



S A W P A

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

PURSUANT TO THE PROVISIONS OF AB 361, THIS MEETING WILL BE CONDUCTED VIRTUALLY WITH THE OPPORTUNITY FOR PUBLIC COMMENT. 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/85806173288 Meeting ID: 858 0617 3288 	<ul style="list-style-type: none"> 1 (669) 900-6833 Meeting ID: 858 0617 3288
* Participation in the meeting via the Zoom app (a free download) is strongly encouraged.	

AGENDA

TUESDAY, NOVEMBER 2, 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: OCTOBER 5, 2021**5

Recommendation: Approve as posted.

5. **COMMITTEE DISCUSSION/ACTION ITEMS**

A. **INLAND EMPIRE BRINE LINE RESERVE POLICY (PA24#2021.18)**9

Presenter: David Ruhl

Recommendation: Authorize the General Manager to execute a General Services Agreement and Task Order No. RFC240-02 with Raftelis Financial Consultants in an amount not to exceed \$50,895.00 to provide professional services for the Inland Empire Brine Line Reserve Policy.

6. **INFORMATIONAL REPORTS**

Recommendation: Receive for information.

A. **BRINE LINE FINANCIAL REPORT – AUGUST 2021**33

Presenter: Karen Williams

7. **REQUEST FOR FUTURE AGENDA ITEMS**

8. **CLOSED SESSION**

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

9. **ADJOURNMENT**

PLEASE NOTE:

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

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

Declaration of Posting

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

2021 Project Agreement 24 Committee Regular Meetings

Inland Empire Brine Line

First Tuesday of Every Month

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

January		February	
1/5/21	Regular Committee Meeting [cancelled]	2/2/21	Regular Committee Meeting
March		April	
3/2/21	Regular Committee Meeting	4/6/21	Regular Committee Meeting
May		June	
5/4/21	Regular Committee Meeting	6/1/21	Regular Committee Meeting
July		August	
7/6/21	Regular Committee Meeting [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

2022 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	
1/4/22	Regular Committee Meeting	2/1/22	Regular Committee Meeting
March		April	
3/1/22	Regular Committee Meeting	4/5/22	Regular Committee Meeting
May		June	
5/3/22	Regular Committee Meeting	6/7/22	Regular Committee Meeting
July		August	
7/5/22	Regular Committee Meeting	8/2/22	Regular Committee Meeting
September		October	
9/6/22	Regular Committee Meeting	10/4/22	Regular Committee Meeting
November		December	
11/1/22	Regular Committee Meeting	12/6/22	Regular Committee Meeting

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PROJECT AGREEMENT 24 COMMITTEE
Inland Empire Brine Line
REGULAR MEETING MINUTES
October 5, 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

STAFF PRESENT

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

OTHERS PRESENT

Andrew D. Turner, Lagerlof, LLP; Nick Kanetis, Eastern Municipal Water District; Cathy Pieroni, Inland Empire Utilities Agency; Ken Tam, Inland Empire Utilities Agency; Heather Dyer, San Bernardino Valley Municipal Water District; Craig Miller, Western Municipal Water District

1. CALL TO ORDER| PLEDGE OF ALLEGIANCE

The regular meeting of the PA 24 Committee was called to order at 11:40 a.m. by Chair Harrison on behalf of the Santa Ana Watershed Project Authority, 11615 Sterling Avenue, Riverside, California. Pursuant to the provisions of AB 361, this meeting was conducted virtually. All votes taken during this meeting were conducted via oral roll call.

2. PUBLIC COMMENTS

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

3. ITEMS TO BE ADDED OR DELETED

There were no added or deleted items.

4. APPROVAL OF MEETING MINUTES: SEPTEMBER 7, 2021

Chair Harrison called for a motion to approve the September 7, 2021; meeting minutes as posted.

MOVED, approve the September 7, 2021, meeting minutes.

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

5. COMMITTEE DISCUSSION/ACTION ITEMS

A. INLAND EMPIRE BRINE LINE DISCHARGER LEASE AGREEMENT (PA24#2021.17)

David Ruhl provided a presentation on the Inland Empire Brine Line Discharger Lease Agreement, contained in the agenda packet on pages 11-18. Through the Capacity Utilization Program, 0.5 MGD of unused capacity right in the Brine Line was added to the Lease Capacity Pool and available to existing and potential customers. Currently, 3.013 MGD of pipeline capacity right and 1.52 MGD of treatment and disposal capacity right have been contributed to the Lease Capacity Pool from Western Municipal Water District (WMWD), Inland Empire Utilities Agency (IEUA), and SAWPA with one discharger lease with Rialto Bioenergy Facility (RBF) for 0.25 MGD. Eastern Municipal Water District (EMWD) is constructing the Perris II Desalter adjacent to their existing desalters in the City of Menifee. Perris II will treat brackish groundwater and produce about 5.4 MGD of potable water. EMWD has requested from SAWPA to lease 0.50 MGD of treatment and disposal capacity. EMWD has sufficient Brine Line pipeline capacity right but needs additional treatment and disposal capacity. Sufficient capacity is available in the Lease Capacity Pool to provide the requested lease amount to EMWD. The Lease Discharger Agreement was developed and contains the following pertinent points:

- SAWPA agrees to lease to EMWD 0.5 MGD of treatment and disposal capacity right at a wastewater strength of 100 mg/L BOD and 100 mg/L TSS.
- A discharge permit is required to use the leased capacity.
- Effective date of the lease is December 1, 2021.
- EMWD will pay SAWPA a lease charge of \$17,793.75 per month.
- EMWD will pay regular brine line rates to SAWPA for flow, BOD, TSS, Fixed Pipe, and Fixed Treatment.
- Term of the lease shall be for a period of five (5) years. Renewal of the lease is only allowed by agreement by SAWPA and EMWD and is contingent upon the availability of Capacity in the Lease Capacity Pool.

Committee Member Mouawad expressed his appreciation in the development of the agreement and informed the Committee that it will be brought forward to EMWD's Board for approval.

MOVED, Authorize the General Manager to execute a Discharger Lease Agreement with Eastern Municipal Water District (EMWD) to lease 0.50 million gallons per day (MGD) of Brine Line treatment and disposal capacity right at a wastewater strength of 100 mg/l Biological Oxygen Demand (BOD) and 100 mg/l Total Suspended Solids (TSS) from the Lease Capacity Pool for a period of five (5) years.

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

6. INFORMATIONAL REPORTS

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

A. BRINE LINE FINANCIAL REPORT – JULY 2021

7. REQUEST FOR FUTURE AGENDA ITEMS

There were no requests for future Agenda items.

Chair Harrison recessed the meeting at 11:50 a.m. for Closed Session.

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

Chair Harrison resumed Open Session at 12:39 p.m. and Legal Counsel, Andy Turner announced that the PA 24 Committee received a report from SAWPA staff and counsel; no action was taken on Agenda Item No. 8.A.

9. ADJOURNMENT

There being no further business for review, Chair Harrison adjourned the meeting at 12:40 p.m.

Approved at a Regular Meeting of the Project Agreement 24 Committee on November 2, 2021.

T. Milford Harrison, Chair

Attest:

Sara Villa, Clerk of the Board

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PA 24 COMMITTEE MEMORANDUM NO. 2021.18

DATE: November 2, 2021

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

SUBJECT: Inland Empire Brine Line Reserve Policy

PREPARED BY: David Ruhl, Engineering Manager

RECOMMENDATION

That the Project Agreement 24 Committee authorize the General Manager to execute a General Services Agreement and Task Order No. RFC240-02 with Raftelis in an amount not to exceed \$50,895 to provide professional services for the Inland Empire Brine Line Reserve Policy.

DISCUSSION

In September 2021, staff issued a Request for Proposals (RFP) for professional services for the Inland Empire Brine Line Reserve Policy. Two (2) proposals were received on October 20, 2021 from:

- Fieldman Rolapp & Associates
- Raftelis

A selection committee consisting of representatives from Western Municipal Water District and SAWPA staff reviewed the proposals and interviewed the two (2) proposing firms on October 25, 2021. The firms were scored on criteria outlined in the RFP (project understanding, technical approach, relevant qualifications, experience, level of effort and references).

The cost proposals of the firms were opened, reviewed and scored. The cost proposal score was added to the interview score for a total interview score. Based on the RFP criteria, Raftelis received the highest total score and unanimous consensus from the selection committee as the most qualified firm to perform the work. Raftelis received favorable responses from their references. In addition, SAWPA has working experience with Raftelis, which was a favorable experience. The fee proposal and score are as follows:

<u>Firm</u>	<u>Fee Proposal</u>	<u>Score</u>
Fieldman Rolapp & Associates	\$81,550	63.9
Raftelis	\$49,875	90.5

Upon selection of Raftelis as the top qualified firm, a conference call was conducted with Raftelis to discuss the Scope of Work, schedule, allocation of billing hours, billing rates and assumptions made in the proposal. Based on the discussions a revised scope and work and fee estimate was submitted in the amount of \$50,895 that includes additional hours and costs for preparation and attendance for one additional in-person meeting.

BACKGROUND

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. SAWPA maintains nine (9) distinct reserves that pertain to the Brine Line. The nine (9) reserves are as follows:

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

Work to be performed

Raftelis will 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 Task Order, Scope of Work and Fee Estimate 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. General Services Agreement
3. Task Order, Scope of Work and Fee Schedule



Inland Empire Brine Line Reserve Policy RFP

David Ruhl, Engineering Manager
Project Agreement 24 Committee
November 2, 2021 | Item No. 5.A

SAWPA Reserve Policy

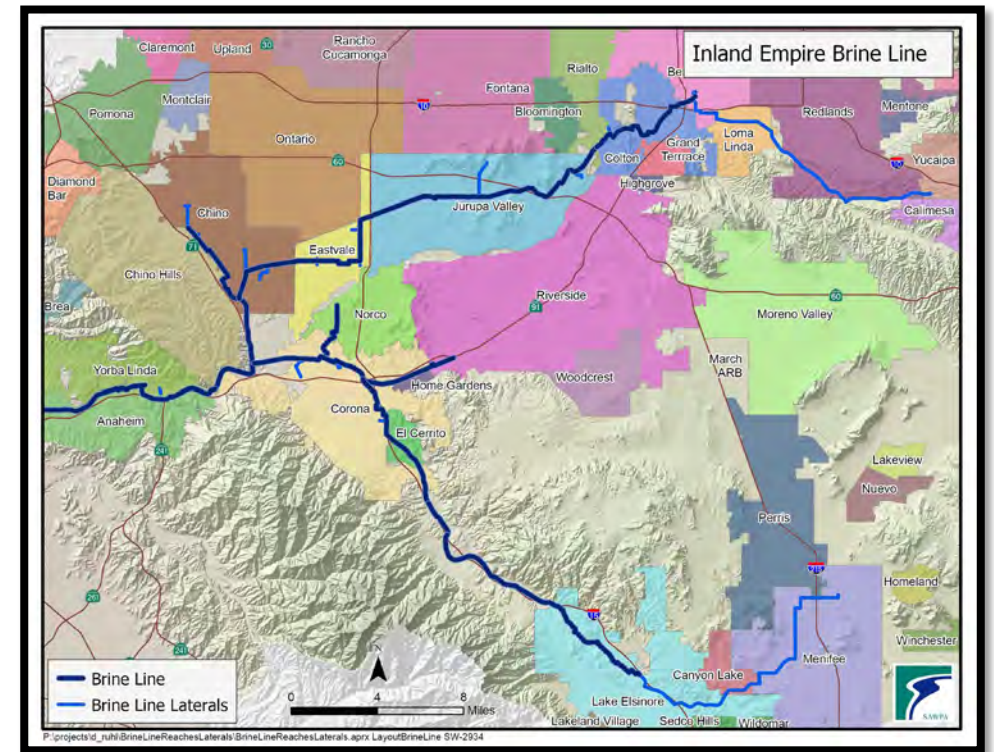
Recommendation:

- That the PA 24 Committee authorize the GM to execute a GSA and TO No. RFC240-02 with Raftelis in an amount not to exceed \$50,895 to provide professional services for the Inland Empire Brine Line Reserve 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 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



Selection Process

- 2 Proposals received
 - Fieldman Rolapp & Associates
 - Raftelis
- Member Agency staff on selection committee
- Both firms selected for interview
- Selection based on scoring of the proposals, interviews, and fee proposal

Selection Process

<u>Firm</u>	<u>Fee Proposal</u>	<u>Score</u>
Fieldman Rolapp & Associates	\$81,550	63.9
Raftelis	\$49,875	90.5

- Raftelis selected as most qualified
- Additional meeting to discuss scope, allocation of billing hours
 - Revised scope of work and fee estimate \$50,895
 - Add additional in person meeting and presentation

SAWPA Reserve Policy

Recommendation:

- That the PA 24 Committee authorize the GM to execute a GSA and TO No. RFC240-02 with Raftelis in an amount not to exceed \$50,895 to provide professional services for the Inland Empire Brine Line Reserve Policy.

Questions?



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

This Agreement is made this **2nd day of November, 2021** by and between the Santa Ana Watershed Project Authority ("SAWPA") located at 11615 Sterling Avenue, Riverside, CA, 92503 and Raftelis Financial Consultants ("Consultant") whose address is 445 S. Figueroa Street, Suite 1925, Los Angeles, CA 90071.

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 **December 31, 2024**, 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 and Consultant.

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 at the time and place the services are rendered. 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 agreement. Consultant shall include the

non-discrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

11.08 Contractor's employees, agents and subcontractors shall adhere to, and comply with, the California Drug Free Workplace Act at Government Code, Sections 8350 through 8357.

In witness whereof, the parties hereby have made and executed this Agreement as of the day and year first above-written.

SANTA ANA WATERSHED PROJECT AUTHORITY

Jeffrey J. Mosher, General Manager Date

RAFTELIS FINANCIAL CONSULTANTS

(Signature) Date

Typed/Printed Name

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**SANTA ANA WATERSHED PROJECT AUTHORITY
TASK ORDER NO. RFC240-02**

CONSULTANT: Raftelis Financial Consultants **VENDOR NO.:** 2169
445 S. Figueroa Street, Suite 1925
Los Angeles, CA 90071

COST: \$50,895.00

PAYMENT: Upon Receipt of Proper Invoice

REQUESTED BY: David P. Ruhl, Engineering Manager November 2, 2021

FINANCE: _____
Karen Williams, Deputy GM/CFO Date

FINANCING SOURCE: Acct. Coding 240-00-60121-01
Acct. Description Consulting - General

COMMISSION AUTHORIZATION REQUIRED FOR THIS TASK ORDER: YES (X) NO ()
Authorization: November 2, 2021; PA24#2021.18

This Task Order is issued upon approval and acceptance by the Santa Ana Watershed Project Authority (SAWPA) and Raftelis Financial Consultants (Consultant) pursuant to the General Services Agreement between SAWPA and Consultant, entered into on November 2, 2021, expiring December 31, 2024.

I. PROJECT NAME OR DESCRIPTION

Inland Empire Brine Line Reserve Policy

II. SCOPE OF WORK / TASKS TO BE PERFORMED

Consultant shall provide all labor, materials, and equipment for the services to provide the Inland Empire Brine Line Reserve Policy. See attached scope of work and fee schedule.

III. PERFORMANCE TIME FRAME

Consultant shall begin work November 15, 2021 and shall complete performance of such services by **June 30, 2022**.

IV. SAWPA LIAISON

David Ruhl 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 **\$50,895.00**. 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.

VI. CONTRACT DOCUMENTS PRECEDENCE

In the event of a conflict in terms between and among the contract documents herein, the document item highest in precedence shall control. The precedence shall be:

- a. The General Services Agreement by Independent Consultant/Contractor.
- b. The Task Order or Orders issued pursuant to the Agreement, in numerical order.
- c. Exhibits attached to each Task Order, which may describe, among other things, the Scope of Work and compensation therefore.
- d. Specifications incorporated by reference.
- e. Drawings incorporated by reference.

In witness whereof, the parties have executed this Task Order on the date indicated below.

SANTA ANA WATERSHED PROJECT AUTHORITY

Jeffrey J. Mosher, General Manager Date

RAFTELIS FINANCIAL CONSULTANT

(Signature) Date Print/Type Name and Title

RAFTELIS SCOPE OF WORK

Inland Empire Brine Line Reserve Policy

Task 1 – Reserve Funding and Lease Rate Review

Raftelis will initiate the project effort with a web-based kickoff meeting to discuss the project approach, work plan, schedule, and priorities. The Raftelis team will work to gain a firm understanding of all relevant issues so that we can provide appropriate recommendations. Prior to the kickoff meeting, Raftelis will provide a detailed data request list outlining key data items needed from SAWPA staff.

Raftelis will review all nine of SAWPA's reserve types, including the:

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

SAWPA's reserve funds currently: 1) mitigate and manage the risk associated with the timing of cash flow, overbillings, shortfall in revenues, or out-of-pocket insurance losses; or 2) create a funding mechanism towards existing capital needs such as debt service and capacity rights and to fund future capital needs for asset replacement/additional capacity. The project team will review each reserve fund and make recommendations for any changes. Specifically, SAWPA has categorized the review and assistance for each of the nine funds into three distinct areas of support: 1) establish a minimum, maximum, and target; 2) review the methodology used to establish the reserve fund level; or 3) review the methodology and any studies needed to make recommendations.

Raftelis will carefully evaluate SAWPA's reserve funds and evaluate the potential of consolidation or reduction of reserve types by reviewing existing information such as capital improvement plans, historical information of costs, assets, and occurrences of events and level of reserves used, and any relevant current studies, such as the recent criticality assessment (which was recommended by Raftelis in its Brine Line Rate Model Report submitted to SAWPA in 2018). Raftelis will evaluate appropriate changes to reserve fund policies based on the results of the recent studies and events. In addition, Raftelis recently completed a survey of 20 agencies to understand the prominence of certain types of reserve funds, the basis for each reserve fund, and the range of target fund balances. The project team will leverage the findings of this survey, as well as conduct additional survey work, to assist in our review and our recommendations of SAWPA's nine reserve funds.

1.1 Recommend Minimum, Maximum, and Target Reserve Levels

We will recommend minimum, maximum, and target reserve levels for the following reserves:

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

1.2 Rate Stabilization Reserve

Raftelis will recommend minimum, maximum, and target reserve levels for the Rate Stabilization Reserve, recommend a methodology to establish the reserve target amount including a review of OC San's historical rates.

1.3 Pipeline Replacement Reserve

Raftelis will review SAWPA's Criticality Assessment, recommend minimum, maximum, and target reserves levels, as well as a methodology to determine reserve levels. Raftelis will review the Brine Line 10-Year CIP to determine CIP and pipeline replacement minimum, maximum, and target reserve levels. We will utilize our survey of 20 agencies' reserve levels for this task.

1.4 Self-Insurance Reserve

Raftelis will review the purpose and need for this reserve, background policy and insurance documents, and determine if the reserve meets SAWPA's needs and recommend any needed changes. Raftelis will recommend minimum, maximum, and target reserve levels and a methodology to determine them.

1.5 Recommend Minimum, Maximum, and Target Reserve Levels and Other Actions Necessary

Raftelis will recommend minimum, maximum, and target reserve levels for the following reserves and recommended any needed data, studies, or other actions required to establish them:

- OC San Rehabilitation Reserve
- Capacity Management Reserve

1.6 – Lease Rates

Raftelis recommended a methodology for developing Brine Line capacity lease rates in its Brine Line Rate Model Report submitted to SAWPA in 2018. Since then, SAWPA staff has developed lease rates pertaining to treatment capacity, disposal capacity, and pipeline capacity. Lease rates will allow Brine Line dischargers to utilize latent capacity in the system without purchasing permanent capacity rights.

Raftelis will review the lease rates developed by SAWPA staff and will recommend changes and/or refinements as necessary. Specifically, the project team will consider valuation strategies in determining any changes in the existing methodology.

Task 2 – Meetings

Throughout the study, the Raftelis project team will attend and participate in up to six web-based meetings (excluding the kick-off meeting) and one in-person meeting with committees and/or SAWPA’s Board of Commissioners. This includes:

- Two presentations of recommendations to SAWPA staff
- Two presentations to member agency staff
- Two presentations to the Project Agreement 24 Committee (PA 24)
- One presentation to the SAWPA Commission.

Raftelis will prepare PowerPoint slides and present at the meetings. SAWPA staff will have an opportunity to review any draft presentation materials prepared by Raftelis in advance of the meetings. SAWPA staff will determine which topics and parts of the analyses will be covered at each meeting.

Task 3 – Technical Memorandum

Raftelis will develop a draft technical memorandum detailing the results of the reserve funding and lease rate analyses. This will include information on assumptions, methodology, and final recommendations from Raftelis. SAWPA staff, member agencies, PA 24 Committee, and SAWPA Commission will have an opportunity to review and comment on the draft version of the technical memorandum. Raftelis will then incorporate any comments and requested edits into a final version of the technical memorandum.

RAFTELIS COST
Inland Empire Brine Line Reserve Policy

Tasks	Hours							Total Fees & Expenses
	SG	RH	TJ	SM	CD	CORP	Total	
1. Reserve Funding and Lease Rate Review	2	4	24	24	20	8	86	\$20,790
2. Staff/Committee/Commission Meetings	2	20	16	16	18	0	72	\$18,360
3. Technical Memorandum	2	2	16	16	9	0	45	\$11,745
Total Meetings / Hours	6	26	56	56	47	8	203	
Hourly Billing Rate	\$275	\$245	\$245	\$275	\$215	\$80		
Total Professional Fees	\$1,650	\$6,370	\$13,720	\$15,400	\$10,105	\$640	\$48,865	
Total Fees								\$48,865
Total Expenses								\$2,030
Total Fees & Expenses								\$50,895

SG - Steve Gagnon
RH - Rebekka Hosken
TJ - Theresa Jurotich
SM - Steven McDonald
CD - Charles Diamond
CORP - Corporate Functions

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

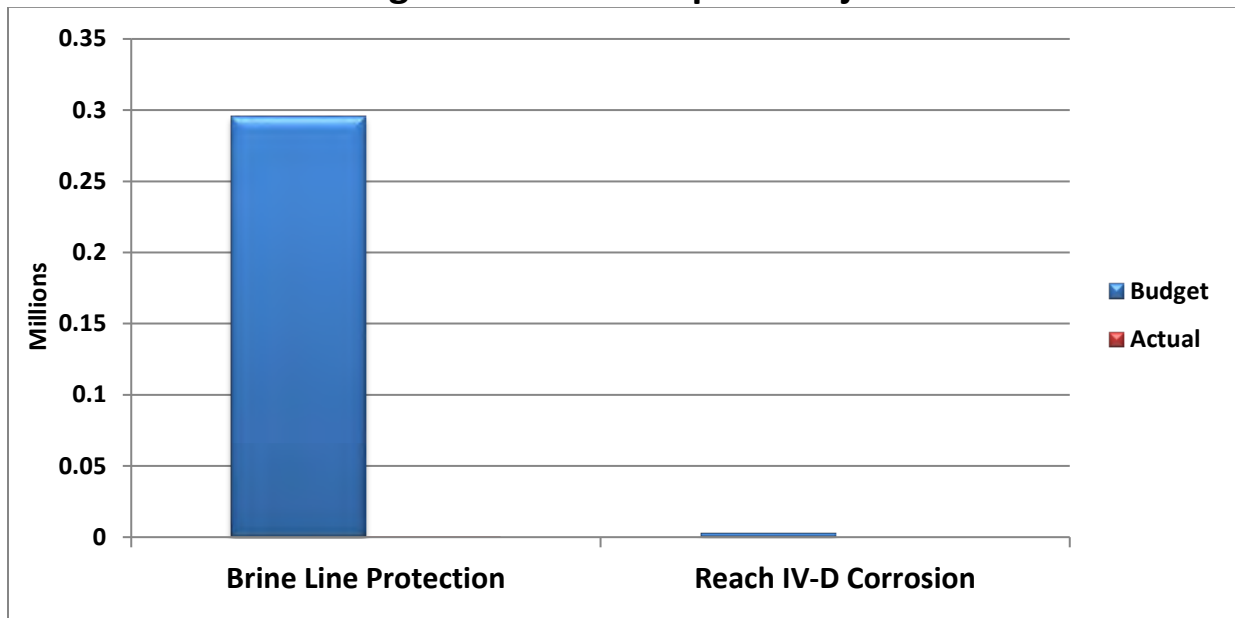
Staff comments provided on the last page are an integral part of this report.

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

Budget to Actual – Capital Projects ⚠				Behind
	Annual Budget	FYTD Budget	FYTD Actual	Favorable (Unfavorable) Variance
Brine Line Protection	\$1,772,064	\$295,344	\$22	\$295,322
Reach IV-D Corrosion	14,818	2,470	-	2,470
Total Capital Costs	\$1,786,882	\$297,814	\$22	\$297,791

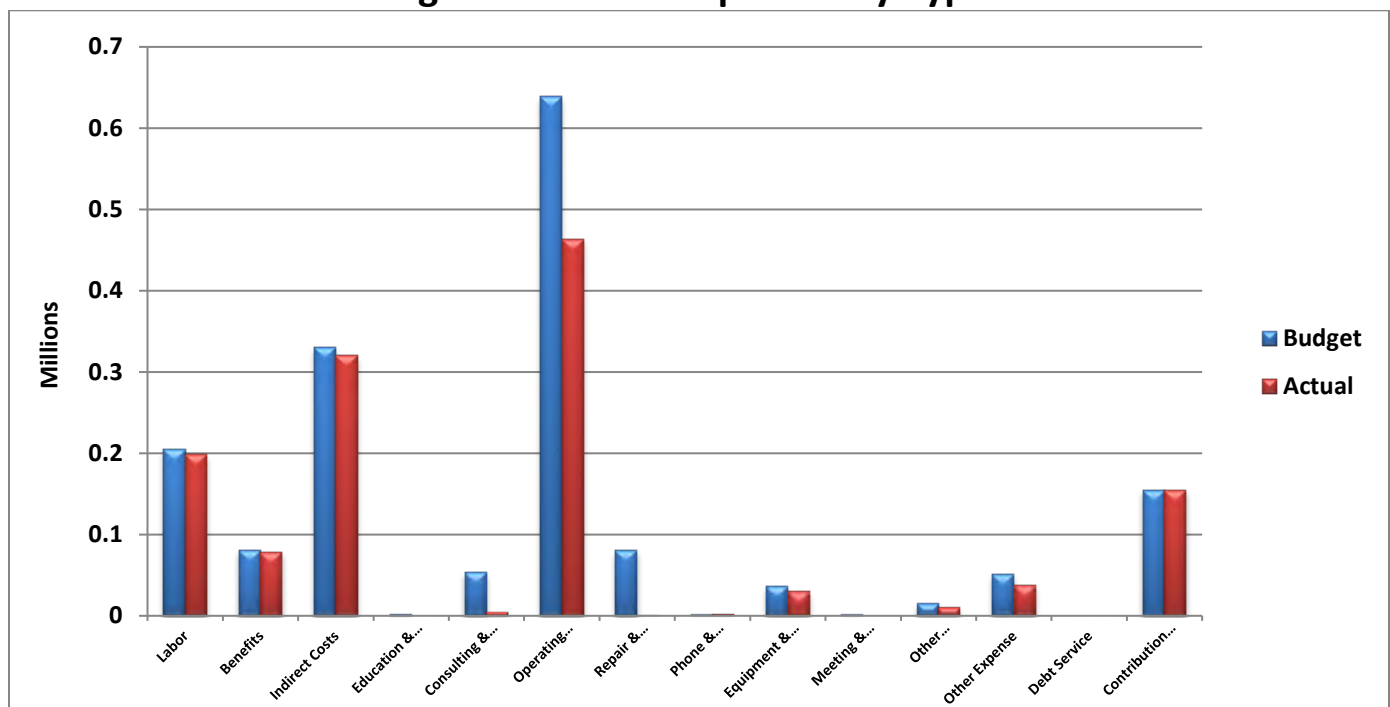
Budget to Actual - Capital Projects



Brine Line – Operating

Budget to Actual - Expenses by Type				 Favorable
	Annual Budget	FYTD Budget	FYTD Actual	Favorable (Unfavorable) Variance
Labor	\$1,227,239	\$204,540	\$198,595	\$5,945
Benefits	485,743	80,957	78,644	2,313
Indirect Costs	1,979,458	329,910	320,334	9,576
Education & Training	14,500	2,417	-	2,417
Consulting & Prof Svcs	322,000	53,667	4,942	48,725
Operating Costs	3,833,540	638,923	463,698	175,225
Repair & Maintenance	480,000	80,000	835	79,165
Phone & Utilities	10,200	1,700	1,982	(282)
Equip & Computers	218,000	36,333	29,728	6,605
Meeting & Travel	10,000	1,667	-	1,667
Other Admin Costs	90,900	15,150	10,298	4,852
Other Expense	308,472	51,412	37,575	13,837
Debt Service	2,608,439	-	-	-
Contribution to Reserves	928,781	154,797	154,797	-
Total	\$12,517,272	\$1,651,473	\$1,301,428	\$350,045

Budget to Actual - Expenses by Type



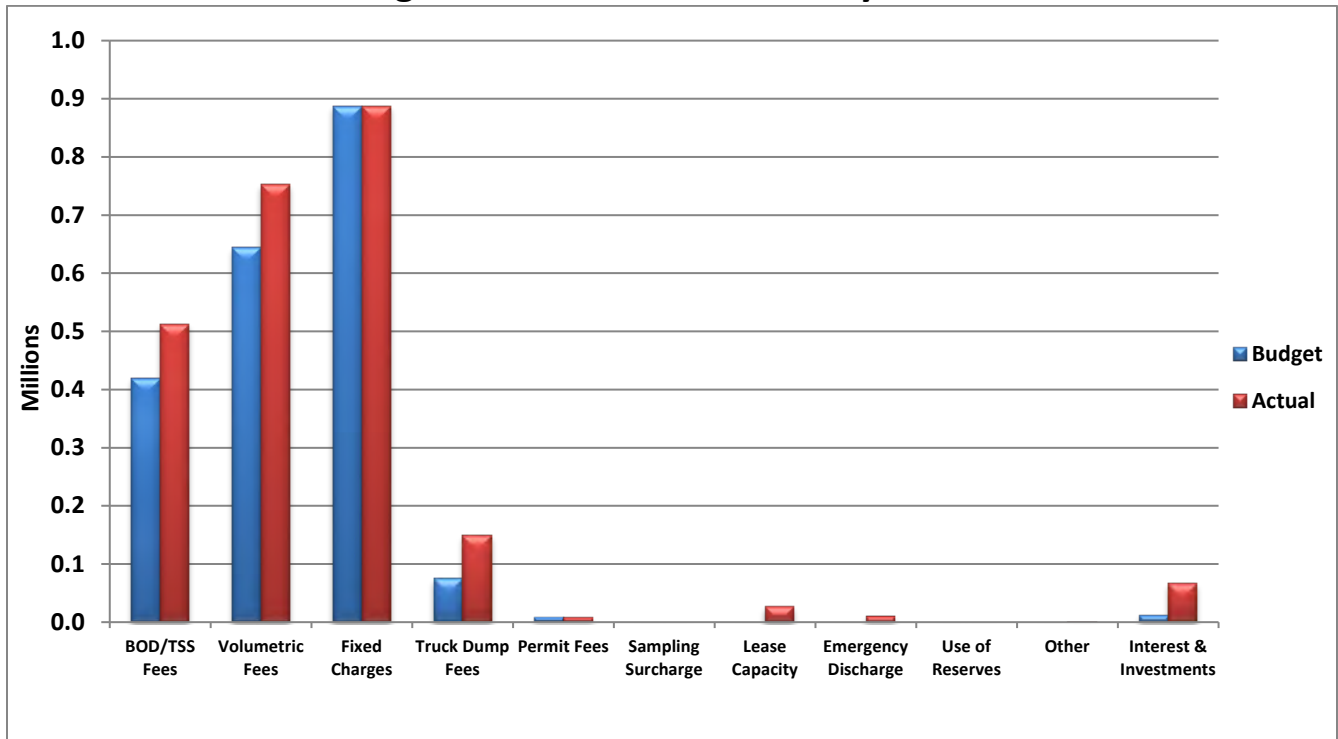
Budget to Actual - Revenues by Source



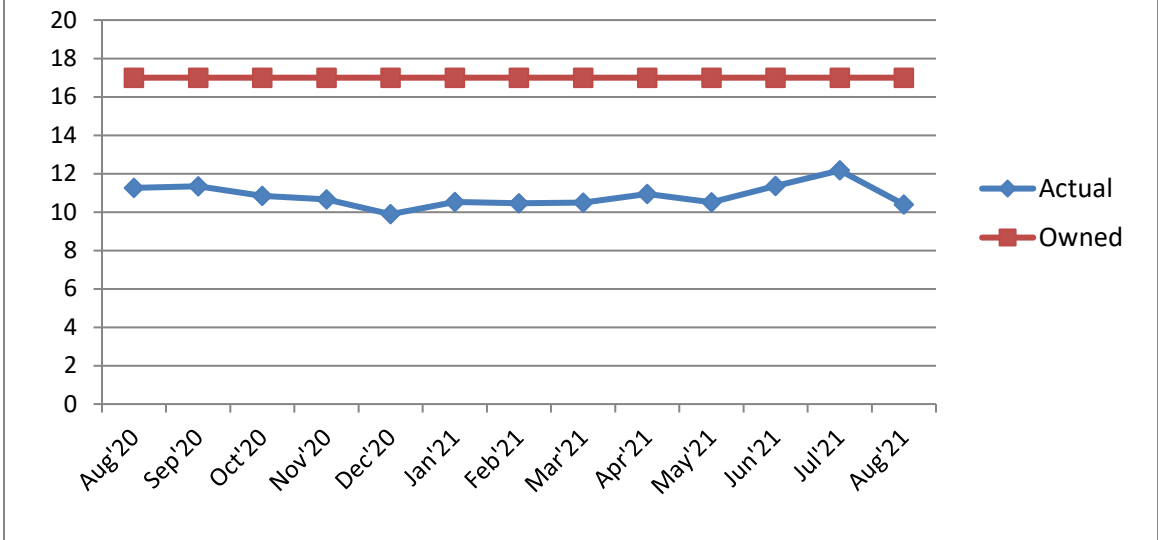
On Track

	Annual Budget	FYTD Budget	FYTD Actual	Favorable (Unfavorable) Variance
BOD/TSS Fees	\$2,520,700	\$420,117	\$513,154	\$93,037
Volumetric Fees	3,868,400	644,733	752,798	108,065
Fixed Charges	5,323,422	887,237	887,237	-
Truck Dump Fees	451,500	75,250	149,192	73,942
Permit Fees	28,250	8,000	7,950	(50)
Sampling Surcharge	-	-	-	-
Lease Capacity Revenue	-	-	26,691	26,691
Emergency Discharge Fees	-	-	9,528	9,528
Use of Reserves	-	-	-	-
Other Revenue	-	-	200	200
Interest & Investments	325,000	12,500	66,697	54,197
Total	\$12,517,272	\$2,047,837	\$2,413,447	\$365,610

Budget to Actual - Revenues by Source



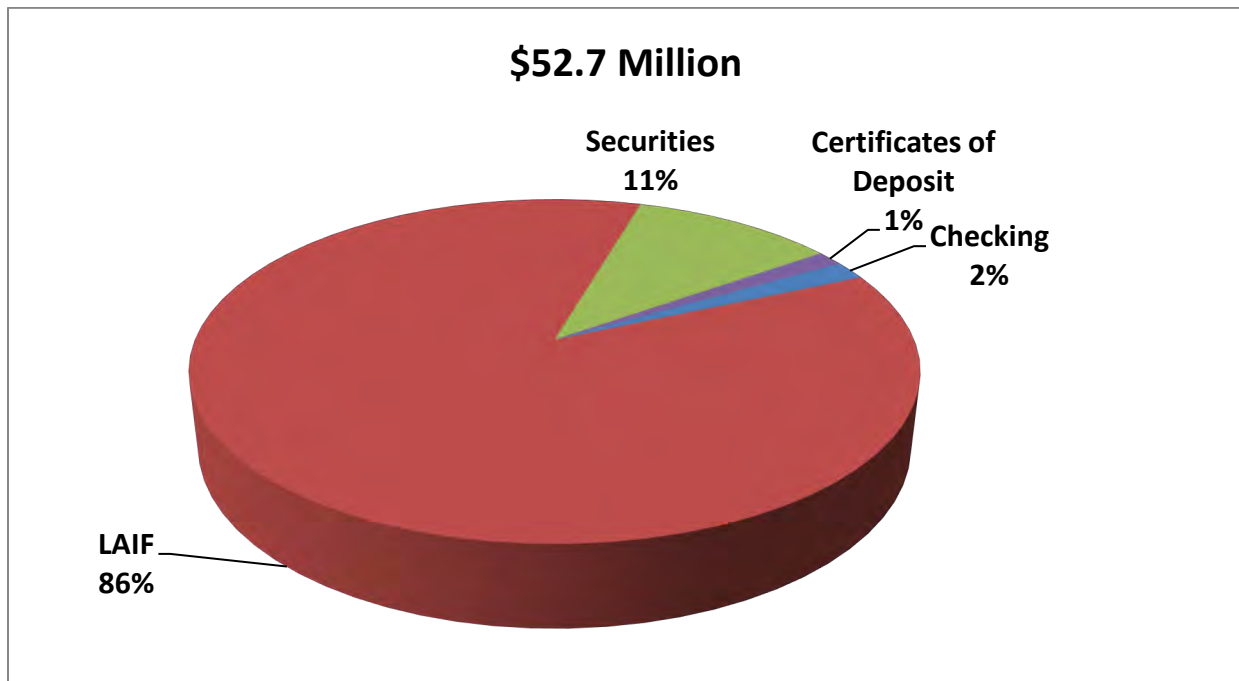
Average Daily Flow by Month



Total Discharge by Agency (in million gallons)

Discharger	Jul '21	Aug'21	Total
Chino Desalter Authority	117.5422	96.8761	214.4183
Eastern Municipal Water District	80.8025	70.5889	151.3914
Inland Empire Utilities Agency	14.7045	14.2407	28.9452
San Bernardino Valley MWD	38.6734	36.0184	74.6918
Western Municipal Water District	146.1551	121.6238	267.7789
Truck Discharge	3.6981	3.9032	7.6013
Total	401.5758	343.2511	744.8269





Total Cash & Investments - August



Reserve Fund Balance – August

	Amount
Self Insurance	\$4,500,118
Debt Retirement	3,716,957
Pipeline Replacement	22,043,857
OC San Rehabilitation	2,380,866
Capacity Management	11,989,412
Future Capacity	1,835,618
Rate Stabilization	1,028,630
Flow Imbalance	83,789
Brine Line Operating	5,088,983
Total Reserves	\$52,668,230

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 99% below budget. It is expected that the projects will be on budget by the end of the year.
