



PROJECT AGREEMENT 24 COMMITTEE
Inland Empire Brine Line
SPECIAL MEETING MINUTES
JUNE 21, 2022

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
Marco Tule, Inland Empire Utilities Agency Governing Board

ALTERNATE COMMITTEE MEMBERS PRESENT [Non-Voting]

David Slawson, Eastern Municipal Water District
Shivaji Deshmukh, Inland Empire Utilities Agency
Gil Botello, San Bernardino Valley Municipal Water District

STAFF PRESENT

Jeff Mosher, Karen Williams, Edina Goode, David Ruhl, John Leete, Marie Jauregui, Sara Villa, Haley Mullay, Zyanya Ramirez, John Leete, Jessica McDermott

OTHERS PRESENT

Andrew D. Turner, Lagerlof, LLP; Nick Kanetis, Eastern Municipal Water District; Derek Kawaii, Western Municipal Water District; Jeremy Metts, Anaergia

1. CALL TO ORDER| PLEDGE OF ALLEGIANCE

The Special meeting of the PA 24 Committee was called to order at 11:08 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.

Chair Milford Harrison recessed the meeting at 11:10 a.m. for Closed Session.

4. 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 Milford Harrison resumed Open Session at 11:18 a.m. and Legal Counsel, Andy Turner announced that the Committee received a report from SAWPA staff and Counsel; no action was taken on Agenda Item No. 4.A.

5. COMMITTEE DISCUSSION/ACTION ITEMS

A. NEW LATERAL CONSTRUCTION AND COST SHARE AGREEMENT (PA24#2022.8)

David Ruhl provided a presentation on the Inland Empire Brine Line New Lateral Construction and Cost Share Agreement, contained in the agenda packet on pages 9-17. In July 2020, Rialto Bioenergy Facility, Inc. (RBF) obtained treatment and disposal capacity rights in the Brine Line through SAWPA's capacity lease program. In December 2020, Valley District and SAWPA, issued a wastewater discharge permit (permit) to RBF allowing discharge to the Brine Line from their facility. RBF's permit included a special condition that allows RBF to discharge temporarily into the Brine Line Reach IV-E siphon until RBF designs and constructs a new lateral to the Brine Line with a connection downstream of the siphon. RBF approached SAWPA on the possibility of a cost share arrangement for construction of the new lateral that would benefit SAWPA and the operation and maintenance of the Brine Line. Upon extensive investigation by SAWPA staff and collaboration with Valley it was determined that the new lateral, if owned and operated by SAWPA, can provide opportunities for future dischargers to connect to the Brine Line and other benefits to the Brine Line such as operational flexibility, avoided maintenance costs and increased reliability by minimizing disruptions to upstream dischargers during maintenance or emergency events.

The estimated construction and design costs for an 8-inch lateral is \$1,628,000 and for a 12-inch lateral is \$1,862,000. Based on these estimated construction costs, the cost share for an 8-inch lateral and 12-inch lateral is as follows:

Lateral Size	SAWPA Costs (4.5%)*	Valley District Costs (13.5%)*	RBF Costs (82%)	Total Costs
8"	\$81,460	\$244,380	\$1,302,160	\$1.628M
12"	\$130,960	\$392,880	\$1,302,160**	\$1.826M

*Also includes additional design and bidding costs.

** RBF would not pay additional construction costs for upsizing to 12-inch lateral.

RBF will pay their cost share in five (5) installments, first payment will be due upon execution of agreement, and four (4) annual installments thereafter. RBF is to pay 3% interest on the unpaid balance and RBF parent company (Anaergia) will provide payment Guaranty. The RBF Discharger Lease Agreement will be amended. The proposed schedule for design, construction and PA 24 Committee actions is as follows:

- | | |
|---|------------------------------|
| • PA 24 Committee approve Cost Share Agreement | June 2022 |
| • SAWPA Prepare Plans and Specifications | July 2022 – October 2022 |
| • PA 24 Committee Directs Staff to Advertise for Bids | November 2022 |
| • Bid Process | November 2022 – January 2023 |
| • PA 24 Committee Awards Construction Contract
(Decision to construct 8" or 12" Lateral) | February 2023 |
| • Construction | February 2023 – June 2023 |

MOVED, to authorize the General Manager to execute the following:

1. New Lateral Construction and Cost Share Agreement with San Bernardino Valley Municipal Water District (Valley) and Rialto Bioenergy Facility Inc. (RBF) and to proceed accordingly, and
2. Amendment No. 1 to the Inland Empire Brine Line Lease Discharger Agreement with RBF.

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

6. INFORMATIONAL REPORTS

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

A. BRINE LINE FINANCIAL REPORT – APRIL 2022

Presenter: Karen Williams

7. REQUEST FOR FUTURE AGENDA ITEMS

There were no requests for future Agenda items.

8. ADJOURNMENT

There being no further business for review, Chair Harrison adjourned the Special meeting at 11:32 a.m.

Approved at a Regular Meeting of the Project Agreement 24 Committee on August 2, 2022.

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T. Milford Harrison

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T. Milford Harrison, Chair

Attest:
DocuSigned by:

Sara Villa

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Sara Villa, Clerk of the Board