



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 AND N-08-21, 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/84046630593 • Meeting ID: 840 4663 0593 	<ul style="list-style-type: none"> • 1 (669) 900-6833 • Meeting ID: 840 4663 0593
* 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, SEPTEMBER 7, 2021 – 10:00 A.M.

(or immediately following the 9:30 a.m. SAWPA Commission meeting)

REGULAR MEETING OF THE PROJECT AGREEMENT 24 COMMITTEE

Inland Empire Brine Line

Committee Members

Eastern Municipal Water District	Inland Empire Utilities Agency
Joe Mouawad, 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 Mike Gardner, 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: AUGUST 3, 2021**.....5
Recommendation: Approve as posted.
5. **COMMITTEE DISCUSSION/ACTION ITEMS**
- A. **RESERVE POLICY REQUEST FOR PROPOSALS (PA24#2021.15)**.....9
Presenter: David Ruhl
Recommendation: Direct staff to release a Request for Proposals (RFP) for professional services for review of the SAWPA Reserve Funds Policy.
- B. **OC SAN/SAWPA JOINT POLICY COMMITTEE (PA24#2021.16)**.....55
Presenter: David Ruhl
Recommendation: Receive and File.
6. **INFORMATIONAL REPORTS**
Recommendation: Receive for information.
- A. **BRINE LINE FINANCIAL REPORT – JUNE 2021**.....59
Presenter: Karen Williams
- B. **FINANCIAL REPORT FOR THE FOURTH QUARTER ENDING JUNE 30, 2021**65
Presenter: Karen Williams
7. **REQUEST FOR FUTURE AGENDA ITEMS**
8. **CLOSED SESSION**
- A. **CONFERENCE WITH LEGAL COUNSEL – EXPOSURE TO LITIGATION – PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(2)**
Number of Potential Cases: One
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, Clerk of the Board of the Santa Ana Watershed Project Authority declare that on September 2, 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 [cancelled]	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
August 3, 2021

COMMITTEE MEMBERS PRESENT

T. Milford Harrison, Chair, San Bernardino Valley Municipal Water District Governing Board
Mike Gardner, Vice Chair, Western Municipal Water District Governing Board
Joe Mouawad, Eastern Municipal Water District General Manager
Jasmin A. Hall, Inland Empire Utilities Agency Governing Board

ALTERNATE COMMITTEE MEMBERS PRESENT [Non-Voting]

David Slawson, Alternate, Eastern Municipal Water District Governing Board
Shivaji Deshmukh, Alternate, Inland Empire Utilities Agency
Gil Botello, Alternate, San Bernardino Valley Municipal Water District Governing Board
Craig Miller, Alternate, Western Municipal Water District

STAFF PRESENT

Jeff Mosher, Karen Williams, Carlos Quintero, David Ruhl, Dean Unger, Marie Jauregui, Sara Villa, Haley Mullay

OTHERS PRESENT

Andrew D. Turner, Lagerlof, LLP; Nick Kanetis, Eastern Municipal Water District; Bob Tincher, San Bernardino Valley Municipal Water District; Heather Dyer, San Bernardino Valley Municipal Water District; Derek Kawaii, Western Municipal Water District

1. CALL TO ORDER| PLEDGE OF ALLEGIANCE

The regular meeting of the PA 24 Committee was called to order at 11:07 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 and N-08-21, 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. SELECTION OF COMMITTEE VICE CHAIR

Jeff Mosher noted that with the change of representation from Western Municipal Water District, Commissioner Mike Gardner is now on the Project Agreement (PA) 24 Committee. It is recommended that the PA 24 Committee appoint a Vice Chair. Committee Member Hall made a motion to appoint the nomination recommendation of Mike Gardner as Vice Chair of the PA 24 Committee.

MOVED, to appoint Mike Gardner as Vice Chair of the Project Agreement 24 Committee.

Result:	Adopted by Roll Call Vote (Unanimously)
Motion/Second:	Hall/Mouawad
Ayes	Gardner, Hall, Harrison, Mouawad

Nays: None
Abstentions: None
Absent: None

5. APPROVAL OF MEETING MINUTES: June 1, 2021

Chair Harrison called for a motion to approve the June 1, 2021; meeting minutes as posted.

MOVED, approve the June 1, 2021, meeting minutes.

Result: **Adopted by Roll Call Vote (Unanimously)**
Motion/Second: Mouawad/Hall
Ayes: Gardner, Hall, Harrison, Mouawad
Nays: None
Abstentions: None
Absent: None

6. COMMITTEE DISCUSSION/ACTION ITEMS

A. INLAND EMPIRE BRINE LINE MASTER PLAN (PA24#2021.14)

David Ruhl provided a presentation on the Inland Empire Brine Line Master Plan, contained in the agenda packet on pages 11-16. The Master Plan is a long-term planning document that addresses facility needs over a defined planning period. The purpose is to determine how best to manage and implement the growth and expansion of the Brine Line to best serve the watershed and the member agencies. The benefits of the Brine Line Master Plan include:

- Consistency in decision making
- Ability to make informed decisions
- Focus resources and prioritize projects
- Promote economic development
- Maintain system reliability
- Accommodate future growth
- Meet future regulatory requirements

SAWPA staff will prepare a scope of work in collaboration with the member agencies and present to the PA 24 Committee for discussion and approval. The scope of work will include the following:

- Coordination with Member Agencies, review of existing plans
- System hydraulics
- Future growth projections
- Design criteria
- Environmental, regulatory, and operational constraints
- Engineering and operational resiliency
- Paying for laterals, projects, and system expansion
- Capacity management and long-term planning efforts to reach 30 MGD capacity

Chair Harrison noted that it's surprising that a Master Plan hadn't been done before and it's very essential to move forward with a scope of work. Committee Member Gardner noted it's a resource that really needs a long-term plan and an opportunity to encourage growth within

the region. Heather Dyer emphasized that there is a need to think through what the Brine Line will look like in 20 years and how to harness the asset that we have so that it will serve the purpose of our region decades into the future. There are opportunities out there of potential entities that can build in our region and by having a Master Plan we would be able to provide information needed for better planning in the future. Committee Member Mouawad noted that it is essential to have a detailed understanding of the path moving forward; a Master Plan is necessary to ensure reliability and resiliency through improvements and rehabilitation to the existing system. Eastern Municipal Water District has a section of their master plan for the Brine Line system to better understand the growth potential for industries to utilize the Brine Line. Committee Member Mouawad noted he will be happy to share their master plan and fully supports moving forward with the scope of work.

MOVED, to direct staff to prepare a scope of work for an Inland Empire Brine Line Master Plan.

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

7. INFORMATIONAL REPORTS

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

A. BRINE LINE FINANCIAL REPORT – APRIL 2021

B. BRINE LINE FINANCIAL REPORT – MAY 2021

8. REQUEST FOR FUTURE AGENDA ITEMS

There were no requests for future Agenda items.

Chair Harrison recessed the meeting at 11:26 a.m. for Closed Session.

9. CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL – EXPOSURE TO LITIGATION – PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(2)

Number of Potential Cases: One

Chair Harrison resumed Open Session at 12:15 p.m., Legal Counsel Andy Turner announced that the PA 24 Committee received a report from staff and counsel, and no action was taken on Agenda Item No. 9.A.

10. ADJOURNMENT

There being no further business for review, Chair Harrison adjourned the meeting at 12:17 p.m.

Approved at a Regular Meeting of the Project Agreement 24 Committee on September 7, 2021.

T. Milford Harrison, Chair

Attest:

Sara Villa, Clerk of the Board

PA 24 COMMITTEE MEMORANDUM NO. 2021.15

DATE: September 7, 2021

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

SUBJECT: Reserve Policy Request For Proposals

PREPARED BY: David Ruhl, Engineering Manager

RECOMMENDATION

That the Project Agreement 24 Committee direct staff to release a Request for Proposals (RFP) for professional services for review of the SAWPA Reserve Funds Policy.

DISCUSSION

SAWPA's Reserve Funds Policy was established to ensure that sufficient funding is available for current operating, capital, and debt service needs. The Reserve Policy describes how and why specific reserves are established and maintained to provide SAWPA's member agencies with assurance that reserve balances will be maintained at prudent and fiscally responsible levels. A copy of SAWPA's Reserve Policy is attached for your information. SAWPA maintains nine (9) distinct reserves that pertain to the Brine Line. The nine (9) reserves and their balances as of May 31, 2021, are as follows:

Reserve Account	Amount
Self-Insurance	\$4,486,031
Debt Retirement	\$3,569,642
Pipeline Replacement	\$21,710,633
OC San Rehabilitation	\$2,377,813
Capacity Management	\$11,974,038
OC San Future Capacity	\$1,833,264
Rate Stabilization	\$1,027,311
Flow Imbalance	\$83,681
Brine Line Operating	\$3,558,373
Total Reserves	\$50,620,786

At the May 2021 meeting, the PA 24 Committee recommended approval of the Brine Line Rates for Fiscal Year 2021 – 2022 to the SAWPA Commission. It was discussed at that time that a review of the Reserve Funds Policy should be conducted to ensure adequate reserve target levels are maintained and to investigate combining reserves, to reduce the total number of reserve funds. In June 2021, staff completed the Brine Line Criticality Assessment and the 10–Year Capital Improvement Plan (CIP) and presented the results to the PA 24 Committee. The Criticality Assessment helps to better understand the risk of failure of the Brine Line's infrastructure. The criticality information is important in assessing target levels for the Pipeline Replacement Reserve fund. In addition, funding of the CIP is in part from the Pipeline Replacement Reserve. This information is also important in assessing the target levels for this reserve. Both the Criticality Assessment and the 10-year CIP will be utilized in the review of the Reserve Funds Policy.

The professional services of a consulting firm are necessary to review SAWPA's reserve policies and recommend changes to reserve targets, including setting maximum levels and combining reserves as needed to ensure sound reserve policies and adequate reserves. A copy of the RFP is attached for your information.

RESOURCE IMPACTS

Funds to cover the Reserve Policy Review are budgeted under the Fiscal Year 2022 Budget Fund 240.

Attachments:

1. PowerPoint Presentation
2. Reserve Policy
3. Reserve Policy RFP



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

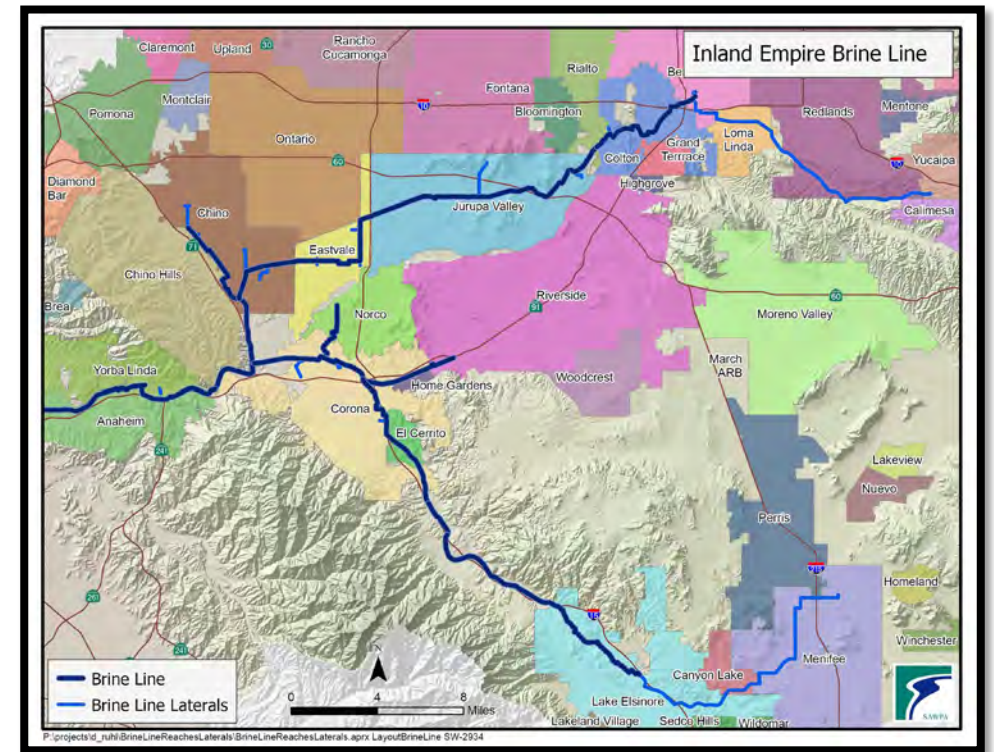
Recommendation:

- 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?

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SANTA ANA WATERSHED PROJECT AUTHORITY

RESERVE FUNDS POLICY

POLICY STATEMENT

A key element of prudent financial planning is to ensure that sufficient funding is available for current operating, capital, and debt service needs. Additionally, fiscal responsibility requires anticipating the likelihood of, and preparing for, unforeseen events. The Santa Ana Watershed Project Authority (“SAWPA”) desires to identify and provide a calculation methodology and/or maintained level of all existing and future needs of the agency where reserve funds are required and/or necessary. The SAWPA Commission realizes the importance of reserves in providing reliable service to its member agencies, financing long-term capital projects, and the funding of emergencies, should they arise. In this context, SAWPA will at all times strive to have sufficient funding available to meet its operating, capital, and debt service obligations. Funds will be accumulated and maintained to allow SAWPA to fund expenditures in a manner consistent with SAWPA’s long range financial plan and the Capital Improvement Plan (“CIP”), and avoid significant rate fluctuations due to changes in cash flow requirements.

The Commission may designate specific fund accounts and maintain minimum fund balances consistent with statutory obligations that it has determined to be in the best interest of SAWPA. The Policy directives outlined in this document are intended to ensure SAWPA has sufficient funds to meet current and future needs. The Commission will annually review the level of reserve funds. Considerations to continue or the establishment of a new reserve fund will be determined based on the following criteria:

- ◆ Reason for the reserve.
- ◆ Availability and source of funds to continue, replenish or establish the reserve.
- ◆ Operating expenditure levels approved within the biennial budget process.
- ◆ Future capital expenditure and debt service requirements of the agency.
- ◆ Commission approval of the reserve policy.

SAWPA recognizes the importance of operating an agency or company with a sound business plan in place that provides for unanticipated/emergency costs should they arise within a budgeted fiscal year. In keeping SAWPA’s member agencies’ best interest in mind, these costs would be set aside to avoid, once a biennial budget has been approved, a request for additional funding from member agencies within a fiscal year.

It is staff’s intent through this policy to describe how and why specific reserves are established and maintained at SAWPA and to provide SAWPA’s member agencies with assurance that reserve balances will be maintained at prudent and fiscally responsible levels.

DEFINITIONS

This policy describes the reserve funds to be maintained in connection with: i) the Inland Empire Brine Line and ii) the General Fund. In general, there are two types of reserve fund classifications:

- I. **RESTRICTED FUNDS:** Restrictions on the use of these funds are imposed by an outside source such as creditors, grantors, contributors, laws, or regulations governing use. These funds are specifically governed by a written contract with SAWPA or outlined within the debt covenants of a debt financing.
- II. **UNRESTRICTED FUNDS:** These funds have no externally imposed use restrictions. The use of Unrestricted Funds is at the discretion of the SAWPA Commission. Unrestricted Funds are designated for a specific purpose, which is determined by the Commission. The Commission also has the authority to redirect the use of these funds as the needs of SAWPA change.

The restricted and unrestricted funds can further be subdivided into Capital Funds and Liquidity (Operating) Funds. The Capital Funds are designated for specific purposes and utilized primarily to fund capital and asset replacement costs. The Liquidity Funds are established to safeguard SAWPA's financial viability and stability and are funded from accumulated revenues.

Further, for internal control purposes, SAWPA accumulates, maintains, and segregates its reserve funds into the following categories:

- ◆ *Restricted and Designated Reserves* – Reserve funds that are designated for a particular purpose and whose use is restricted to only that purpose. The Restricted and Designated Reserves consist of the Debt Retirement Reserve.
- ◆ *Board Designated Reserves* – Reserve funds earmarked for the purpose of funding items such as new capital facilities, repair or replacement of existing facilities, and general operating reserves designated for a specific purpose and use by the Commission. The Board Designated Reserves are comprised of the following reserve accounts: Brine Line Operating Reserves, Rate Stabilization Reserve, Pipeline Replacement Reserve, OCSD Rehabilitation Reserve, Debt Retirement Reserve, OCSD Future Capacity Reserve, Self Insurance Reserve, Capacity Management Reserve, Flow Imbalance Reserve, General Fund Operating Reserve, and General Fund Building Reserve.
- ◆ *Board Restricted (Obligated) Reserves* – Reserves set aside to meet financial commitments for services not yet fulfilled and purchases that will take place in the future. These reserves consist of the Capital Improvement Construction Reserve.
- ◆ *Contractually Restricted Reserves* – Funds held to satisfy limitations set by external requirements established by creditors, grant agencies or contributors, or law. Examples include stipulated bond covenants, capital improvement fees, and service deposits. At present SAWPA does not hold any contractually restricted reserve funds.

GENERAL PROVISIONS

SAWPA will maintain its operating and capital funds in designated accounts in a manner that ensures its financial soundness and provides transparency to its member agencies. The fund balances are considered the minimum necessary to maintain SAWPA's fiscal strength and flexibility and adequately provide for:

- ◆ Compliance with applicable statutory requirements.
- ◆ Financing of future capital projects and repair and replacement of existing assets.
- ◆ Cash flow requirements.
- ◆ Economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy.
- ◆ Contingencies or unforeseen operating or capital needs.

In the context of funding future capital projects and maintaining and replacing existing assets, in each instance, SAWPA will analyze the benefits and tradeoffs of utilizing pay-as-you-go and/or debt financing and determine the optimal funding strategy or combination of funding strategies. The analysis should consider SAWPA's current and projected operating and capital positions, as well as the impact of inflation, depreciation, the cost of service, and other factors on the operations of SAWPA and its capital improvement program.

Through a variety of policy documents and plans, including SAWPA's Capital Improvement Plan, the long range financial plan, and the Inland Empire Brine Line (Brine Line), Financial Study and Rate Model, the Commission has set forth a number of long-term goals for SAWPA. A fundamental purpose of SAWPA's policy documents and plans is to link what must be accomplished with the necessary resources to successfully do so.

SAWPA has established and will maintain the reserve funds outlined in the following sections. A principal tenet of SAWPA's Reserve Fund Policy shall be the crediting of interest income to specific funds. Unless otherwise stated in this Reserve Fund Policy, interest derived from reserve balances will be credited to the reserve account from which it was earned. Fund balances will be reviewed by the Chief Financial Officer ("CFO") on a monthly basis, as well as biennially during the budget review process in order to determine how reserve fund balances compare with the budgeted projections and how they measure against the goals outlined in this Policy.

The minimum established for each reserve fund represents the baseline financial condition that is acceptable to SAWPA from risk and long-range financial planning perspectives. Maintaining reserve funds at appropriate levels is a prudent, ongoing business process that consists of an iterative, dynamic assessment and application of various funding alternatives. These alternatives (either alone or in combination with each other) include, but are not limited to: rates, loans and grants, debt financing, investment of funds, and levels of capital expenditures.

The Commission shall approve any reallocation of funds or any transfers among reserve funds.

SPECIFIC PROVISIONS

SAWPA will maintain the following reserve funds and respective target levels:

- 1.) Brine Line Operating Reserve: The Brine Line Operating Reserve is established to cover temporary cash flow deficiencies that occur as a result of timing differences between the receipt of operating revenue and expenditure requirements. The reserve is utilized as needed to pay outstanding Brine Line Enterprise expenditures prior to the receipt of anticipated operating revenues.

Target Level – Funding shall be targeted at a minimum amount equal to 90 days (i.e. 25%) of SAWPA’s Brine Line Enterprise total annual operating expenditures. If SAWPA elects to issue variable rate debt, the minimum required balance in this reserve might need to be higher.

Events and Conditions Prompting the Use of the Reserve – This reserve is utilized as needed to pay outstanding Brine Line Enterprise expenditures prior to the receipt of anticipated operating revenues.

Periodic Review Dates for Balances – Reviewed and recalibrated through the normal biennial budget and annual rate-setting process.

- 2.) Rate Stabilization Reserve: Established to mitigate the effects of occasional shortfalls in revenue. Revenue shortfalls result from a number of events such as weather factors (wet weather or drought events and natural disasters), increased water conservation, poor regional economic conditions, and unplanned or unexpectedly large rate adjustments/increases.

Target Level - There is no minimum balance for this reserve. When revenues exceed expenses within a fiscal year, a portion of the Net Gain will be used to fund this reserve.

Events and Conditions Prompting the Use of the Reserve – This reserve is utilized as needed to pay revenue shortfalls that result from the conditions described above.

Periodic Review Dates for Balances – Reviewed as part of the biennial budget process.

- 3.) Pipeline Replacement Reserve: Established to provide capital replacement funding as the Brine Line system’s infrastructure (pipe) deteriorates over its expected useful life. Based on recent core sampling of the pipeline, the pipe’s useful life was adjusted from an original 50 year life expectancy to an expected useful life of 75 – 100 years. Maintaining this reserve serves two major purposes: i) provides a means of tracking funds designated for capital investment (such as capital revenues, depreciation funding, grants, etc.) and ensuring that they are used for their intended purpose and facilitating compliance with any applicable requirements, and ii) provides protection against the risk of cost overruns related to its capital improvement program.

Target Level – To help protect against risk associated with capital project cost overruns and emergency reserves, the most recent Brine Line Financial Study and Rate Model have identified a minimum target balance of \$10.0 million for this reserve. Any revenues designated for capital projects and not strictly earmarked for another fund should be deposited into this fund. To provide annual cash flow for capital projects, SAWPA

should consider depositing on an annual basis a system reinvestment contribution into this fund, equivalent to the inflation-adjusted annual depreciation.

Events and Conditions Prompting the Use of the Reserve – Through the biennial budget process, staff shall recommend anticipated asset replacement projects. The Commission shall take action to approve recommended project appropriations from this reserve. Should emergency replacement be necessary during any fiscal year, the Commission may take action to amend the budget and appropriate needed funds as required by such emergency. In addition, in certain circumstances SAWPA may elect to fund one-time operating expenditures related to specific projects through the use of this reserve rather than rate increases.

Periodic Review Dates for Balances – Reserve balances and projected replacement projects will be reviewed by staff and the Commission during the preparation and approval of the biennial budget and on an as-needed basis in the case of emergencies.

- 4.) OCSD Rehabilitation Reserve – This reserve was established to fund SAWPA’s share of capital costs associated with its proportionate share of capacity right ownership in the Santa Ana Regional Interceptor (SARI) Line maintained by OCSD. Since these costs are expected to vary significantly in timing and size, an approach has been developed to normalize these expenditures into equal annual payments. The objective is for SAWPA to make equal annual contributions (adjusted for inflation) into this interest earning reserve fund, and then make withdrawals from this fund when payments to OCSD for the SARI Line come due. According to the Brine Line Financial Study, this approach will mitigate significant capital cost spikes for SAWPA.

Target Level – The most recent Brine Line Financial Study has identified a minimum target level of \$1.75 million annually (adjusted for inflation). If the SARI Line capital costs are adjusted downward by OCSD, SAWPA will review the balance in this reserve and adjust its annual contributions accordingly.

Events and Conditions Prompting the Use of the Reserve – This reserve is utilized as needed to pay when due SAWPA’s share of OCSD SARI Line capital costs.

Periodic Review Dates for Balances – Reviewed and recalibrated through the normal biennial budget and if OCSD revises its SARI Line capital costs.

- 5.) Debt Retirement Reserve – This reserve was initially established with funds received from SAWPA’s member agencies for the purchase of pipeline capacity (30 MGD) in the Brine Line system to provide future funding on debt service payments for SRF loans required to build the Brine Line system. Treasury-strips (“T-Strips”) were purchased with maturities to match annual principal and interest payments due on the long-term debt associated with the State loans. This reserve will be maintained and/or adjusted at levels set forth in future “bond covenants” or other debt obligation instruments as approved by the SAWPA Commission.

Target Level – The minimum balance in this reserve should be sufficient to cover anticipated debt service payments as they become due. The balance in this reserve should

reflect debt service obligations for which existing or projected revenues are insufficient to cover scheduled principal and interest payments.

Events and Conditions Prompting the Use of the Reserve – This reserve is utilized as needed to pay when due debt service payments on SAWPA’s obligations. The Commission shall take action to approve annual debt service obligations of the Agency as presented in the biennial budget. Any other use (debt obligations approved and entered into following adoption of the biennial budget) shall require prior Commission approval before the expense of funds from this reserve.

Periodic Review Dates for Balances – Reviewed by staff on a semi-annual basis (i.e., every interest and/or principal payment date) and as part of the biennial budget process.

- 6.) OCSD Future Capacity Reserve – This reserve is established to provide future funding as it becomes necessary for SAWPA to acquire (purchase) additional treatment capacity (minimum of 1 MGD increments) in the OCSD treatment plant facility. As incremental treatment plant capacity purchases are made at an agreed upon rate set by SAWPA resolution, funds would be deposited into this reserve account which can then be used to purchase treatment capacity from OCSD.

Target Level – There is no minimum balance for this reserve. Its level will depend on the rate of growth and capacity sales. As capacity purchases are made, funds will be deposited in this reserve so that its balance will be sufficient to cover anticipated additional treatment plant capacity purchases as and when they come due.

Events and Conditions Prompting the Use of the Reserve – This reserve may only be utilized to purchase additional treatment capacity in the OCSD plant as approved by the SAWPA Commission. Any other use of this reserve shall not occur without prior authorization from the SAWPA Commission.

Periodic Review Dates for Balances – Reviewed as part of the biennial budget process.

- 7.) Self Insurance Reserve – This reserve was originally established to provide insurance protection to the Brine Line system and the JPA for losses arising from property, general liability, and worker’s compensation claims. The reserve level, combined with SAWPA’s existing insurance policies, should adequately protect SAWPA and its member agencies in the event of a loss or claim.

Target Level – The minimum balance in this reserve should be determined with SAWPA’s currently existing insurance policies and coverages in mind, along with the deductibles thereon, and should be maintained at a level that would adequately protect SAWPA and its member agencies. Based on FEMA guidelines, the funding in this reserve should be targeted at a minimum of two (2%) percent of SAWPA’s depreciable capital assets, plus the total amount of SAWPA’s existing insurance deductibles.

Events and Conditions Prompting the Use of the Reserve – This reserve shall be utilized to cover out-of-pocket insurance losses experienced by SAWPA. Any reimbursement

received by SAWPA from the insurance company as a result of submitted claim shall be deposited back into the reserve as replenishment for the loss.

Periodic Review Dates for Balances – Reviewed as part of the biennial budget process.

- 8.) Capacity Management Reserve – This reserve is established to set aside 100% of the funding derived from pipeline capacity sales to provide funds for future capacity needs within the Brine Line. As the pipeline reaches capacity, other alternatives will be needed to ensure the ability to discharge and achieve salt balance within the Santa Ana Watershed.

Target Level – Given the nature of this reserve, there is no required minimum or maximum level. 100% of the funding derived from pipeline capacity sales should be deposited and maintained in this reserve.

Events and Conditions Prompting the Use of the Reserve – This reserve is to be utilized to cover costs required to manage capacity within the pipeline, including the cost to further concentrate Brine Line flows, reduction of flows to meet capacity needs, additional pipeline capacity, additional CIP, and other changes as appropriate.

Periodic Review Dates for Balances – Reviewed as part of the biennial budget process.

- 9.) Flow Imbalance Reserve – This reserve is established to set aside funds in the event that a meter error occurs and the discharger is over-billed. Each month, meter readings are read for each discharger and the total for all dischargers is compared to the total at meter S-01. When the total for all discharges exceeds the total at meter S-01, the difference will be calculated at the current flow rate and contributed to the reserve account.

Target Level – Based on SAWPA’s practice, a minimum of \$50,000 should be maintained in this reserve.

Events and Conditions Prompting the Use of the Reserve – This reserve is utilized to refund dischargers in the event that a meter error occurs and the discharger is over-billed.

Periodic Review Dates for Balances – Reviewed as part of the biennial budget process.

- 10.) General Fund Operating Reserve – Established to provide cash flow for unbudgeted and/or unexpected expenditures and to mitigate potential delays between the time when expenditures are incurred and the time when revenues are received.

Target Level – There is no required minimum for this reserve, although a prudent target level will be equal to 180 days of SAWPA’s General Fund total budgeted operating expenditures. This reserve will be funded only based on realized efficiencies in the General Fund resulting in actual year-end expenditures being under budget.

Events and Conditions Prompting the Use of the Reserve – This reserve is designated to maintain working capital for current operations and to meet routine cash flow needs. Upon Commission approval, this reserve may be routinely utilized by staff to cover temporary cash flow deficiencies caused by timing differences between revenues and

expenditures and extraordinary decreases in revenues and unexpected increases in expenditures.

Periodic Review Dates for Balances – Reviewed during the preparation and approval of the biennial budget process.

- 11.) General Fund Building Reserve - Established to provide for the accumulation of funds towards a building reserve set aside to cover major repair/maintenance work on SAWPA's Headquarters Office unless directed otherwise by Commission action during the biennial budget process.

Target Level – Funding shall be targeted at a minimum amount equal to \$300,000 at all times.

Events and Conditions Prompting the Use of the Reserve – This reserve is designated to maintain a building repair and replacement reserve. Upon Commission approval, this reserve may be routinely utilized by staff for building-related purposes.

Periodic Review Dates for Balances – Reviewed during the preparation and approval of the biennial budget process.

- 12.) Capital Improvement Construction Reserve – This is a restricted reserve established to set aside 100% of the funding derived from the construction fund money proceeds of a bond issue required to support specific capital projects identified and approved by the Commission in SAWPA's CIP. The use of these proceeds is restricted by conditions set in the respective legal bond documents.

Target Level – The balance in this reserve will be determined based on the amount of construction fund moneys generated as part of the bond proceeds and the spend-down requirements for the particular CIP project being financed.

Events and Conditions Prompting the Use of the Reserve – The use of this reserve is for the sole purpose of paying for those capital expenditures identified within the SAWPA Commission approved CIP Program budget. Specific construction fund proceeds will be spent on applicable projects. The reserve will be depleted as the approved capital projects are completed. In the event that SAWPA has more than one bond issue outstanding, separate sub-funds will be created within this reserve with bond proceeds from each debt issue deposited in that issue's respective sub-account. Sub-accounts will be kept segregated at all times.

Periodic Review Dates for Balances – Reviewed by staff on semi-annual basis whenever SAWPA has issued bonds and this reserve has a balance.

INVESTMENT GUIDELINES

It has been SAWPA's practice to rely primarily on a pay-as-you-go (pay-go) strategy and some use of SRF loans to fund capital improvements and replacement of existing assets. Maintaining a

balance between debt and pay-go sources may provide an added benefit to SAWPA in terms of allowing for a more optimal investment strategy. In the context of these policies and in circumstances where such balance is present, the investment portfolio can be separated into short and long portfolios to maximize investment returns. The balance in the Liquidity (Operating) Funds should be kept in short-term investments. Moneys in the Capital Funds, however, may be invested for a longer horizon as the funds are needed in the later years.

DELEGATION OF AUTHORITY

The Commission has sole authority to amend or revise this Reserve Fund Policy. Through approval of this Policy, the Commission has established written procedures and guidelines for staff to follow in the management of SAWPA's Reserves.

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SANTA ANA WATERSHED PROJECT AUTHORITY (SAWPA)

REQUEST FOR PROPOSAL (RFP)

For

Inland Empire Brine Line Reserve Policy

Responses to this Request for Proposal (RFP) shall be submitted to:

Santa Ana Watershed Project Authority
11615 Sterling Avenue
Riverside, California 92503

Telephone: (951) 354-4220

No later than October 14, 2021 at 4:00 p.m. five (5) original copies and one (1) electronic file copy (in PDF format) of the proposal shall be submitted in a sealed envelope and marked: "Proposal for Consulting Services for Inland Empire Brine Line (Brine Line) Reserve Policy". One (1) original copy of the fee proposal shall be submitted in a separate sealed envelope and marked: "Fee Proposal". Proposals received after the above specified date and time WILL NOT be accepted. A pre-proposal meeting will be held via zoom at 1:30 p.m. on September 30, 2021, attendance is highly encouraged. Questions regarding this RFP should be addressed directly to Karen Williams, Assistant General Manager/CFO (kwilliams@sawpa.org) and David Ruhl, Engineering Manager (Druhl@sawpa.org).

1. Introduction

Agency Background

The Santa Ana Watershed Project Authority (SAWPA) was formed in 1972 to plan and build facilities to provide water supply and protect water quality in the Santa Ana River Watershed. SAWPA is a Joint Powers Authority (JPA) comprised of five (5) member agencies: Eastern Municipal Water District (EMWD), Inland Empire Utilities Agency (IEUA), Orange County Water District (OCWD), San Bernardino Valley Municipal Water District (Valley), and Western Municipal Water District (WMWD).

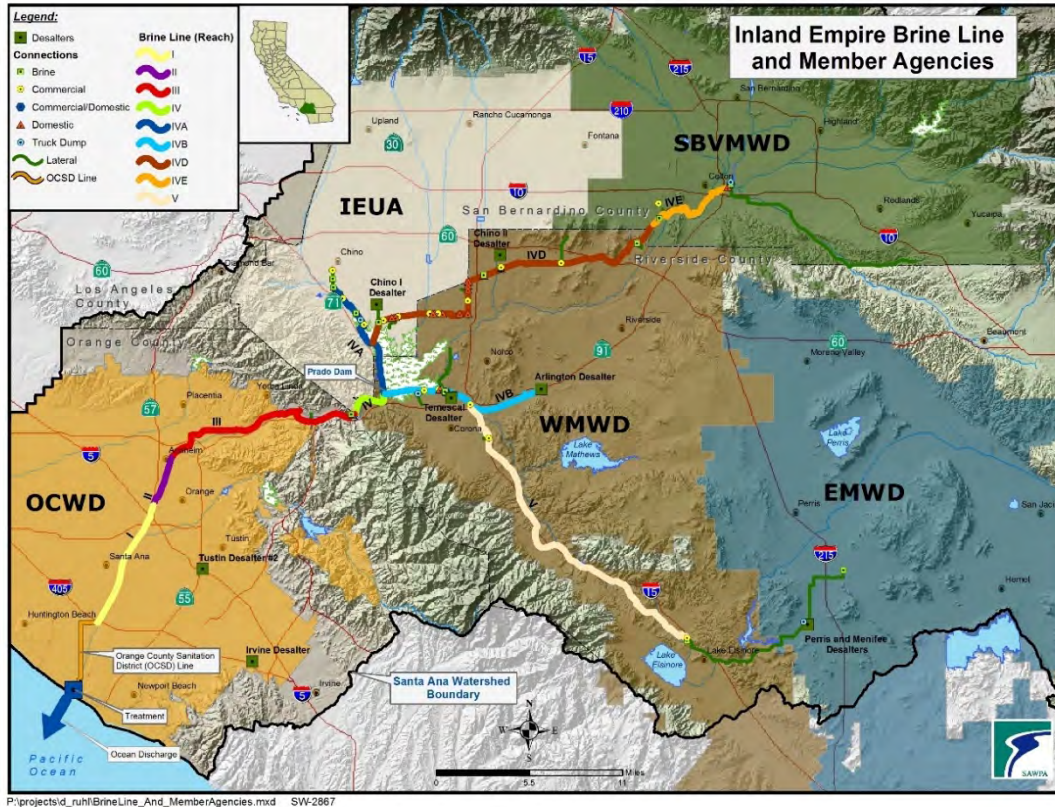
SAWPA owns either capacity rights in, or owns outright approximately 93 miles of pipeline referred to as the Inland Empire Brine Line (Brine Line). The Brine Line provides for saline, non-domestic discharges to protect water resources in the Santa Ana River Watershed. Figure 1 provides a graphic representation of the Brine Line and its various reaches, 1 through 5.

Reaches 4, 4A, 4B, 4D, 4E and 5 include approximately 73 miles of pipeline ranging from 16 – 48 inches in diameter. The estimated asset value of the Brine Line is \$344 Million (2019 dollars). Pipeline materials include polyvinyl chloride (PVC) pipe, reinforced

concrete pipe (RCP) with full circumferential PVC lining, RCP with 270-degree PVC lining, vitrified clay pipe (VCP), high density polyethylene pipe (HDPE), PVC lined reinforced concrete pressure pipe (RCP), ductile iron pipe (DIP), Fiberglass reinforced pipe (FRP) and cured in place pipe (CIPP).

Discharge to the Brine Line is made through either a direct connection (Direct Discharger) or by hauling to one of four collection stations (Indirect Dischargers). All facilities discharging to the Brine Line require a discharge permit.

Figure 1: Inland Empire Brine Line and Member Agency Boundaries



Project Background (Reserve Policy)

SAWPA has established the following nine (9) reserve funds.

- *Brine Line Operating Reserve.* This reserve was established to cover temporary cash flow deficiencies that occur as a result of timing differences between receipt of operating revenues and expenditure requirements.
- *Rate Stabilization Reserve.* This reserve was established to mitigate the effects of occasional shortfalls in revenue. Revenue shortfalls result from several events such as weather factors, increased water conservation, poor regional economic conditions, and unplanned or unexpectedly large rate adjustments/increases.
- *Pipeline Replacement Reserve.* Established to provide capital replacement funding as the Brine Line system’s infrastructure deteriorates over its expected useful life.

- *Orange County Sanitation District (OC San) Rehabilitation Reserve.* This reserve was established to fund SAWPA's share of capital costs associated with its proportionate share of capacity right ownership in the SARI maintained by OC San.
- *Debt Retirement Reserve.* This reserve is used for debt service payments for State Revolving Fund loans required to build and rehabilitate the Brine Line.
- *OC San Future Capacity Reserve.* This reserve is used to purchase additional OC San wastewater treatment plant and outfall disposal capacity right (treatment and disposal capacity right).
- *Self-Insurance Reserve.* This reserve is used to cover out-of-pocket insurance losses. This reserve was originally established to provide insurance protection to the Brine Line system and the JPA for losses arising from property, general liability, and worker's compensation claims.
- *Capacity Management Reserve.* This reserve was established to set aside 100% of the funding derived from pipeline capacity sales to provide funds for future capacity needs within the Brine Line. As the pipeline reaches capacity (30 MGD), other alternatives will be needed to ensure the ability to discharge and achieve salt balance with the watershed.
- *Flow Imbalance Reserve.* This reserve is established to set aside funds in the event that a meter error occurs, and the discharger is over-billed. Each month, meter readings are read for each discharger and the total for all dischargers is compared to the total at the SARI Metering Station (SMS). The SMS meter records the total flow in the Brine Line. When the total for all discharges exceeds the total at the SMS, the difference will be calculated at the current flow rate and contributed to the reserve account.

Table 1 below shows current minimum reserve levels. The Rate Stabilization Reserve, OC San Future Capacity Reserve and Capacity Management Reserve do not currently have reserve minimums and most of the reserves do not have defined target levels.

Table 1: Current Reserve Minimum, Maximum and Target Levels

Reserve	Minimum	Maximum	Target
Brine Line Operating Reserve	N/A	N/A	25% of annual operating expenses
Rate Stabilization Reserve	N/A	TBD	TBD
Pipeline Replacement Reserve	\$10 Million	TBD	TBD
OC San Rehabilitation Reserve	\$1.75 Million	TBD	TBD
Debt Retirement Reserve	N/A	N/A	100% of annual debt service
OC San Future Capacity Reserve	N/A	TBD	TBD
Self-Insurance Reserve	TBD	TBD	2% of depreciable capital assets plus the total amount of SAWPA's existing insurance deductibles.
Capacity Management Reserve	TBD	TBD	TBD
Flow Imbalance Reserve	N/A	N/A	\$50,000

Lease Capacity Pool

SAWPA has purchased 17 MGD of treatment and disposal capacity right from OC San and in turn sold this capacity right to Agencies in the upper watershed. Currently, the capacity right being utilized in the Brine Line is about 11 MGD. Leaving about 6 MGD of unused capacity right. The Lease Capacity Pool was established in December 2018, to allow Member Agencies to contribute non committed capacity to the pool for new customers to the Brine Line.

The Lease Capacity Pool allows existing and potential dischargers to lease brine line pipeline and treatment and disposal capacity right without the financial burden of purchasing the capacity right. Currently, one (1) MGD of pipeline and treatment and disposal capacity right is valued at approximately \$10.6 Million. SAWPA Member Agencies participate in the Lease Capacity Pool by contributing capacity that is not currently used. The Capacity Lease Rate is established by resolution of the SAWPA Commission and approved on an annual basis.

It is the intent of SAWPA to obtain the services of a consulting firm to review SAWPA's capacity lease rate and reserve policies (included in Appendix B) and recommend changes to reserve targets, including setting maximum levels and combining reserves as needed to meet SAWPA PA 24 Committee policies and to ensure sound and sufficient reserve policies.

2. Schedule

September 15, 2021	Issue Request for Proposals
September 30, 2021	Pre-proposal meeting (1:30 p.m.)
October 14, 2021	Proposals due (4:00 p.m.)
October 21, 2021	Interview panel conducts interview of top proposing firms
November 2, 2021	Recommend award
November 15, 2021	Issue Notice to Proceed

3. Proposal Instructions and Conditions

3.1. **Pre-Contractual Expenses** – Pre-Contractual expenses are defined as expenses incurred by prospective bidders in:

- Preparing a proposal in response to the RFP.
- Submitting that proposal to SAWPA.
- Negotiating with SAWPA in any matter related to this RFP, proposal, and/or contractual agreement.
- Any other expenses incurred by the prospective bidder prior to the date of an executed contract and Notice to Proceed.

SAWPA will not, in any event, be liable for any pre-contractual expenses incurred by any prospective bidder. In addition, no prospective bidder shall include any such expenses as part of the price proposed to perform the requested services.

3.2. **Authority to Withdraw RFP and/or Not Award Contract** – SAWPA reserves the right to withdraw the RFP at any time without prior notice. Further, SAWPA makes

no representations that any agreement will be awarded to any prospective bidder responding to this RFP. SAWPA expressly reserves the right to postpone the opening of proposals for its own convenience and to reject any and all proposals in response to this RFP without indicating any reasons for such rejection(s).

- 3.3. **Selection of Multiple Proposals** – Due to the widely varied geographic area and technical requirements, SAWPA has found teams of consultants to be very effective in providing the technical expertise and personnel required to perform services for the Brine Line. Therefore, SAWPA reserves the right to select more than one prospective firm to provide services for all or part of the proposed scope of work.
- 3.4. **Right to Reject Proposal** – SAWPA reserves the right to reject any or all proposals submitted. Any award made for this engagement will be made to the firm/s, which, in the opinion of SAWPA, is best qualified to perform the services and represents the best value and effectiveness.
- 3.5. **Discrepancies in Proposal Documents** – Should prospective firms find discrepancies in, or omissions from the RFP, or if the intent of the RFP is not clear, and if provisions of the specifications restrict any prospective firm from proposing, they may request in writing that the deficiency(s) be modified. Such request must be received by SAWPA at least ten (10) working days before the proposal due date. All registered firms will be notified by addendum of any approved changes in the request for proposal documents.
- 3.6. **Oral Statements** – SAWPA is not responsible for oral statements made by any of its employees or agents concerning the RFP. If the prospective firm requires specific information, a written request must be submitted to SAWPA.
- 3.7. **Conflict of Interest** – The Consultant shall review their past, current or proposed work with agencies or firms having a significant interest in the Brine Line to verify a conflict of interest or the appearance of a conflict will not occur. If required, the Consultant shall file a Conflict of Interest Statement with SAWPA.

4. **Scope of Work**

The scope of work will include, but not be limited to the following tasks:

- 4.1. **Kick-off meeting and data request.** Kick-off meeting shall include a discussion of the project approach, work plan, schedule and priorities. Prior to meeting consultant shall provide a detailed data request list outlining data items needed from SAWPA staff.
- 4.2. **Reserve Policies and Target Levels.** Review reserve policies and fund balance requirements (i.e., target levels and minimum/maximum levels as needed) for each of SAWPA's nine reserves, provide recommendations for any changes to the policies, and whether any of the nine (9) reserve funds should be combined

with one or more of the other reserve funds. The consultant shall provide the basis for their recommendations.

4.2.1. The consultant shall recommend minimum (if needed), maximum (if needed), and target reserve levels for the following reserves:

- *Brine Line Operating Reserve*
- *Debt Retirement Reserve*
- *Flow Imbalance Reserve*
- *OC San Future Capacity Reserve*

4.2.2. *Rate Stabilization Reserve.* Recommend minimum (if needed), maximum (if needed), and target reserve level. Recommend methodology to establish reserve target amount including review of OC San's historical rates. The consultant shall provide the basis for their recommendation.

4.2.3. *Pipeline Replacement Reserve.* Review Pipeline Replacement Reserve Policy to include funding for CIP, unforeseen events (risk reserve levels), and pipeline replacement. Review SAWPA Criticality Assessment to determine and recommend risk reserve levels (target levels and minimum/maximum levels), and methodology to determine risk reserve levels. Review Brine Line 10 – Year CIP and Criticality Assessment to determine and recommend CIP reserve levels (target levels and minimum/maximum levels), and methodology to determine CIP reserve levels. Determine and recommend pipeline replacement reserve levels (target levels and minimum/maximum levels), and methodology to determine pipeline replacement reserve levels. The consultant shall provide the basis for their recommendation. A survey of (3-5) similar utility agencies shall be conducted to

4.2.4. *Self-Insurance Reserve.* The reserve is used to cover out of pocket insurance losses and the total amount of SAWPA's existing insurance deductions. The Consultant shall provide a description on the purpose and need of a self-insurance reserve, review the self-insurance reserve policy, and relevant insurance documents to determine if it meets SAWPA's needs and recommend changes as needed. Determine and recommend reserve levels (target levels and minimum/maximum levels) and develop methodology to determine reserve levels. The consultant shall provide the basis for their recommendation.

4.2.5. The consultant shall review the reserve policy, recommend minimum (if needed), maximum (if needed), and target reserve levels, develop methodology to determine reserve levels, prepare list of recommended studies, data needs, and actions, if any to determine adequate reserve level for the following reserves:

- *OC San Rehabilitation Reserve*
- *Capacity Management Reserve*

- 4.3. **Lease Rates.** Review SAWPA lease rate (based on methodology recommended in Rate Model Final Report) for “Treatment and Disposal Capacity and Pipeline Capacity” and “Treatment and Disposal Capacity” only lease rate. Recommend changes if needed.
- 4.4. **Meetings.** Present recommendations to SAWPA staff (2), member agency staff (2), Project Agreement 24 Committee (2), and Commission. All meetings shall take place by video conference software such as zoom, to the extent possible, or otherwise directed by SAWPA.
- 4.5. **Technical Memorandum.** Summarize information and recommendations in a draft Technical Memorandum. Issue a final technical memorandum incorporating comments received from SAWPA staff, member agency staff, PA 24 Committee and SAWPA Commission.

5. Project Schedule

The Consultant shall conduct a kick-off meeting within one (1) week from notice to proceed. SAWPA anticipates the time to complete Task 4.2 and 4.3 is six (6) weeks and the time to complete a draft Technical Memorandum within 12 weeks. Final presentation to the SAWPA PA 24 Committee and the SAWPA Commission is anticipate in March 2022.

6. Fee proposal requirements

In preparing the fee schedule for the services identified under the scope of work, the Consultant shall take into consideration the following:

- 6.1 Compensation for Consultant direct services provided in completing the tasks shall be based upon an hourly billing rate up to a not-to-exceed amount.
- 6.2 For each task, provide a breakdown of labor hours by employee billing classification together with the cost of non-labor and sub-consultant services. The labor breakdown shall be compiled by project task, and be based on a listing of work tasks that correlates with the Consultant's defined scope of work for the project proposal. For each task sum the total hours and the total cost. The sum of all task hours and task cost shall be provided. This information will be used by SAWPA to evaluate the reasonableness of the fee proposal, and will be used in negotiating the final fee amounts for the contract agreement. Optional tasks shall be detailed as described above for all tasks. Optional tasks shall be broken out separately and not included in the sum of all task hours and all task costs. For each optional task sum the total hours and the total cost.
- 6.3 The Consultant shall detail the hours allocated to meetings by meeting type (kickoff, bi-weekly coordination, Commission, etc.).
- 6.4 The Consultant's billing rates for all classifications of staff likely to be involved in the project shall be included with the fee proposal, along with the markup rate for any non-labor expenses and sub-consultants.

- 6.5 SAWPA will review the fee proposal of the Consultant deemed most qualified after completing a review of the proposals and conducting interviews. The final scope and fee will be negotiated with the top ranked Consultant.
- 6.6 Reimbursable expenses will not be allowed unless included in the proposal and negotiated prior to a contract. Billing rate escalations during the contract term are disfavored and shall be approved in negotiations prior to execution of a contract.

7. Proposal Requirements

Although no specific format is required by SAWPA, this section is intended to provide guidelines to the Consultant regarding features, which SAWPA will look for and expect to be included in the proposal.

Content and Format

SAWPA requests that submitted proposals are organized, presented in an understandable format, and relevant to the services requested. Consultant's proposals shall be clear, accurate, and comprehensive. Excessive or irrelevant material is not of benefit and will not contribute to overall evaluation.

Proposals should be limited to pertinent information. Proposal should be no more than seven **(7) typed pages** (based on an 11-point minimum font size). Resumes, cover letter and page dividers will not count toward the proposal page limit. Resumes should be included in an appendix. The fee proposal, provided in separate cover, should contain information to clearly respond to the information that is requested in the RFP.

The proposal should include the following:

- Cover or transmittal letter
- Table of Contents, page numbering
- Project Approach and Scope of Services
- Project Team and Organization Diagram
- Descriptions of similar projects by key staff to be used on this assignment including scope and complexity of the projects
- Brief resumes of key staff and sub-consultants (In Appendix)
- A minimum of three (3) relevant and appropriate references
- Project schedule
- Breakdown of total hours by Task. Total hours include Consultant personnel and subconsultants.
- Contract Exceptions, Proof of Insurance
- Fee proposal, billing rates for staff. In addition, the fee proposal shall include a breakdown of hours by type of personnel identified as part of the project team. **(submitted in a separate sealed envelope).**

Some of these areas are described in further detail below:

Cover or Transmittal Letter

An individual authorized to bind the Consultant shall sign the proposal and fee proposal. The proposal shall contain a statement that the proposal and fee are valid for at least a 90-day period.

Project Approach and Scope of Services

A description of the work program that will be undertaken shall be included in this section. It should explain the technical approach, methodology, and specific tasks and activities that will be performed to address the specific issues and work items identified in the RFP. It should also include a discussion of constraints, problems, and issues that should be anticipated during the contract, and suggestions for approaches to resolving them. Any proposed deviations to the scope of work as described herein should be clearly noted.

Project Team and Organization Diagram

The purpose of this section is to describe the organization of the project team including sub-consultants and key staff. A project manager shall be named who shall be the prime contact and be responsible for coordinating all activities with SAWPA. An organizational diagram shall be submitted showing all key team members, their office location, and the relationship between SAWPA, the project manager, key staff, and sub-consultants. There also shall be a brief description of the role and responsibilities of all key staff and sub-consultants identified in the team organization.

Project Schedule

A project schedule shall be included which identifies the timetable for completion of tasks, activities, and phases of the project that correlate with the scope of work for the project. There should be a brief discussion of any key assumptions used in preparing the timetable, and identification of critical tasks and/or events that could impact the overall schedule.

Contract Exceptions, Proof of Insurance

The Consultant shall carefully review the standard agreement and include with the proposal a description of any exceptions requested to the standard contract. If there are no exceptions, a statement to that effect shall be included in the proposal.

The Consultant shall furnish, with the proposal, proof of insurance coverage to the minimum levels identified in Section 8.

Fee Proposal (In Separate Sealed Envelope)

A Fee Proposal shall be submitted per the requirements of Section 6.

8. General Requirements

8.1 Insurance Requirements

The Consultant shall furnish, with the proposal, proof of the following minimum insurance coverage. Full information on insurance requirements is listed in Appendix A. These minimum levels of coverage are to be maintained for the duration of the project:

- a. Obtain a Commercial **General Liability and an Automobile Liability** insurance policy, including contractual coverage, with limits for bodily injury and property damage in an amount of not less than \$2,000,000.00 per occurrence for each such policy. Such policy shall name SAWPA, its officers, employees, agents and volunteers, as an additional insured, with any right to subrogation waived as to SAWPA, its officers, employees, agents and volunteers. If Commercial General Liability Insurance or other form with an aggregate limit is used, either the general aggregate limit shall apply separately to the work assigned by SAWPA under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. The coverage shall be at least as broad as Insurance Services Office Commercial General Liability Coverage (occurrence Form CG 00 01) and Insurance Services Office Form CA 00 01 covering Automobile Liability, Code 1 (any auto). The Commercial Liability Insurance shall include operations, products and completed operations, as applicable.
- b. Obtain a policy of **Professional Liability** (errors and omissions) insurance appropriate to the Consultant's profession in a minimum amount of \$1,000,000.00 per claim or occurrence to cover any negligent acts or omissions or willful misconduct committed by Consultant, its employees, agents and subcontractors in the performance of any services for SAWPA. Architects' and engineers' coverage shall include contractual liability.
- c. Obtain a policy of **Employer's Liability** insurance in a minimum amount of \$1,000,000.00 per accident for bodily injury and property damage.
- d. Provide **worker's compensation** insurance or a California Department of Insurance-approved self-insurance program in an amount and form required by the State of California and the Employer's Liability Insurance that meets all applicable Labor Code requirements, covering all persons or entities providing services on behalf of the Consultant and all risks to such persons or entities.

The Consultant is encouraged to contact its insurance carriers during the Proposal stage to ensure that the insurance requirements can be met if selected for negotiation of a contract agreement.

8.2 Standard Form of Agreement

The selected Consultant will enter into an agreement with SAWPA based upon the contents of the RFP and the Consultant's proposal. SAWPA's standard form of agreement is included as **Appendix A**. The Consultant shall carefully review the agreement, especially in regard to the indemnity and insurance provisions, and include with the proposal a description of any exceptions requested to the standard contract. If there are no exceptions, a statement to that effect shall be included in the proposal.

8.3 Assigned Representatives

SAWPA will assign a responsible representative to administer the contract and to assist the Consultant in obtaining information. The Consultant also shall assign a project

manager who shall be identified in the proposal. The Consultant's representative shall remain in responsible charge of the Consultant's duties from the notice-to-proceed through project completion. SAWPA's representative shall approve any substitution of representatives or sub-consultants identified in the written proposal. SAWPA reserves the right to review and approve/disapprove all key staff and sub-consultant substitution or removal, and may consider such changes not approved to be a breach of contract.

9. Consultant Evaluation and Selection Process

SAWPA's consultant evaluation and selection process is based on comprehensive review of the proposals for professional services. The following criteria will be used in evaluating the proposals:

1. Understanding of the project requirements including identification of critical elements and key issues for successful project implementation.
2. Technical approach and work plan for the project, including innovative approaches
3. Relevant qualifications and experience of the, firm, project manager, other key individuals, and sub-consultants and past performance and experience.
4. Schedule
5. Quality control procedures
6. Results of reference checks
7. Clarity of proposal and compliance with proposal requirements

Firms submitting the best proposals may be invited to an interview conducted by a selection panel made up of representatives from SAWPA member agencies, sub-agencies, and/or SAWPA staff. The number of firms to be invited for interviews is at the discretion of SAWPA. The interview format and details will be included in the interview invitation letter. SAWPA recognizes the significant effort required to respond to this RFP and therefore discourages any firm or team which lacks the required experience to submit a proposal for evaluation.

SAWPA may negotiate a contract with the most qualified firm or firms for the desired consulting services and compensation level, which SAWPA determines is fair and reasonable. Failing a successful negotiation with the best-qualified firm or firms, SAWPA will terminate negotiations and continue the negotiation process with the next most qualified firm(s), in order to obtain the services at a fair and reasonable price, until an agreement is reached, a firm is selected, and an agreement is executed.

10. Attachments

Appendix A – Standard Form of Agreement
Appendix B – SAWPA Reserve Policy
Appendix X – Electronic Deliverables

11. Available Documents

The following reference documents are available for download from SAWPA (Dropbox). Please e-mail Haley Muley at Hmullay@sawpa.org to receive download instructions.

1. Inland Empire Brine Line Rate Model Final Report, May 25, 2018
2. Inland Empire Brine Line Criticality Assessment Technical Memorandum
3. Brine Line 10 – Year CIP
4. Orange County Sanitation District Rates to SAWPA (previous 5 – years)
5. Lease Rate Methodology
6. Resolution 2021 – 4 Establishing Rates for the Brine Line
7. 2022 and 2023 budgets (Fund 240, Fund 320)

PROPOSAL AUTHORIZATION

(Please provide this document (or exact information) on your letterhead)

I certify I am authorized to submit a binding proposal on behalf of my company, (enter company name), and this proposal conforms to required specifications unless otherwise noted.

Company Name

Proposal Submitted by

Title

Signature

Date

Email

Telephone Number

Facsimile Number

Appendix A

SANTA ANA WATERSHED PROJECT AUTHORITY **GENERAL SERVICES AGREEMENT FOR SERVICES BY INDEPENDENT CONSULTANT**

This Agreement is made this ___ day of _____, 20__ by and between the Santa Ana Watershed Project Authority ("SAWPA") located at 11615 Sterling Ave., Riverside, California, 92503 and _____ ("Consultant") whose address is _____.

RECITALS

This Agreement is entered into on the basis of the following facts, understandings, and intentions of the parties to this Agreement:

- SAWPA desires to engage the professional services of Consultant to perform such professional consulting services as may be assigned, from time to time, by SAWPA in writing;
- Consultant agrees to provide such services pursuant to, and in accordance with, the terms and conditions of this Agreement and has represented and warrants to SAWPA that Consultant possesses the necessary skills, qualifications, personnel, and equipment to provide such services; and
- The services to be performed by Consultant shall be specifically described in one or more written Task Orders issued by SAWPA to Consultant pursuant to this Agreement.

AGREEMENT

Now, therefore, in consideration of the foregoing Recitals and mutual covenants contained herein, SAWPA and Consultant agree to the following:

ARTICLE I

TERM OF AGREEMENT

1.01 This agreement shall become effective on the date first above written and shall continue until _____, 20__, unless extended or sooner terminated as provided for herein.

ARTICLE II

SERVICES TO BE PERFORMED

2.01 Consultant agrees to provide such professional consulting services as may be assigned, from time to time, in writing by the Commission and the General Manager of SAWPA. Each assignment shall be made in the form of a written Task Order. Each such Task Order shall include, but shall not be limited to, a description of the nature and scope of the services to be performed by Consultant, the amount of compensation to be paid, and the expected time of completion.

2.02 Consultant may at Consultant's sole cost and expense, employ such competent and qualified independent professional associates, subcontractors, and consultants as Consultant deems necessary to perform each assignment; provided that Consultant shall not subcontract any work to be performed without the prior written consent of SAWPA.

ARTICLE III
COMPENSATION

3.01 In consideration for the services to be performed by Consultant, SAWPA agrees to pay Consultant as provided for in each Task Order.

3.02 Each Task Order shall specify a total not-to-exceed sum of money and shall be based upon the regular hourly rates customarily charged by Consultant to its clients.

3.03 Consultant shall not be compensated for any services rendered nor reimbursed for any expenses incurred in excess of those authorized in any Task Order unless approved in advance by the Commission and General Manager of SAWPA, in writing.
3.04 Unless otherwise provided for in any Task Order issued pursuant to this Agreement, payment of compensation earned shall be made in monthly installments after receipt from Consultant of a timely, detailed, corrected, written invoice by SAWPA's Project Manager, describing, without limitation, the services performed, when such services were performed, the time spent performing such services, the hourly rate charged therefore, and the identity of individuals performing such services for the benefit of SAWPA. Such invoices shall also include a detailed itemization of expenses incurred. Upon approval by an authorized SAWPA employee, SAWPA will pay within 30 days after receipt of a valid invoice from Consultant.

ARTICLE IV
CONSULTANT OBLIGATIONS

4.01 Consultant agrees to perform all assigned services in accordance with the terms and conditions of this Agreement including those specified in each Task Order. In performing the services required by this Agreement and any related Task Order Consultant shall comply with all local, state and federal laws, rules and regulations. Consultant shall also obtain and pay for any permits required for the services it performs under this Agreement and any related Task Order.

4.02 Except as otherwise provided for in each Task Order, Consultant will supply all personnel and equipment required to perform the assigned services.

4.03 Consultant shall be solely responsible for the health and safety of its employees, agents and subcontractors in performing the services assigned by SAWPA.

4.04 Insurance Coverage: Consultant shall procure and maintain for the duration of this Agreement insurance against claims for injuries or death to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Consultant, its agents, representatives, employees or sub-contractors.

4.04(a) Coverage - Coverage shall be at least as broad as the following:

- 1. Commercial General Liability (CGL)** - Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 00 01) including products and completed operations, property damage, bodily injury, personal and advertising injury with limit of at least two million dollars (\$2,000,000) per occurrence or the full per occurrence limits of the policies available, whichever is greater. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (coverage as broad as the ISO CG 25 03, or ISO CG 25 04 endorsement provided to SAWPA) or the general aggregate limit shall be twice the required occurrence limit.
- 2. Automobile Liability** – (if necessary) Insurance Services Office (ISO) Business Auto Coverage (Form CA 00 01), covering Symbol 1 (any auto) or if Consultant has no owned autos, Symbol 8 (hired) and

9 (non-owned) with limit of one million dollars (\$1,000,000) for bodily injury and property damage each accident.

3. **Workers' Compensation Insurance** - as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
4. **Professional Liability** - (Also known as Errors & Omission) Insurance appropriate to the Consultant profession, with limits no less than \$1,000,000 per occurrence or claim, and \$2,000,000 policy aggregate.
5. **Cyber Liability Insurance (Technology Professional Liability – Errors and Omissions)** – If Consultant will be providing technology services, limits not less than \$2,000,000 per occurrence or claim, and \$2,000,000 aggregate or the full per occurrence limits of the policies available, whichever is greater. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Consultant in this Agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations.

If the Consultant maintains broader coverage and/or higher limits than the minimums shown above, SAWPA requires and shall be entitled to the broader coverage and/or higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to SAWPA.

4.04(b) If Claims Made Policies:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

4.04(c) Waiver of Subrogation: The insurer(s) named above agree to waive all rights of subrogation against SAWPA, its elected or appointed officers, officials, agents, authorized volunteers and employees for losses paid under the terms of this policy which arise from work performed by the Named Insured for the Agency; but this provision applies regardless of whether or not SAWPA has received a waiver of subrogation from the insurer.

4.04(d) Other Required Provisions - The general liability policy must contain, or be endorsed to contain, the following provisions:

1. **Additional Insured Status:** SAWPA, its directors, officers, employees, and authorized volunteers are to be given insured status (at least as broad as ISO Form CG 20 10 10 01), with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations.

2. **Primary Coverage:** For any claims related to this project, the Consultant's insurance coverage shall be primary at least as broad as ISO CG 20 01 04 13 as respects to SAWPA, its directors, officers, employees and authorized volunteers. Any insurance or self-insurance maintained by the Member Water Agency its directors, officers, employees and authorized volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

4.04(e) Notice of Cancellation: Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to SAWPA.

4.04(f) Self-Insured Retentions - Self-insured retentions must be declared to and approved by SAWPA. SAWPA may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or SAWPA.

4.04(g) Acceptability of Insurers - Insurance is to be placed with insurers having a current A.M. Best rating of no less than A: VII or as otherwise approved by SAWPA.

4.04(h) Verification of Coverage – Consultant shall furnish SAWPA with certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by SAWPA before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. SAWPA reserves the right to require complete, certified copies of all required insurance policies, including policy Declaration pages and Endorsement pages.

4.04(i) Subcontractors - Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that SAWPA, its directors, officers, employees and authorized volunteers are additional insureds on Commercial General Liability Coverage.

4.05 Consultant hereby covenants and agrees that SAWPA, its officers, employees, and agents shall not be liable for any claims, liabilities, penalties, fines or any damage to property, whether real or personal, nor for any personal injury or death caused by, or resulting from, or claimed to have been caused by or resulting from, any negligence, recklessness, or willful misconduct of Consultant. To the extent permitted by law, Consultant shall hold harmless, defend at its own expense, and indemnify SAWPA, its directors, officers, employees, and authorized volunteers, against any and all liability, claims, losses, damages, or expenses, including reasonable attorney's fees and costs, arising from all acts or omissions of Consultant or its officers, agents, or employees in rendering services under this Agreement and any Task Order issued hereunder; excluding, however, such liability, claims, losses, damages or expenses arising from SAWPA's sole negligence or willful acts.

4.06 In the event that SAWPA requests that specific employees or agents of Consultant supervise or otherwise perform the services specified in each Task Order, Consultant shall ensure that such individual(s) shall be appointed and assigned the responsibility of performing the services.

4.07 In the event Consultant is required to prepare plans, drawings, specifications and/or estimates, the same shall be furnished with a registered professional engineer's number and shall conform to local, state and federal laws, rules and regulations. Consultant shall obtain all necessary permits and approvals in connection with this Agreement, any Task Order or Change Order. However, in the event SAWPA is required to obtain such an approval or permit from another governmental entity, Consultant shall provide all necessary supporting documents to be filed with such entity, and shall facilitate the acquisition of such approval or permit.

4.08 Consultant shall comply with all local, state and federal laws, rules and regulations including those regarding nondiscrimination and the payment of prevailing wages, if required by law.

ARTICLE V
SAWPA OBLIGATIONS

5.01 SAWPA shall:

5.01a Furnish all existing studies, reports and other available data pertinent to each Task Order that are in SAWPA's possession;

5.01b Designate a person to act as liaison between Consultant and the General Manager and Commission of SAWPA.

ARTICLE VI
ADDITIONAL SERVICES, CHANGES AND DELETIONS

6.01 During the term of this Agreement, the Commission of SAWPA may, from time to time and without affecting the validity of this Agreement or any Task Order issued pursuant thereto, order changes, deletions, and additional services by the issuance of written Change Orders authorized and approved by the Commission of SAWPA.

6.02 In the event Consultant performs additional or different services than those described in any Task Order or authorized Change Order without the prior written approval of the Commission of SAWPA, Consultant shall not be compensated for such services.

6.03 Consultant shall promptly advise SAWPA as soon as reasonably practicable upon gaining knowledge of a condition, event, or accumulation of events, which may affect the scope and/or cost of services to be provided pursuant to this Agreement. All proposed changes, modifications, deletions, and/or requests for additional services shall be reduced to writing for review and approval or rejection by the Commission of SAWPA.

6.04 In the event that SAWPA orders services deleted or reduced, compensation shall be deleted or reduced by a comparable amount as determined by SAWPA and Consultant shall only be compensated for services actually performed. In the event additional services are properly authorized, payment for the same shall be made as provided in Article III above.

ARTICLE VII
CONSTRUCTION PROJECTS: CONSULTANT CHANGE ORDERS

7.01 In the event SAWPA authorizes Consultant to perform construction management services for SAWPA, Consultant may determine, in the course of providing such services, that a Change Order should be issued to the construction contractor, or Consultant may receive a request for a Change Order from the construction contractor. Consultant shall, upon receipt of any requested Change Order or upon gaining knowledge of any condition, event, or accumulation of events, which may necessitate issuing a Change Order to the construction contractor, promptly consult with the liaison, General Manager and Commission of SAWPA. No Change Order shall be issued or executed without the prior approval of the Commission of SAWPA.

ARTICLE VIII
TERMINATION OF AGREEMENT

8.01 In the event the time specified for completion of an assigned task in a Task Order exceeds the term of this Agreement, the term of this Agreement shall be automatically extended for such additional time as is necessary to complete such Task Order and thereupon this Agreement shall automatically terminate without further notice.

8.02 Notwithstanding any other provision of this Agreement, SAWPA, at its sole option, may terminate this Agreement at any time by giving 10 day written notice to Consultant, whether or not a Task Order has been issued to Consultant.

8.03 In the event of termination, the payment of monies due Consultant for work performed prior to the effective date of such termination shall be paid after receipt of an invoice as provided in this Agreement.

ARTICLE IX
CONSULTANT STATUS

9.01 Consultant shall perform the services assigned by SAWPA in Consultant's own way as an independent contractor, in pursuit of Consultant's independent calling and not as an employee of SAWPA. Consultant shall be under the control of SAWPA only as to the result to be accomplished and the personnel assigned to perform services. However, Consultant shall regularly confer with SAWPA's liaison, General Manager, and Commission as provided for in this Agreement.

9.02 Consultant hereby specifically represents and warrants to SAWPA that the services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily applicable to an experienced and competent professional consulting organization rendering the same or similar services. Furthermore, Consultant represents and warrants that the individual signing this Agreement on behalf of Consultant has the full authority to bind Consultant to this Agreement.

ARTICLE X
AUDIT AND OWNERSHIP OF DOCUMENTS

10.01 All draft and final reports, plans, drawings, specifications, data, notes, and all other documents of any kind or nature prepared or developed by Consultant in connection with the performance of services assigned to it by SAWPA are the sole property of SAWPA, and Consultant shall promptly deliver all such materials to SAWPA. Consultant may retain copies of the original documents, at its option and expense. Use of such documents by SAWPA for project(s) not the subject of this Agreement shall be at SAWPA's sole risk without legal liability or exposure to Consultant. SAWPA agrees to not release any software "code" without prior written approval from the Consultant.

10.02 Consultant shall retain and maintain, for a period not less than four years following termination of this Agreement, all time records, accounting records, and vouchers and all other records with respect to all matters concerning services performed, compensation paid and expenses reimbursed. At any time during normal business hours and as often as SAWPA may deem necessary, Consultant shall make available to SAWPA's agents for examination of all such records and will permit SAWPA's agents to audit, examine and reproduce such records.

ARTICLE XI
MISCELLANEOUS PROVISIONS

11.01 This Agreement supersedes any and all previous agreements, either oral or written, between the parties hereto with respect to the rendering of services by Consultant for SAWPA and contains all of the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing signed by both parties.

11.02 Consultant shall not assign or otherwise transfer any rights or interest in this Agreement without the prior written consent of SAWPA. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

11.03 In the event Consultant is an individual person and dies prior to completion of this Agreement or any Task Order issued hereunder, any monies earned that may be due Consultant from SAWPA as of the date of death will be paid to Consultant's estate.

11.04 Time is of the essence in the performance of services required hereunder. Extensions of time within which to perform services may be granted by SAWPA if requested by Consultant and agreed to in writing by SAWPA. All such requests must be documented and substantiated and will only be granted as the result of unforeseeable and unavoidable delays not caused by the lack of foresight on the part of Consultant.

11.05 SAWPA expects that Consultant will devote its full energies, interest, abilities and productive time to the performance of its duties and obligations under this Agreement, and shall not engage in any other consulting activity that would interfere with the performance of Consultant's duties under this Agreement or create any conflicts of interest. If required by law, Consultant shall file a Conflict of Interest Statement with SAWPA.

11.06 Any dispute which may arise by and between SAWPA and the Consultant, including the Consultants, its employees, agents and subcontractors, shall be submitted to binding arbitration. Arbitration shall be conducted by a neutral, impartial arbitration service that the parties mutually agree upon, in accordance with its rules and procedures. The arbitrator must decide each and every dispute in accordance with the laws of the State of California, and all other applicable laws. Unless the parties stipulate to the contrary prior to the appointment of the arbitrator, all disputes shall first be submitted to non-binding mediation conducted by a neutral, impartial mediation service that the parties mutually agree upon, in accordance with its rules and procedures.

11.07 During the performance of the Agreement, Consultant and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status and denial of family care leave. Consultant and its subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Consultant and its subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12290 et seq.) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 et seq., set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Consultant and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other

Appendix X. Electronic Deliverables

X.1 PRODUCTS

All products that are identified as deliverables under this Contract/Task Order/Work Order (including, but not limited to documents, data analyses, databases, maps, graphics, images, design drawings, and Geographic Information System [GIS] data) will be provided to SAWPA in electronic format in accordance with the project delivery schedule.

Unless specified elsewhere in the Contract/Task Order/Work Order, SAWPA will have no license restrictions, and may use the electronic files/data for purposes it deems appropriate.

X.2 FORMATS

All deliveries will be provided in native (editable) formats. Additional non-native formats (e.g., Adobe Acrobat) will also be provided as described below.

SAWPA's standard data file formats are:

- Documents (including Desktop Publishing)
 - Microsoft Word 2010 or later
- Tables/Spreadsheets
 - Microsoft Excel 2010 or later
- Presentations
 - Microsoft PowerPoint 2010 or later
- Databases
 - Microsoft Access 2010 or later
 - Microsoft SQL Server 2008 or later
- Project Schedules
 - Microsoft Project 2010 or later
- Computer Aided Drafting (CAD) - Design Drawings, etc.
 - AutoDesk AutoCAD 2016 or later
- Graphics/Images
 - Adobe Illustrator CS5 or later
 - Adobe Photoshop CS5
 - Microsoft Visio 2010 or later
 - Standard JPG format
 - TIF 4 format
- Web Information
 - HTML
 - Adobe Acrobat XI or later Portable Document Format (PDF)
- GIS Data
 - File Geodatabase
 - GIS Shapefiles
 - Data in ODBC-compatible format, preferably one of the following
 - Microsoft Access (for relational data)
 - Microsoft SQL Server (for more complex relational data)
 - GIS Applications to be fully compatible with ArcGIS 10.x or later
 - See Section X.3 for specifications
- Field mapping (GPS data)
 - Mapping formats to be one of the following
 - Trimble Pathfinder-compatible files

- GIS format files listed above
 - Analytical Data Formats
 - Standard Electronic Data Deliverable (EDD) formats as used by certified laboratories
 - Applications
 - Specifications to any applications (specialized software, scripts, code, Plug-Ins, etc.) required as part of the Contract/Task Order/Work Order will be detailed in the body of Statement of Work.

X.3 SPECIFICATIONS (GIS AND RELATED DATA)

In general, data provided to SAWPA for use in SAWPA's GIS will be fully compatible with SAWPA's GIS. Therefore, the following specifications will be followed:

- All data will be provided in Universal Transverse Mercator (UTM), Zone 11 meters, North American Datum (NAD) of 1983
- All vector data will be provided in shape file or file geodatabase format
- All RRID data will be provided in ESRI GRID, ESRI TIN, or US Geological Survey DEM format
- All image data (e.g., satellite imagery/aerial photos) will be provided in formats that are fully compatible with ESRI ArcGIS 10.X at no cost for plug-ins, Extensions, or other software tools
- All database information tied to the GIS will be fully compatible/functional with SAWPA's GIS with no additional software requirements
- All data will have sufficient metadata to identify as a minimum
 - Data description
 - Data sources
 - Data creator
 - Data creation date
 - Data accuracy.
- Metadata formats will be in ESRI Catalog format, based on accepted metadata standards (e.g., the Federal Geographic Data Committee, the CADD/GIS Technology Center's Spatial Data Standards, or other recognized standards format). Documents associated with metadata will identify the format/standards being used.

X.4 DELIVERY OF ELECTRONIC FILES

For each delivery specified, and for each version specified (e.g., Draft and Final Reports; 35%, 60%, 90%, 100%, and As-Built Design Drawings), the Consultant will provide electronic copies of the files in addition to any specified hard copies on the same schedule, unless otherwise specified in the schedule of deliverables. Delivery of electronic files does not substitute for required delivery of hard copies, unless approved in writing by SAWPA's Project Manager.

Review Files. In addition to native file format deliveries, Contractor will provide ALL report, map, graphic, and drawing deliverables in Adobe Acrobat PDF files. The PDF files will faithfully represent the completed hard copy document in terms of color pages, page sizes, etc. These files will be fully integrated files in proper page order, with graphics, tables, attachments, etc. inserted in their proper location in the document (or connected using the Link function). PDF files exceeding 10 pages in length will use internal hyperlinks (in Table of Contents) and/or use Acrobat's Bookmark features to enable easy navigation throughout the file. PDF files will be ready for posting to SAWPA's web site (if deemed appropriate) or distributed for review as part of a technical/peer/management review process.

Media. Delivery method for formal contract deliverables will be specified and approved by SAWPA's Project Manager, but will be one of the following (in general order of preference):

- Via email to SAWPA's Project Manager (for deliverables less than 15 MB, or time critical)

- USB Flash Drive
- Posted to Consultant's FTP or Dropbox

X.5 EXCEPTIONS

Exceptions to these formats may be allowed in some cases. All exceptions will be approved within the body of the Contract/Task Order/Work Order or in writing by the Project Manager AND the Information Systems/Data Management Manager.



**SANTA ANA WATERSHED PROJECT AUTHORITY
TASK ORDER NO. _____**

CONSULTANT: [Name]
[Address]

VENDOR NO.:XXX

COST: \$xxxx

PAYMENT: Upon Receipt of Proper Invoice

REQUESTED BY: [Manager], [Title] [Date]

FINANCE: _____
Karen Williams, Deputy GM/CFO Date

FINANCING SOURCE: Acct. Coding xx
Acct. Description xx

COMMISSION AUTHORIZATION REQUIRED FOR THIS TASK ORDER: YES () NO ()
Authorization: [Date]; CM#2021.xx

This Task Order is issued upon approval and acceptance by the Santa Ana Watershed Project Authority (SAWPA) and _____ (Consultant) pursuant to the General Services Agreement between SAWPA and Consultant, entered into on [date], expiring [date].

I. PROJECT NAME OR DESCRIPTION
xxxxx

II. SCOPE OF WORK / TASKS TO BE PERFORMED
Consultant shall provide all labor, materials, and equipment for the services to provide
Please also refer to Appendix X for acceptable formats

III. PERFORMANCE TIME FRAME
Consultant shall begin work [date] and shall complete performance of such services by **[date]**.

IV. SAWPA LIAISON
_____ shall serve as liaison between SAWPA and Consultant.

V. COMPENSATION
For all services rendered by Consultant pursuant to this Task Order, Consultant shall receive a total not-to-exceed sum of \$_____. Payment for such services shall be made monthly upon receipt of timely and proper invoices from Consultant, as required by the above-mentioned Agreement. Each such invoice shall be provided to SAWPA by Consultant within 15 days after the end of the month in which the services were performed.

PA 24 COMMITTEE MEMORANDUM NO. 2021.16

DATE: September 7, 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 receive and file a status report on the Orange County Sanitation District (OC San) / Santa Ana Watershed Project Authority (SAWPA) Joint Policy Committee meeting.

DISCUSSION

The OC San/SAWPA Joint Policy Committee met on August 19, 2021. SAWPA's members include Commissioner's David Slawson and Milford Harrison. OC San's members include Directors John Withers and Chad Wanke. A copy of the agenda is attached for your information. A brief summary of the highlights from the meeting is included below.

OC San's New NPDES Permit. OC Sans' NPDES Permit was recently renewed. Areas of regulatory interest and potential impacts to SAWPA were discussed. As more treated wastewater flows are directed to GWRS, OC San's ocean discharge will be dominated by brine flow. SAWPA's brine flows (volume and water quality), as they make up a greater percentage of the total ocean discharge, have the potential to impact their ocean discharge and their NPDES Permit requirements. SAWPA will continue to collaborate with OC San on brine flows, brine line system reliability and our pretreatment program.

Process for infrequent discharges. Infrequent discharges are discharges that are rare and are generally needed for emergency purposes to protect public health and the environment. SAWPA's concern is the process for approval of an infrequent discharge is not timely especially when a discharge is needed within a short timeframe (less than four days). OC San's concern is an event could occur that creates emergency flows at several upstream locations simultaneously, which would challenge OC San's treatment plant and their ocean discharge. OC San stated there should be resiliency built into the entire brine line system so an event like a power outage should not be an emergency when it can be mitigated by a backup generator or other redundant system.

An escalation procedure was discussed when an approval to discharge is needed within a short timeframe. The procedure would start with senior staff and escalate to management and ultimately include the General Managers of both agencies if a discharge is to commence within one (1) day or is imminent. SAWPA and OC San are working on a final escalation procedure.

SAWPA Draft Ordinance No. 9. OC San has completed the process of updating and revising their Sewer User Ordinance. SAWPA, as the delegated control authority to OC San, is required to update their Ordinance to include relevant OC San revisions. SAWPA has revised their Ordinance to incorporate OC San's revisions as well as a process to allow greater flexibility in managing infrequent dischargers to the Brine Line. The draft Ordinance was submitted to OC San for review and approval. OC San has commented and SAWPA agrees, that a definition of an emergency should be included in the Ordinance. The proposed definition of emergency was presented to the Committee as well as the concept of developing an approach to declaring an emergency. The Committee agreed that SAWPA and OC San should continue to work on a process to determine and declare an emergency and update the Ordinance as appropriate.

Resiliency Planning. The importance of resiliency planning for the brine line system was discussed. Resiliency planning includes maintaining financial resources (reserves), and response resources (materials and trained staff and operators) to respond and recover in an emergency. Measures should be in place to meet this goal such as redundant systems at pump stations and treatment facilities with connections to the Brine Line, maintaining adequate reserves, consideration of retention ponds and storage tanks at strategic locations and maintaining supply chain diversification. SAWPA and OC San will continue to collaborate on resiliency planning.

Emerging Issues. SAWPA and OC San both shared their developments and activities pertaining to emerging issues such as PFAS and possible impacts to OC Sans wastewater treatment operations. The Committee discussed the importance of this issue and continuing to share information as it becomes available.

Regulatory / Legislative. The Committee agreed that their agencies continue to coordinate on topics of interest that have the potential to impact their agencies.

RESOURCE IMPACTS

None

Attachments:

1. Joint Policy Committee Agenda



**OC SAN/SAWPA
JOINT POLICY COMMITTEE MEETING
August 19, 2021, 1:00 p.m.**



Orange County Sanitation District
10844 Ellis Avenue
Fountain Valley, CA 92708
714.593.7433

AT
Meeting Access Via Computer (Zoom):
<https://sawpa.zoom.us/j/94732398754?pwd=T2JrYm11MCtYenoxV3YrWi8zUTE3Zz09>

Santa Ana Watershed Project Authority
11615 Sterling Avenue
Riverside, CA 92503
951.354.4230

Members
JOHN WITHERS
CHAD WANKE
JAMES D. HERBERG

Meeting ID: 947 3239 8754
Passcode: 927514

Meeting Access Via Telephone:
1 (669) 900-6833
Meeting ID: 947 3239 8754
Passcode: 927514

Members
DAVID J. SLAWSON
T. MILFORD HARRISON
JEFF MOSHER

AGENDA

1. DISCUSSION ITEMS

- A. Welcome and Introductions
- B. Brief overview of SAWPA Brine Line SAWPA
- C. Brief overview of OC San SARI and Plant 2 OC San
- D. New NPDES Permit OC San
- E. Policy Areas
 - Process for Infrequent Discharges (Escalation Procedure)
 - SAWPA Ordinance No. 9 (define emergency)
 - Brine Line System – Resiliency Measures
 - Future Flow Scenarios
- F. Emerging Issues
 - PFAS Developments and Activities OC San
 - PFAS Brine Line Sampling Program SAWPA
 - Other
- G. Regulatory / Legislative
 - Drought and Climate Resiliency Budget Opportunities
 - SARI Ocean Discharge

2. SCHEDULE DATE OF NEXT MEETING

3. ADJOURN


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

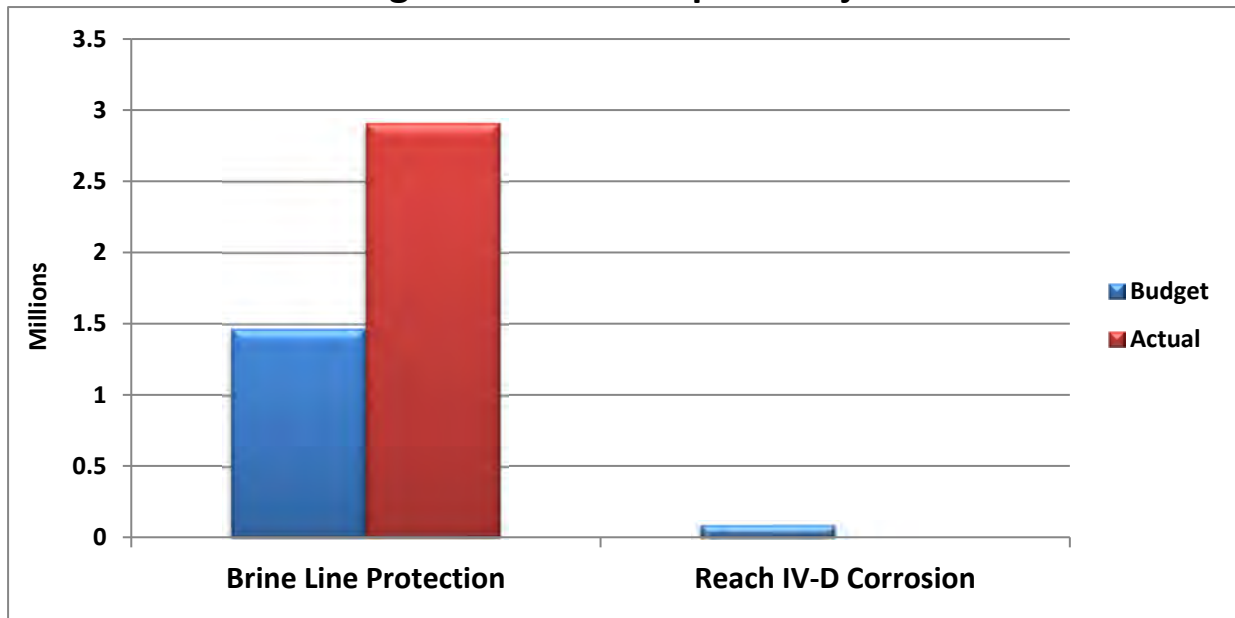
Staff comments provided on the last page are an integral part of this report.

Overview	This report highlights the Brine Line’s key financial indicators for the Fiscal Year-to-Date (FYTD) through June 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	\$1,466,878	\$2,911,332	(\$1,444,454)
Reach IV-D Corrosion	82,151	82,151	-	82,151
Total Capital Costs	\$1,549,029	\$1,549,029	\$2,911,332	(\$1,362,303)

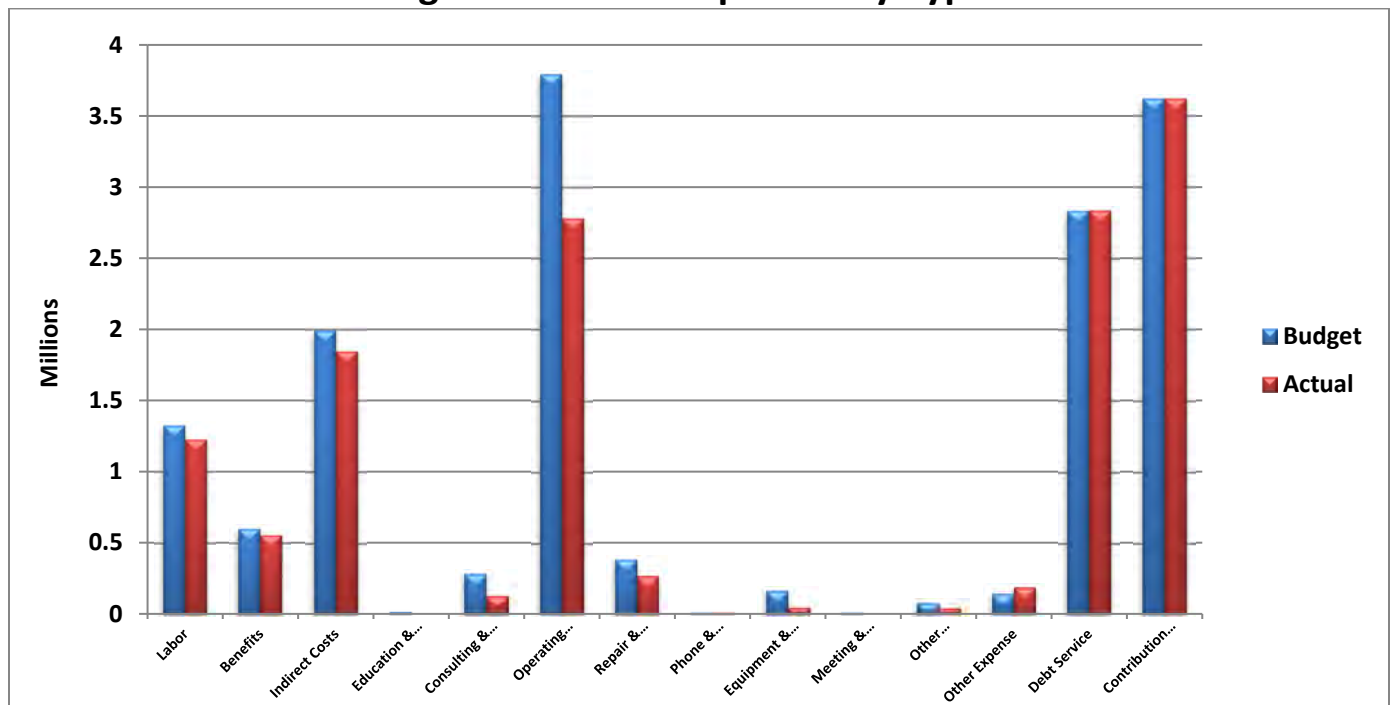
Budget to Actual - Capital Projects



Brine Line – Operating

Budget to Actual - Expenses by Type				 Favorable
	Annual Budget	FYTD Budget	FYTD Actual	Favorable (Unfavorable) Variance
Labor	\$1,320,100	\$1,320,100	\$1,222,530	\$97,570
Benefits	597,981	597,981	553,806	44,175
Indirect Costs	1,990,646	1,990,646	1,843,575	147,071
Education & Training	12,500	12,500	7	12,493
Consulting & Prof Svcs	280,000	280,000	130,145	149,855
Operating Costs	3,792,500	3,792,500	2,779,369	1,013,131
Repair & Maintenance	385,000	385,000	269,449	115,551
Phone & Utilities	11,700	11,700	11,815	(115)
Equip & Computers	161,500	161,500	49,091	112,409
Meeting & Travel	10,000	10,000	285	9,715
Other Admin Costs	77,900	77,900	39,118	38,782
Other Expense	142,350	142,350	187,779	(45,429)
Debt Service	2,835,027	2,835,027	2,835,753	(726)
Contribution to Reserves	3,619,241	3,619,241	3,619,241	-
Total	\$15,236,445	\$15,236,445	\$13,541,963	\$1,694,482

Budget to Actual - Expenses by Type



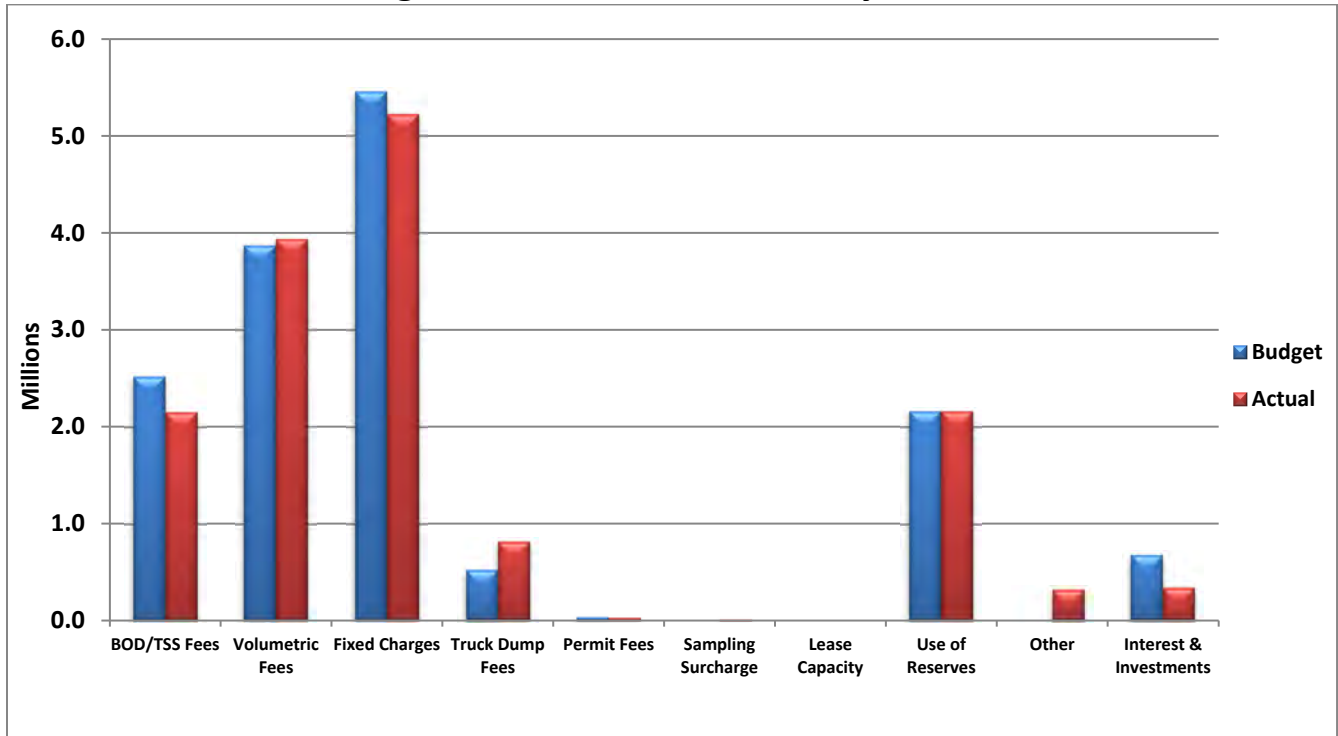
Budget to Actual - Revenues by Source



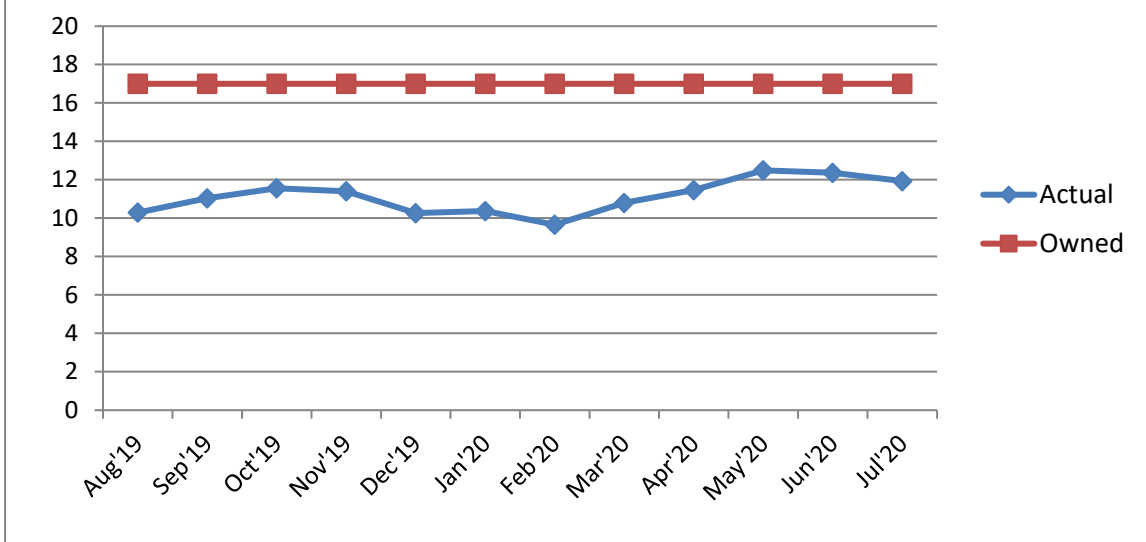
On Track

	Annual Budget	FYTD Budget	FYTD Actual	Favorable (Unfavorable) Variance
BOD/TSS Fees	\$2,520,700	\$2,520,700	\$2,151,704	(\$368,996)
Volumetric Fees	3,868,400	3,868,400	3,936,962	68,562
Fixed Charges	5,453,233	5,453,233	5,220,975	(232,258)
Truck Dump Fees	521,000	521,000	809,159	288,159
Permit Fees	38,085	38,085	27,750	(10,335)
Sampling Surcharge	-	-	12,881	12,881
Lease Capacity Revenue	-	-	-	-
Use of Reserves	2,160,027	2,160,027	2,160,027	-
Other Revenue	-	-	317,425	317,425
Interest & Investments	675,000	675,000	342,986	(332,014)
Total	\$15,236,445	\$15,236,445	\$14,979,869	(\$256,576)

Budget to Actual - Revenues by Source



Average Daily Flow by Month

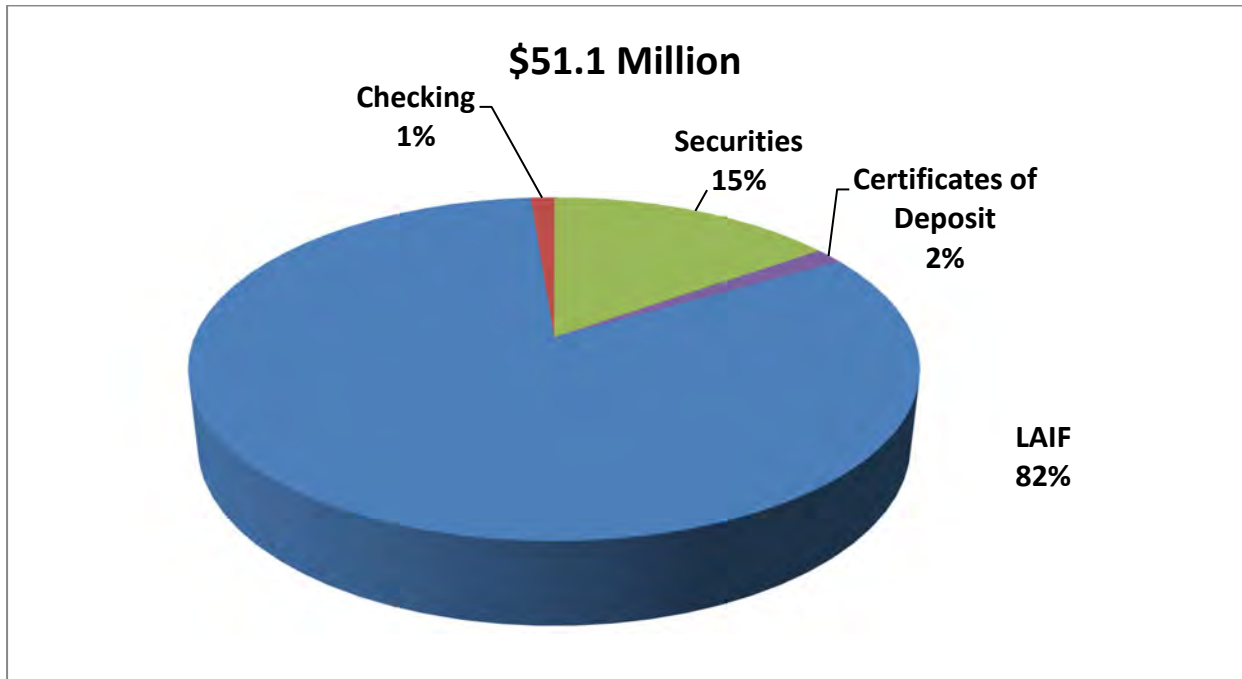


Total Discharge by Agency (million gallons)

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	June'21	Jun'21	Total
Chino Desalter Authority	118.8233	109.4655	106.6022	107.5982	113.6868	103.6262	1,307.9330
Eastern Municipal Water District	72.3041	46.2928	71.2052	66.7116	61.0825	67.4894	772.5197
Inland Empire Utilities Agency	13.0486	13.1286	13.8748	14.2416	13.6786	12.7995	171.7857
San Bernardino Valley MWD	35.9601	30.0014	27.1109	25.5514	24.0844	24.5622	348.7375
Western Municipal Water District	101.7810	91.1324	92.8206	110.4899	119.9087	117.7620	1,326.7267
Truck Discharge	2.9576	2.8866	3.3403	3.6403	3.6451	3.4104	40.6385
Total	344.8747	292.9073	314.9540	328.2330	336.0861	329.6497	3,968.3411





Total Cash & Investments - June



Reserve Fund Balance – June

	Amount
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
Future Capacity	1,833,264
Rate Stabilization	1,027,311
Flow Imbalance	83,681
Brine Line Operating	3,672,578
Total Reserves	\$51,071,838

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 88% 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.

Brine Line expenses are 11% below budget while revenues are 2% lower than budgeted.



**Santa Ana Watershed
Project Authority**

**Financial Report for the Inland Empire Brine Line
Enterprise/CIP for the 4th Quarter Ending
June 30, 2021**

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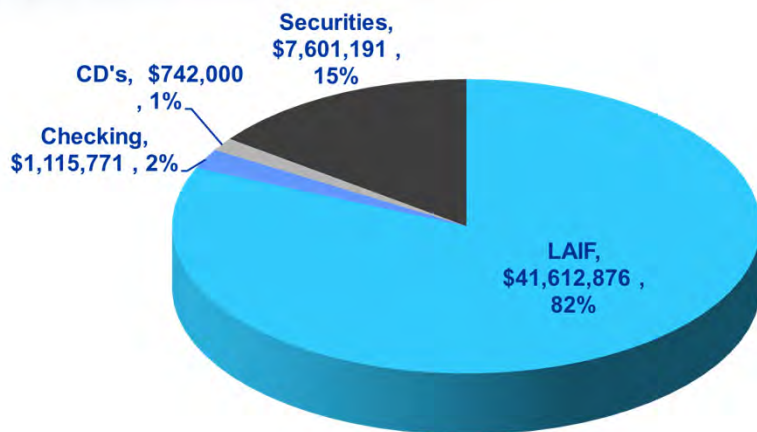
Agenda

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

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Cash & Investments

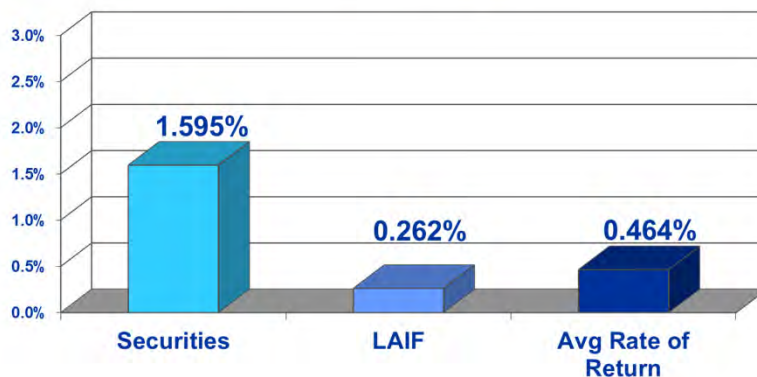
\$51,071,838



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Cash & Investments

Interest Rate Analysis



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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

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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

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Transfers, Use and Contributions To/From Reserves

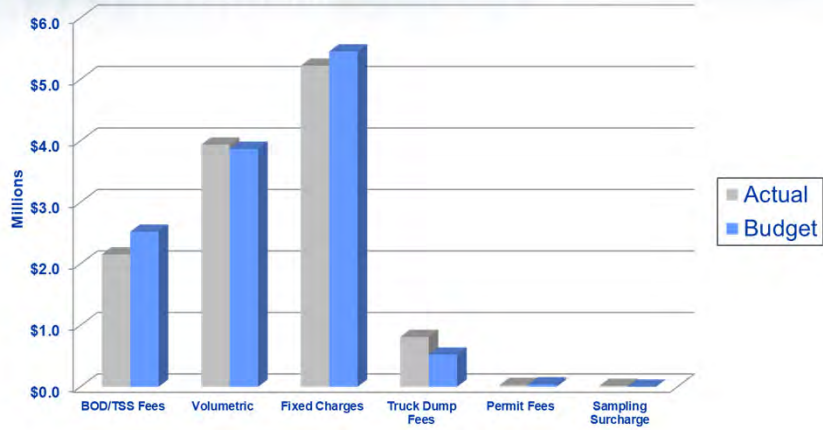
- **Pipeline Replacement Reserve**
 - Contribution of \$2,439,477
 - Use of \$1,552,676 - Fund 320 Brine Line Protection
- **OC San Rehabilitation Reserve**
 - Use of \$1,358,656 – Rock Removal Project
- **Self Insurance Reserve**
 - Contribution of \$100,000
- **Debt Service Reserve**
 - Contribution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



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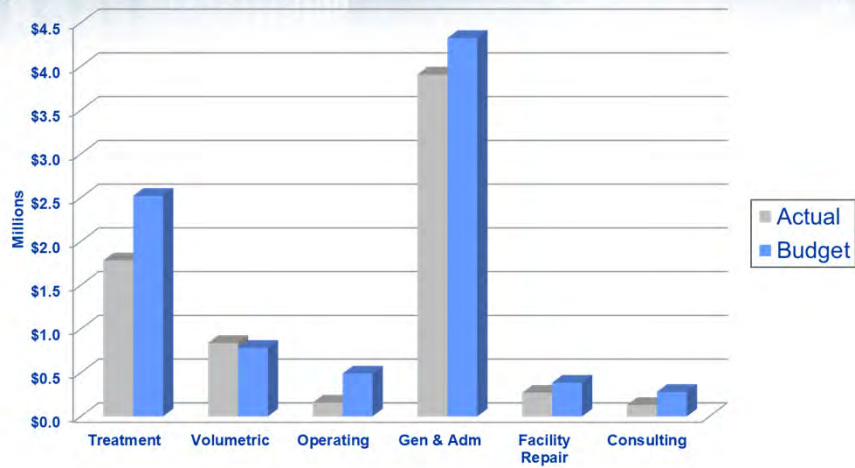
Total Operating Expenses

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

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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)	\$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)

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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)

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Enterprise Performance

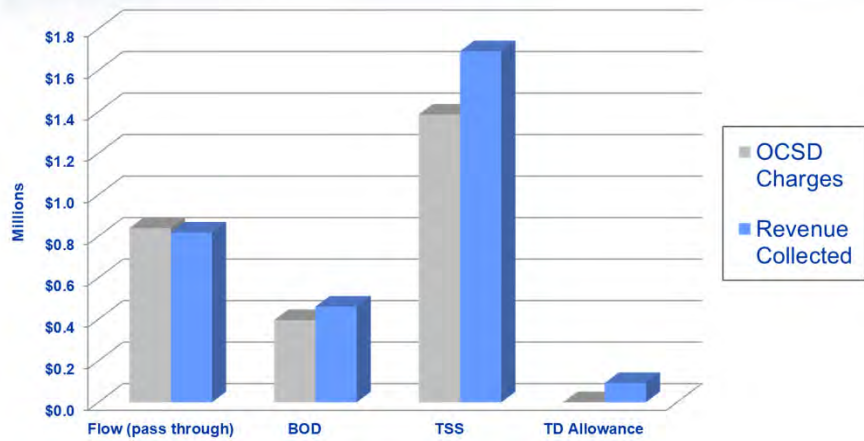
OCSD Flow, BOD & TSS Charges vs. Revenue Billed

	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

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Enterprise Performance

OCSD Flow, BOD & TSS Charges vs. Revenue Collected



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Capital Project Fund

Costs vs. Budget



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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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