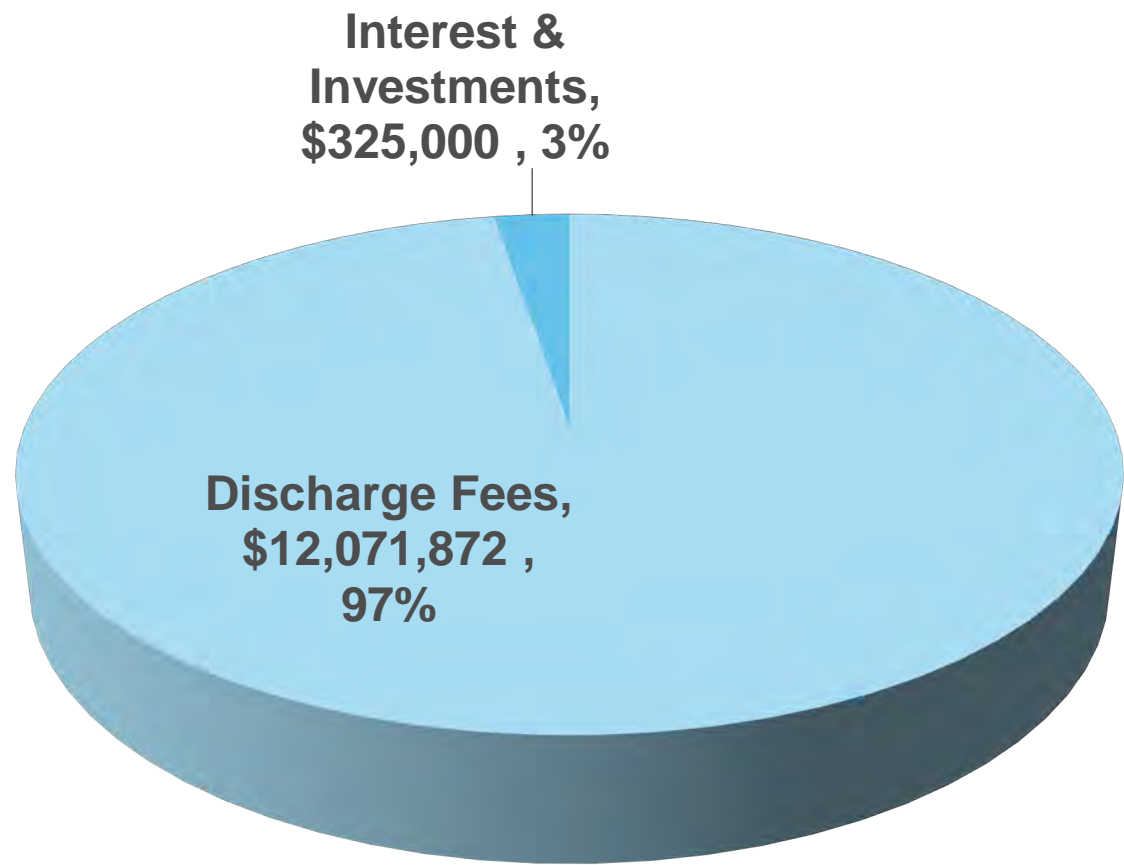
Brine Line Revenues \$12.5 Million



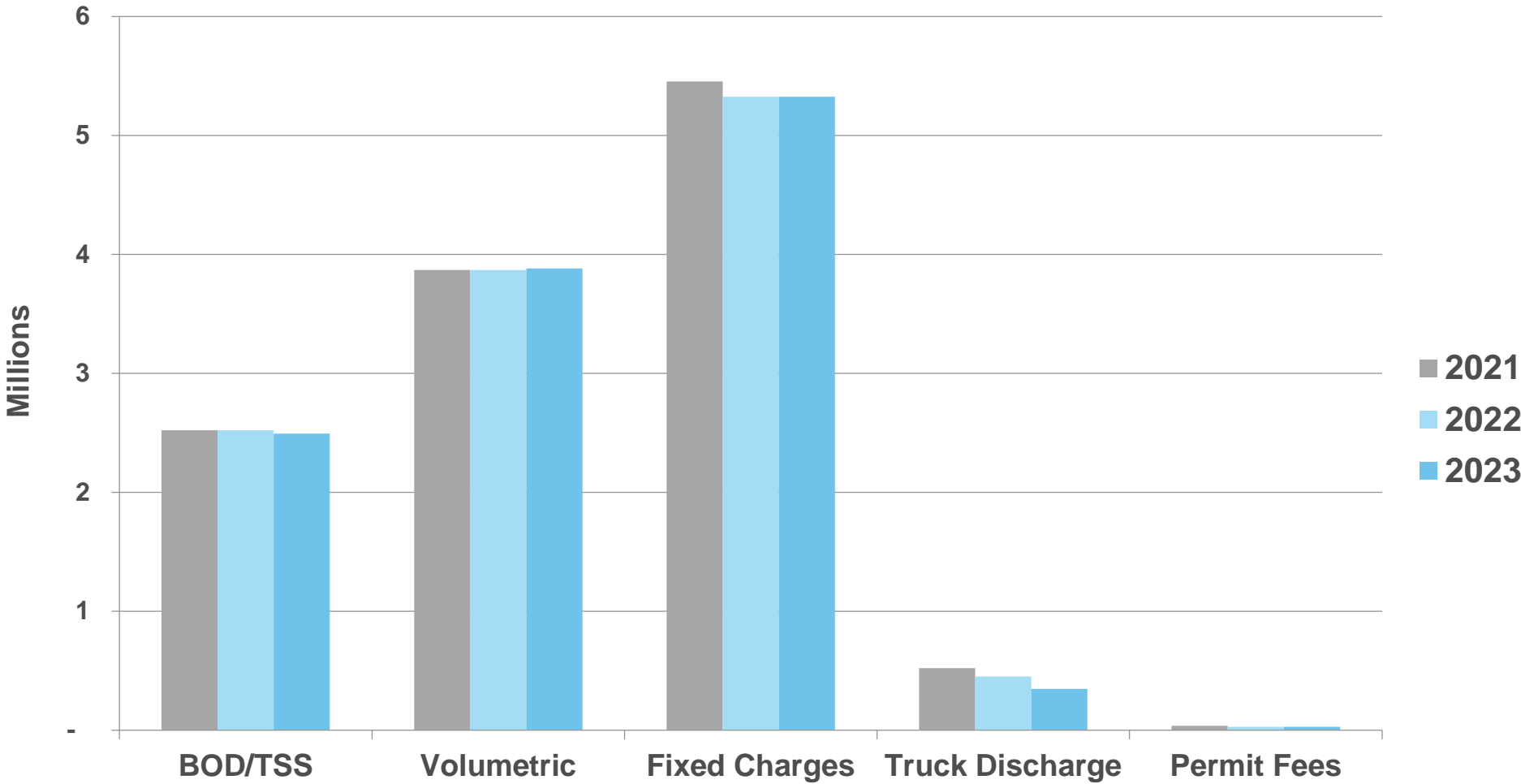
FYE 2023



Brine Line Revenues \$12.4 Million



Brine Line Enterprise Discharge Fees



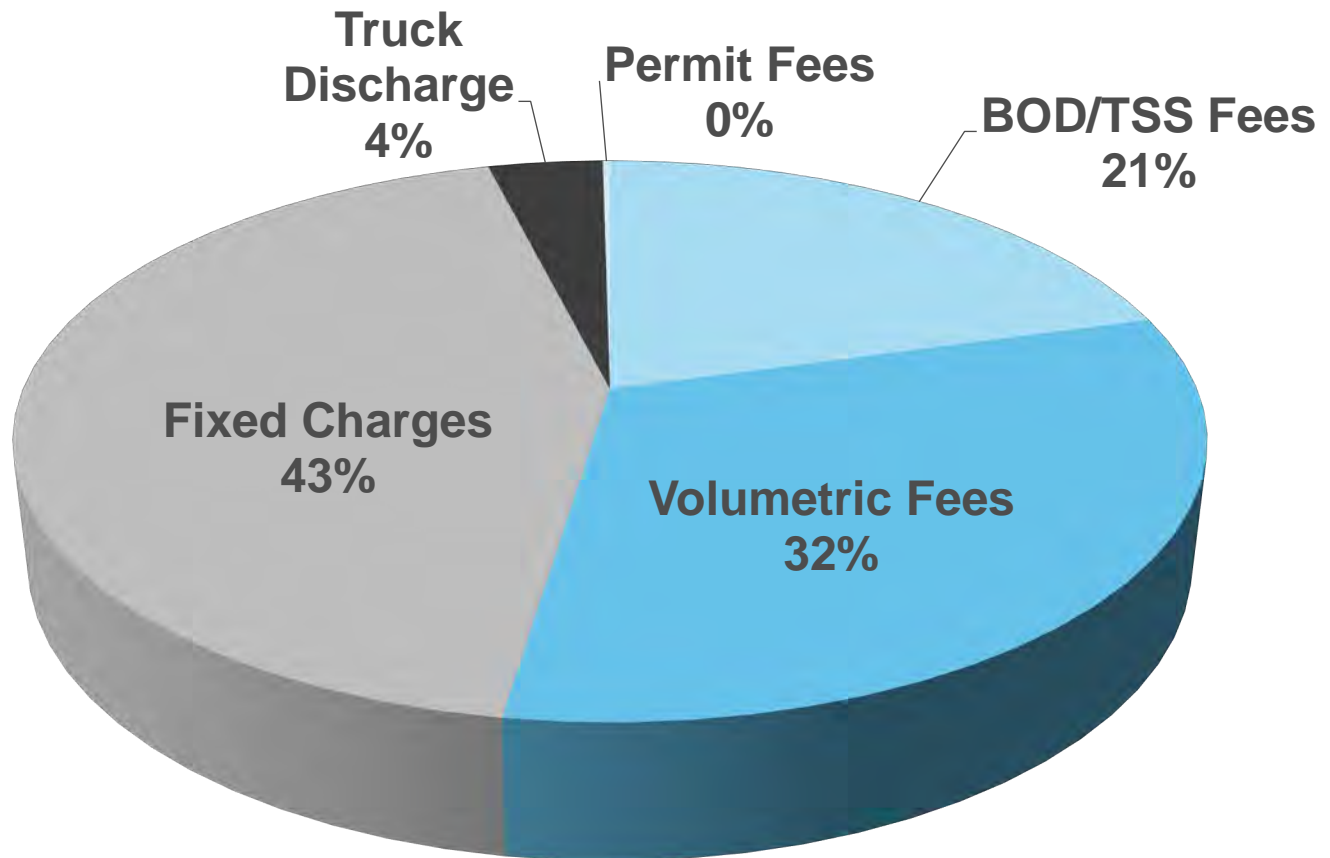
Brine Line Enterprise Discharge Fees



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

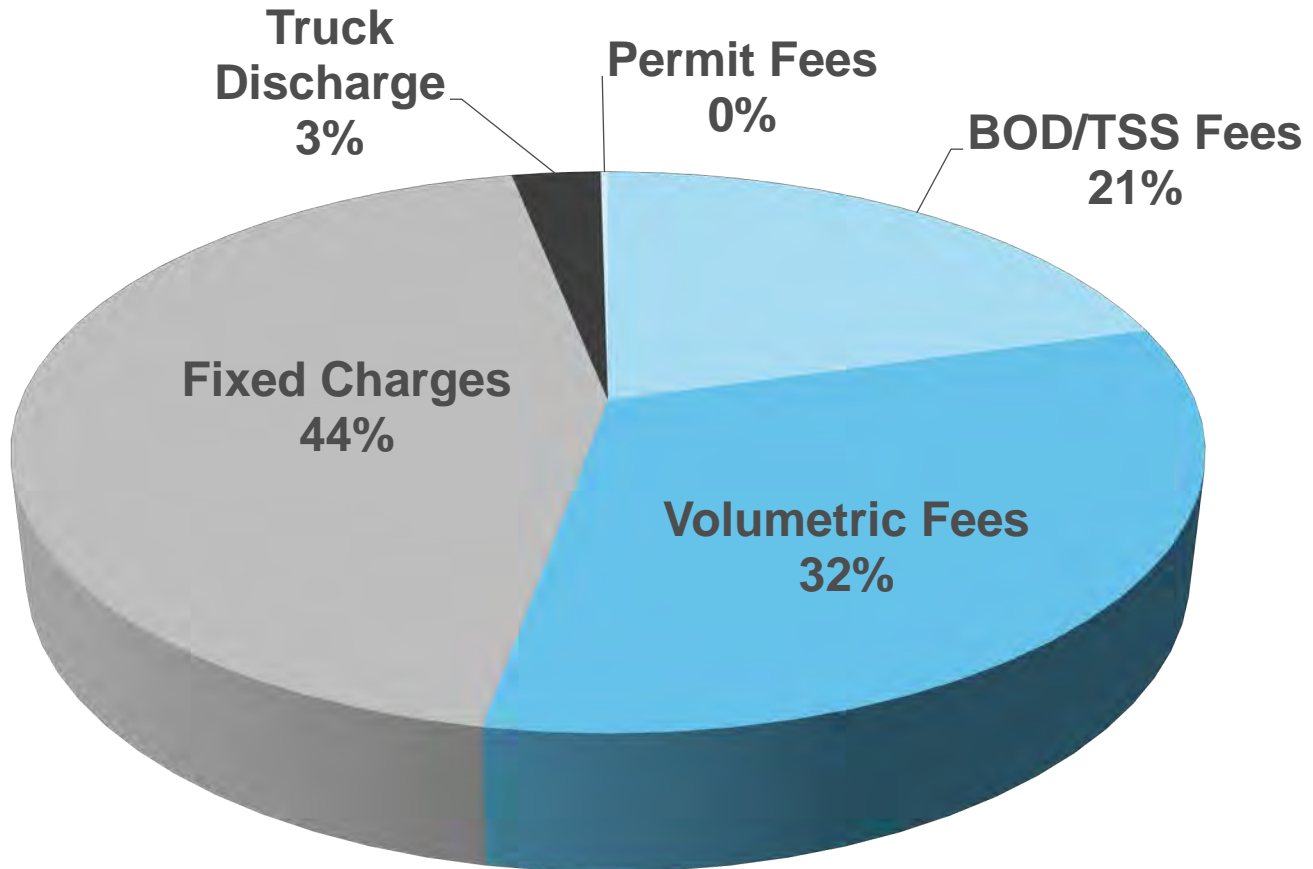
Discharge Fees \$12.2 Million



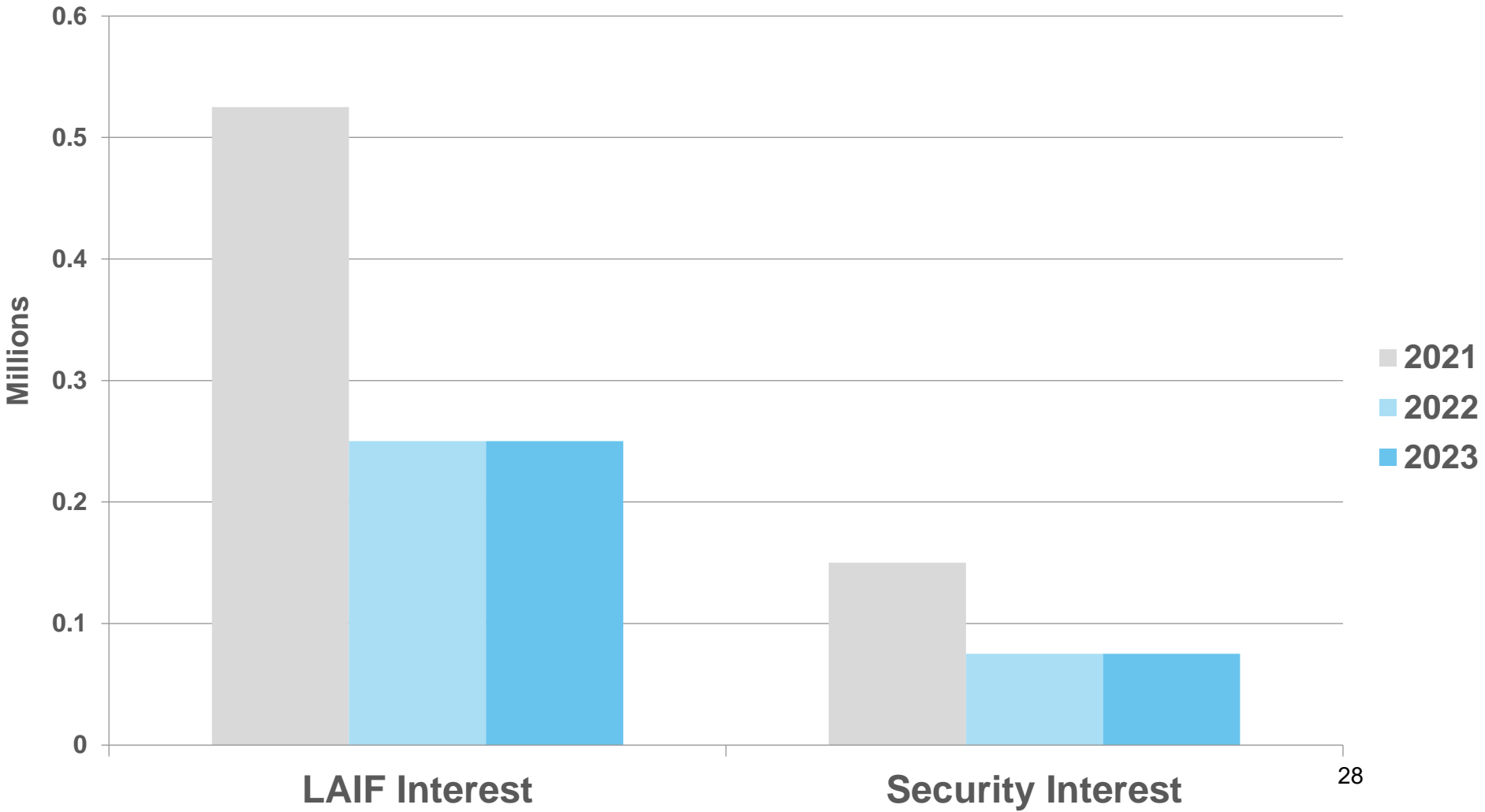
FYE 2023



Discharge Fees \$12.1 Million



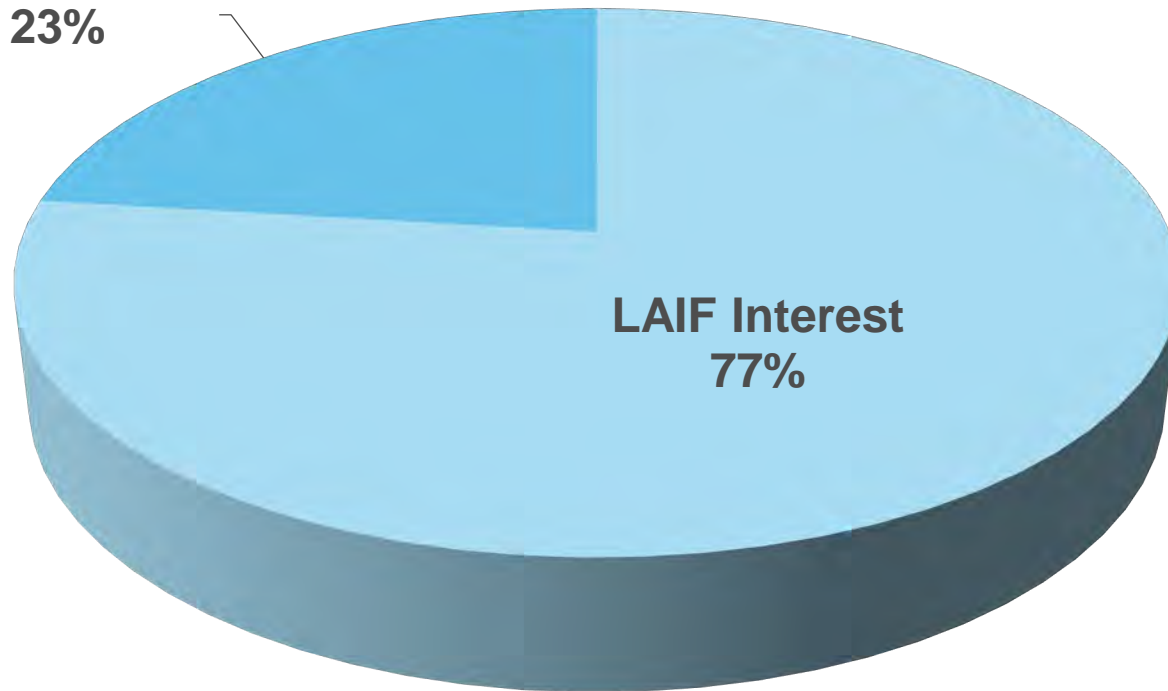
Interest & Investments



FYE 2022 & 2023

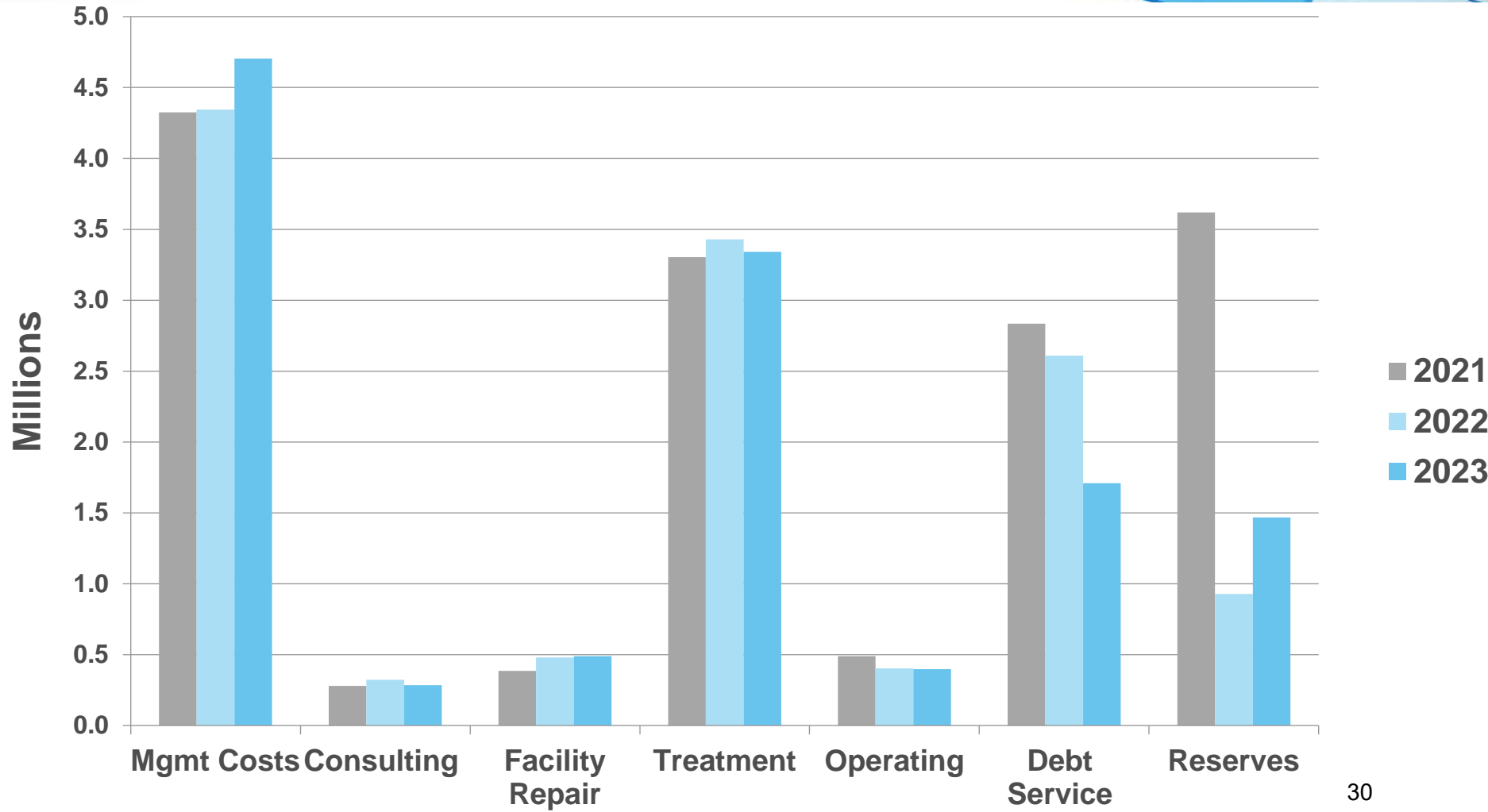
Interest & Investments \$325,000

**Security Interest
23%**

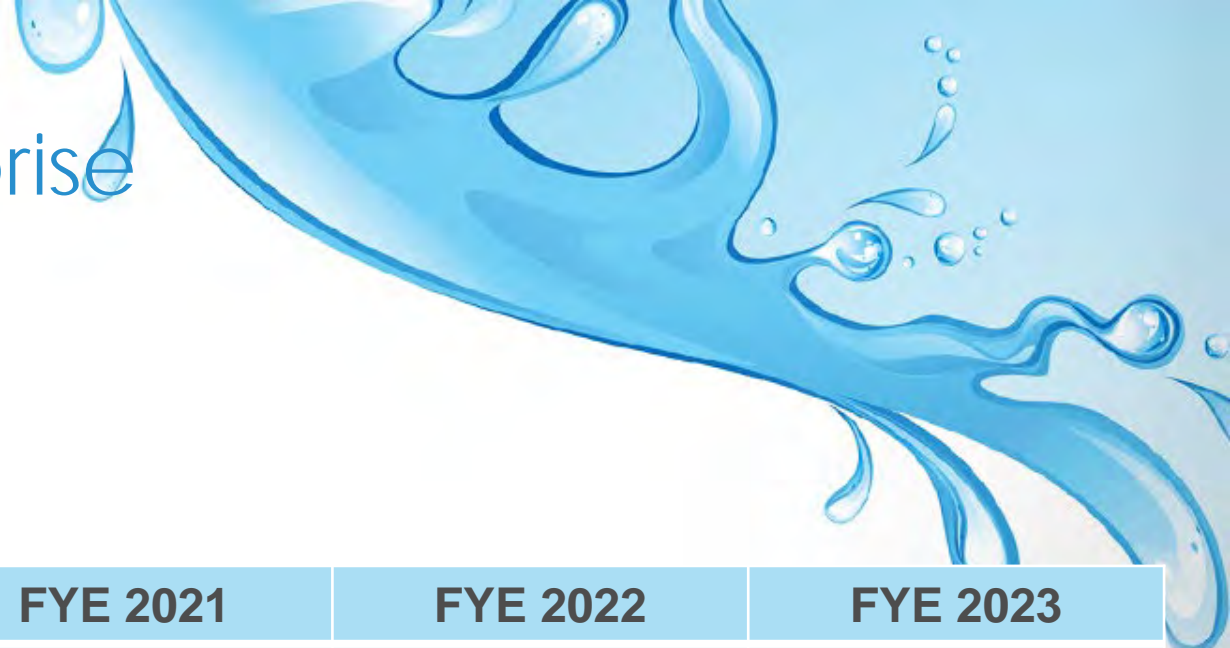


**LAIF Interest
77%**

Brine Line Enterprise Expenses



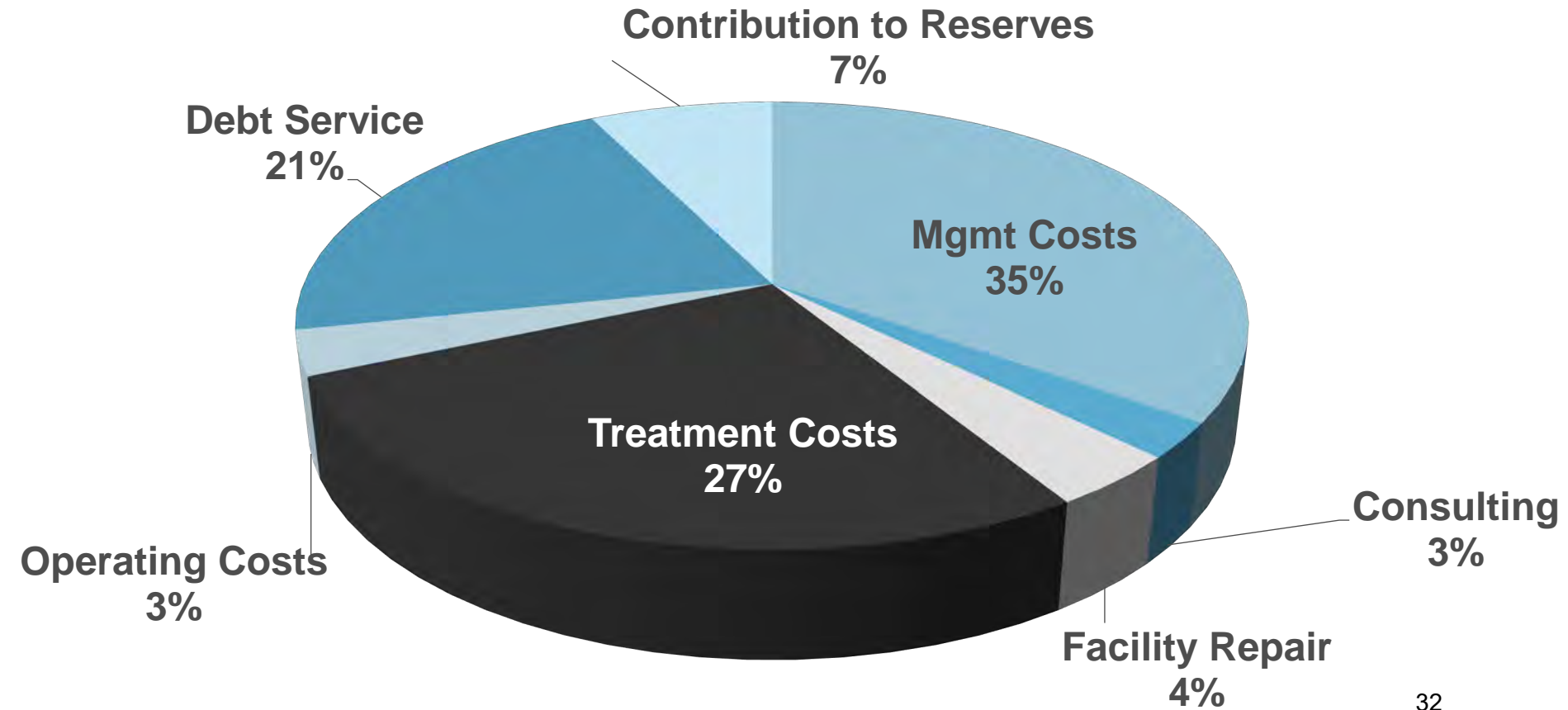
Brine Line Enterprise Expenses



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

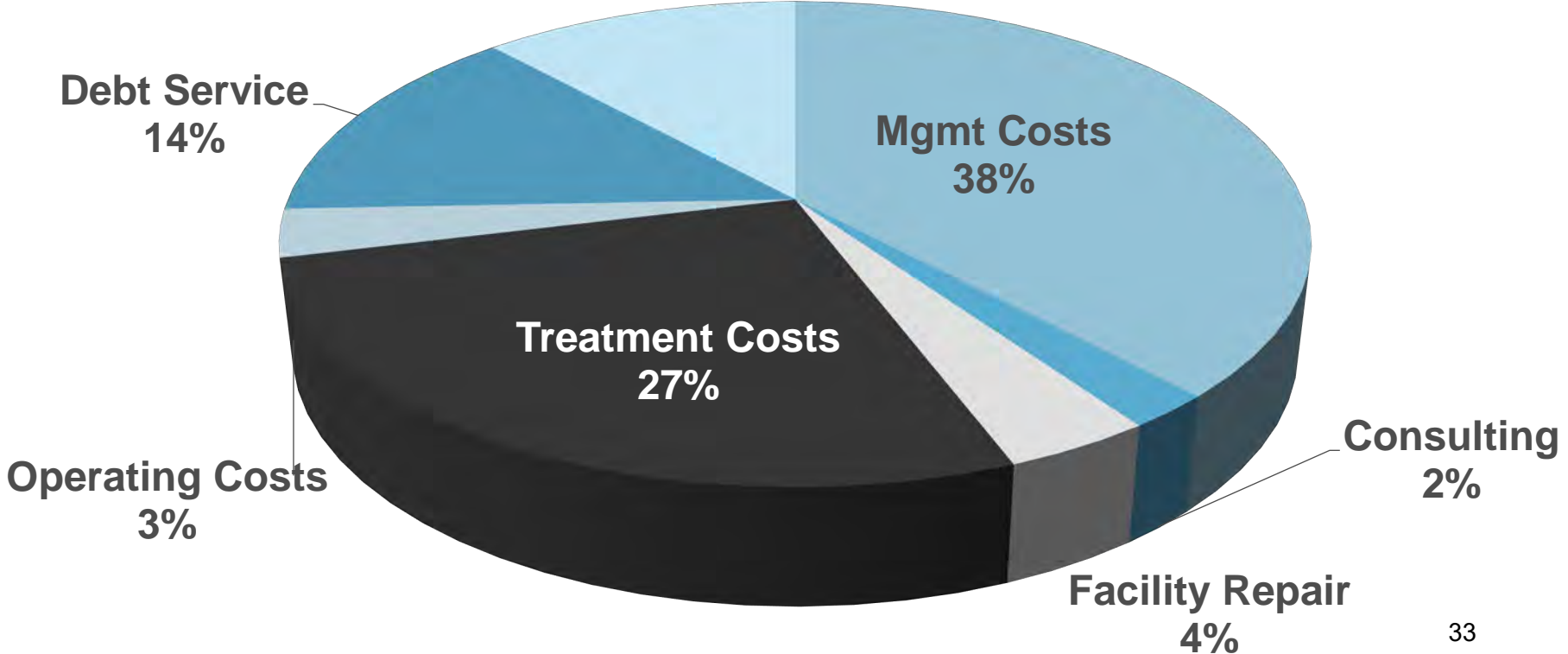


FYE 2023

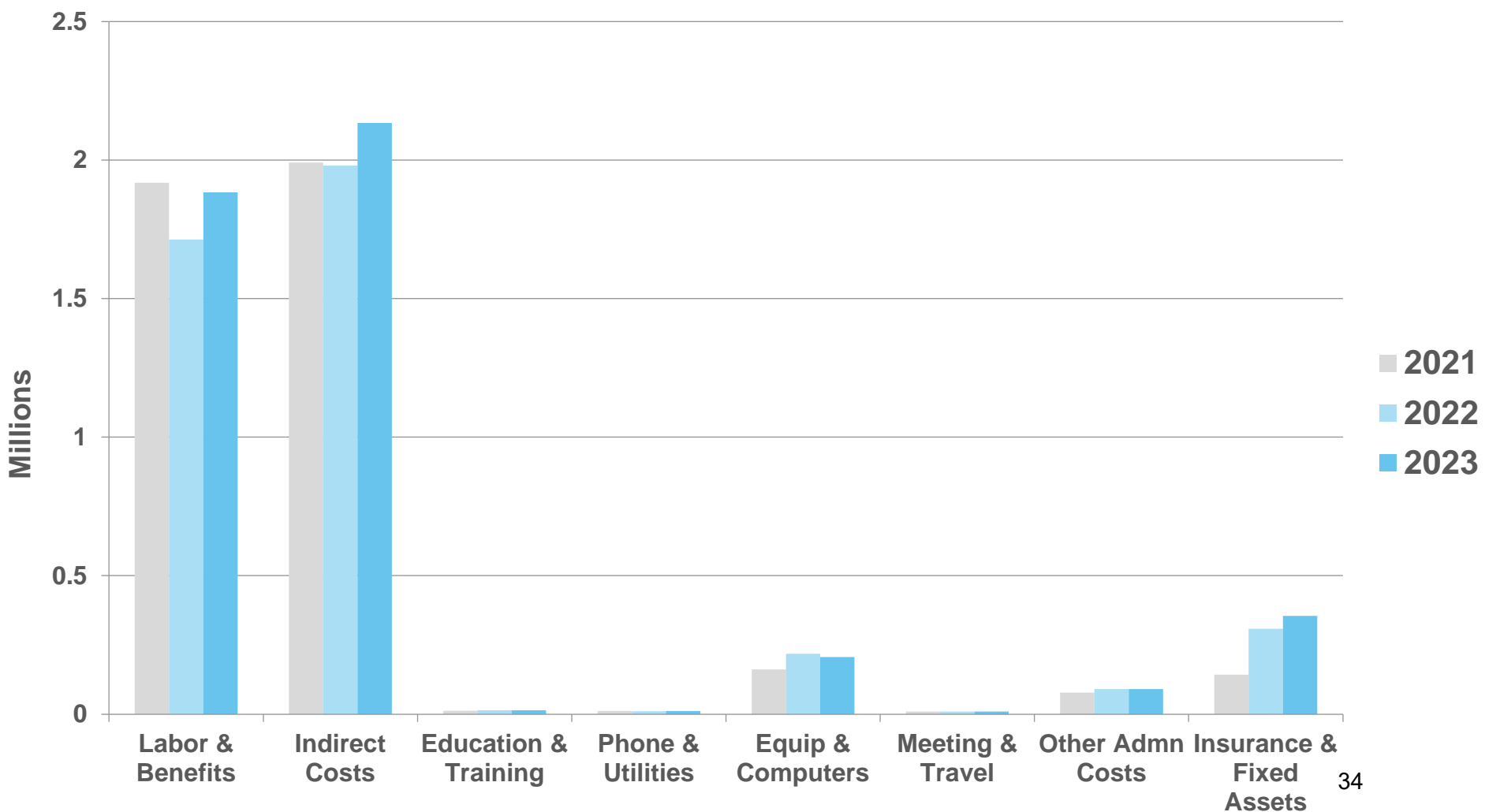


Brine Line Expenses \$12.4 Million

Contribution to Reserves
12%



Management Costs

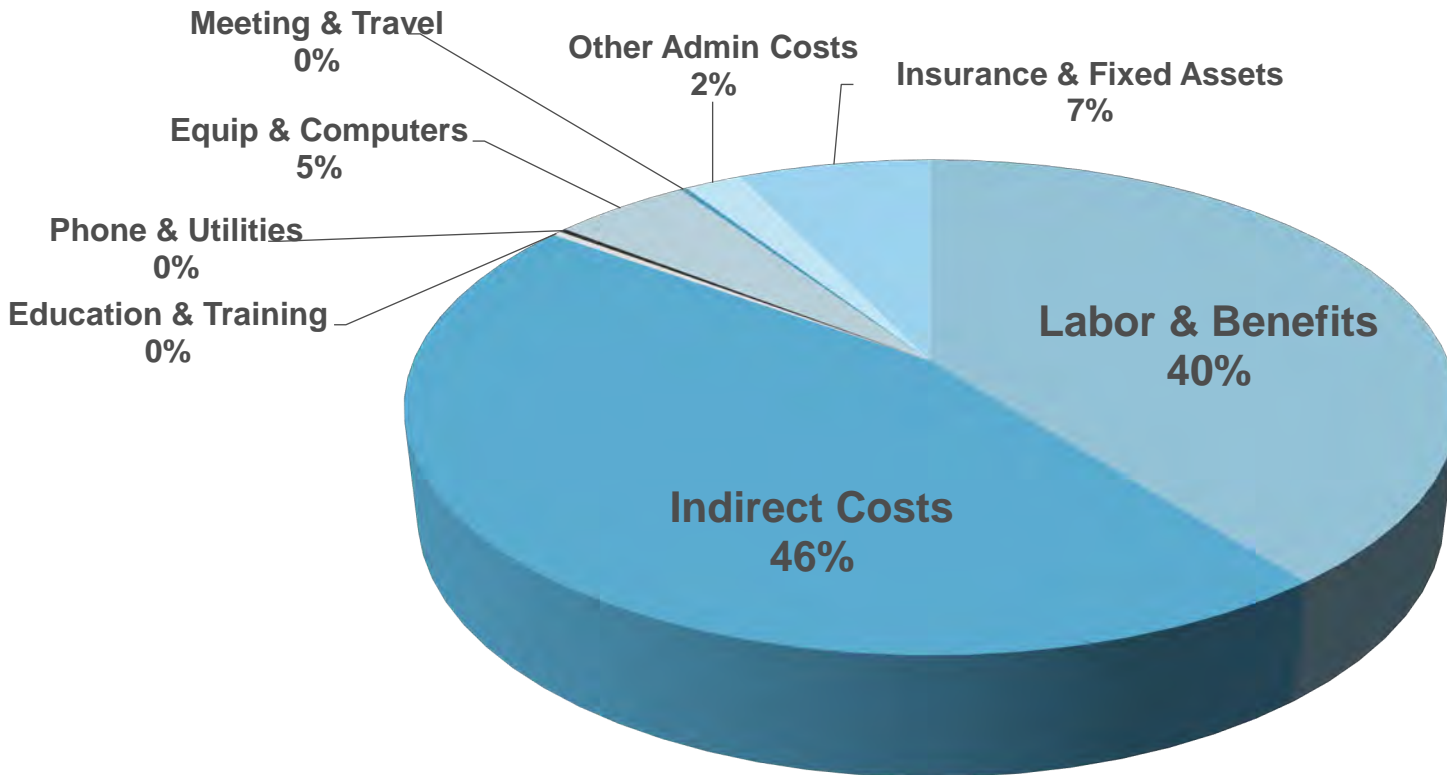


Management Costs

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

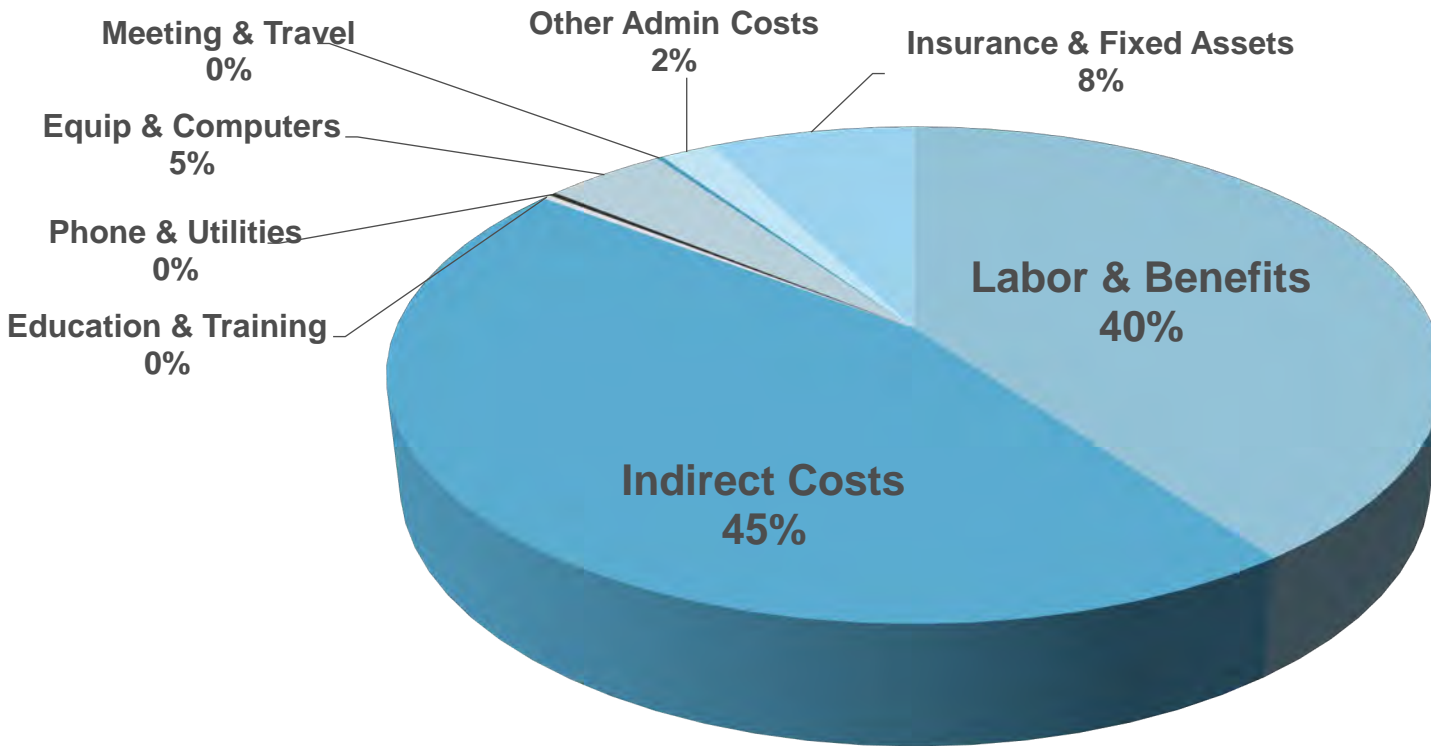
FYE 2022

Management Costs \$4.3 Million



FYE 2023

Management Costs \$4.7 Million

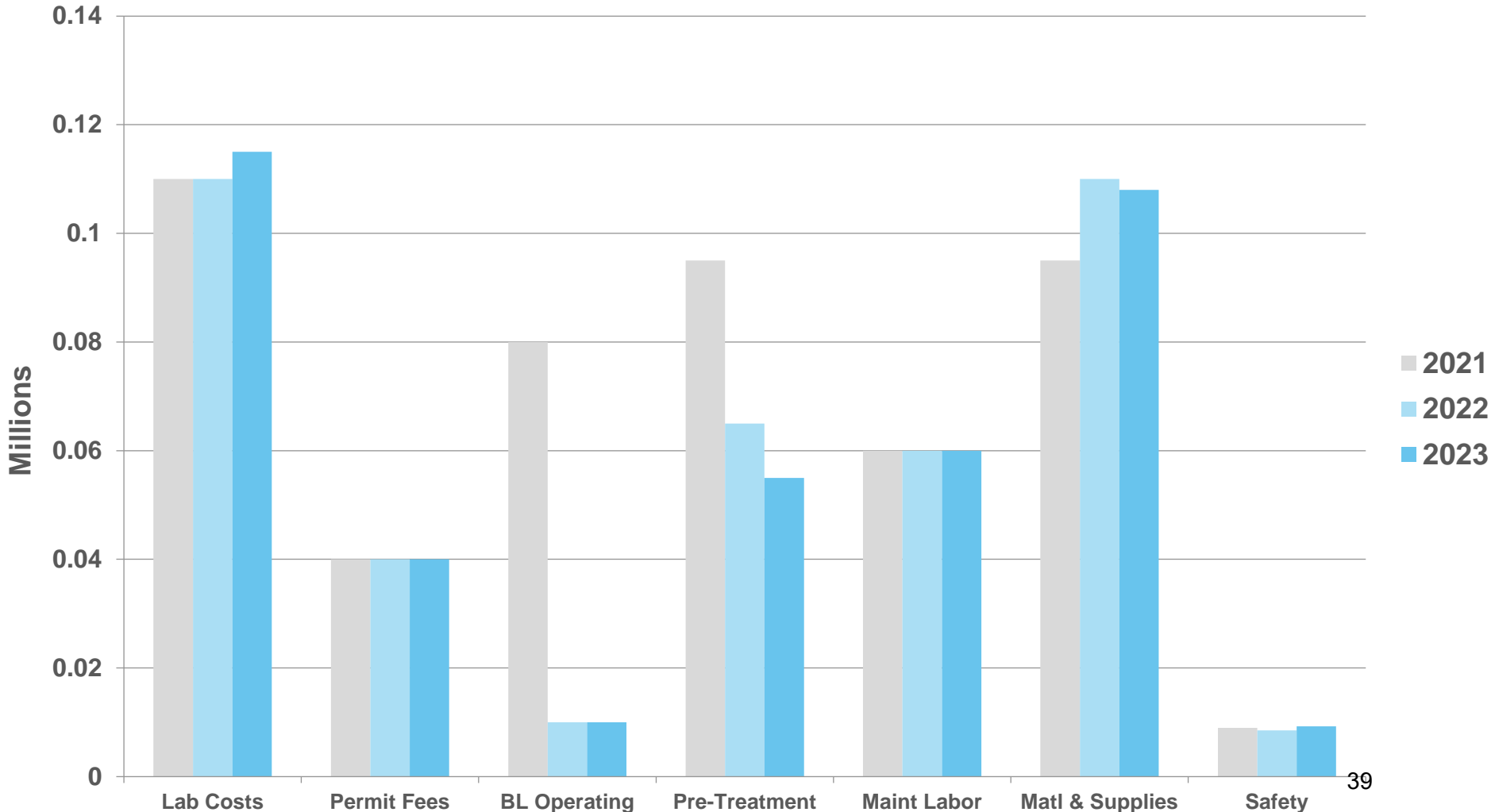


Fixed Asset Purchase

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

(Staff will look at leasing options as well)

Operating Costs



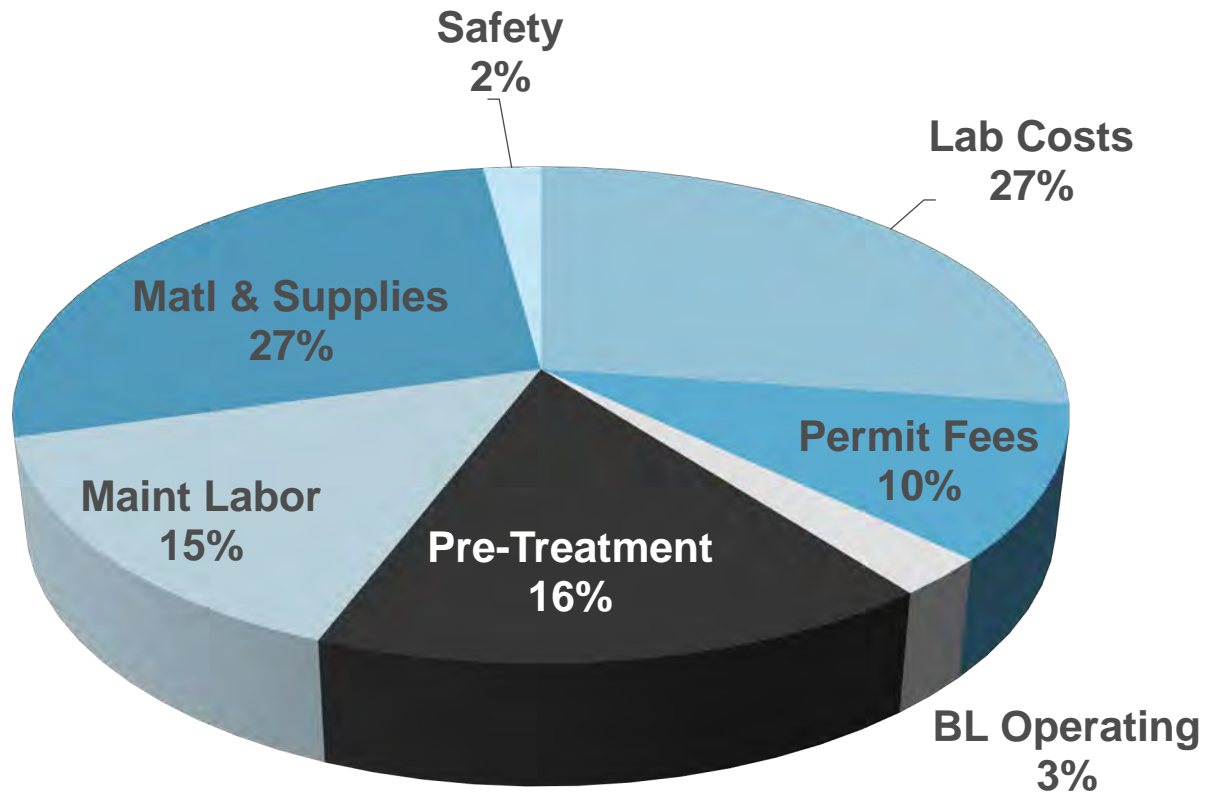
Operating Costs

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



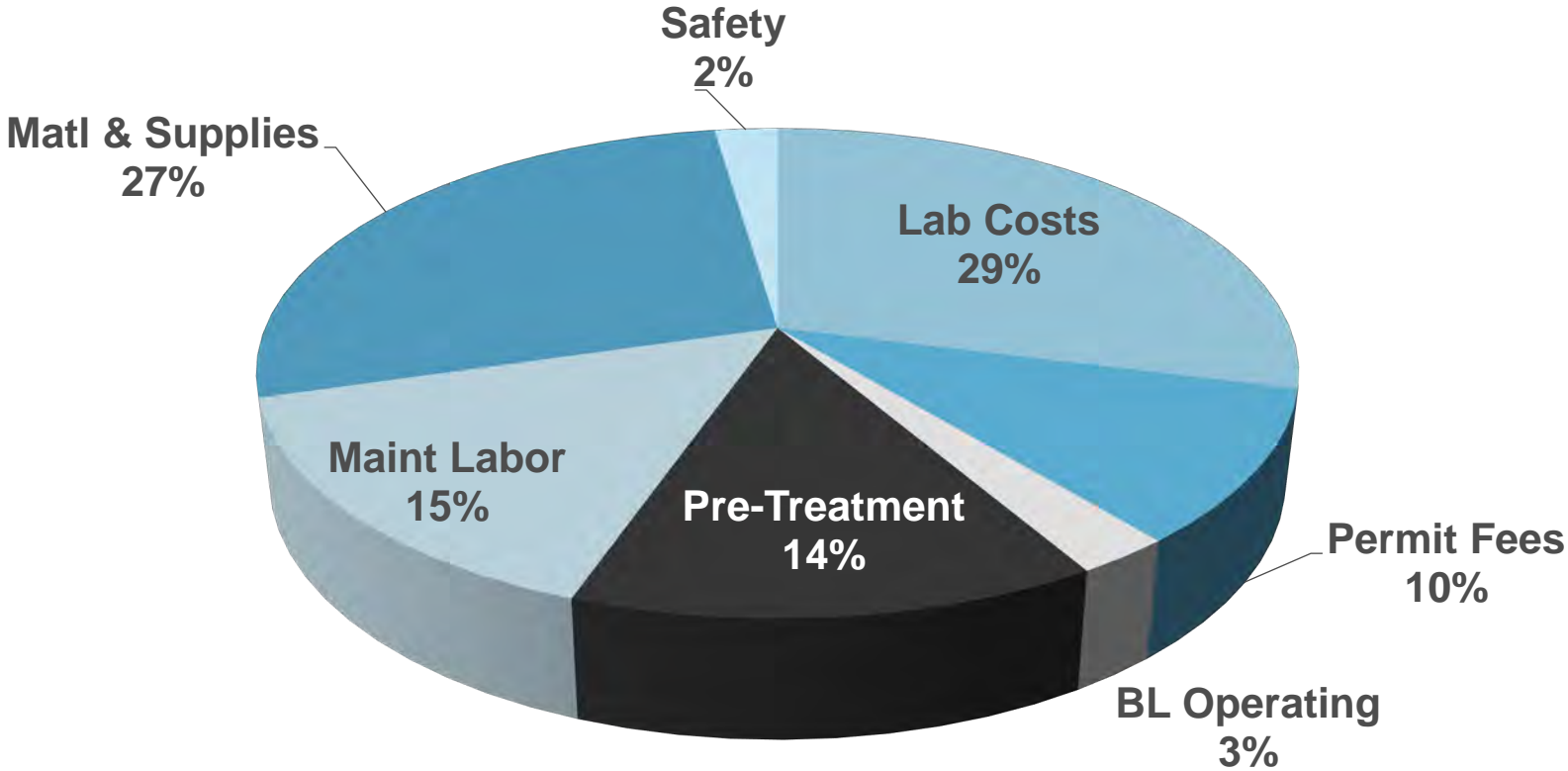
Operating Costs \$403,500



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



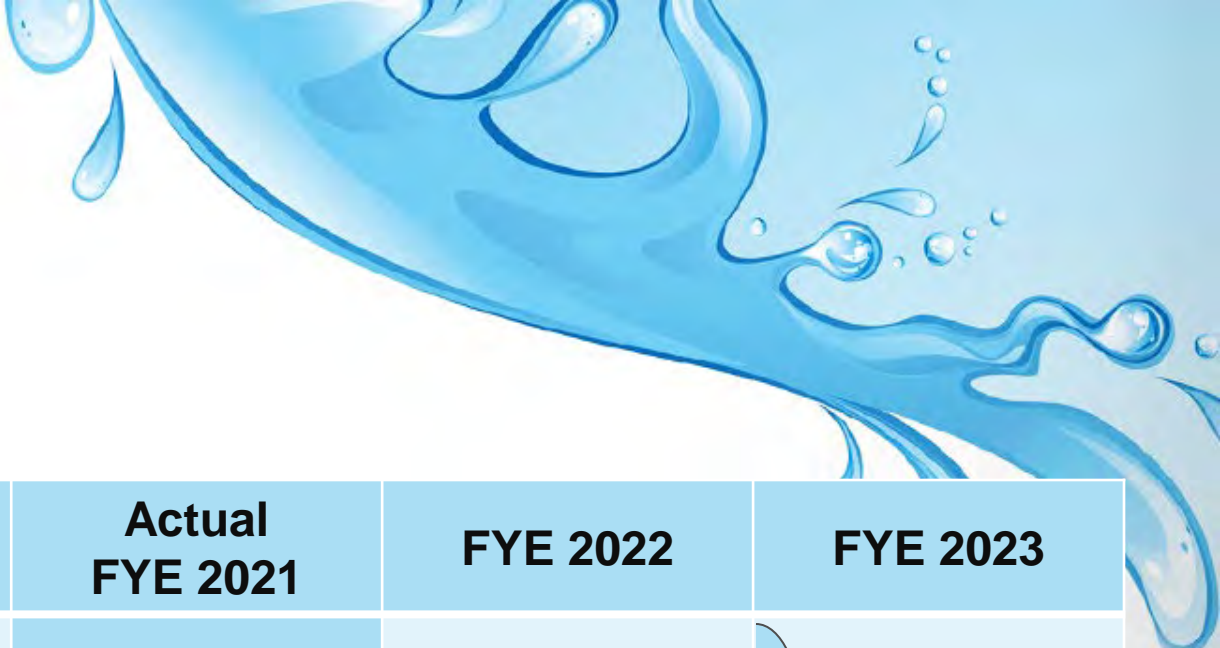
Debt	Interest Rate	Final Payment	Funding Source
Reach V Construction	2.7%	10/05/21	Reserves
Reach IV-A & B Capital Repair	2.6%	12/29/32	Rates
Reach V Capital Repair	1.9%	03/31/48	Rates

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

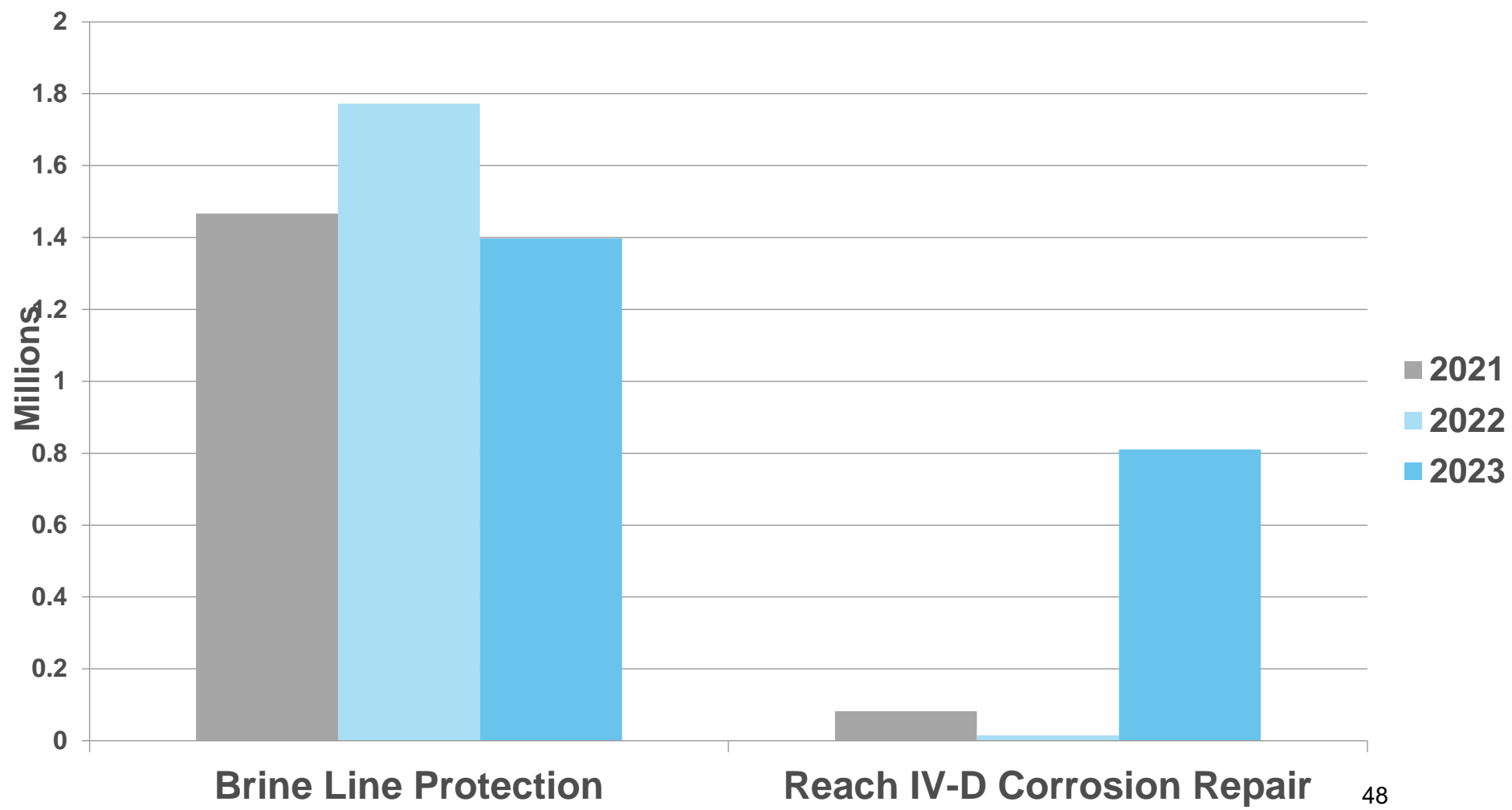
3%

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?

SAWPA Brine Line Enterprise Budget
FYE 2022

	Brine Line Operating Fund 240	Brine Line Debt Service	Total
<u>Source of Funds:</u>			
Discharge Fees	\$ 12,192,272	\$ -	\$ 12,192,272
Financing Proceeds	\$ -	\$ -	\$ -
Grant Proceeds	\$ -	\$ -	\$ -
Member Agency Contributions	\$ -	\$ -	\$ -
Participant Fees	\$ -	\$ -	\$ -
Other Income	\$ -	\$ -	\$ -
Interest & Investments	\$ 325,000	\$ -	\$ 325,000
Total Source of Funds	\$ 12,517,272	\$ -	\$ 12,517,272
<u>Staffing:</u>			
Hours Allocated	20,485	-	20,485
FTE (based on 2080)	9.8	-	9.8
<u>Use of Funds:</u>			
Labor	\$ 1,227,239	\$ -	\$ 1,227,239
Benefits	\$ 485,743	\$ -	\$ 485,743
Indirect Costs	\$ 1,979,458	\$ -	\$ 1,979,458
Education & Training	\$ 14,500	\$ -	\$ 14,500
Consulting & Professional Services	\$ 322,000	\$ -	\$ 322,000
Operating Costs	\$ 3,833,540	\$ -	\$ 3,833,540
Repair & Maintenance	\$ 480,000	\$ -	\$ 480,000
Phone & Utilities	\$ 10,200	\$ -	\$ 10,200
Equipment & Computers	\$ 218,000	\$ -	\$ 218,000
Meeting & Travel	\$ 10,000	\$ -	\$ 10,000
Other Administrative Costs	\$ 90,900	\$ -	\$ 90,900
Other Expense	\$ 2,916,911	\$ (2,608,439)	\$ 308,472
Construction	\$ -	\$ -	\$ -
Debt Service Payments	\$ -	\$ 2,608,439	\$ 2,608,439
Total Use of Funds	\$ 11,588,491	\$ (0)	\$ 11,588,491
<u>Contribution To Reserves:</u>			
Pipeline Repair / Replacement	\$ 928,781	\$ -	\$ 928,781
OCSD Rehabilitation Reserve	\$ -	\$ -	\$ -
Self-Insurance	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -
Total Contributions to Reserves	\$ 928,781	\$ -	\$ 928,781
Total Use of Funds	\$ 12,517,272	\$ (0)	\$ 12,517,272
Net Gain (loss)	\$ (0)	\$ 0	\$ -
Indirect Costs Contribution	61.24%	0.00%	61.24%

SAWPA Brine Line Capital Budget FYE 2022

	Brine Line Protection Fund 320	Reach IV-D Corrosion Repair Fund 327	Total
<u>Source of Funds:</u>			
Financing Proceeds	\$ -	\$ -	\$ -
Grant Proceeds	\$ -	\$ -	\$ -
Member Agency Contributions	\$ -	\$ -	\$ -
Participant Fees	\$ -	\$ -	\$ -
Other Income	\$ 1,772,064	\$ 14,818	\$ 1,786,882
Interest & Investments	\$ -	\$ -	\$ -
Total Source of Funds	\$ 1,772,064	\$ 14,818	\$ 1,786,882
<u>Staffing:</u>			
Hours Allocated	575	60	635
FTE (based on 2080)	0.3	0.0	0.3
<u>Use of Funds:</u>			
Labor	\$ 53,864	\$ 4,925	\$ 58,789
Benefits	\$ 21,320	\$ 1,949	\$ 23,269
Indirect Costs	\$ 86,880	\$ 7,944	\$ 94,824
Education & Training	\$ -	\$ -	\$ -
Consulting & Professional Services	\$ 705,000	\$ -	\$ 705,000
Operating Costs	\$ -	\$ -	\$ -
Equipment & Computers	\$ -	\$ -	\$ -
Meeting & Travel	\$ -	\$ -	\$ -
Other Administrative Costs	\$ 5,000	\$ -	\$ 5,000
Other Expenses	\$ -	\$ -	\$ -
Construction	\$ 900,000	\$ -	\$ 900,000
Total Use of Funds	\$ 1,772,064	\$ 14,818	\$ 1,786,882
Net Gain (loss)	\$ -	\$ -	\$ -
Indirect Costs Contribution	2.69%	0.25%	2.93%

SAWPA Brine Line Enterprise Budget FYE 2023

	Brine Line Operating Fund 240	Brine Line Debt Service	Total
<u>Source of Funds:</u>			
Discharge Fees	\$ 12,071,872	\$ -	\$ 12,071,872
Financing Proceeds	\$ -	\$ -	\$ -
Grant Proceeds	\$ -	\$ -	\$ -
Member Agency Contributions	\$ -	\$ -	\$ -
Participant Fees	\$ -	\$ -	\$ -
Other Income	\$ -	\$ -	\$ -
Interest & Investments	\$ 325,000	\$ -	\$ 325,000
Total Source of Funds	\$ 12,396,872	\$ -	\$ 12,396,872
<u>Staffing:</u>			
Hours Allocated	20,920	-	20,920
FTE (based on 2080)	10.1	-	10.1
<u>Use of Funds:</u>			
Labor	\$ 1,326,650	\$ -	\$ 1,326,650
Benefits	\$ 556,753	\$ -	\$ 556,753
Indirect Costs	\$ 2,133,400	\$ -	\$ 2,133,400
Education & Training	\$ 14,500	\$ -	\$ 14,500
Consulting & Professional Services	\$ 285,000	\$ -	\$ 285,000
Operating Costs	\$ 3,739,650	\$ -	\$ 3,739,650
Repair & Maintenance	\$ 490,000	\$ -	\$ 490,000
Phone & Utilities	\$ 11,500	\$ -	\$ 11,500
Equipment & Computers	\$ 206,500	\$ -	\$ 206,500
Meeting & Travel	\$ 10,000	\$ -	\$ 10,000
Other Administrative Costs	\$ 90,900	\$ -	\$ 90,900
Other Expenses	\$ 2,064,476	\$ (1,709,476)	\$ 355,000
Construction	\$ -	\$ -	\$ -
Debt Service Payments	\$ -	\$ 1,709,476	\$ 1,709,476
Total Use of Funds	\$ 10,929,329	\$ (0)	\$ 10,929,329
<u>Contribution To Reserves:</u>			
Pipeline Repair / Replacement	\$ 1,467,543	\$ -	\$ 1,467,543
Self-Insurance	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -
Total Contributions to Reserves	\$ 1,467,543	\$ -	\$ 1,467,543
Total Use of Funds	\$ 12,396,872	\$ (0)	\$ 12,396,872
Net Gain (loss)	\$ (0)	\$ 0	\$ -
Indirect Costs Contribution	61.80%	0.00%	61.80%

SAWPA Brine Line Capital Budget FYE 2023

	Brine Line Protection Fund 320	Reach IV-D Corrosion Repair Fund 327	Total
<u>Source of Funds:</u>			
Financing Proceeds	\$ -	\$ -	\$ -
Grant Proceeds	\$ -	\$ -	\$ -
Member Agency Contributions	\$ -	\$ -	\$ -
Participant Fees	\$ -	\$ -	\$ -
Other Income	\$ 1,397,185	\$ 810,746	\$ 2,207,931
Interest & Investments	\$ -	\$ -	\$ -
Total Source of Funds	\$ 1,397,185	\$ 810,746	\$ 2,207,931
<u>Staffing:</u>			
Hours Allocated	704	290	994
FTE (based on 2080)	0.3	0.1	0.5
<u>Use of Funds:</u>			
Labor	\$ 71,731	\$ 20,063	\$ 91,794
Benefits	\$ 30,103	\$ 8,420	\$ 38,523
Indirect Costs	\$ 115,351	\$ 32,263	\$ 147,614
Education & Training	\$ -	\$ -	\$ -
Consulting & Professional Services	\$ 475,000	\$ 750,000	\$ 1,225,000
Operating Costs	\$ -	\$ -	\$ -
Equipment & Computers	\$ -	\$ -	\$ -
Meeting & Travel	\$ -	\$ -	\$ -
Other Administrative Costs	\$ 5,000	\$ -	\$ 5,000
Other Expenses	\$ -	\$ -	\$ -
Construction	\$ 700,000	\$ -	\$ 700,000
Total Use of Funds	\$ 1,397,185	\$ 810,746	\$ 2,207,931
Net Gain (loss)	\$ -	\$ -	\$ -
Indirect Costs Contribution	3.34%	0.93%	4.28%

PA 24 COMMITTEE MEMORANDUM NO. 2021.10

DATE: May 4, 2021

TO: Project Agreement 24 Committee
(Inland Empire Brine Line)

SUBJECT: Inland Empire Brine Line Rate Resolution

PREPARED BY: Carlos Quintero, Operations Manager

RECOMMENDATION

That the Project Agreement 24 Committee recommend approval by the SAWPA Commission of Resolution No. 2021-4 establishing the Fiscal Year 2021-22 Inland Empire Brine Line Rates.

DISCUSSION

No change in rates from the current fiscal year (FY20-21) are proposed. The rates have been calculated using the Financial Model prepared in 2018 and are based on the proposed FY21-22 budget.

The FY21-22 rates allocate recurring costs to the “variable” component (flow, pounds of Biochemical Oxygen Demand [BOD] and Total Suspended Solids [TSS]) and ‘fixed’ components based on owned pipeline and treatment and disposal capacity rights. The flow charge from OC San is included in the SAWPA rate model as part of the “flow” calculation. The BOD and TSS charges are considered “pass-through” costs and are kept as close as possible to the OC San charges. Planned rates for FY22-23 are presented for “planning” purposes only and will require Commission Approval prior to July 1, 2022. Planned rates for FY22-23 assume a 3 percent increase in the variable components only (flow, BOD, and TSS); fixed charges (pipeline and treatment and disposal) are expected to remain the same. OC San has not provided the FY21-22 rates.

Table 1. Summary of FY19-20 (Current) vs. FY20-21 Proposed Rates for Each Option

<i>Options</i>	<i>Flow (MG)</i>	<i>BOD/1,000 lbs</i>	<i>TSS/1,000 lbs</i>	<i>Fixed Pipeline*</i>	<i>Fixed T&D*</i>
Current FY20-21	\$1,018	\$329	\$460	\$6,654	\$13,505
Proposed FY21-22	\$1,018	\$329	\$460	\$6,654	\$13,505
Planned FY22-23	\$1,049	\$339	\$474	\$6,654	\$13,505

*Fixed pipeline and Fixed T&D charges are per million gallons per month.

Table 2 summarizes the Brine Line rate increases from FY15-16 through FY20-21.

Table 2. SAWPA Direct Discharger Rate Summary (increase by year) through FY20-21

SAWPA RATES	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21
Flow (\$/MG)	817	858	901	946	979	1,018
Increase from previous FY	5.1%	5%	5%	5%	3.5%	4%
BOD (\$/1000 lbs)	301	307	307	307	316	329
Increase from previous FY	2%	0%	0%	0%	2.9%	4.1%

TSS (\$/1000 lbs)	420	429	429	429	442	460
Increase from previous FY	2.1%	0%	0%	0%	3%	4%

The truck disposal rates will continue to be based on two (2) tiers: a Brine Tier and a Non-Brine Tier. These charges remain unchanged from FY20-21.

The current (FY20-21) and proposed rates for FY21-22 indirect discharger rates are summarized on Table 3.

Table 3. Indirect Discharger Rates Current Rates

<i>Hauled Waste</i>	<i>Current FY20-21 / Proposed FY21-22</i>
Brine Tier (less than 100 mg/l BOD or TSS)	\$0.016/gallon
Non-Brine Tier (100 mg/l and above)	\$0.016/gallon plus charge per lb of BOD/TSS*
BOD Charges	\$0.78/lb BOD
TSS Charges	\$0.745/lb TSS

**Non-Brine Tier – If any concentration for BOD or TSS is 100 mg/l and higher, the full discharge will be charged based on the following the cost components identified in the table above.*

The proposed permit fees for FY21-22 are the same as for FY20-21.

Table 4. Permit Fees

<i>Permit Type</i>	<i>Current Fee (FY20-21) and Proposed Fee (FY21-22)</i>
Direct Discharger	\$600
Indirect Discharger	\$300
Liquid Waste Hauler permit (trucking companies)	\$250
Connection Authorization Rate*	\$1,100

The proposed Capacity Lease rates for FY21-22 remain unchanged from the rates from FY20-21. Discharges not exceeding 250 mg/L of BOD and 250 mg/L of TSS are as follows:

Table 5. Capacity Lease Rates

<i>Option</i>	<i>Flow (per gallon)</i>	<i>BOD (per pound)</i>	<i>TSS (per pound)</i>
Current (FY20-21)	\$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

All dischargers leasing capacity will be charged the rates in Table 5, in addition to the corresponding Brine Line rate option identified in Table 1.

The proposed Treatment and Disposal surcharge rates as shown in Table 6. Treatment and Disposal surcharge rates are charged when the contractually owned capacity for Flow, BOD, and/or TSS is exceeded in any given month. Rates for Treatment and Disposal surcharges remain unchanged from FY20-21.

Table 6. Treatment and Disposal (T&D) Surcharge Rates

<i>Option</i>	<i>Flow (per gallon)</i>	<i>BOD (per pound)</i>	<i>TSS (per pound)</i>
Current (FY20-21)	\$0.0021	\$0.4080	\$0.2501
Proposed (FY21-22)	\$0.0021	\$0.4080	\$0.2501

CRITICAL SUCCESS FACTORS

3. Maintain sufficient funding and reserves for current and future Capital and O&M costs through a stable, predictable, and affordable rates and charges.

5. Protect and preserve the useful life of Brine Line assets through strategic maintenance, repair, and capital improvements.

RESOURCE IMPACTS

The proposed Brine Line rates will provide the revenue to pay expected costs for brine treatment, pipeline operations, maintenance and repair including SAWPA's share of costs in Orange County, capital repair costs including SAWPA's share of costs in Orange County, and repayment of outstanding debts.

Attachments:

1. Resolution 2021-4
2. Powerpoint Presentation

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RESOLUTION NO. 2021-4

**A RESOLUTION OF THE COMMISSION OF THE
SANTA ANA WATERSHED PROJECT AUTHORITY
ESTABLISHING THE RATES (FOR THE TREATMENT AND DISPOSAL OF
NON-RECLAIMABLE WASTEWATER, TEMPORARY DOMESTIC WASTEWATER,
COLLECTION STATION DISCHARGES, AND CHARGES FOR SUSPENDED SOLIDS
AND BIOCHEMICAL OXYGEN DEMAND) IN THE
INLAND EMPIRE BRINE LINE
AND RESCINDING RESOLUTION NO. 2020-06 AS STATED**

WHEREAS, the Santa Ana Watershed Project Authority (hereafter “SAWPA”) has constructed the Inland Empire Brine Line (Brine Line, also known as the Santa Ana Regional Interceptor) for the treatment and disposal of non-reclaimable wastewater, temporary domestic wastewater, and collection station discharges;

WHEREAS, the best and highest use of the Brine Line is the export of salt with the ultimate goal of achieving watershed “salt balance” and requires maximum utilization of the Brine Line;

WHEREAS, SAWPA’s vision is to maintain and operate the Brine Line as efficiently as possible, collect charges from SAWPA’s Member Agencies (“dischargers”) for the treatment and disposal of non-reclaimable wastewater, temporary domestic wastewater, and collection station discharges, including charges for the discharge of total suspended solids (“TSS”) and biochemical oxygen demand (“BOD”);

WHEREAS, it is the policy of the Commission to accurately and equitably allocate costs to those who generate the costs;

WHEREAS, SAWPA has implemented a rate structure using a characteristics-based rate that results in a “pass-through” of charges for BOD and TSS from the Orange County Sanitation District (“OC San”);

WHEREAS, SAWPA will make an adjustment to the flow measured at each discharge site if the total flow at meter S-01, located at the Orange County line, is higher than the aggregate of all dischargers;

WHEREAS, OC San charges and other factors affecting the rate are outside SAWPA’s control, and it is the intention of the Commission that staff review the rates, propose modifications as necessary, and seek approval of any modifications prior to the beginning of each fiscal year;

WHEREAS, the sampling and monitoring fee policy allows recovery of all SAWPA costs related to sampling and monitoring of discharges;

WHEREAS, SAWPA is implementing a planned 20-year capital improvement program for the long-term repair and replacement of the Brine Line and is funding a 25% operating reserve for the Brine Line, all of which are intended to ensure the long-term reliability of the Brine Line;

WHEREAS, Connection Authorizations will be issued upon adoption of Ordinance No. 9 and a Letter to Discharge will be issued authorizing an infrequent discharge to the Brine Line.

WHEREAS, long-term system reliability is beneficial to the Brine Line, SAWPA has included debt repayment, long-term replacement, and operating reserve components in the rate structure;

WHEREAS, the collection station discharge rates, permit fees, and lease rates are derived from the same rate structure, and inclusion in this resolution provides clarity;

WHEREAS, a Peaking or Connection Authorization Rate and two fixed charge components are included, consistent with the adoption of Resolution No. 461 establishing SAWPA's fee for service business model;

WHEREAS, some dischargers may from time-to-time fall below economical billing levels, a minimum charge is included;

WHEREAS, "Fiscal Year" means the period beginning July 1 of each year and ending June 30 of the following year for purposes of initiating a new rate period;

WHEREAS, "Rate Period" means the period of time from July 1, 2021 through June 30, 2022.

WHEREAS, SAWPA conducted a solids formation study to accurately measure and allocate TSS formed within the pipeline and has used a formula since July 1, 2007 to distribute the additional load created. The total TSS load is measured at the Orange County line and allocated to dischargers based on the individual discharger's direct and indirect contribution to the total load; the TSS allocation is based on a twelve (12) month rolling average. Any required adjustment will be approved by the Commission by separate action;

WHEREAS, SAWPA has completed and continues to update closed-circuit television (CCTV) inspection of the gravity flow portion of the system and found significant accumulation of material throughout most of the pipeline. Pipeline cleaning in these areas is required on a recurring basis. The cost for pipeline cleaning is included in the Flow charge;

WHEREAS, a surcharge for Flow, BOD, and TSS treatment and disposal capacity is applicable when discharge quantities exceed owned capacity; and

WHEREAS, a rate stabilization fund has been established to mitigate the impact of unanticipated larger cost increases.

WHEREAS, SAWPA and the Member Agencies established a Lease Capacity Pool Agreement to allow smaller dischargers to lease Pipeline and Treatment & Disposal Capacity Rights from SAWPA in lieu of purchasing capacity rights. Brine Line lease rates are derived from the same rate structure, and inclusion in this resolution provides clarity. Leasing capacity requires a lease agreement between SAWPA and the discharger, if lease capacity is available.

NOW, THEREFORE, BE IT RESOLVED that the Commission of the Santa Ana Watershed Project Authority hereby resolves that:

1. For the Rate Periods identified below, the treatment and volumetric user charges paid to SAWPA for treatment and disposal of non-reclaimable and temporary domestic wastewater shall be as follows, with a minimum charge of \$150.00 for the flow component:

<u>Rate Period</u>	<u>Flow/MGD</u> <u>(a)</u>	<u>BOD/</u> <u>1,000 lbs.</u> <u>(b)</u>	<u>TSS/</u> <u>1,000 lbs.</u> <u>(c)</u>	<u>Fixed</u> <u>Pipe</u> <u>(d)</u>	<u>Fixed</u> <u>Treatment</u> <u>(e)</u>
7/1/2021 – 06/30/2022	\$1,018	\$329	\$460	\$6,654	\$13,505
7/1/2022 – 6/30/2023 (f)	\$1,049	\$339	\$474	\$6,654	\$13,505

- (a) This component shall be calculated and assessed per gallon (i.e., \$0.001018) of discharge (flow) to the Brine Line each month. The flow charge is comprised of an OCSD “Pass-Through” flow charge as well as a SAWPA flow charge.
 - (b) This component shall be calculated and assessed per pound (i.e., \$0.329) of dry weight of BOD calculated from the average of sample results each month.
 - (c) This component shall be calculated and assessed per pound (i.e., \$0.460) of dry weight of TSS calculated from the average of sample results each month.
 - (d) This component for fixed costs (also known as Readiness to Serve) shall be assessed per MGD of owned pipeline/connection capacity per month.
 - (e) This component for fixed costs shall be assessed per MGD of owned treatment and disposal capacity per month for the corresponding rate period.
 - (f) Future rates are for planning purposes only. The Commission will separately evaluate and set the rates annually for each FY.
2. Total flow for each discharger will be adjusted if flows at meter S-01 are higher than the aggregate of all the discharger flows.
 3. Actual OC San charges for BOD and TSS shall be “passed through” to dischargers.
 4. A sampling surcharge shall be applied to all BOD and TSS dischargers to account for the actual cost of necessary sampling and shall be assessed to all dischargers. Increased sampling is defined as any and all costs in excess of one sample per month. Increased sampling shall be determined solely by SAWPA and billed monthly. High BOD, TSS, or high variability dischargers will be sampled more frequently as required, and low BOD/TSS or low variability dischargers will be sampled monthly or quarterly as required to obtain reliable data.
 5. SAWPA shall continue to measure BOD and TSS entering and exiting the system. Should a difference in BOD and TSS exist between the total of all dischargers and the SAWPA discharge to OC San, the strength values for each discharger shall be adjusted to fully allocate the SAWPA discharge to OC San. This adjusted strength shall be used for determining discharger invoice amounts.

6. The annual permit fee for each directly connected discharger shall be not less than \$600. The annual permit fee for each indirect discharger shall be not less than \$300. The annual fee for Connection Authorizations is \$1,100. Additional permit fees may be charged for speculative or special permit work to cover actual costs and administration as determined by the SAWPA General Manager. The annual fee for a Liquid Waste Hauler permit shall be not less than \$250.
7. Truck-delivered non-reclaimable wastewater discharges from sources within the Santa Ana River Watershed at SAWPA-authorized collection stations shall be charged based on the strength of the waste discharged. Waste shall be charged at \$0.016 per gallon for Brine discharges (less than 100 milligrams per liter (mg/l) average concentration for BOD and TSS), and a Non-Brine tier which shall be charged based on the measured strength for each load as defined by Note (b). Proposed and future estimated rates are shown below. All permitting, permit fees, monitoring, labor, and other costs are the responsibility of the member agency providing the service.

Waste Strength	BOD or TSS Concentration	7/1/2021 – 6/30/2022	FY 2022-23 (a)
Brine Tier	Less than 100 mg/l	\$0.016	\$0.016
Non Brine Tier	100 mg/l and higher	(b)	(b)

- (a) *Future rate for planning purposes only. The Commission will separately evaluate and set the rates annually for each FY. Planned FY22-23 charges are: \$0.016 per gallon, \$0.78/pound of BOD, and \$0.745/pound of TSS.*
- (b) *If either BOD or TSS exceeds the concentration of 100 mg/l, the full discharge will be charged using the following cost component: \$0.016 per gallon, \$0.78/pound of BOD, and \$0.745/pound of TSS.*

8. If approved in the future by OC San and the Commission, truck-delivered non-reclaimable wastewater discharges from outside the Santa Ana River Watershed at SAWPA-authorized collection stations, shall be charged a surcharge of 10% on waste discharged to the Brine Line. This surcharge shall be added to the rates indicated in paragraph 7 and represents the administrative costs associated with serving these customers. All permitting, monitoring, labor, and other costs are the responsibility of the Member Agency providing the service. Discharges from sources outside the watershed require specific Commission and OC San approval.
9. A Connection Authorization Rate shall be charged for discharges approved by a Letter to Discharge. The Connection Authorization Rate shall be comprised of 110% of the surcharges in Paragraph 10, plus 110% of the Flow, BOD, and TSS charges in Paragraph 1. Surcharges shall be assessed for discharges in excess of the owned capacity, subject to General Manager’s approval.
10. A treatment and disposal surcharge shall be charged when contractually owned capacity for BOD, TSS, and/or Flow is exceeded in any given month. Rates from July 1, 2021 through June 30, 2022 shall be \$0.4080 per pound BOD, \$0.2501 per pound TSS, and \$0.0021 per gallon Flow. These charges are in addition to the charges for Flow, BOD, and TSS outlined in Paragraph 1.
11. Capacity Lease Rate. Capacity Lease Rates for Pipeline Capacity Right and Treatment and Disposal Capacity Right from July 1, 2021 through June 30, 2022 shall be \$0.00263 per gallon up to 250 mg/l BOD and 250 mg/l TSS. Capacity Lease Rates for Treatment and Disposal Capacity Right Only from July 1, 2021 through June 30, 2022 shall be \$0.00117 per gallon up to

250 mg/l BOD and 250 mg/l TSS. These rates are in addition to the charges for Flow, BOD, and TSS outlined in Paragraph 1. Any discharge exceeding the 250 mg/l BOD and 250 mg/l TSS concentration shall be billed as a loading surcharge for the period corresponding from July 1, 2021 through June 30, 2022 at a rate of \$0.4080 per pound of BOD and \$0.2501 per pound of TSS.

12. The provisions of SAWPA Ordinance No. 8 and any amendments or successors thereto, are hereby incorporated by this reference, as though set forth herein in full.
13. Payment of invoices not made within 45 days of the invoice date shall bear interest at a rate of one percent (1.0%) per month from the date of invoice.
14. The user's charges and surcharges established by this Resolution are effective July 1, 2021, and Resolution No. 2020-06 is rescinded once this Resolution takes effect.

ADOPTED this 1st day of June 2021.

SANTA ANA WATERSHED PROJECT AUTHORITY

By: _____
Jasmin A. Hall, Chair

Attest:

By: _____
Sara Villa, Acting Clerk of the Board

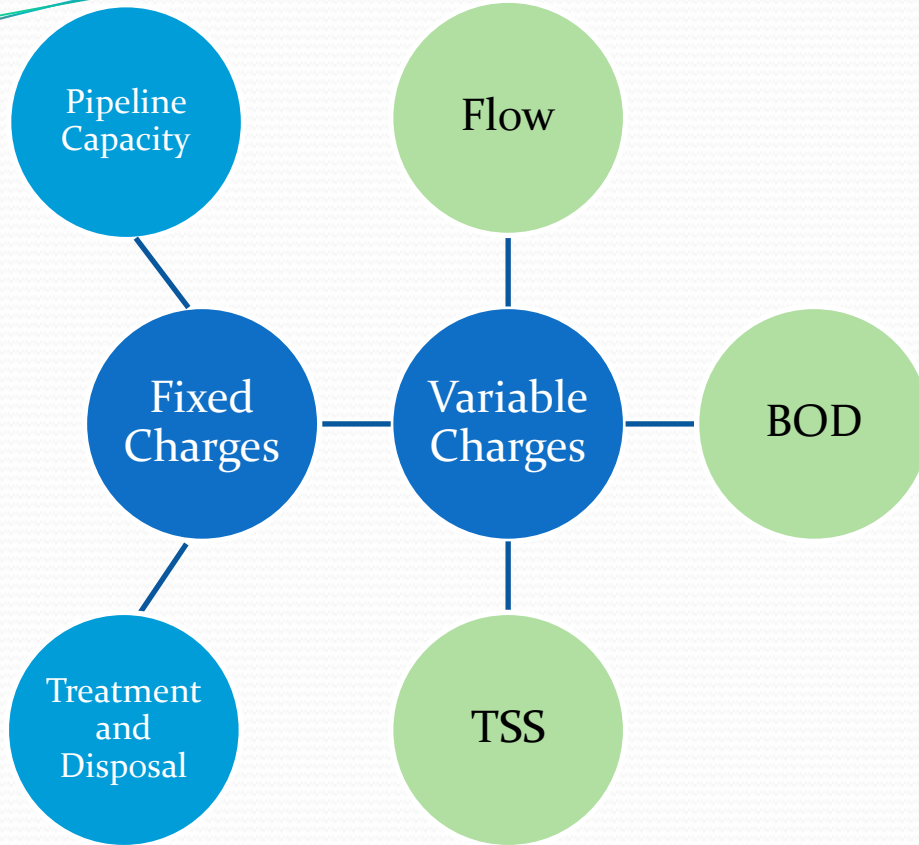
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Inland Empire Brine Line Rate Resolution 2021-04

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)
 - Non-Brine (≥ 100 mg/L)
 - 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??

**Santa Ana Watershed Project Authority
PA24 - Brine Line - Financial Report
February 2021**

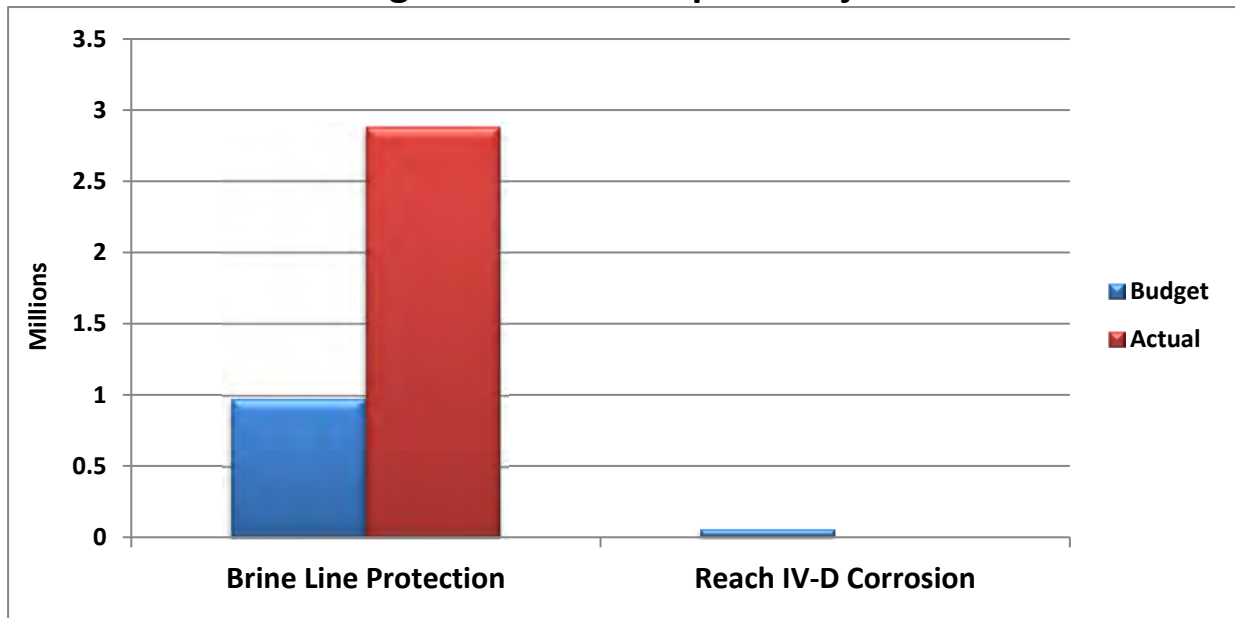
Staff comments provided on the last page are an integral part of this report.

Overview	This report highlights the Brine Line’s key financial indicators for the Fiscal Year-to-Date (FYTD) through February 2021 unless otherwise noted.
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Brine Line - Capital Projects

Budget to Actual – Capital Projects				 Concern
	Annual Budget	FYTD Budget	FYTD Actual	Favorable (Unfavorable) Variance
Brine Line Protection	\$1,466,878	\$977,919	\$2,880,765	(\$1,902,846)
Reach IV-D Corrosion	82,151	54,767	-	54,767
Total Capital Costs	\$1,549,029	\$1,032,686	\$2,880,765	(\$1,848,079)

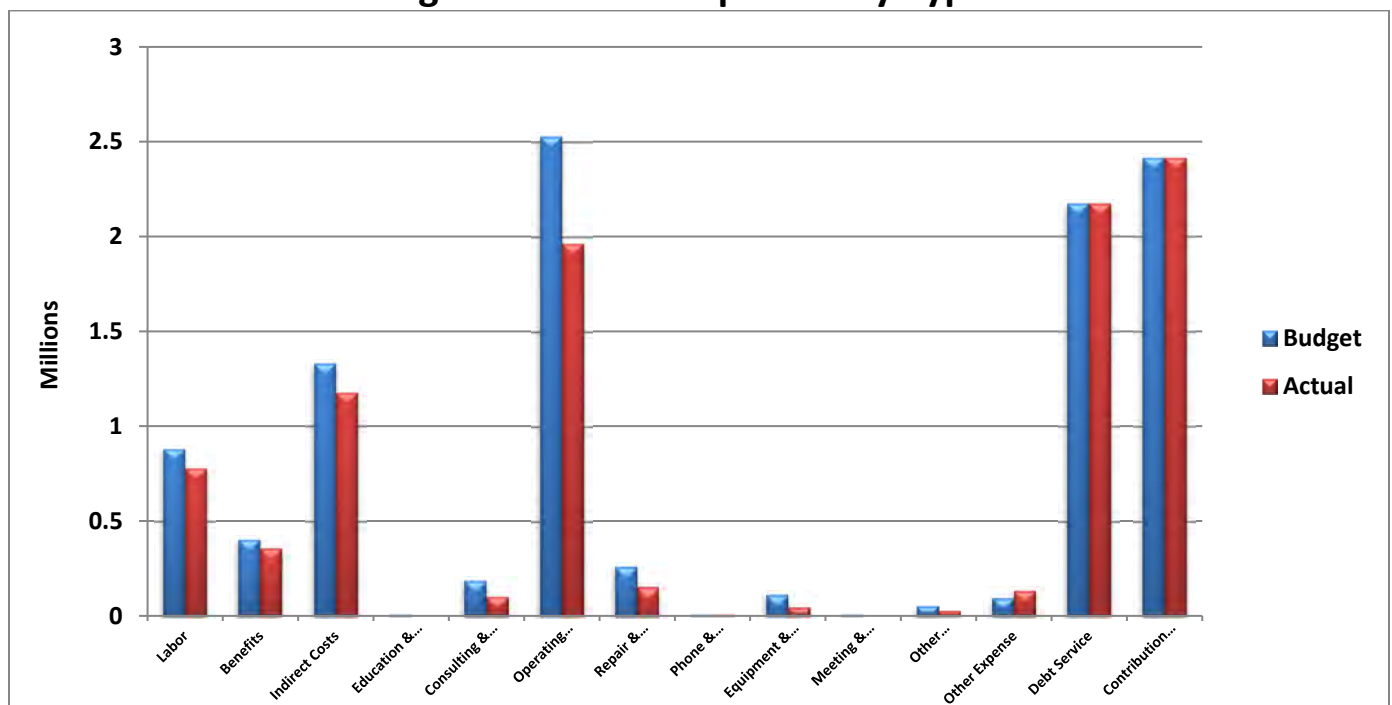
Budget to Actual - Capital Projects



Brine Line – Operating

Budget to Actual - Expenses by Type				 Favorable
	Annual Budget	FYTD Budget	FYTD Actual	Favorable (Unfavorable) Variance
Labor	\$1,320,100	\$880,067	\$778,978	\$101,089
Benefits	597,981	398,654	352,877	45,777
Indirect Costs	1,990,646	1,327,097	1,174,698	152,399
Education & Training	12,500	8,333	7	8,326
Consulting & Prof Svcs	280,000	186,667	102,103	84,564
Operating Costs	3,792,500	2,528,333	1,964,108	564,225
Repair & Maintenance	385,000	256,667	153,103	103,564
Phone & Utilities	11,700	7,800	7,783	17
Equip & Computers	161,500	107,667	46,627	61,040
Meeting & Travel	10,000	6,667	16	6,651
Other Admin Costs	77,900	51,933	26,084	25,849
Other Expense	142,350	94,900	132,815	(37,915)
Debt Service	2,835,027	2,170,850	2,170,551	299
Contribution to Reserves	3,619,241	2,412,827	2,412,827	-
Total	\$15,236,445	\$10,438,462	\$9,322,577	\$1,115,885

Budget to Actual - Expenses by Type



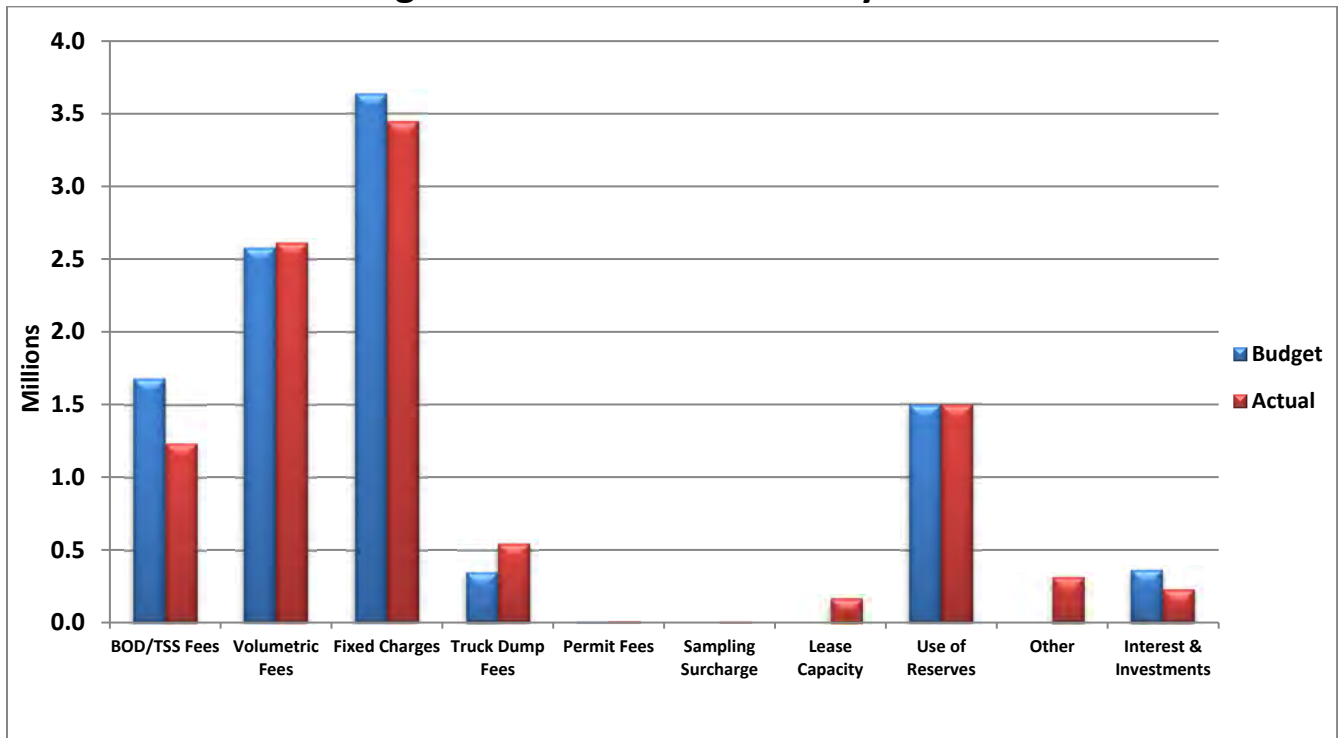
Budget to Actual - Revenues by Source



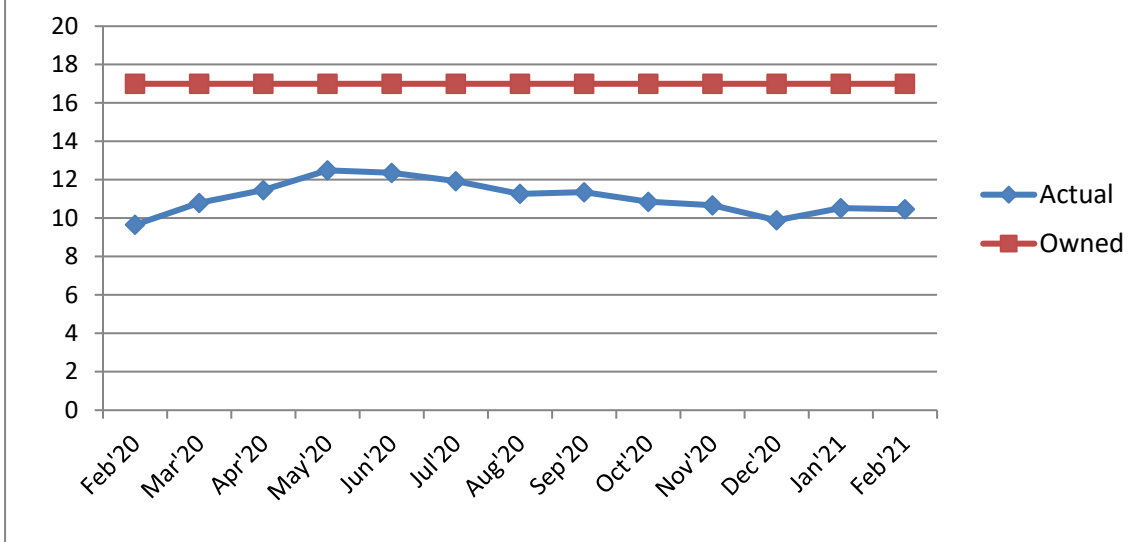
On Track

	Annual Budget	FYTD Budget	FYTD Actual	Favorable (Unfavorable) Variance
BOD/TSS Fees	\$2,520,700	\$1,680,467	\$1,234,095	(\$446,372)
Volumetric Fees	3,868,400	2,578,933	2,612,708	33,775
Fixed Charges	5,453,233	3,635,489	3,446,501	(188,988)
Truck Dump Fees	521,000	347,333	544,386	197,053
Permit Fees	38,085	8,000	8,850	850
Sampling Surcharge	-	-	6,764	6,764
Lease Capacity Revenue	-	-	163,520	163,520
Use of Reserves	2,160,027	1,495,850	1,495,850	-
Other Revenue	-	-	314,760	314,760
Interest & Investments	675,000	362,500	227,354	(135,146)
Total	\$15,236,445	\$10,108,572	\$10,054,788	(\$53,784)

Budget to Actual - Revenues by Source



Average Daily Flow by Month

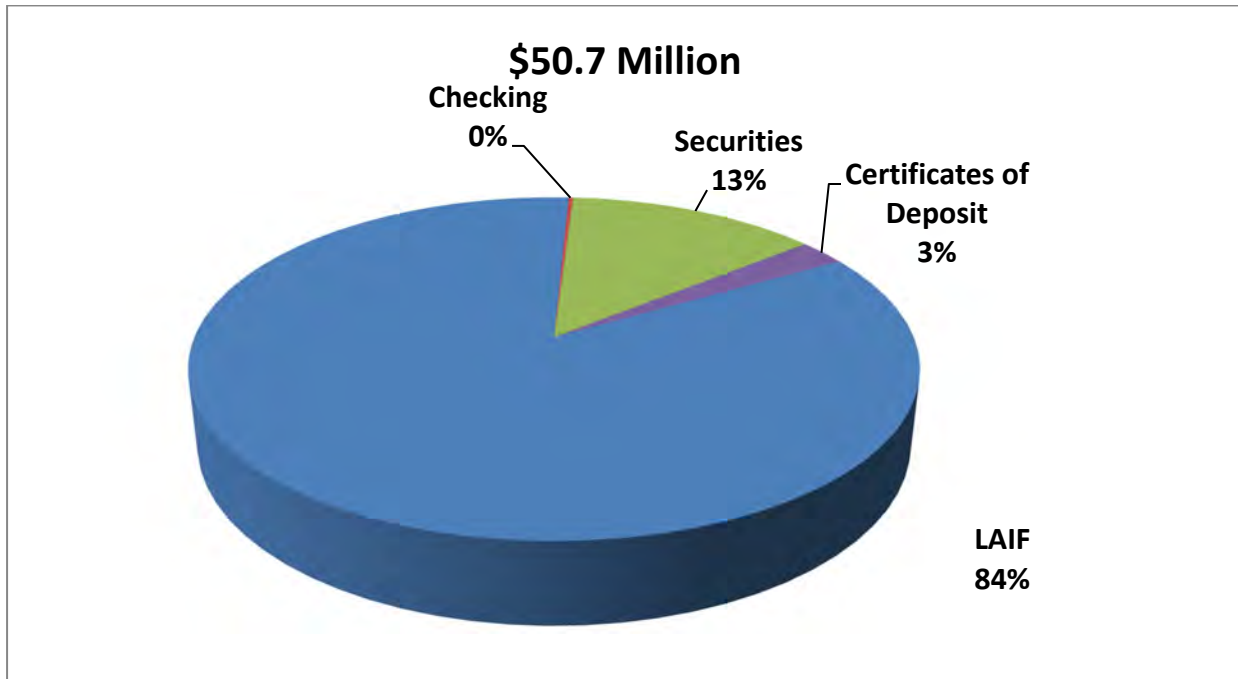


Total Discharge by Agency (in million gallons)

Discharger	Jul '20	Aug'20	Sep'20	Oct'20	Nov'20	Dec'20	Total
Chino Desalter Authority	116.5012	112.1985	111.5921	113.5047	92.4434	101.8909	648.1308
Eastern Municipal Water District	73.2679	76.5411	71.3266	69.7128	45.2323	51.3534	387.4341
Inland Empire Utilities Agency	17.3110	15.2022	15.0274	16.1369	14.3543	12.9822	91.0140
San Bernardino Valley MWD	27.9092	28.2059	24.6697	27.3885	35.2666	38.0272	181.4671
Western Municipal Water District	129.9649	113.2654	114.2837	127.8736	108.1608	99.2837	692.8321
Truck Discharge	3.7416	3.7402	3.6307	3.4223	3.2096	3.0138	20.7582
Total	368.6958	349.1533	340.5302	358.0388	298.6670	306.5512	2,021.6363

Discharger	Jan'21	Feb'21	Mar'21	Apr'21	May'21	Jun'21	Total
Chino Desalter Authority	118.8233	109.4655					876.4196
Eastern Municipal Water District	72.3041	46.2928					506.0310
Inland Empire Utilities Agency	13.0486	13.1286					117.1912
San Bernardino Valley MWD	35.9601	30.0014					247.4286
Western Municipal Water District	101.7810	91.1324					885.7455
Truck Discharge	2.9576	2.8866					26.6024
Total	344.8747	292.9073					2,659.4183





Total Cash & Investments - February



Reserve Fund Balance – February

	Amount
Self Insurance	\$4,454,322
Debt Retirement	3,802,819
Pipeline Replacement	21,013,026
OC San Rehabilitation	2,374,235
Capacity Management	11,956,015
Future Capacity	1,830,505
Rate Stabilization	1,025,765
Flow Imbalance	83,555
Brine Line Operating	4,157,737
Total Reserves	\$50,697,979

Legend

		<u>Compared to Budget</u>
	Ahead or Favorable	Above +5% Favorable Revenue or Expense Variance
	On Track	+5% to -2% Variance
	Behind	-3% to -5% Variance
	Concern	Below -5% Variance

Staff Comments

For this month's report, the item(s) explained below are either "behind", a "concern", or have changed significantly from the prior month.

Capital Projects are 179% above budget. The reason for the budget overage is OCSD sent invoices of \$1,358,656 for the prior fiscal year and the early completion of the Alcoa Dike – Lower Reach IV-B and CRC Lateral Utility Protection Project.



Santa Ana Watershed Project Authority

Financial Report for the Inland Empire Brine Line Enterprise/CIP for the 2nd Quarter Ending December 31, 2020

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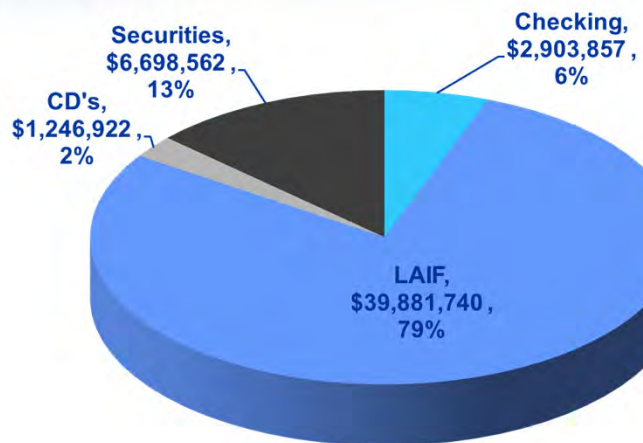
Agenda

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

2

Cash & Investments

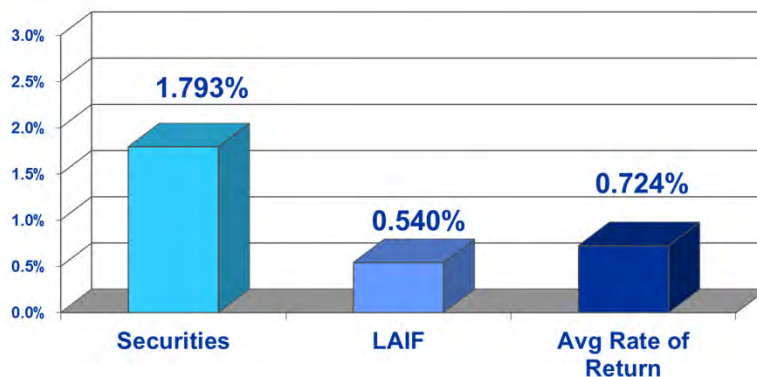
\$50,731,082



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Cash & Investments

Interest Rate Analysis



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Reserve Account Balances

Reserve Account	Balance
Self Insurance	\$4,429,783
Debt Retirement	2,468,280
Pipeline Replacement	22,208,667
OC San Rehabilitation	2,368,201
Capacity Management	11,934,754
OC San Future Capacity	1,827,250
Flow Imbalance Reserve	83,407
Rate Stabilization Reserve	1,023,941
Operating Reserve	4,386,799
Total Reserves	\$50,731,082

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Reserve Account Balances Trends

Reserve	Balance @ 03/31/20	Balance @ 06/30/20	Balance @ 09/30/20	Balance @ 12/31/20
Self Insurance	\$4,311,780	\$4,355,708	\$4,395,735	\$4,429,783
Debt Retirement	3,317,311	3,765,194	3,077,709	2,468,280
Pipeline Replacement	22,125,566	21,146,193	21,549,970	22,208,667
OC San Rehabilitation	3,690,111	3,706,357	3,719,181	2,368,201
Capacity Mgmt	11,817,079	11,869,104	11,910,170	11,934,754
OC San Future Capacity	1,809,234	1,817,199	1,823,486	1,827,250
Flow Imbalance Reserve	87,444	83,913	83,234	83,407
Rate Stabilization Reserve	1,013,845	1,018,308	1,021,832	1,023,941
Operating Reserve	3,779,138	3,856,386	4,269,033	4,386,799
Total	\$51,951,508	\$51,618,362	\$51,850,350	\$50,731,082

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Transfers, Use and Contributions To/From Reserves

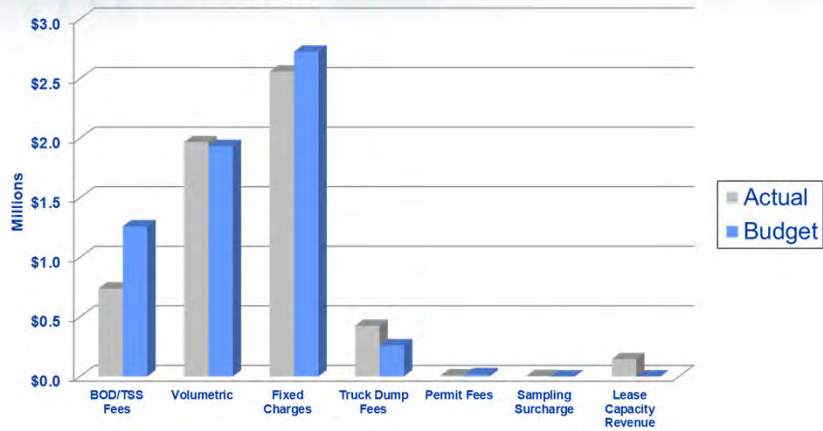
- **Pipeline Replacement Reserve**
 - Contribution of \$905,246
 - Use of \$1,273,343 - Fund 320 Brine Line Protection
- **OC San Rehabilitation Reserve**
 - Use of \$1,358,656 – Rock Removal Project
- **Self Insurance Reserve**
 - Contribution of \$50,000
- **Debt Service Reserve**
 - Contribution of \$854,375
 - Use of \$2,170,551

Total Operating Revenues

Source	Actual	Budget	Variance Positive/(Negative)
BOD/TSS Fees	\$738,467	\$1,260,350	(\$521,883)
Volumetric Fees	1,966,484	1,934,200	32,284
Fixed Charges	2,559,264	2,726,617	(167,353)
Truck Discharge	426,031	260,500	165,531
Permit Fees	8,850	19,043	(10,193)
Sampling Surcharge	3,368	0	3,368
Lease Capacity Revenue	145,726	0	145,726
Total Operating Revenues	\$5,848,190	\$6,200,710	(\$352,520)

Operating Revenues vs. Budget

Budget vs. Actual



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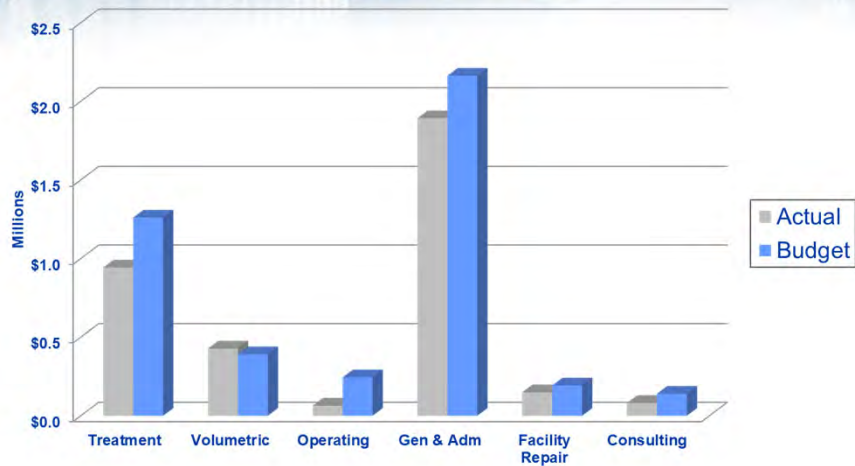
Total Operating Expenses

Source	Actual	Budget	Variance Positive/(Negative)
Treatment Costs	(\$943,126)	(\$1,260,350)	\$317,224
Volumetric Costs	(427,454)	(391,400)	(36,054)
Operating Costs	(64,643)	(244,500)	179,857
General & Administration	(1,892,414)	(2,162,339)	269,925
Facility Repair & Maintenance	(149,441)	(192,500)	43,059
Consulting & Prof. Services	(81,678)	(140,000)	58,322
Total Operating Expenses	(\$3,558,756)	(\$4,391,089)	\$832,333

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Operating Expenses vs. Budget

Budget vs. Actual



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Non-Operating Revenues and Expenses

Source	Actual	Budget	Variance Positive/(Negative)
Use of Reserves (Debt Service)	\$0	\$0	\$0
Interest & Investments	142,905	337,500	(194,595)
Other Income	314,727	0	314,727
Debt Service Payments	(2,170,551)	(2,170,850)	299
Contributions to Reserves	(1,809,621)	(1,809,621)	0
Total Non-Operating	(\$3,522,540)	(\$3,642,971)	\$120,431

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Enterprise Performance

Flow, BOD, TSS Actual vs. OCSD Billing

	SAWPA Billed	OCSD Billing	Difference
Total Flow (MG)	2,022.6864	2,004.000	18.6864
Total BOD (1,000 lbs)	553.6476	676.402	(122.7544)
Total TSS (1,000 lbs)	1,352.1126	1,640.516	(288.4034)
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)

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Enterprise Performance

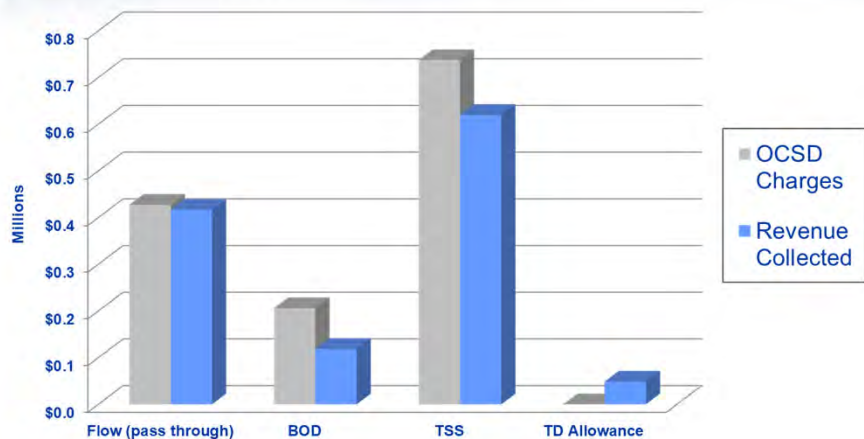
OCSD Flow, BOD & TSS Charges vs. Revenue Billed

	Revenue Billed	OCSD Charges	Difference
Flow (pass through)	\$416,673	\$427,453	(\$10,780)
BOD	118,643	205,945	(87,302)
TSS	619,824	737,182	(117,358)
TD Allowance	48,610	0	48,610
Total	\$1,203,750	\$1,370,580	(\$166,830)

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Enterprise Performance

OCSD Flow, BOD & TSS Charges vs. Revenue Collected



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Capital Project Fund

Costs vs. Budget



16

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

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Questions ?

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