



S A W P A

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

Meeting Access Via Computer (Zoom):	Meeting Access Via Telephone:
<ul style="list-style-type: none"> • https://sawpa.zoom.us/j/83148503884 	<ul style="list-style-type: none"> • 1 (669) 900-6833
<ul style="list-style-type: none"> • Meeting ID: 831 4850 3884 	<ul style="list-style-type: none"> • Meeting ID: 831 4850 3884

This meeting will be conducted in person at the address listed above. As a convenience to the public, members of the public may also participate virtually using one of the options set forth above. Any member of the public may listen to the meeting or make comments to the Committee using the call-in number or Zoom link above. However, in the event there is a disruption of service which prevents the Authority from broadcasting the meeting to members of the public, the meeting will not be postponed or rescheduled but will continue without remote participation. The remote participation option is provided as a convenience to the public and is not required. Members of the public are welcome to attend the meeting in-person.

AGENDA

TUESDAY, MARCH 7, 2023 – 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

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).

Members of the public may make comments in-person or electronically for the Committee's consideration by sending them to publiccomment@sawpa.org with the subject line "Public Comment". Submit your electronic comments by 5:00 p.m. on Monday, March 6, 2023. All public comments will be provided to the Chair and may be read into the record or compiled as part of the record. Individuals have a limit of three (3) minutes to make comments and will have the opportunity when called upon by the Committee.

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. CONSENT CALENDAR

All matters listed on the Consent Calendar are considered routine and non-controversial and will be acted upon by the Committee by one motion as listed below.

- A. **APPROVAL OF MEETING MINUTES: FEBRUARY 7, 2023**.....5
Recommendation: Approve as posted.

5. COMMITTEE DISCUSSION/ACTION ITEMS

- A. **AGUA MANSA LATERAL (PA24#2023.4)**.....11
Presenter: David Ruhl
Recommendation: That the Project Agreement 24 Committee:
1. Direct the General Manager to file a Notice of Exemption for the Inland Empire Brine Line Agua Mansa Lateral Project with the San Bernardino County Clerk’s Office; and
2. Direct the General Manager to issue of Notice Inviting Bids, upon completion of the Final Plans and Specifications for the Construction of the Inland Empire Brine Line Agua Mansa Lateral Project.
- B. **FYE 2024 AND 2025 BRINE LINE FUND DRAFT BUDGET (PA24#2023.5)**.....25
Presenter: Karen Williams
Recommendation: To adopt the Draft FYE 2024 and 2025 Brine Line Fund Budget.

6. INFORMATIONAL REPORTS

Recommendation: Receive for information.

- A. **BRINE LINE FINANCIAL REPORT – DECEMBER 2022**.....73
Presenter: Karen Williams
- B. **FINANCIAL REPORT FOR THE SECOND QUARTER ENDING DECEMBER 31, 2022**79
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 March 2, 2023, 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.

2023 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 1/3/23 Regular Committee Meeting [cancelled]	February 2/7/23 Regular Committee Meeting
March 3/7/23 Regular Committee Meeting	April 4/4/23 Regular Committee Meeting
May 5/2/23 Regular Committee Meeting	June 6/6/23 Regular Committee Meeting
July 7/4/23 Regular Committee Meeting	August 8/1/23 Regular Committee Meeting
September 9/5/23 Regular Committee Meeting	October 10/3/23 Regular Committee Meeting
November 11/7/23 Regular Committee Meeting	December 12/5/23 Regular Committee Meeting

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PROJECT AGREEMENT 24 COMMITTEE
Inland Empire Brine Line
REGULAR MEETING MINUTES
February 7, 2023

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]

Shivaji Deshmukh, Inland Empire Utilities Agency General Manager
Gil Botello, San Bernardino Valley Municipal Water District Governing Board

STAFF PRESENT

Jeff Mosher, Karen Williams, David Ruhl, Edina Goode, Dean Unger, John Leete, Daniel Vasquez, Sara Villa

OTHERS PRESENT

Andrew D. Turner, Lagerlof, LLP; Nick Kanetis, Eastern Municipal Water District; Ken Tam, Inland Empire Utilities Agency; June Hayes, 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 10:35 a.m. by Chair T. Milford 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. CONSENT CALENDAR

A. APPROVAL OF MEETING MINUTES: NOVEMBER 1, 2022

Recommendation: Approve as posted.

B. FYE 2024 AND 2025 GOALS AND OBJECTIVES (PA24#2023.1)

Recommendation: Approve as posted.

MOVED, to approve the Consent Calendar as posted.

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

5. COMMITTEE DISCUSSION/ACTION ITEMS

A. INLAND EMPIRE BRINE LINE REACH IV AND REACH IV-B DUCTILE IRON PIPE CONDITION ASSESSMENT (PA24#2023.2)

Daniel Vasquez provided a presentation titled Reach IV and IV-B Ductile Iron Pipe (DIP) Condition Assessment, contained in the agenda packet on pages 25-37. A brief background was provided on the criticality assessment established criticality rankings for Brine Line Infrastructure using both probability of failure and consequence of failure analysis in 2021. In November 2022, SAWPA staff issued a Request for Proposals (RFP) for professional services for the Inland Empire Brine Reach IV and IV-B DIP Condition Assessment. Two (2) proposals were received on December 15, 2022, from Atkins and Woodard & Curran. A selection committee comprised of SAWPA staff reviewed the proposals and interviewed the two (2) proposing firms on January 11, 2023. The firms were scored on criteria outlined in the RFP (project understanding, technical approach, relevant qualifications, experience, level of effort and references). Based on the RFP criteria, Woodard & Curran received the highest total score and unanimous consensus from the selection committee as the most qualified firm to perform the work. Woodard & Curran received favorable responses from their references. Upon selection of Woodard & Curran as the top qualified firm, Woodard & Curran was contacted to include a portion of the optional tasks as additional tasks in the scope of work. The additional tasks include coordination with SAWPA's CCTV contractor prior to and during CCTV field inspections (\$25,198) and implementation of traffic control at field test sites (\$11,020) for a total of \$36,218. Based on the additional tasks the revised total fee is \$392,356. Woodard & Curran requested minor changes to SAWPA's General Services Agreement. The requested changes were reviewed by Legal Counsel and were considered acceptable.

Chair Milford Harrison noted that he appreciates the red-line version of the agreement included in the agenda packet to reference the recommended changes from the vendor. Committee Member Joe Mouawad asked what the schedule is for completing the condition assessment and are the entry points identified already for the reaches where the CCTV inspection will be conducted. Mr. Vasquez noted that the critical path is going to be dictated by the ability to obtain encroachment permits, though it is anticipated to be completed by nesting season at the end of 2023. The entry point access for Reach IV, the maintenance access structures (MAS) are going to allow man entry where the plan is to obtain real samples of windows that are cut out and there will be concrete pouring to be able to determine the health of the reinforced concrete pipe. For the DIP, there is access at the end of each section.

MOVED, to authorize the General Manager to execute a General Services Agreement and Task Order No. W&C320-01 with Woodard and Curran in an amount not to exceed \$392,356 to provide Professional Services for the Preparation of the Inland Empire Brine Line Reach IV and IV-B DIP Condition Assessment.

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

B. INLAND EMPIRE BRINE LINE RESERVE FUNDS TRANSFER (PA24#2023.3)

Karen Williams provided a presentation titled the Inland Empire Brine Line Reserve Funds Transfer, contained in the agenda packet on pages 79-88. A summary of the

recommendations of the Draft Brine Line Reserve memorandum was provided and it was noted that on November 1, 2022, the PA 24 Committee approved the following:

1. Receive the Draft Brine Line Reserves and Capacity Lease Memorandum and direct staff to finalize the report,
2. Approve the updated SAWPA Reserve Policy contingent on approval of the Reserve Policy by the SAWPA Commission, and
3. Approve the transfer of the balance of the Self-Insurance Reserve, Rate Stabilization Reserve and the Flow Imbalance Reserve to the Pipeline Replacement and Capital Investment Reserve, upon approval of the Reserve Policy by the SAWPA Commission.

On December 20, 2022, the updated SAWPA Reserve Policy was approved by the Commission. With the Commission's approval of the Reserve Policy the Self-Insurance Reserve, Rate Stabilization Reserve, and the Flow Imbalance Reserves were eliminated, and the funds need to be transferred to the Pipeline Replacement and Capital Investment Reserve. The table below shows the amounts that will be transferred.

Reserve Fund	Reserve No.	Reserve Balance	Transfer Amount	Balance at 01/31/2023
Rate Stabilization	R-03	\$1,042,957	(\$1,042,957)	\$0
Flow Imbalance	R-08	\$85,435	(\$85,435)	\$0
Self-Insurance	R-09	\$4,396,654	(\$4,396,654)	\$0
Pipeline Replacement and Capital Investment	R-07	\$23,662,622	\$5,525,046	\$29,187,668

Ms. Williams noted that after the elimination of the three reserves and transfer to R-07 Pipeline Replacement and Capital Investment, the reserve minimum and target level, and the amount the reserve is over or under the target level. Reserves R-01, R-02, R-04 and R-05 are over the target level while R-06 and R-07 are under the target level. As per the approved Reserve Policy, funding above the target level in the reserve will be discussed and approved with the PA 24 and the Commission annually and during the biennial budget adoption process. For those reserves under the target level, staff will involve member agencies in reviewing the timing for each reserve to achieve its target. Staff will bring the evaluation of reserves above the targets and approach to meeting reserve below the targets in July 2023, after the new budget is adopted. The table in the next page reflects the reserve balances as of January 31, 2023, and staff's recommendation is the that PA 24 Committee approve the transfer of \$5,525,046 from the eliminated reserves to the Pipeline Replacement and Capital Investments Reserve (R-07) and receive and file the Reserve Review.

Reserve Fund	No.	Balance @ 01/31/2023	Minimum Balance	Target	Amount Over/(Under) Target	Comments
Brine Line Operating	R-01	\$2,288,209	\$2,273,388	\$2,273,388	\$14,821	Interest through 12/31/2022
Debt Retirement	R-02	\$2,858,445	\$1,709,476	\$1,709,476	\$1,148,969	1.5x annual debt plus interest through 12/31/2022
Pipeline Capacity Management	R-04	\$12,156,407	\$3,894,181	\$9,735,454	\$2,420,953	Funds from pipeline capacity sales plus interest
OC San Future Treatment and Disposal Capacity	R-05	\$1,861,185	\$1,842,396	\$1,842,396	\$18,789	Target set at 06/30/2022 balance. Interest through 12/31/2022
OC San Pipeline Rehabilitation	R-06	\$2,414,028	\$2,425,147	\$7,250,000	(\$4,835,972)	Consider contributions in FYE 2024 and 2025
Pipeline Replacement and Capital Investment	R-07	\$29,187,668	\$16,594,000	\$40,640,000	(\$11,452,332)	Consider contributions in FYE 2024 and 2025
Totals		\$50,765,942	\$28,738,590	\$63,450,714	(\$12,684,772)	

MOVED, that the Project Agreement 24 Committee:

1. Transfer \$5,525,046 from the eliminated reserves to the Pipeline Replacement and Capital Investment Reserve (R-07).
2. Receive and file Reserve Review.

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 – SEPTEMBER 2022

Presenter: Karen Williams

B. BRINE LINE FINANCIAL REPORT – OCTOBER 2022

Presenter: Karen Williams

C. BRINE LINE FINANCIAL REPORT – NOVEMBER 2022

Presenter: Karen Williams

D. FINANCIAL REPORT FOR THE FIRST QUARTER ENDING SEPTEMBER 30, 2022

Karen Williams provided a brief overview and referenced the Financial Report for the Inland Empire Brine Line Enterprise/CIP for the First Quarter Ending September 30, 2022, contained in the agenda packet on pages 107-115.

7. REQUEST FOR FUTURE AGENDA ITEMS

There were no requests for future Agenda items.

8. CLOSED SESSION

There was no Closed Session.

9. ADJOURNMENT

There being no further business for review, Chair T. Milford Harrison adjourned the meeting at 11:12 a.m.

Approved at a Regular Meeting of the Project Agreement 24 Committee on March 7, 2023.

T. Milford Harrison, Chair

Attest:

Sara Villa, Clerk of the Board

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PA 24 COMMITTEE MEMORANDUM NO. 2023.4

DATE: March 7, 2023

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

SUBJECT: Agua Mansa Lateral

PREPARED BY: David Ruhl, Executive Manager of Engineering and Operations

RECOMMENDATION

That the Project Agreement 24 Committee:

1. Direct the General Manager to file a Notice of Exemption for the Inland Empire Brine Line Agua Mansa Lateral Project with the San Bernardino County Clerk's Office; and
2. Direct the General Manager to issue a Notice Inviting Bids, upon completion of the Final Plans and Specifications, for the Construction of the Inland Empire Brine Line Agua Mansa Lateral Project.

DISCUSSION

In June 2022, the PA 24 Committee approved a cost share agreement with San Bernardino Valley Municipal Water District (Valley) and Rialto Bioenergy Facility Inc. (RBF) to design and construct the Agua Mansa Lateral. Under the terms of the agreement, SAWPA will own and operate the lateral, and Valley, RBF and SAWPA share the costs of design and construction, see Table 1. The lateral is about 4,550 linear feet in length, 8-inch or 12-inch in diameter that connects from RBF's existing lateral to the existing 36-inch Brine Line on Aqua Mansa Road.

The Aqua Mansa Lateral will allow RBF to connect to the Brine Line downstream of a long siphon, provide opportunities for future discharges to connect to the Brine Line and other benefits to the operation and maintenance of the Brine Line, such as operational flexibility, avoided maintenance costs and increased reliability by minimizing disruptions to upstream dischargers during maintenance or emergency events.

SAWPA hired Dudek to prepare the plans and specifications. Plans have been submitted to the Cities of Rialto and Colton, San Bernardino Flood Control District (District) and Valley for review. SAWPA staff has reviewed the plans and have provided comments to Dudek. A final set of plans and specifications is anticipated on March 31, 2023.

Construction Cost Estimate

The estimate of construction cost for the Agua Mansa Lateral is \$2,013,000 for an 8-inch lateral and \$2,167,000 for a 12-inch lateral. The lateral will be advertised and bid as both an 8-inch lateral and a 12-inch lateral. A recommendation to award either an 8-inch lateral or a 12-inch lateral will be provided to the PA 24 Committee on June 6, 2023. Based on these estimated construction costs, the cost share is as follows:

Table 1: Cost Share Summary for an 8-inch lateral and a 12-inch lateral.

Lateral Size	SAWPA Costs (4.5%)*	Valley District Costs (13.5%)*	RBF Costs (82%)	Total Costs
8"	\$121,000	\$363,000	\$1,715,440	\$2.199M
12"	\$159,500	\$478,500	\$1,715,440**	\$2.353M

*Also includes design and bidding costs.

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

Schedule and Timing of Work

Schedule of Critical Activities	
CEQA Notice of Exemption	March 7, 2023
PA24 Approval – Notice Inviting Bids	March 7, 2023
Final Plans and Specifications	March 30, 2023
Issue Notice Inviting Bids	March 31, 2023
PA 24 Approval – Award Construction Contract	June 6, 2023
Construction	July – December 2023

CEQA

The project is located along existing paved City streets and within the unpaved District access road adjacent to the Rialto Channel. No significant environmental impacts are anticipated. Additionally, all work will be adjacent to the same Brine Line alignment within Agua Mansa Road and the District’s access road. This project is categorically exempt from CEQA because it involves minor repair or maintenance of an existing sewerage facility and because it involves replacement or reconstruction of an existing utility system involving negligible or no expansion of capacity (14 CCR, Section 15301b and 15302c).

RESOURCE IMPACTS

Construction costs would be paid from Brine Line Reserves (Pipeline Replacement and Capital Investment Reserve). Cost share payments received from RBF and Valley would be deposited back to the Pipeline Replacement and Capital Investment Reserve. SAWPA’s capital cost is estimated at \$159,500 (Reserves). Annual O&M cost is estimated at \$11,000 per year and is included in the Fiscal Year 24 Budget Fund 240 (Brine Line Enterprise).

Attachments:

1. Notice of Exemption
2. PowerPoint Presentation

NOTICE OF EXEMPTION

To: San Bernardino County Clerk
222 West Hospitality Lane
San Bernardino, California 92415

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

Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

Project Title: Inland Empire Brine Line Agua Mansa Lateral

Location: Agua Mansa Road between South Riverside Avenue and San Bernardino County Flood Control District (District) access road parallel to District’s Rialto Channel.

Location – Cities: Rialto and Colton **Location – Counties:** San Bernardino

Description of Nature, Purpose and Beneficiaries of the Project:

The Inland Empire Brine Line (Brine Line) is an important infrastructure link moving high saline wastewater and sewage from their sources to a treatment facility in Orange County. An existing lateral to the Brine Line is connected to a long siphon, a pressurized portion of the Brine Line, which creates operational issues including deposition of materials and lack of access for maintenance activities. The project will establish a new lateral and connection to the Brine Line 4,550 feet from the existing connection and downstream of the siphon, eliminating the operation and maintenance issues with the existing connection. The project is designed to prevent a pipeline blockage that could result in a sewage spill and service disruption.

All work will take place adjacent to the existing Brine Line alignment within Aqua Mansa Road and the District’s access road. During construction, Traffic Control will be coordinated with the City of Rialto and City of Colton.

Name of Lead Agency Approving Project: Santa Ana Watershed Project Authority (SAWPA)

Reasons why project is exempt: This project is categorically exempt from the California Environmental Quality Act (CEQA) because it involves a minor repair or maintenance of an existing public sewerage facility and does not expand its existing use beyond that at the time of the lead agency’s determination (14 California Code of Regulations (CCR), Section 15301b) and because it involves replacement or reconstruction of an existing utility system involving negligible or no expansion of capacity, will be located in the same alignment and will have substantial the same purpose and capacity as the facility replace (CCR, Section 15302c). This project is conducted in an area either disturbed as part of the San Bernardino Flood Control District access road or under a section of paved road. The existing Brine Line facility is part of a publicly-owned utility providing sewerage services to the area. The project will enhance system reliability and mitigate the risk of spills impacting public health and water quality.

As this project is exempt no notice is required, nor is a hearing or opportunity to be heard required and no findings are required pursuant to 14 CCR, Sections 15061 and 15062.

Lead Agency Contact Person: David Ruhl, Executive Manager of Engineering and Operations

Area Code/Telephone/Extension: (951) 354-4223

Email: druhl@sawpa.org

Signature: _____ Date: _____ Title: _____

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Inland Empire Brine Line Agua Mansa Lateral

David Ruhl, Executive Manager of Engineering and Operations
Project Agreement 24 Committee
March 7, 2023| Item No. 5.A

Agua Mansa Lateral

Recommendation:

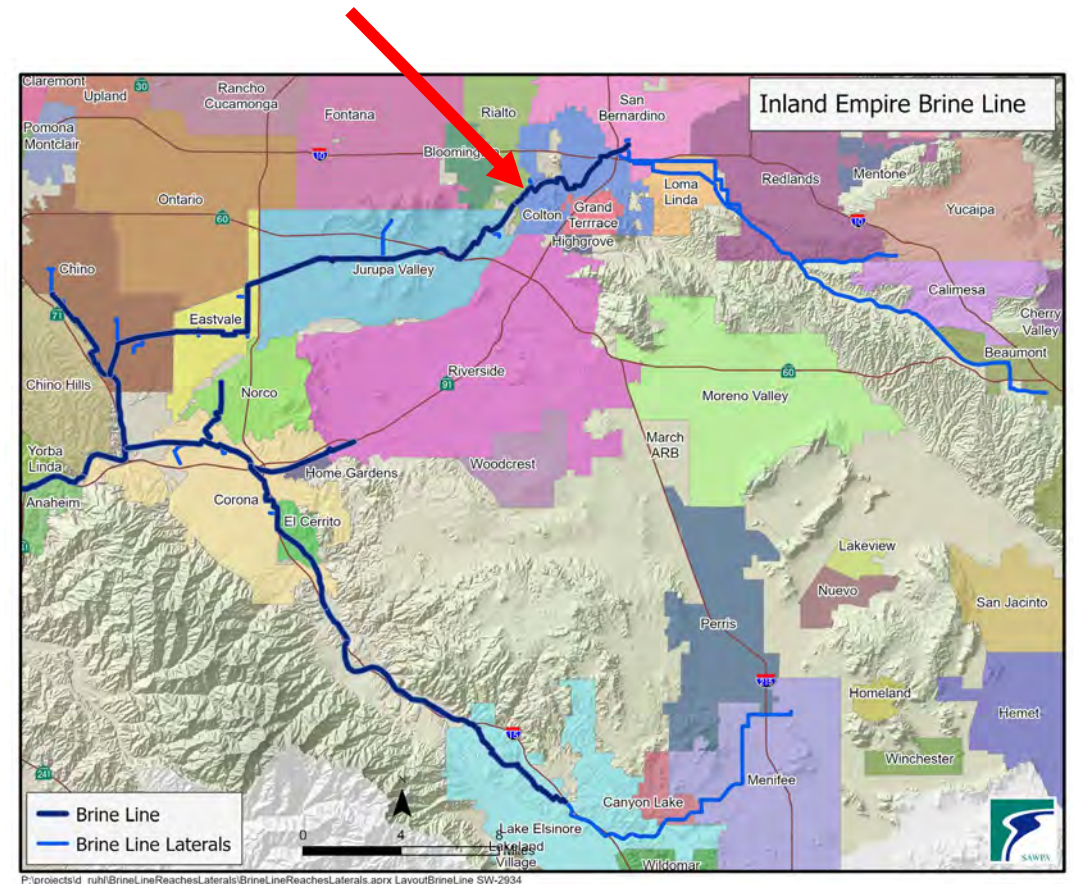
That the PA 24 Committee:

1. Direct the General Manager to file a Notice of Exemption for the Inland Empire Brine Line Agua Mansa Lateral Project with the San Bernardino County Clerk's Office; and
2. Direct the General Manager to issue a Notice Inviting Bids, upon completion of the Final Plans and Specifications, for the Construction of the Inland Empire Brine Line Agua Mansa Lateral Project.

Cost Share Agreement

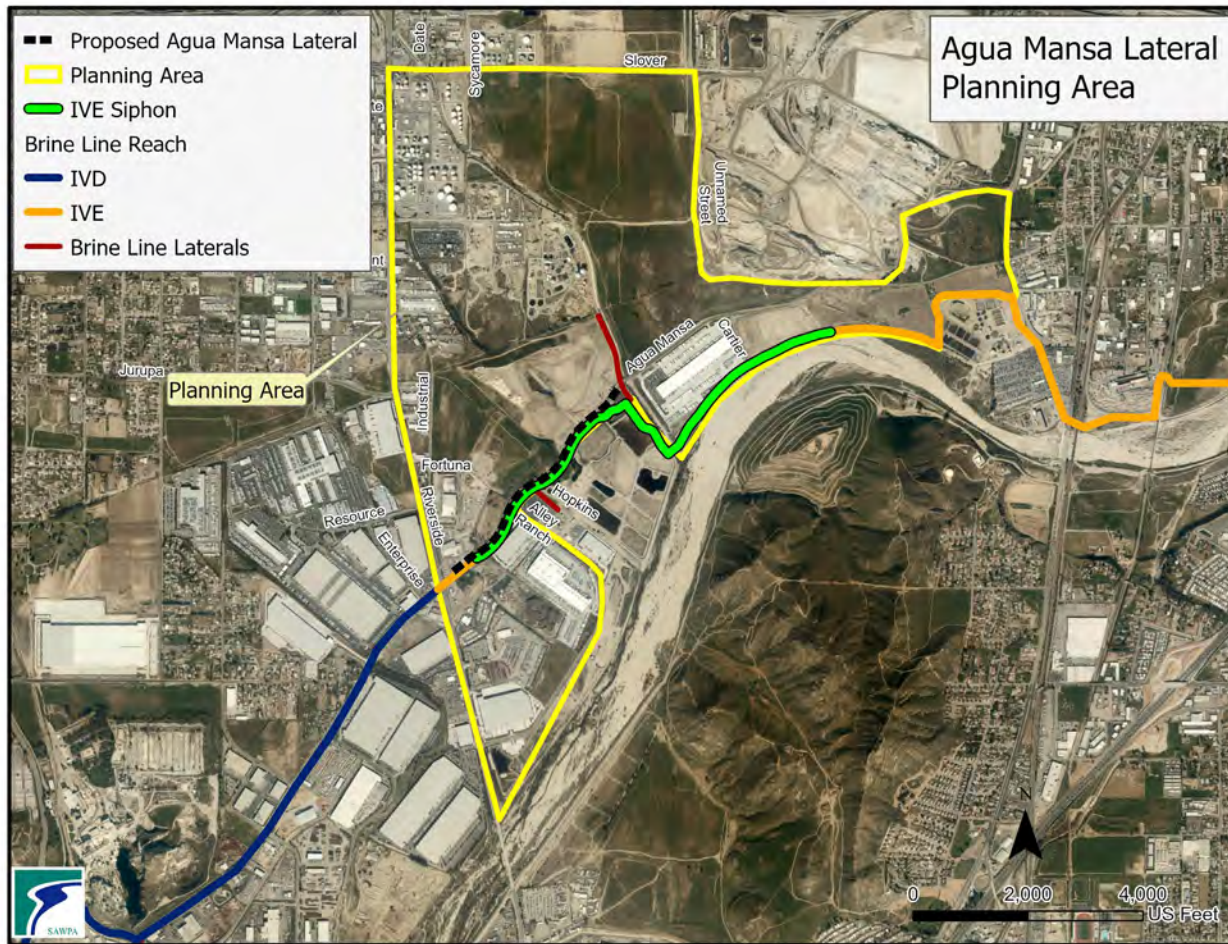
- SAWPA own and operate new lateral
- Cost Share

	<u>Construction</u>	<u>Design</u>
▪ RBF	82.0%	N/A
▪ SAWPA	4.5%	25%
▪ Valley	13.5%	75%
- SAWPA prepare plans and specifications
 - `4,550 linear feet, (8" and 12" pipeline)



- RBF pay their cost share in 5 installments
- RBF to pay 3% interest on unpaid balance
- RBF parent company (Anaergia) provide payment Guaranty
- SAWPA distribute future connection fees (SAWPA 25% / Valley 75%)

Cost Share - Benefits



- Opportunity for future dischargers to connect to the Brine Line
- Operational flexibility
- Increased reliability
- Avoided maintenance costs
- Removes connection from long siphon

Construction Cost Estimate and Notice of Exemption

- Estimate of Construction Cost

- 8-inch Lateral \$2,013,000
- 12-inch Lateral \$2,167,000

- Notice of Exemption

- No significant environmental impacts are anticipated
- Project located along existing paved City streets and within the unpaved San Bernardino Flood Control Access Road
- All work adjacent to existing Brine Line and portion along same Brine Line Alignment

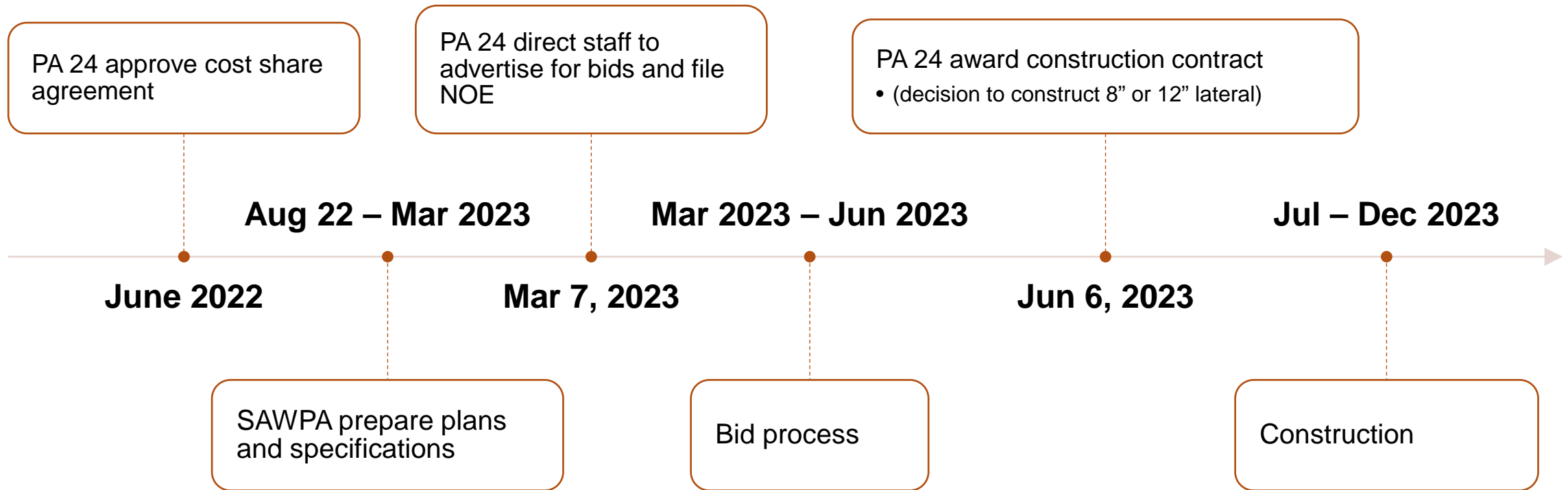
Budget and Cost Summary

- Costs based on design and estimated construction costs
- SAWPA and Valley costs include design and bidding costs
- RBF would not pay any additional construction costs for upsizing to 12-inch lateral
- Final cost summary based on actual design and construction costs
- Design and construction costs paid from Brine Line Reserves (Pipeline Replacement and Investment Reserve)
- Cost share payments returned to Brine Line Reserves
- Estimated annual O&M costs \$11,000/year



Lateral Size	SAWPA Costs (4.5%)	Valley Costs (13.5%)	RBF Costs (82%)	Total Costs
8"	\$121,000	\$363,000	\$1,715,440	\$2.199M
12"	\$159,500	\$478,500	\$1,715,440	\$2.353M

Schedule



Agua Mansa Lateral

Recommendation:

That the PA 24 Committee:

1. Direct the General Manager to file a Notice of Exemption for the Inland Empire Brine Line Agua Mansa Lateral Project with the San Bernardino County Clerk's Office; and
2. Direct the General Manager to issue a Notice Inviting Bids, upon completion of the Final Plans and Specifications, for the Construction of the Inland Empire Brine Line Agua Mansa Lateral Project.

Questions?

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PA 24 COMMITTEE MEMORANDUM NO. 2023.5

DATE: March 7, 2023

TO: Project Agreement 24 Committee

SUBJECT: FYE 2024 and 2025 Brine Line Fund Draft Budget

PREPARED BY: Karen Williams, DGM/CFO

RECOMMENDATION

It is recommended that the Committee adopt the draft FYE 2024 and 2025 Brine Line Fund Budget.

DISCUSSION

On February 7, 2023, staff presented the FYE 2024 and 2025 Goals and Objectives to the Commission for their review. On February 9, 2023, the first draft FYE 2024 and 2025 Budget was presented to member agencies' financial staff at the Budget Workshop. There were no comments or suggested changes from the member agencies' financial staffs. As per the Budget Schedule, the Budget will be presented to the Commission in three meetings. The OWOW and Roundtable Budgets were presented on February 21, 2023, the General Fund Budget will be presented on March 7, 2023, and the combined Comprehensive Budget will be presented on April 4, 2023.

As in the past, the FYE 2024 and 2025 is a two-year budget and is being prepared in accordance with the Government Finance Officers Association's (GFOA) recommended guidelines and practices. SAWPA has received the GFOA Distinguished Budget Presentation Award for the last seven biennial budgets. Staff will submit the FYE 2024 and 2025 Budget for this award program after final adoption.

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

- ◆ Brine Line Enterprise Budget – FYE 2024 and 2025
- ◆ Brine Line Capital Budget – FYE 2024 and 2025

RESOURCE IMPACTS

The fixed pipeline and treatment capacity charges will remain flat for FYE 2024 and 2025. The only increases to Brine Line rates are for OC San projected increases of 2.25% for flow and 5% for BOD and TSS for each year.

Attachments:

1. PowerPoint Presentation
2. Budget Documents:
 - Brine Line Enterprise Budget – FYE 2024 and 2025
 - Capital Budget – FYE 2024 and 2025

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FYE 2024 and 2025 Brine Line Draft Budget

SAWPA

Brine Line Operations & Capital Budget



What is the Brine Line?

- The Inland Empire Brine Line (IEBL) is a 73 mile-long regional brine line designed to convey 30 million gallons per day of high saline waste water from the upper Santa Ana River Basin to the Pacific Ocean for disposal after treatment
- It was built as the fundamental method of salt export for the region
- Pipeline ranges in age from 21 to 49 years
 - Reach 4 was constructed in the mid-70's (around 1974)
 - Reaches 4A and 4B were constructed in the early 1980's (1982)
 - Reaches 4D and 4E were constructed in the early 1990's (1994)
 - Reach 5 was constructed in the early 2000's (2002). Rehab in 2017
- Pipe diameters range from 16 inch to 48 inch

Inland Empire Brine Line

— Brine Line Laterals

Brine Line

REACH

— IV

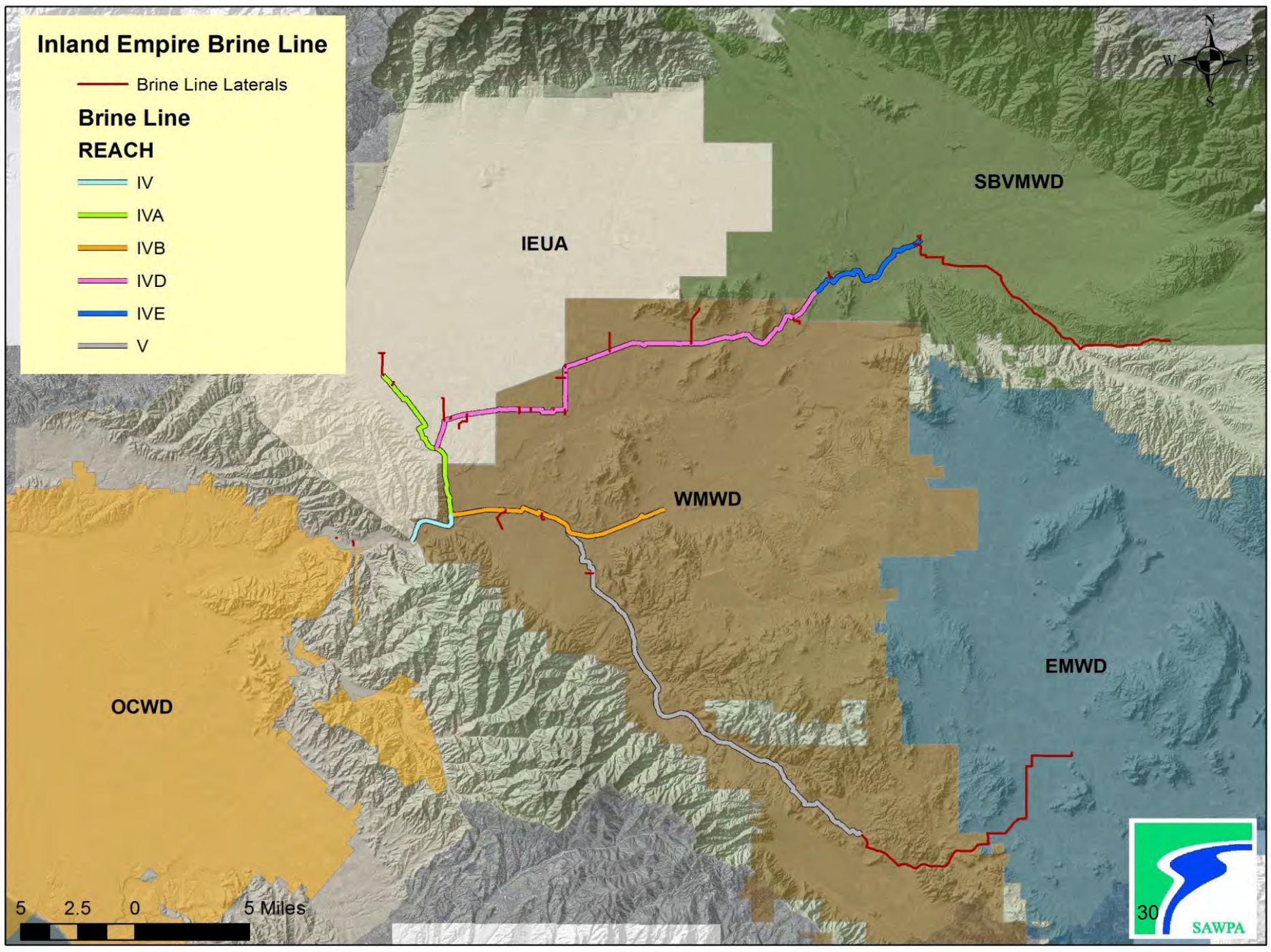
— IVA

— IVB

— IVD

— IVE

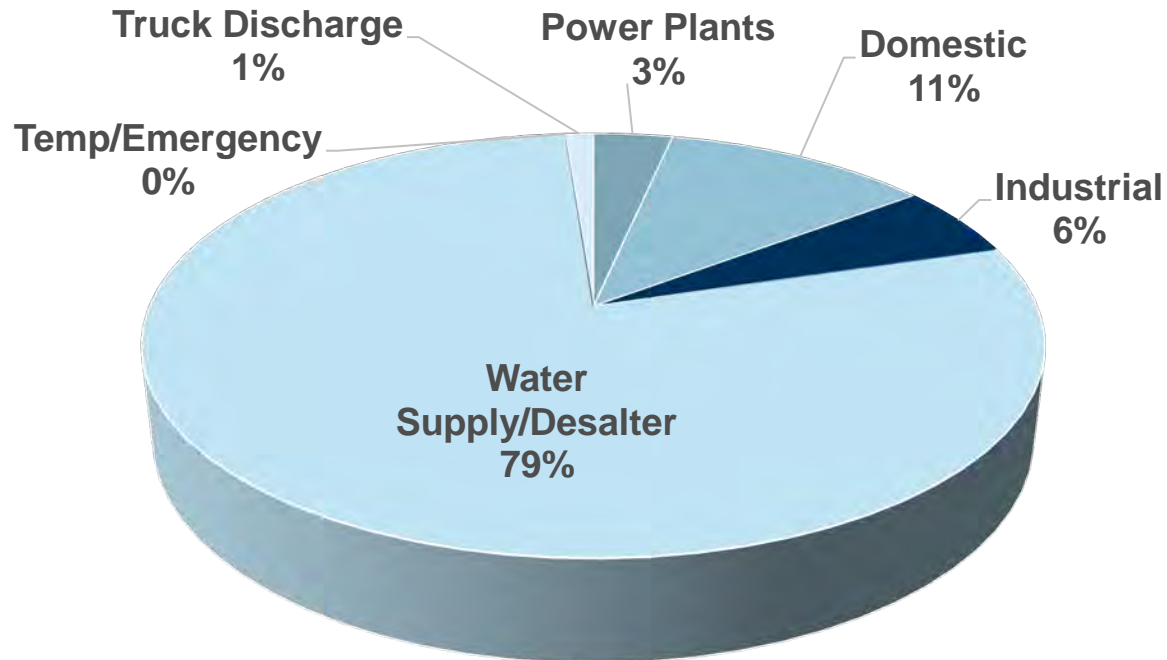
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5 2.5 0 5 Miles



Who Uses the Brine Line?



Historical Revenues & Expenses

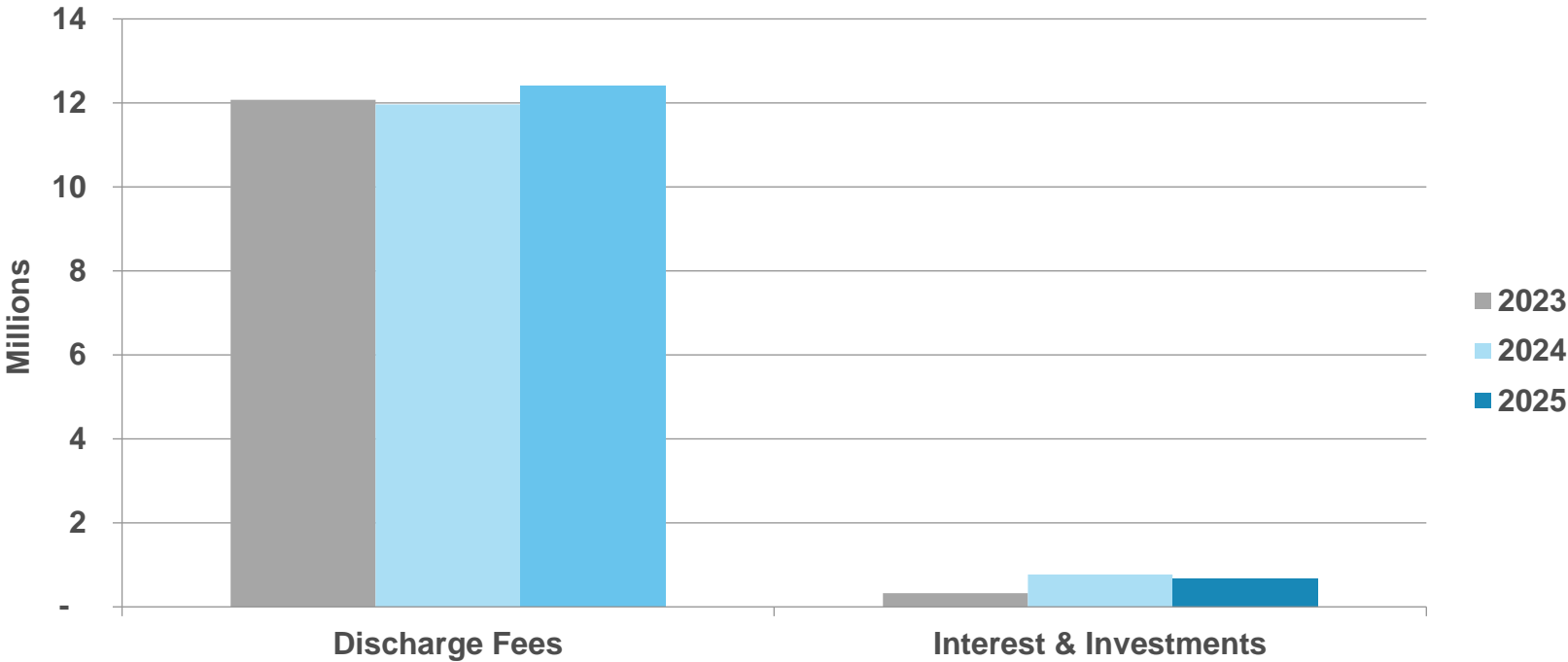
	FYE	Revenues	Expenses	To (From) Reserves
	2020	11,539,517	(10,000,785)	1,538,732
	2021	15,065,041	(13,547,431)	1,517,610
	2022	12,540,991	(10,440,350)	2,100,641
Budget	2023	12,071,872	(12,071,872)	0
	2024	12,731,620	(12,731,620)	0
	2025	13,078,112	(13,078,112)	0

Historical Flows

FYE	Total Flows (MGD)
2020	4,025
2021	3,969
2022	4,035
2023	3,700
2024	4,015
2025	4,161

Budget {

Brine Line Enterprise Revenue



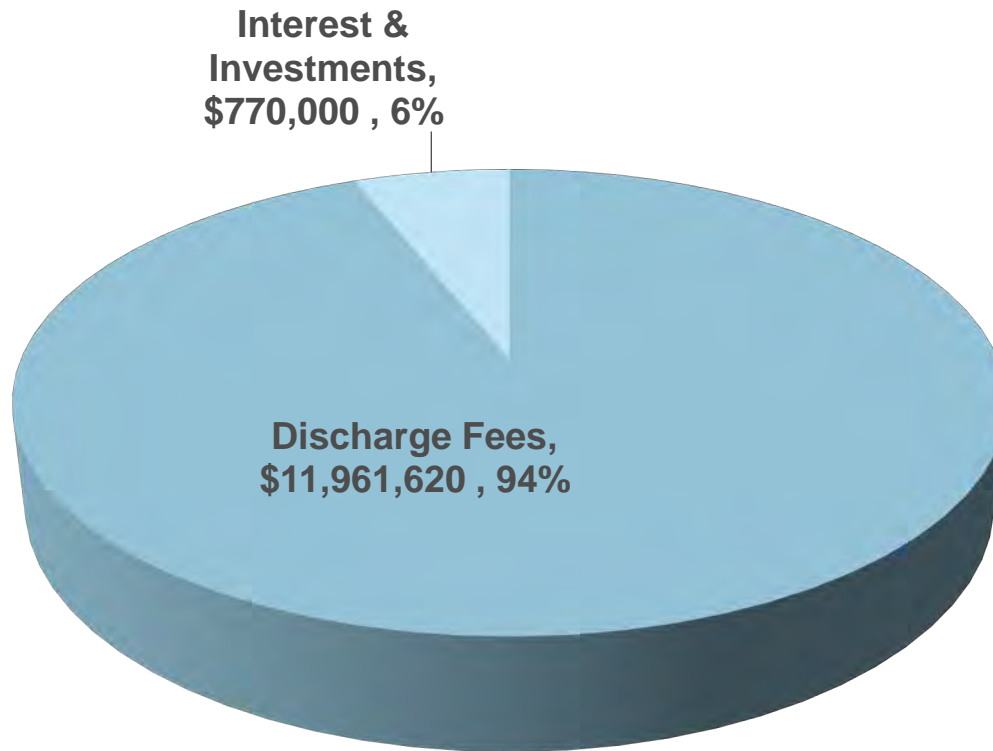
Brine Line Enterprise Revenues

Revenue	FYE 2023	FYE 2024	FYE 2025
Discharge Fees	\$12,071,872	\$11,961,620	\$12,405,112
Interest & Investments	325,000	770,000	673,000
Total	\$12,396,872	\$12,731,620	\$13,078,112

Flow (MGs)	3,700	4,015	4,161
BOD per 1,000 lbs.	1,200	1,000	1,050
TSS per 1,000 lbs.	4,400	2,500	2,600
Truck Discharge (MGs)	20	29.4	30.9

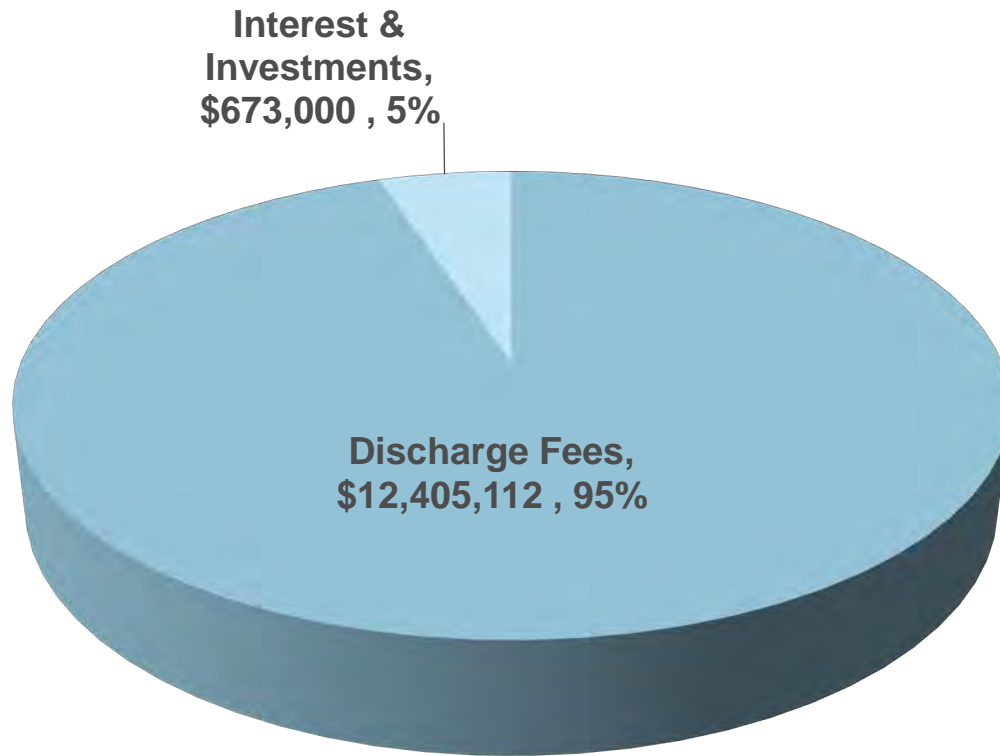
FYE 2024

Brine Line Revenues \$12.7 Million

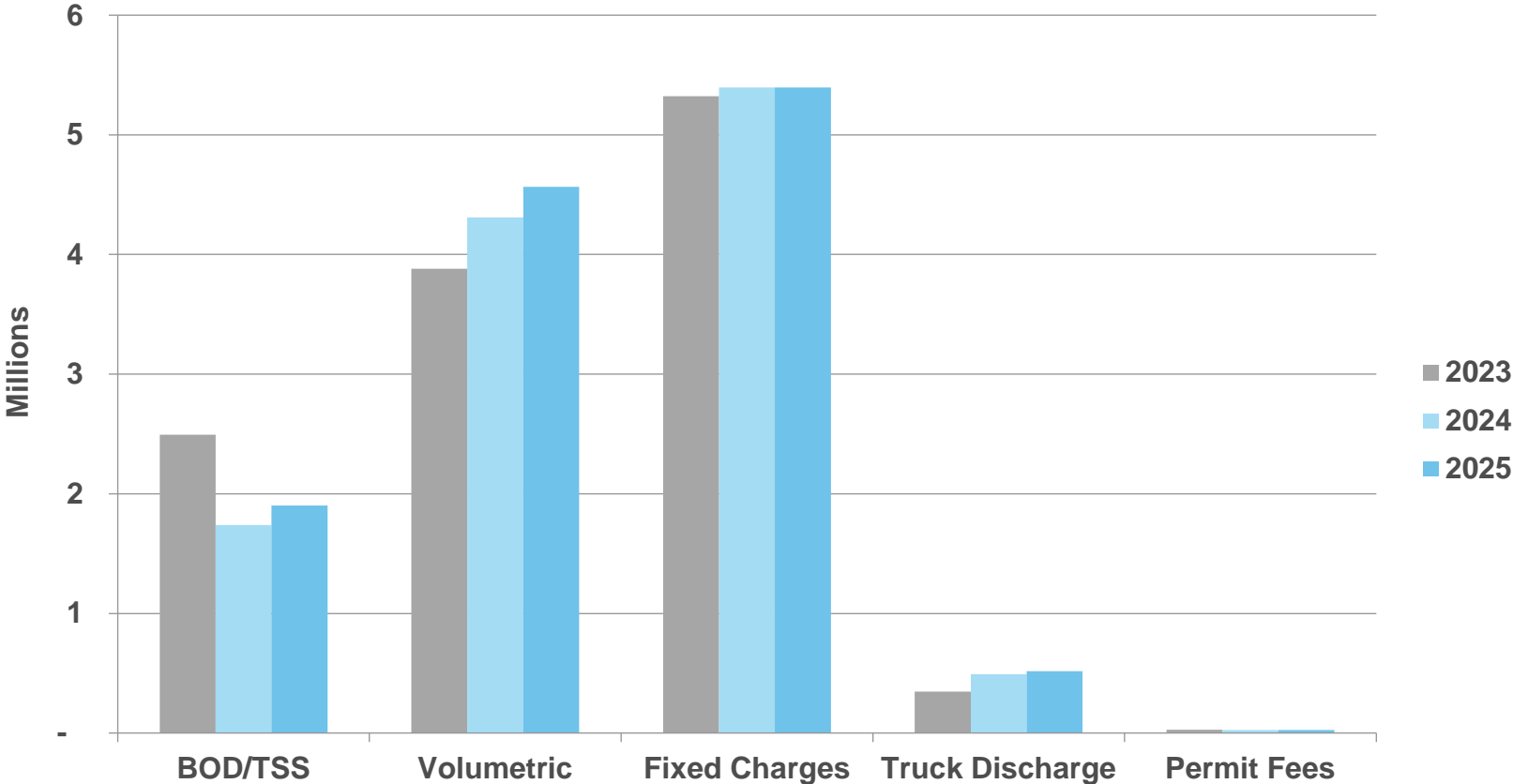


FYE 2025

Brine Line Revenues \$13.1 Million



Brine Line Enterprise Discharge Fees

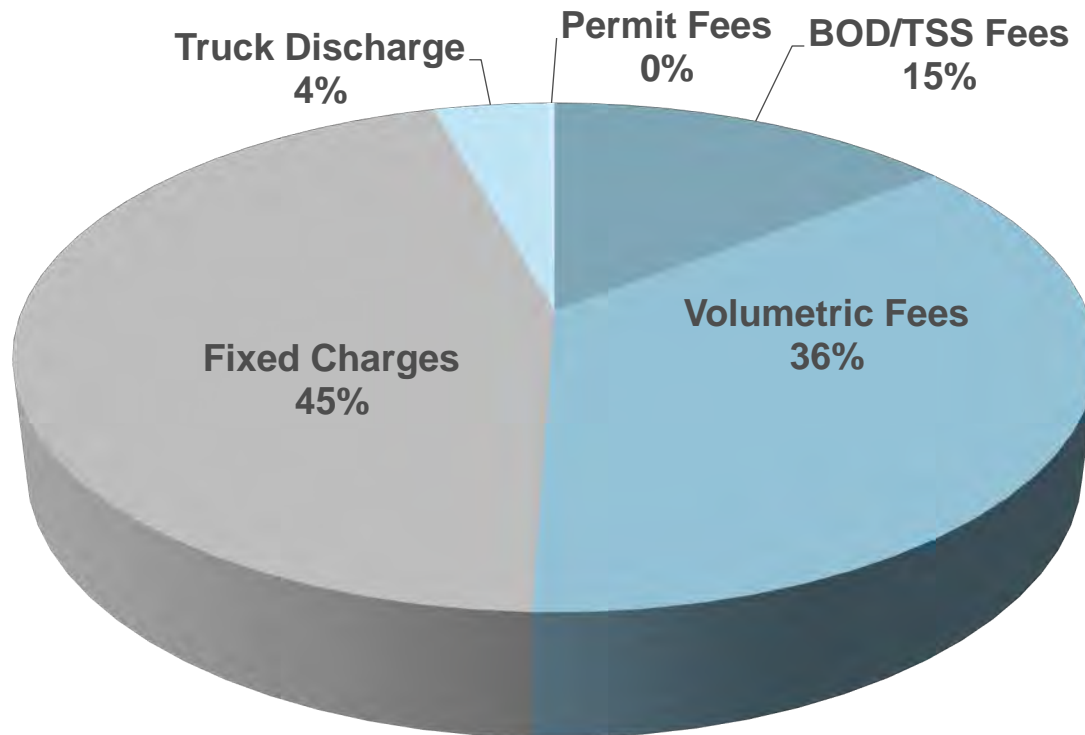


Brine Line Enterprise Discharge Fees

Expense	FYE 2023	FYE 2024	FYE 2025
BOD/TSS Fees	\$2,492,400	\$1,738,500	\$1,900,850
Volumetric Fees	3,881,300	4,308,095	4,564,617
Fixed Charges	5,323,422	5,396,025	5,396,025
Truck Dump Fees	346,500	492,400	517,020
Permit Fees	28,250	26,600	26,600
Total	\$12,071,872	\$11,961,620	\$12,405,112

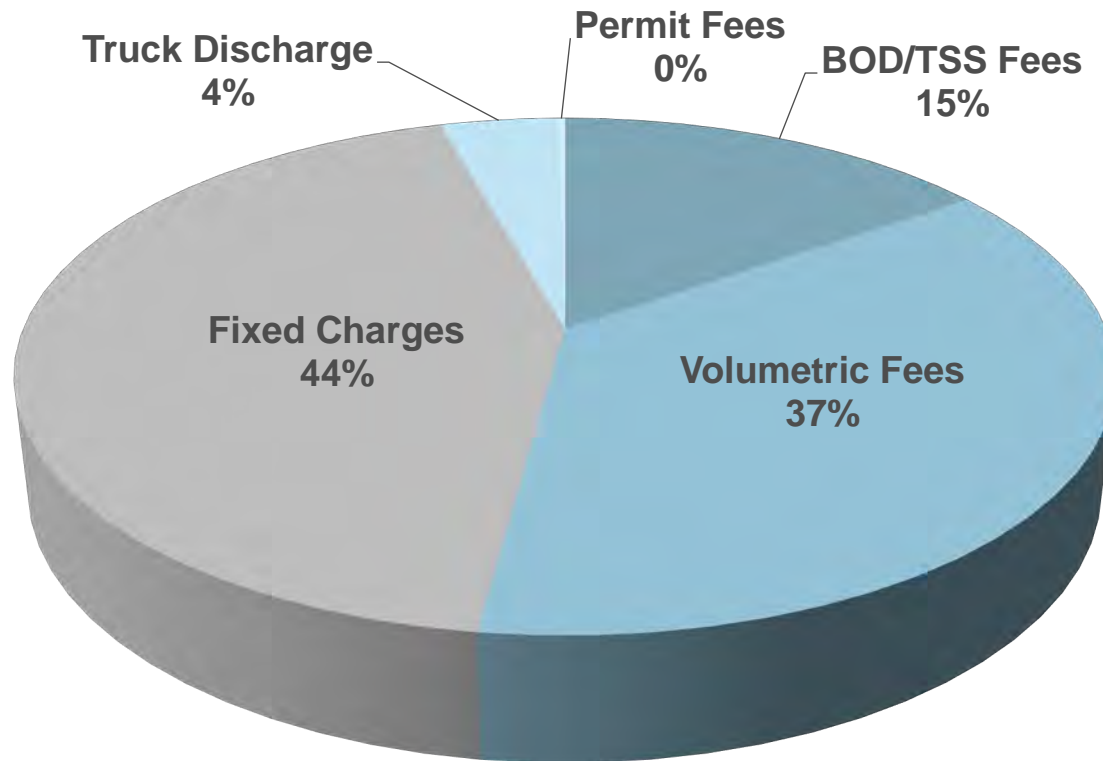
FYE 2024

Discharge Fees \$11.9 Million

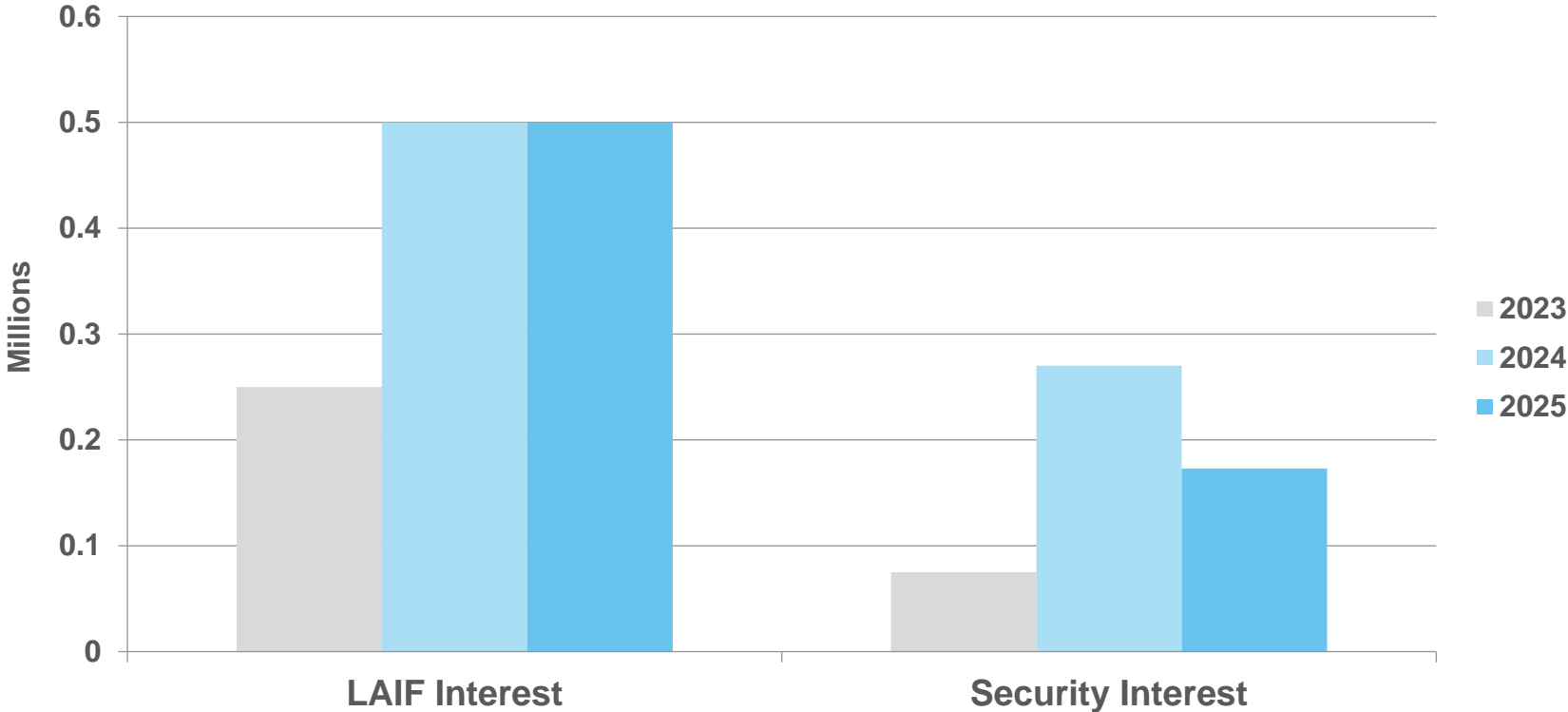


FYE 2025

Discharge Fees \$12.4 Million

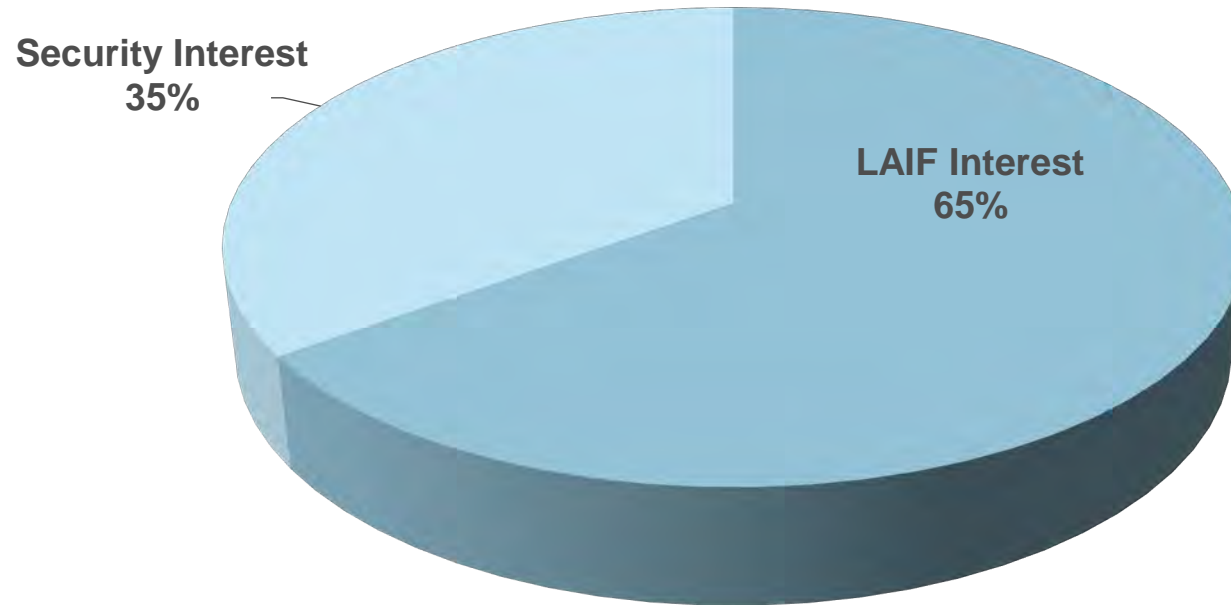


Interest & Investments



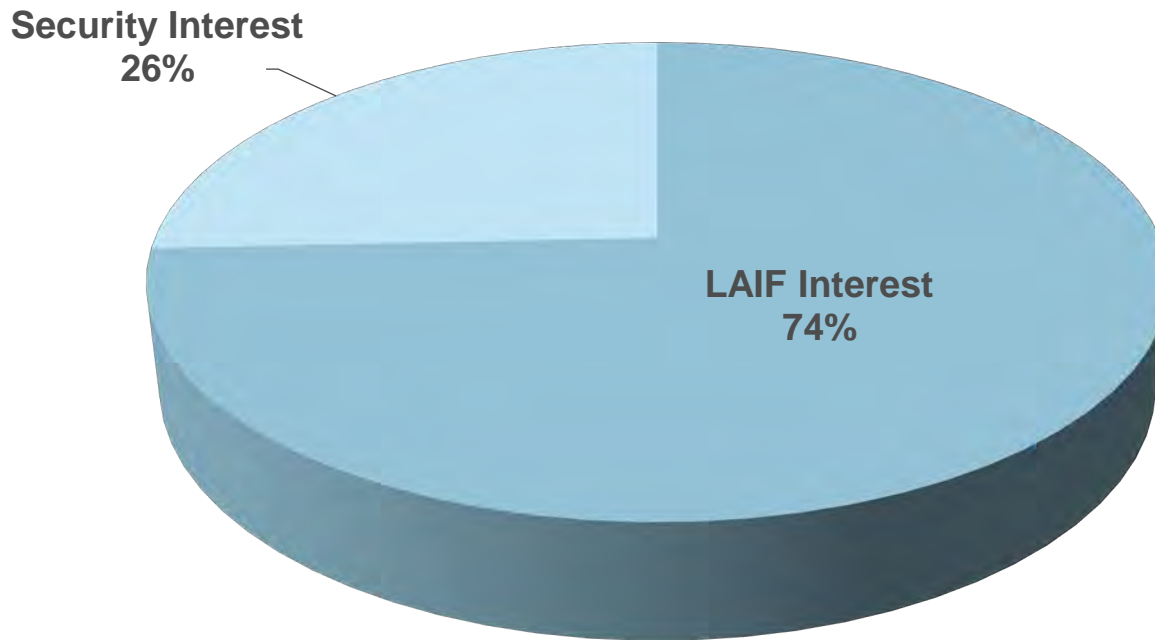
FYE 2024

Interest & Investments \$770,000

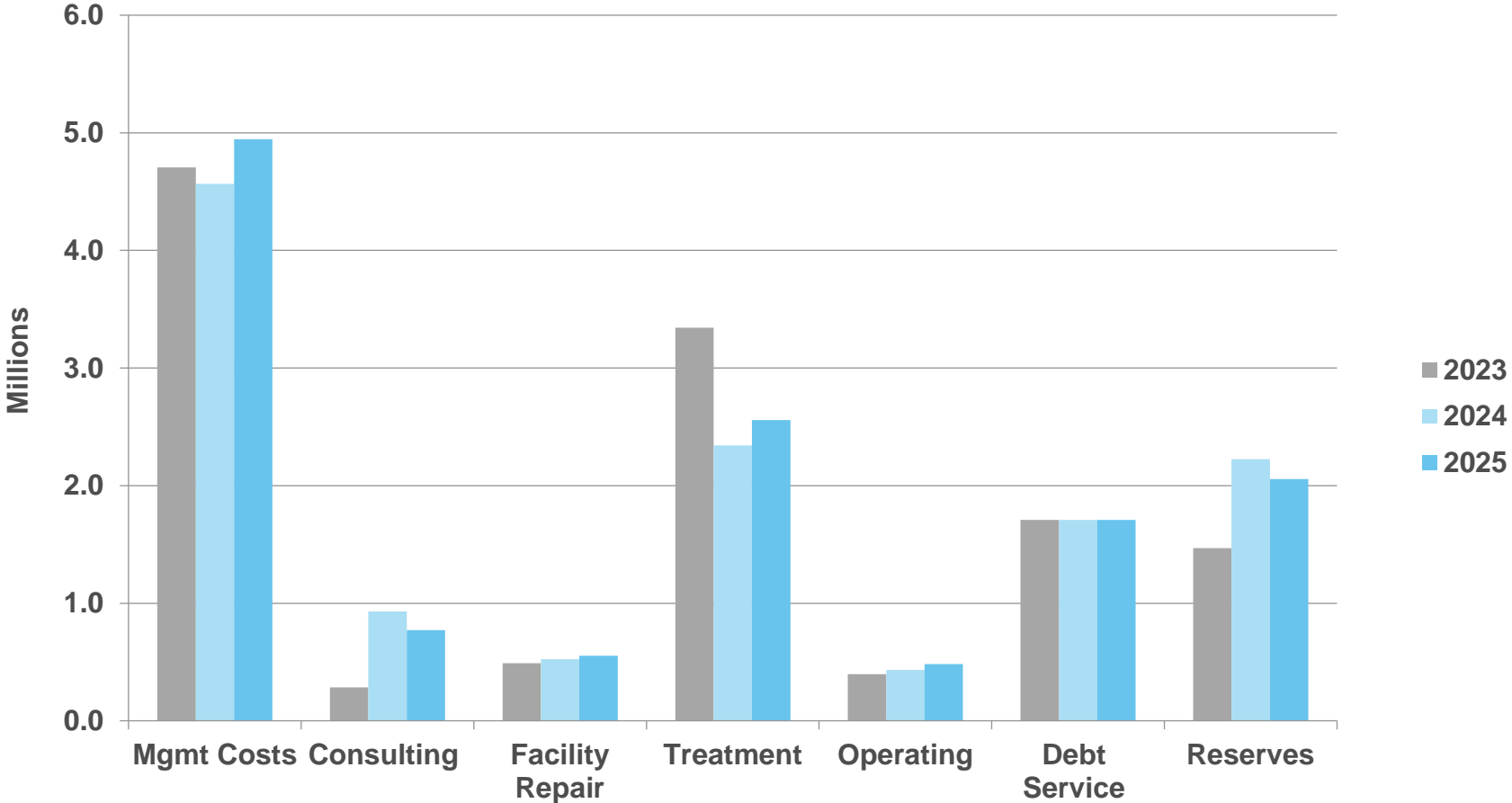


FYE 2025

Interest & Investments \$673,000



Brine Line Enterprise Expenses



Brine Line Enterprise Expenses

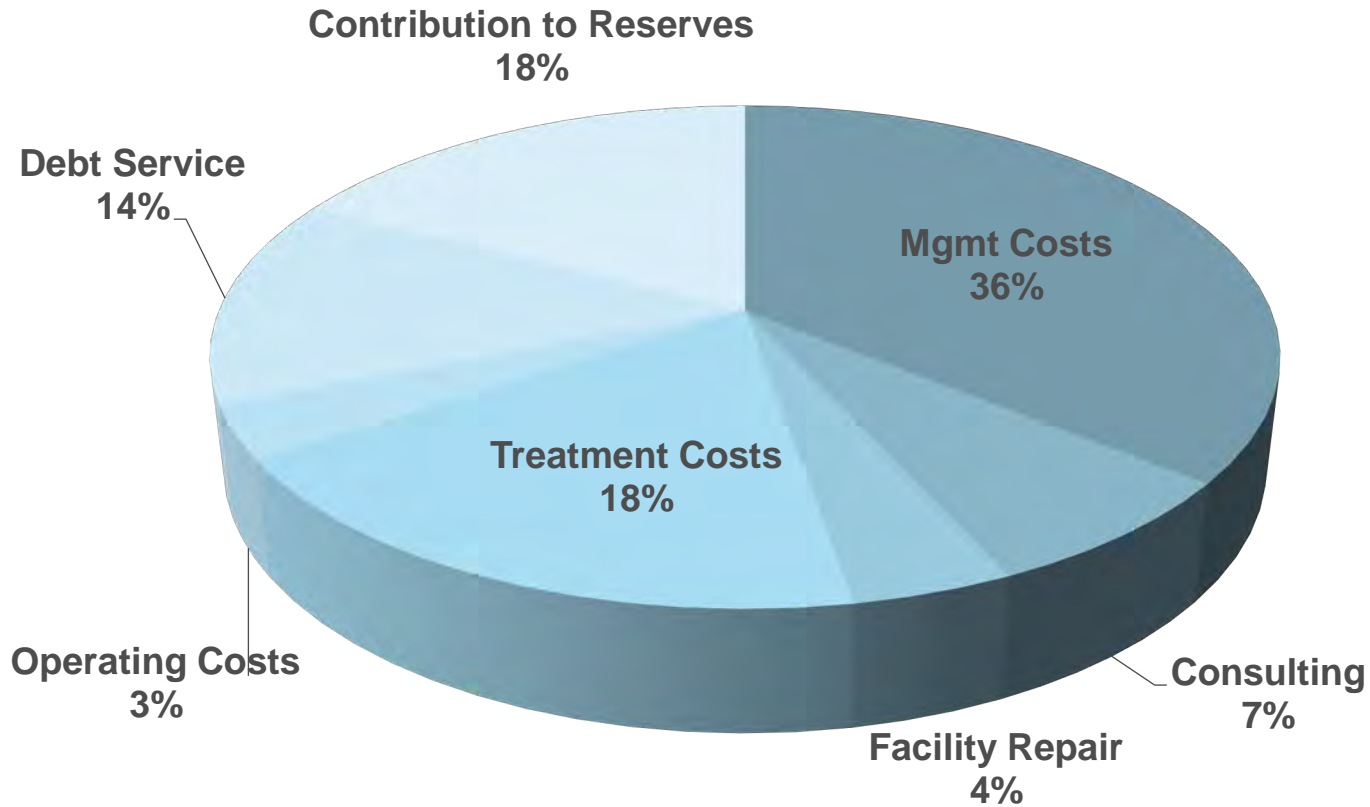
Expense	FYE 2023	FYE 2024	FYE 2025
Management Costs	\$4,705,203	\$4,565,423	\$4,944,865
Consulting	285,000	930,000	772,500
Facility Repair	490,000	525,080	553,558
Treatment Costs	3,342,400	2,341,637	2,558,621
Operating Costs	397,250	434,712	483,318
Debt Service	1,709,476	1,709,476	1,709,476
Reserves	1,467,543	2,225,292	2,055,772
Total	\$12,396,872	\$12,731,620	\$13,078,112

Brine Line Consulting Increases

- Hydraulic model support
- Complete Brine Line Master Plan
- Master Plan follow-up studies
 - System wide storage
 - Brine minimization
 - Enhance monitoring
- Traffic engineering (traffic control plan for MAS locations)
- Topographic mapping/field survey due to scouring and erosion
- Evaluate impacts due to scouring and erosion (Prado inundation area)

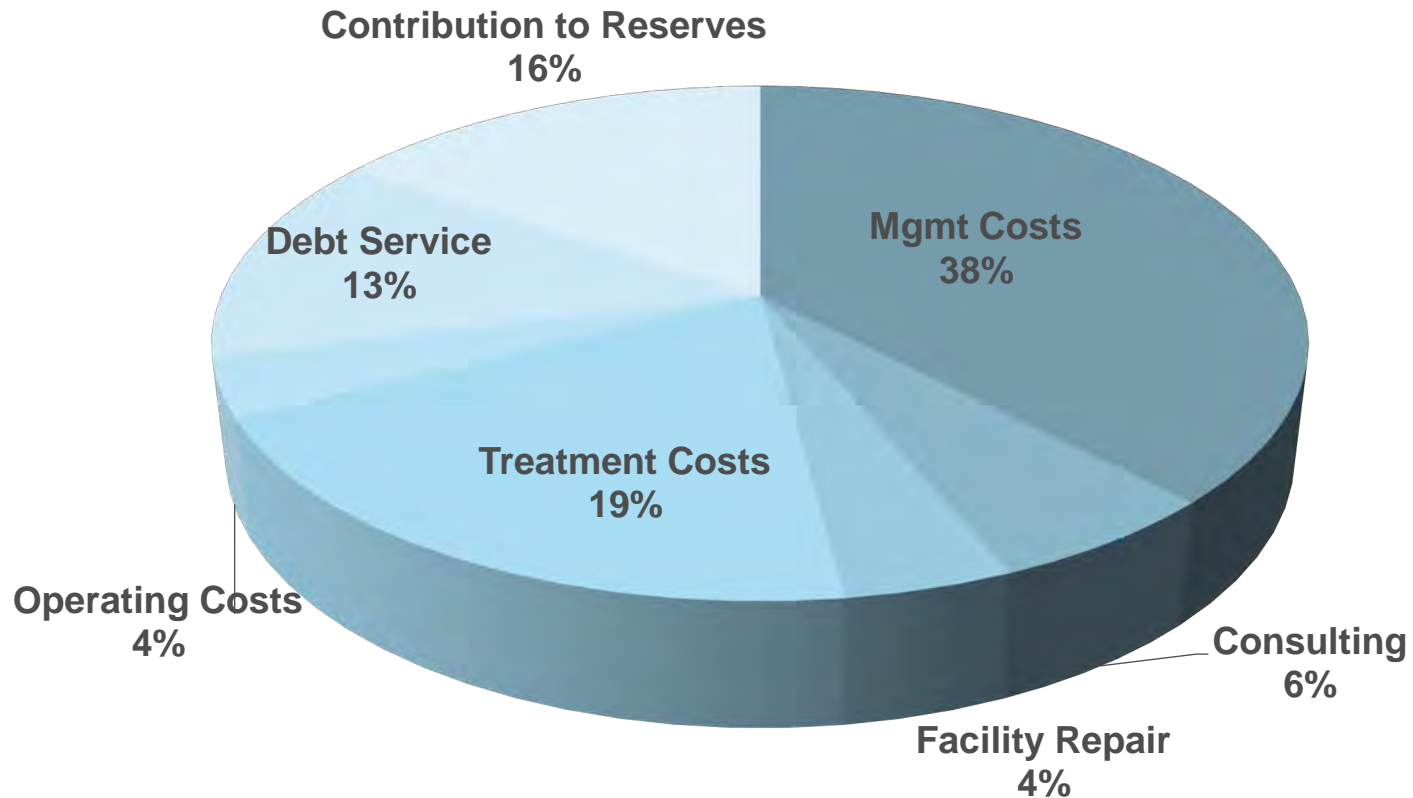
FYE 2024

Brine Line Expenses \$12.7 Million

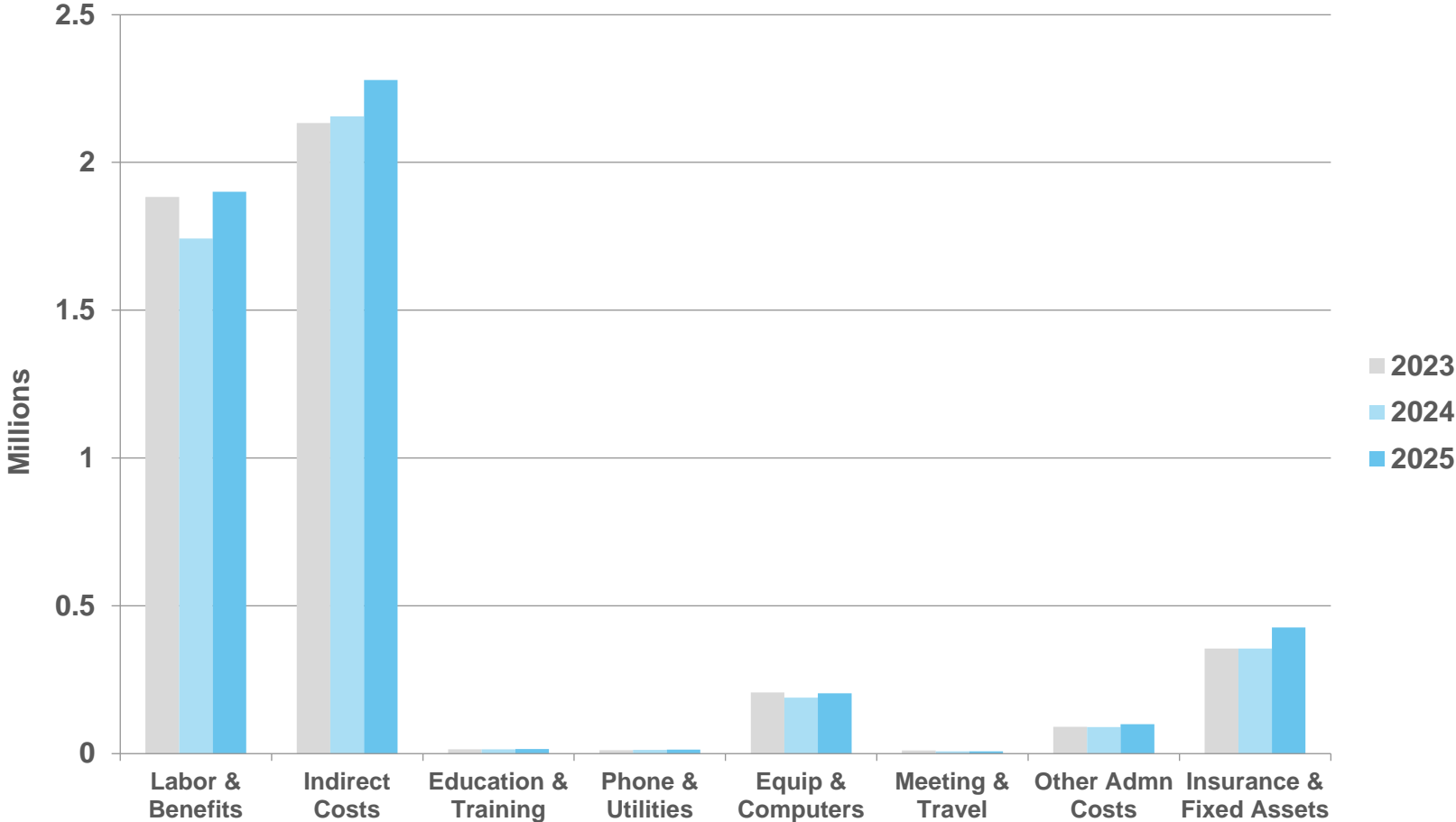


FYE 2025

Brine Line Expenses \$13.1 Million



Management Costs

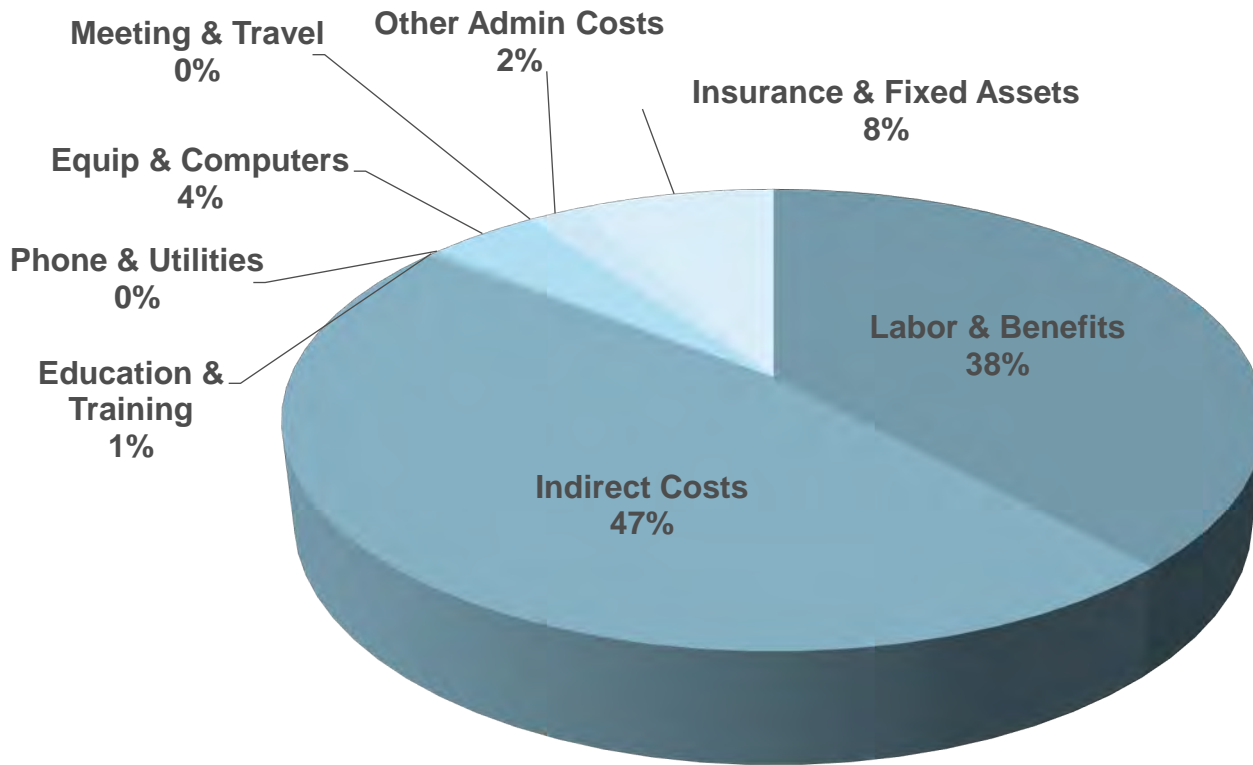


Management Costs

Expense	FYE 2023	FYE 2024	FYE 2025
Labor & Benefits	\$1,883,403	\$1,741,977	\$1,900,255
Indirect Costs	2,133,400	2,155,774	2,278,733
Education & Training	14,500	14,500	15,225
Phone & Utilities	11,500	12,000	13,200
Equip & Computers	206,500	188,706	204,167
Meeting & Travel	10,000	7,000	7,700
Other Admin Costs	90,900	89,915	98,988
Insurance, Rent, FA	355,000	355,551	426,597
Total	\$4,705,203	\$4,565,423	\$4,944,865

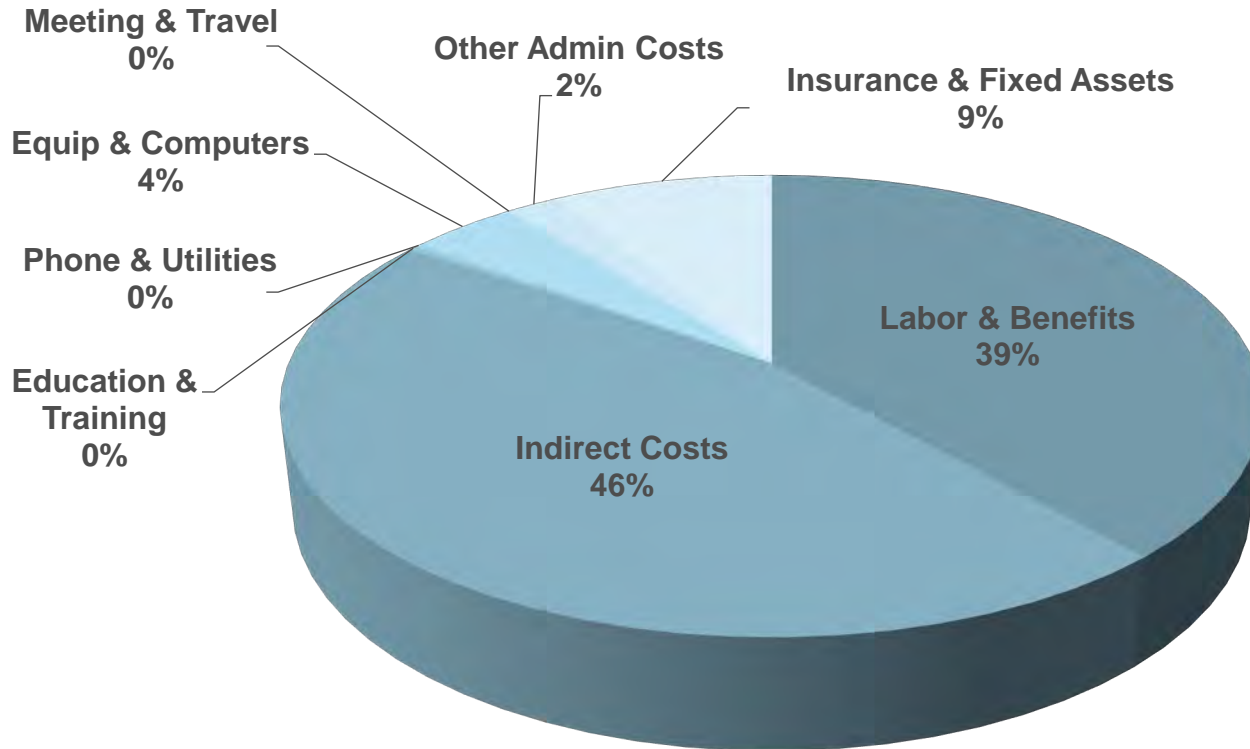
FYE 2024

Management Costs \$4.6 Million



FYE 2025

Management Costs \$4.9 Million



Fixed Asset Purchase



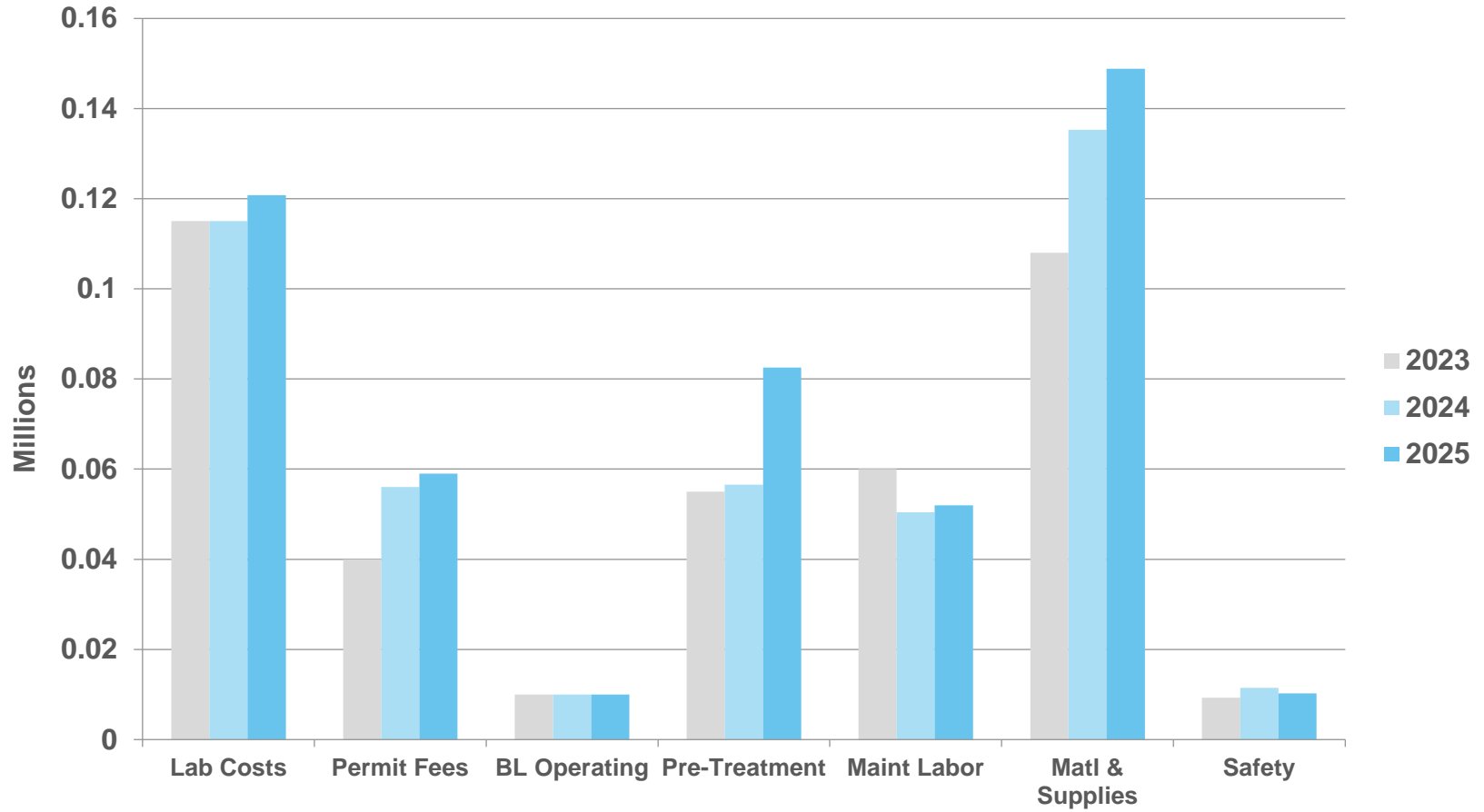
FYE 2024

- Submersible pump - \$6,000
- GMC truck (replacement) - \$60,000
- Composite samplers - \$12,200

FYE 2025

- Dump trailer - \$35,000
- Mini excavator with 2 buckets - \$100,000
- Composite samplers - \$13,420

Operating Costs

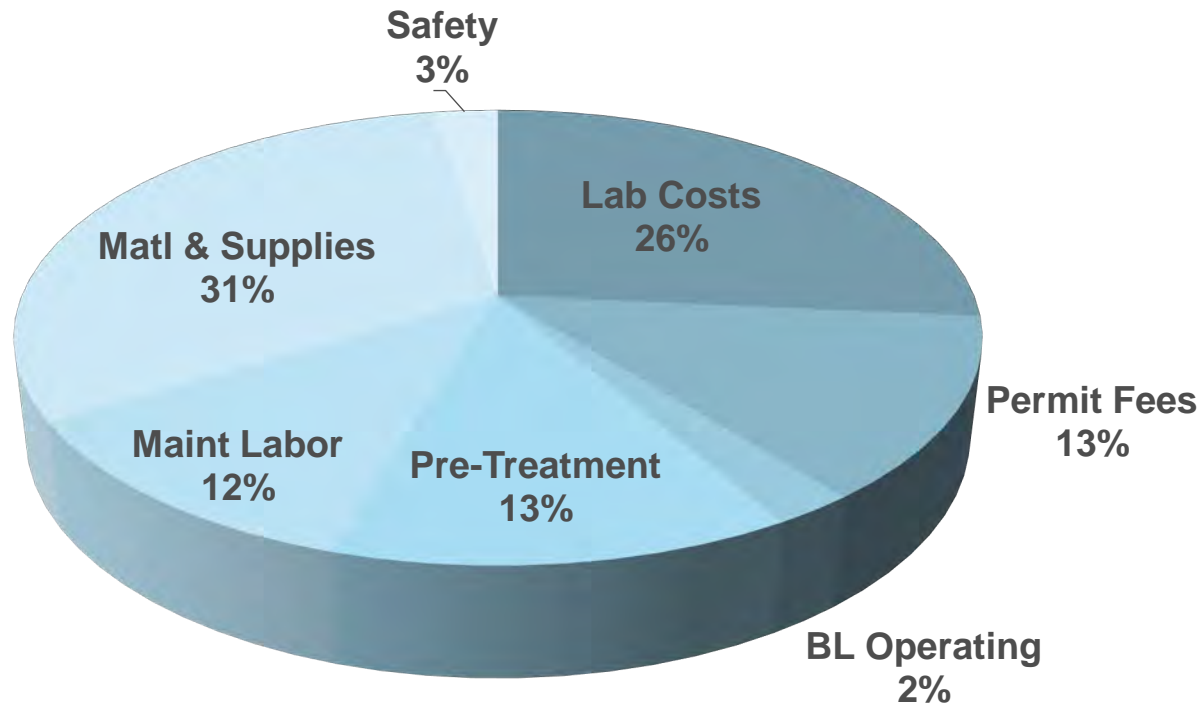


Operating Costs

Expense	FYE 2023	FYE 2024	FYE 2025
Lab Costs	\$115,000	\$115,000	\$120,750
Permit Fees	40,000	56,000	59,000
BL Operating Costs	10,000	10,000	10,000
Permitting/Pre-Treatment	55,000	56,550	82,550
Maintenance Labor	60,000	50,400	51,940
Materials & Supplies	108,000	135,282	148,810
Safety	9,250	11,480	10,268
Total	\$397,250	\$434,712	\$483,318

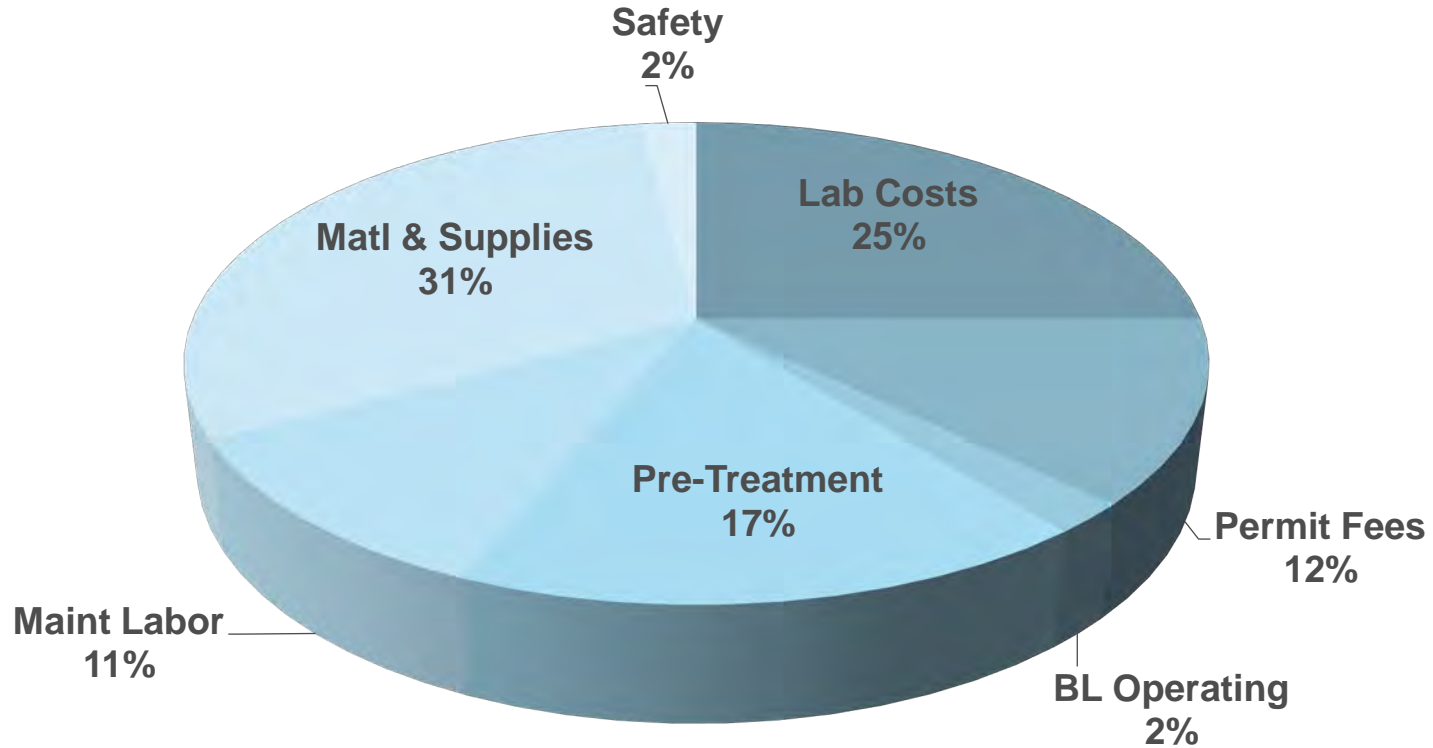
FYE 2024

Operating Costs \$434,712



FYE 2025

Operating Costs \$483,318



Debt Service Payments

Debt	2023	2024	2025
Reach IV-A & B Capital Repair – SRF Loan	\$1,044,273	\$1,044,273	\$1,044,273
Reach V Capital Repair – SRF Loan	665,202	665,202	665,202
Total Debt Service Payments	\$1,709,475	\$1,709,475	\$1,709,475

Debt Service Funding

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

Reserve Contributions

Fund	FYE 2023	FYE 2024	FYE 2025
Pipeline Replacement & Capital Investment	\$1,467,543	\$1,900,000	\$1,900,000
OC San Pipeline Rehabilitation	0	325,292	155,772
Total Contribution to Reserves	\$1,467,543	\$2,225,292	\$2,055,772

Proposed Brine Line Rates

Component	Actual FYE 2023	FYE 2024	FYE 2025
Flow (per MG)	\$1,049	\$1,073	\$1,097
BOD (per 1,000 lbs.)	\$353	\$371	\$389
TSS (per 1,000 lbs.)	\$520	\$547	\$574
Fixed Pipeline	\$6,654	\$6,654	\$6,654
Fixed Treatment	\$13,505	\$13,505	\$13,505

OC San estimated increases for 2024 and 2025

- 5.00% increase for BOD and TSS

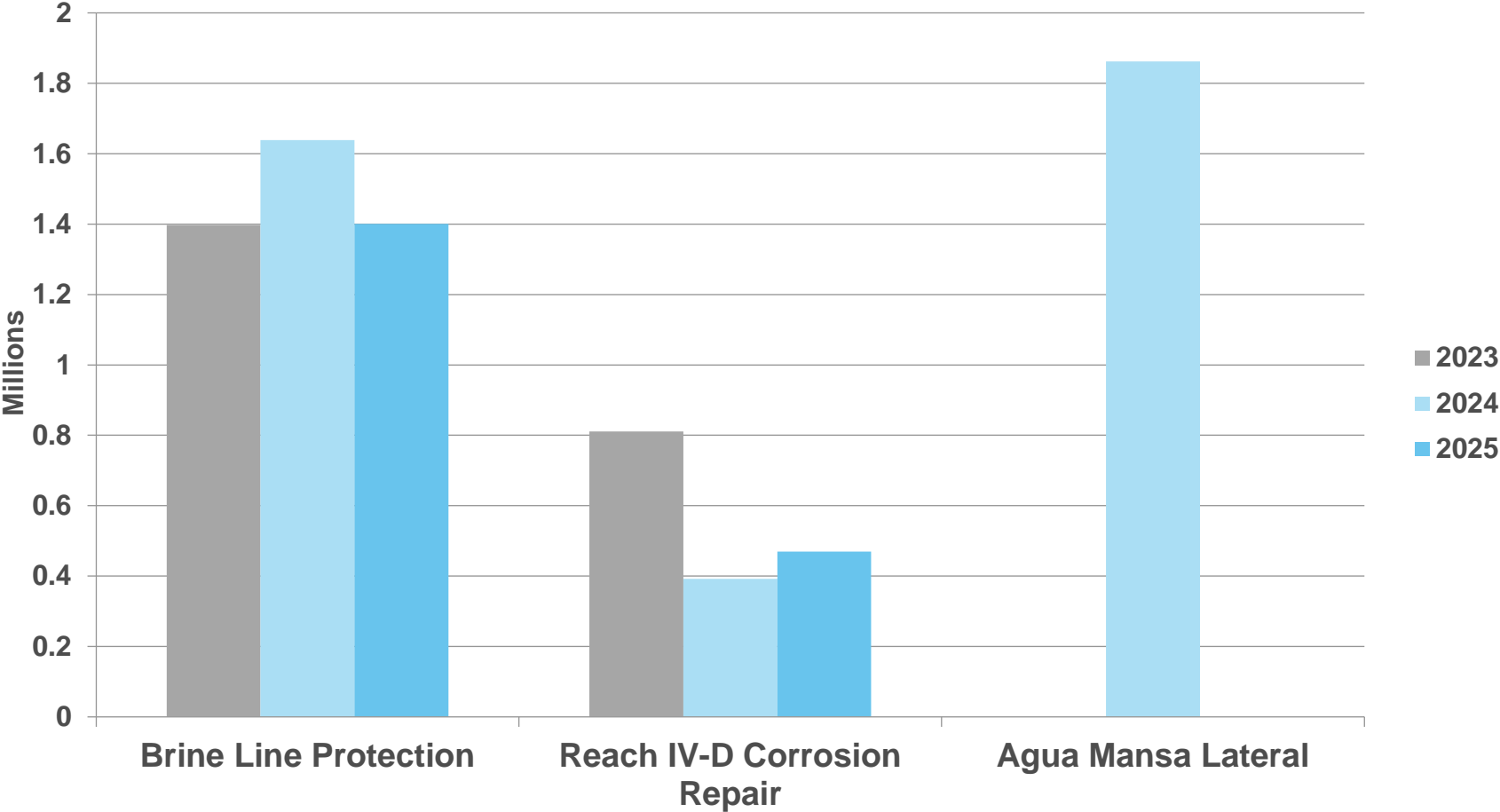
Reserve Balance (EOY)

#	Reserve	FYE 2024	FYE 2025
R-02	Debt Retirement	\$2,858,445	\$2,858,445
R-04	Pipeline Capacity Management	12,156,407	12,156,407
R-01	Brine Line Operating	2,288,209	2,288,209
R-07	Pipeline Replacement and Capital Investment	26,366,194	26,396,190
R-06	OC San Pipeline Rehabilitation	2,739,320	2,895,092
R-05	OC San Future Treatment and Disposal Capacity	1,861,185	1,861,185
Total Reserves		\$48,269,760	\$48,455,528

Capital Projects

- Fund 320 Brine Line Protection
 - Reach IV Pipeline inspection and condition assessment
 - Reach IV-B Lower
 - Inspection and condition assessment
 - Improvements (raise MAS and add two MAS)
 - Protection/Relocation
 - RCTD widening of Temescal Canyon Road (Reach V)
 - Caltrans/City of Chino – Hwy 71 Pine Ave offramp (Reach IV-A)
 - Complete sealing of MAS within Prado Inundation area below 556 feet elevation
- Fund 327 Reach IV-D Corrosion Repair
 - Condition assessment of 7 miles of pipeline
- Fund 328 Agua Mansa Lateral
 - Complete construction

Capital Projects



Capital Project Funding – Use of Reserves

Project	FYE 2023	FYE 2024	FYE 2025
Brine Line Protection	\$1,397,185	\$1,639,113	\$1,400,587
Reach IV-D Corrosion Repairs	810,746	391,577	469,417
Agua Mansa Lateral	0	1,862,442	0
Total	\$2,207,931	\$3,893,131	\$1,870,004

Brine Line Statistics

Project	FYE 2023	FYE 2024	FYE 2025
Staff Hours for Operations & Capital	21,914	20,006	20,033
Full Time Equivalents (FTE)	10.6	9.7	9.6
% of Indirect Costs paid	66.08%	61.02%%	62.87%%
Total of Indirect Costs paid	\$2,281,014	\$2,257,890	\$2,367,344

Questions?

SAWPA Brine Line Enterprise Budget
FYE 2024

	Brine Line Operating Fund 240	Brine Line Debt Service	Total
<u>Source of Funds:</u>			
Discharge Fees	\$ 11,961,620	\$ -	\$ 11,961,620
Financing Proceeds	\$ -	\$ -	\$ -
Grant Proceeds	\$ -	\$ -	\$ -
Member Agency Contributions	\$ -	\$ -	\$ -
Participant Fees	\$ -	\$ -	\$ -
Other Income	\$ -	\$ -	\$ -
Interest & Investments	\$ 770,000	\$ -	\$ 770,000
Total Source of Funds	\$ 12,731,620	\$ -	\$ 12,731,620
<u>Staffing:</u>			
Hours Allocated	19,253	-	19,253
FTE (based on 2080)	9.3	-	9.3
<u>Use of Funds:</u>			
Labor	\$ 1,274,435	\$ -	\$ 1,274,435
Benefits	\$ 467,542	\$ -	\$ 467,542
Indirect Costs	\$ 2,155,774	\$ -	\$ 2,155,774
Education & Training	\$ 14,500	\$ -	\$ 14,500
Consulting & Professional Services	\$ 930,000	\$ -	\$ 930,000
Operating Costs	\$ 2,776,349	\$ -	\$ 2,776,349
Repair & Maintenance	\$ 525,080	\$ -	\$ 525,080
Phone & Utilities	\$ 12,000	\$ -	\$ 12,000
Equipment & Computers	\$ 188,706	\$ -	\$ 188,706
Meeting & Travel	\$ 7,000	\$ -	\$ 7,000
Other Administrative Costs	\$ 89,915	\$ -	\$ 89,915
Other Expense	\$ 355,551	\$ -	\$ 355,551
Construction	\$ -	\$ -	\$ -
Debt Service Payments	\$ -	\$ 1,709,476	\$ 1,709,476
Total Use of Funds	\$ 8,796,852	\$ 1,709,476	\$ 10,506,328
<u>Contribution To Reserves:</u>			
Pipeline Replacement & Capital Investment	\$ 1,900,000	\$ -	\$ 1,900,000
OC San Pipeline Rehabilitation	\$ 325,292	\$ -	\$ 325,292
Total Contributions to Reserves	\$ 2,225,292	\$ -	\$ 2,225,292
Total Use of Funds	\$ 11,022,144	\$ 1,709,476	\$ 12,731,620
Net Gain (loss)	\$ 1,709,475	\$ (1,709,476)	\$ (0)
Indirect Costs Contribution	58.26%	0.00%	58.26%

SAWPA Brine Line Enterprise Budget
FYE 2025

	Brine Line Operating Fund 240	Brine Line Debt Service	Total
<u>Source of Funds:</u>			
<i>Discharge Fees</i>			
Discharge Fees	\$ 12,405,112	\$ -	\$ 12,405,112
Financing Proceeds	\$ -	\$ -	\$ -
Grant Proceeds	\$ -	\$ -	\$ -
Member Agency Contributions	\$ -	\$ -	\$ -
Participant Fees	\$ -	\$ -	\$ -
Other Income	\$ -	\$ -	\$ -
Interest & Investments	\$ 673,000	\$ -	\$ 673,000
Total Source of Funds	\$ 13,078,112	\$ -	\$ 13,078,112
<u>Staffing:</u>			
Hours Allocated	19,407	-	19,407
FTE (based on 2080)	9.3	-	9.3
<u>Use of Funds:</u>			
Labor	\$ 1,392,813	\$ -	\$ 1,392,813
Benefits	\$ 507,442	\$ -	\$ 507,442
Indirect Costs	\$ 2,278,733	\$ -	\$ 2,278,733
Education & Training	\$ 15,225	\$ -	\$ 15,225
Consulting & Professional Services	\$ 772,500	\$ -	\$ 772,500
Operating Costs	\$ 3,041,939	\$ -	\$ 3,041,939
Repair & Maintenance	\$ 553,558	\$ -	\$ 553,558
Phone & Utilities	\$ 13,200	\$ -	\$ 13,200
Equipment & Computers	\$ 204,167	\$ -	\$ 204,167
Meeting & Travel	\$ 7,700	\$ -	\$ 7,700
Other Administrative Costs	\$ 98,988	\$ -	\$ 98,988
Other Expenses	\$ 426,597	\$ -	\$ 426,597
Construction	\$ -	\$ -	\$ -
Debt Service Payments	\$ -	\$ 1,709,476	\$ 1,709,476
Total Use of Funds	\$ 9,312,864	\$ 1,709,476	\$ 11,022,340
<u>Contribution To Reserves:</u>			
Pipeline Replacement & Capital Investment	\$ 1,900,000	\$ -	\$ 1,900,000
OC San Pipeline Rehabilitation	\$ 155,772	\$ -	\$ 155,772
Total Contributions to Reserves	\$ 2,055,772	\$ -	\$ 2,055,772
Total Use of Funds	\$ 11,368,636	\$ 1,709,476	\$ 13,078,112
Net Gain (loss)	\$ 1,709,476	\$ (1,709,476)	\$ 0
Indirect Costs Contribution	60.52%	0.00%	60.52%

SAWPA Brine Line Capital Budget

FYE 2024

	Brine Line Protection Fund 320	Reach IV-D Corrosion Repair Fund 327	Agua Mansa Lateral Fund 328	Total
<u>Source of Funds:</u>				
Financing Proceeds	\$ -	\$ -	\$ -	\$ -
Grant Proceeds	\$ -	\$ -	\$ -	\$ -
Member Agency Contributions	\$ -	\$ -	\$ -	\$ -
Participant Fees	\$ -	\$ -	\$ -	\$ -
Other Income	\$ 1,639,113	\$ 391,577	\$ 1,862,442	\$ 3,893,131
Interest & Investments	\$ -	\$ -	\$ -	\$ -
Total Source of Funds	\$ 1,639,113	\$ 391,577	\$ 1,862,442	\$ 3,893,131
<u>Staffing:</u>				
Hours Allocated	633	10	110	753
FTE (based on 2080)	0.3	0.0	0.1	0.4
<u>Use of Funds:</u>				
Labor	\$ 47,938	\$ 516	\$ 11,915	\$ 60,368
Benefits	\$ 17,586	\$ 189	\$ 4,371	\$ 22,147
Indirect Costs	\$ 81,089	\$ 872	\$ 20,155	\$ 102,116
Education & Training	\$ -	\$ -	\$ -	\$ -
Consulting & Professional Services	\$ 700,000	\$ 375,000	\$ 95,000	\$ 1,170,000
Operating Costs	\$ -	\$ 15,000	\$ 10,000	\$ 25,000
Equipment & Computers	\$ -	\$ -	\$ -	\$ -
Meeting & Travel	\$ -	\$ -	\$ -	\$ -
Other Administrative Costs	\$ 2,500	\$ -	\$ -	\$ 2,500
Other Expenses	\$ -	\$ -	\$ -	\$ -
Construction	\$ 790,000	\$ -	\$ 1,721,000	\$ 2,511,000
Total Use of Funds	\$ 1,639,113	\$ 391,577	\$ 1,862,442	\$ 3,893,131
Net Gain (loss)	\$ -	\$ -	\$ -	\$ -
Indirect Costs Contribution	2.19%	0.02%	0.54%	2.76%

SAWPA Brine Line Capital Budget

FYE 2025


	Brine Line Protection Fund 320	Reach IV-D Corrosion Repair Fund 327	Agua Mansa Lateral Fund 328	Total
<u>Source of Funds:</u>				
Financing Proceeds	\$ -	\$ -	\$ -	\$ -
Grant Proceeds	\$ -	\$ -	\$ -	\$ -
Member Agency Contributions	\$ -	\$ -	\$ -	\$ -
Participant Fees	\$ -	\$ -	\$ -	\$ -
Other Income	\$ 1,400,587	\$ 469,417	\$ -	\$ 1,870,004
Interest & Investments	\$ -	\$ -	\$ -	\$ -
Total Source of Funds	\$ 1,400,587	\$ 469,417	\$ -	\$ 1,870,004
<u>Staffing:</u>				
Hours Allocated	277	349	-	626
FTE (based on 2080)	0.1	0.2	-	0.3
<u>Use of Funds:</u>				
Labor	\$ 22,693	\$ 31,468	\$ -	\$ 54,161
Benefits	\$ 8,268	\$ 11,465	\$ -	\$ 19,732
Indirect Costs	\$ 37,126	\$ 51,484	\$ -	\$ 88,611
Education & Training	\$ -	\$ -	\$ -	\$ -
Consulting & Professional Services	\$ 205,000	\$ 375,000	\$ -	\$ 580,000
Operating Costs	\$ -	\$ -	\$ -	\$ -
Equipment & Computers	\$ -	\$ -	\$ -	\$ -
Meeting & Travel	\$ -	\$ -	\$ -	\$ -
Other Administrative Costs	\$ 2,500	\$ -	\$ -	\$ 2,500
Other Expenses	\$ -	\$ -	\$ -	\$ -
Construction	\$ 1,125,000	\$ -	\$ -	\$ 1,125,000
Total Use of Funds	\$ 1,400,587	\$ 469,417	\$ -	\$ 1,870,004
Net Gain (loss)	\$ -	\$ -	\$ -	\$ -
Indirect Costs Contribution	0.99%	1.37%	0.00%	2.35%

**Santa Ana Watershed Project Authority
PA24 - Brine Line - Financial Report
December 2022**

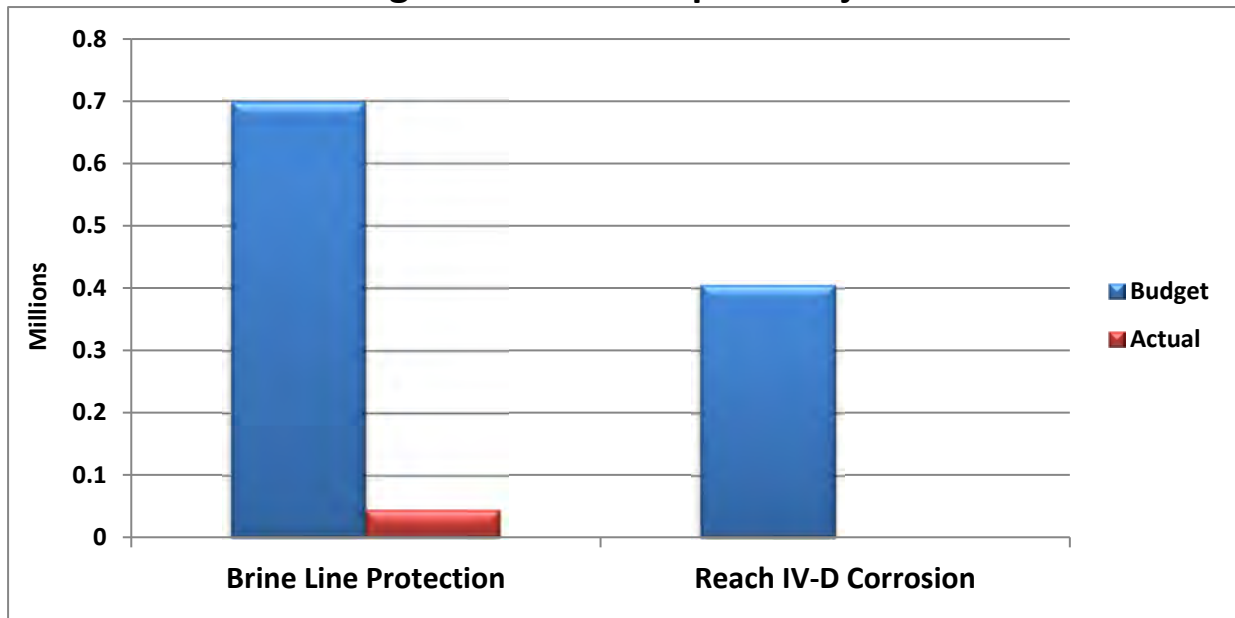
Staff comments provided on the last page are an integral part of this report.

Overview	This report highlights the Brine Line’s key financial indicators for the Fiscal Year-to-Date (FYTD) through December 2022 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	\$1,397,185	\$698,593	\$45,163	\$653,430
Reach IV-D Corrosion	810,746	405,373	-	405,373
Total Capital Costs	\$2,207,931	\$1,103,966	\$45,163	\$1,058,803

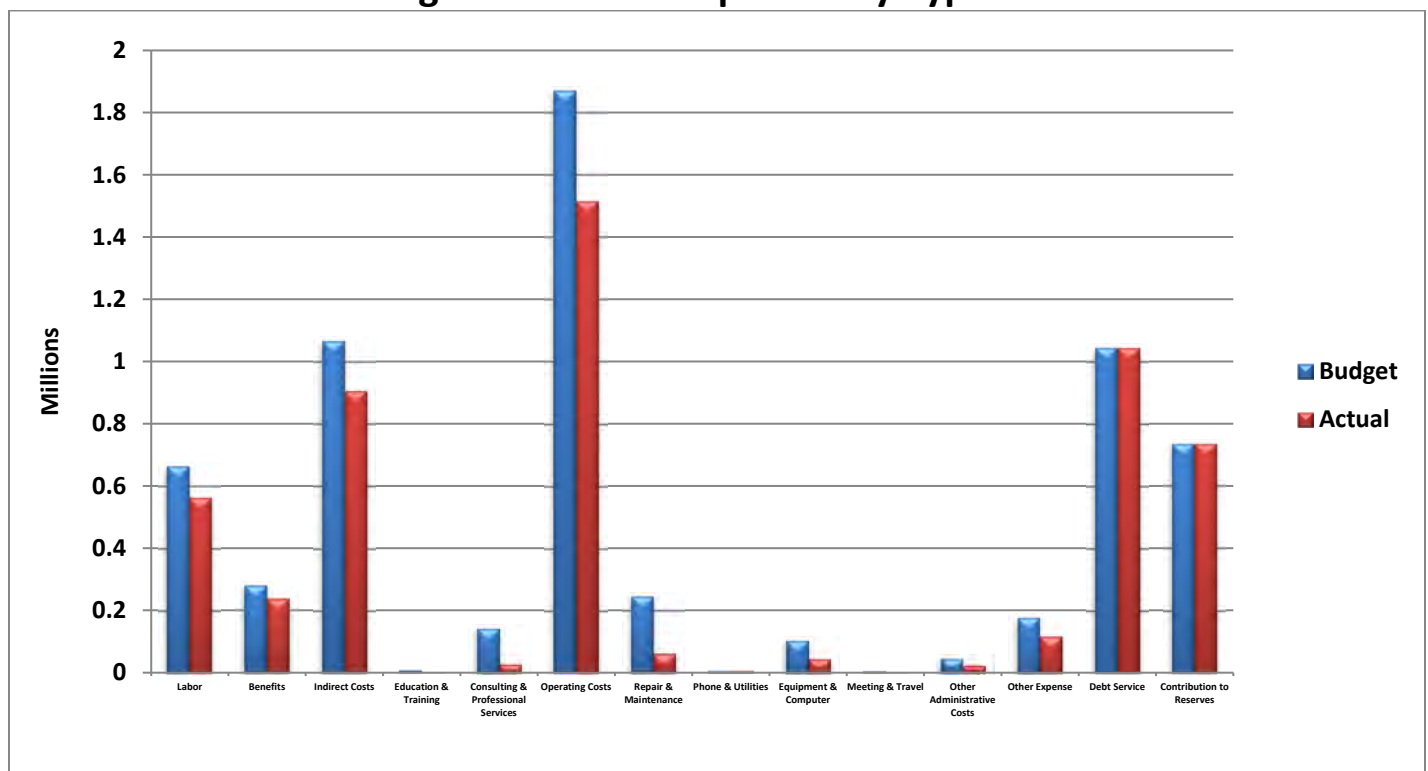
Budget to Actual - Capital Projects



Brine Line – Operating

Budget to Actual - Expenses by Type				 Favorable
	Annual Budget	FYTD Budget	FYTD Actual	Favorable (Unfavorable) Variance
Labor	\$1,326,650	\$663,325	\$562,966	\$100,359
Benefits	556,753	278,377	236,446	41,931
Indirect Costs	2,133,400	1,066,700	905,249	161,451
Education & Training	14,500	7,250	1,236	6,014
Consulting & Prof Svcs	285,000	142,500	28,015	114,485
Operating Costs	3,739,650	1,869,825	1,515,186	354,639
Repair & Maintenance	490,000	245,000	62,504	182,496
Phone & Utilities	11,500	5,750	5,335	415
Equip & Computers	206,500	103,250	44,401	58,849
Meeting & Travel	10,000	5,000	1,445	3,555
Other Admin Costs	90,900	45,450	23,770	21,680
Other Expense	355,000	177,500	116,442	61,058
Debt Service	1,709,476	1,044,273	1,044,273	-
Contribution to Reserves	1,467,543	733,772	733,772	-
Total	\$12,396,872	\$6,387,972	\$5,281,040	\$1,106,932

Budget to Actual - Expenses by Type



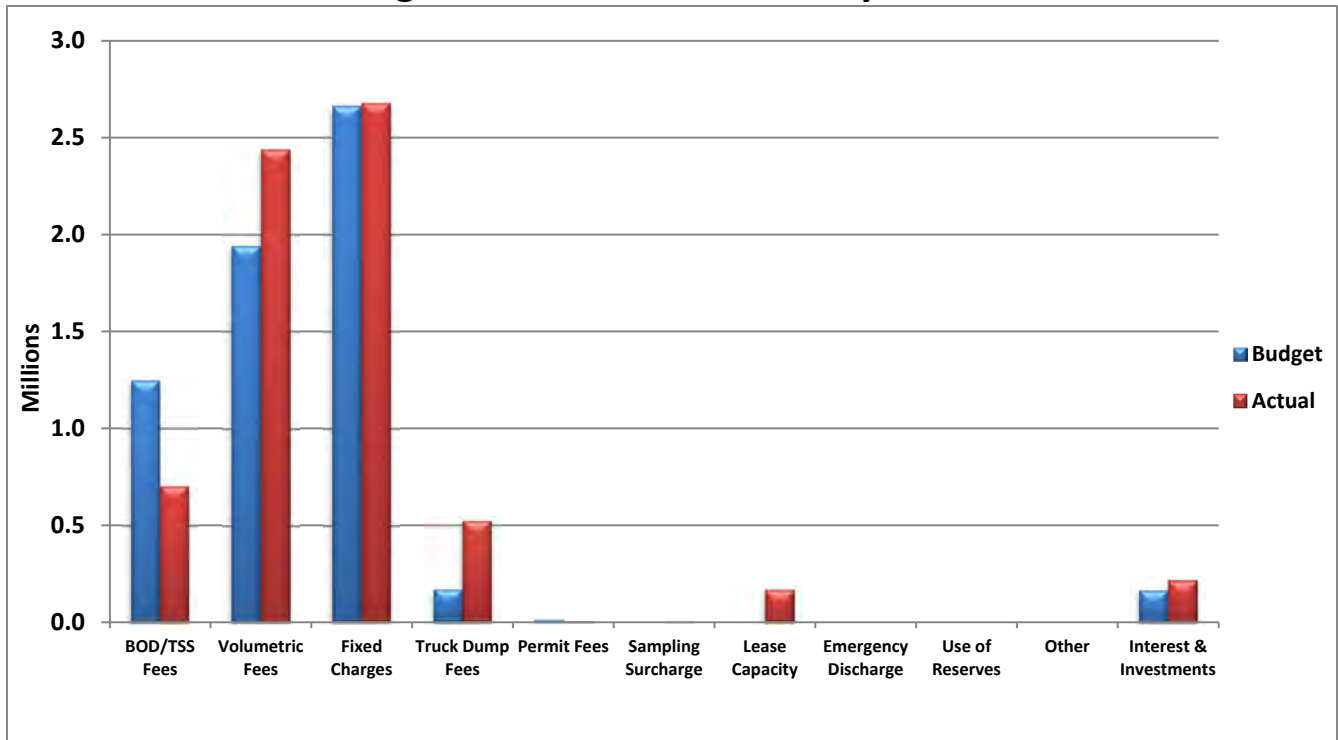
Budget to Actual - Revenues by Source



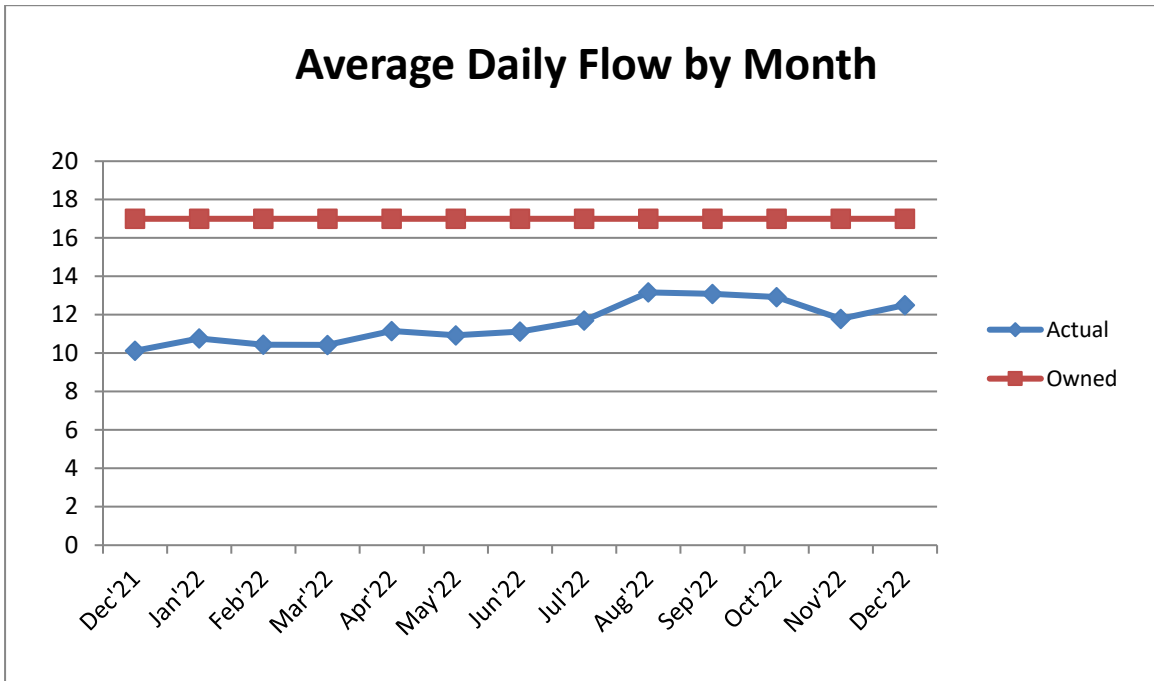
On Track

	Annual Budget	FYTD Budget	FYTD Actual	Favorable (Unfavorable) Variance
BOD/TSS Fees	\$2,492,400	\$1,246,200	\$702,925	(\$543,275)
Volumetric Fees	3,881,300	1,940,650	2,438,257	497,607
Fixed Charges	5,323,422	2,661,711	2,677,835	16,124
Truck Dump Fees	346,500	173,250	521,919	348,669
Permit Fees	28,250	13,700	6,850	(6,850)
Sampling Surcharge	-	-	3,448	3,448
Lease Capacity Revenue	-	-	169,041	169,041
Emergency Discharge Fees	-	-	29	29
Use of Reserves	-	-	-	-
Other Revenue	-	-	482	482
Interest & Investments	325,000	162,500	213,672	51,172
Total	\$12,396,872	\$6,198,011	\$6,734,458	\$536,447

Budget to Actual - Revenues by Source



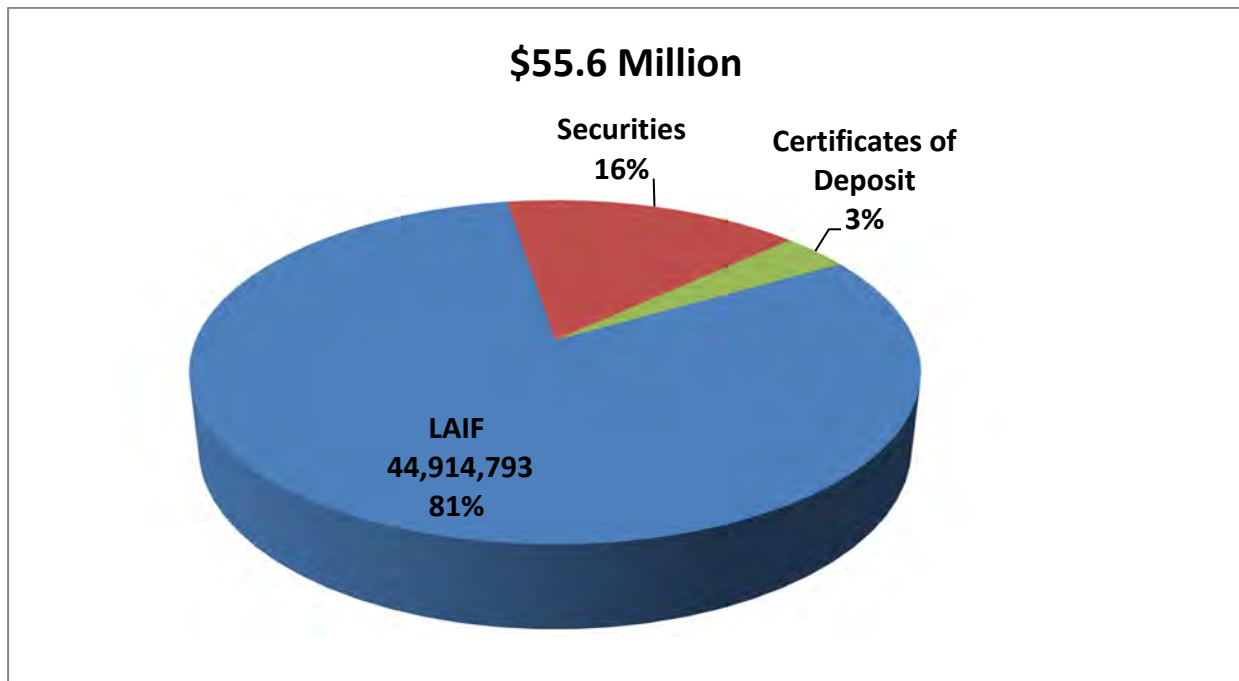
Average Daily Flow by Month



Total Discharge by Agency (in million gallons)

Discharger	Jul '22	Aug'22	Sep'22	Oct'22	Nov'22	Dec'22	Total
Chino Desalter Authority	111.8155	102.6702	100.1597	114.7575	101.6451	123.4241	654.4721
Eastern Municipal Water District	81.6087	109.4320	113.3346	128.5429	104.8525	128.1452	665.9159
Inland Empire Utilities Agency	13.9156	14.2653	13.1931	12.4871	11.8342	12.9665	78.6618
San Bernardino Valley MWD	31.2026	30.7288	30.6280	30.2635	37.1176	42.4740	202.4145
Western Municipal Water District	131.3138	134.1083	117.7155	122.9665	94.1258	114.6190	714.8489
Truck Discharge	4.4561	3.9106	4.4300	4.3521	3.9594	3.3356	24.4438
Total	374.3123	395.1152	379.4609	413.3696	353.5346	424.9644	2,340.7570





Total Cash & Investments



Reserve Fund Balance

	Amount
Self Insurance	\$4,374,998
Debt Retirement	2,844,366
Pipeline Replacement	23,546,733
OC San Rehabilitation	2,402,137
Capacity Management	12,096,528
Future Capacity	1,852,018
Rate Stabilization	1,037,820
Flow Imbalance	85,014
Brine Line Operating	2,276,938
Brine Line Operating Cash	5,072,232
Total Reserves	\$55,588,784

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 95.9% below budget. It is expected that the projects will be on budget by the end of the year.

Santa Ana Watershed Project Authority

Financial Report for the Inland Empire Brine Line
Enterprise/CIP for the 2nd Quarter Ending
December 31, 2022



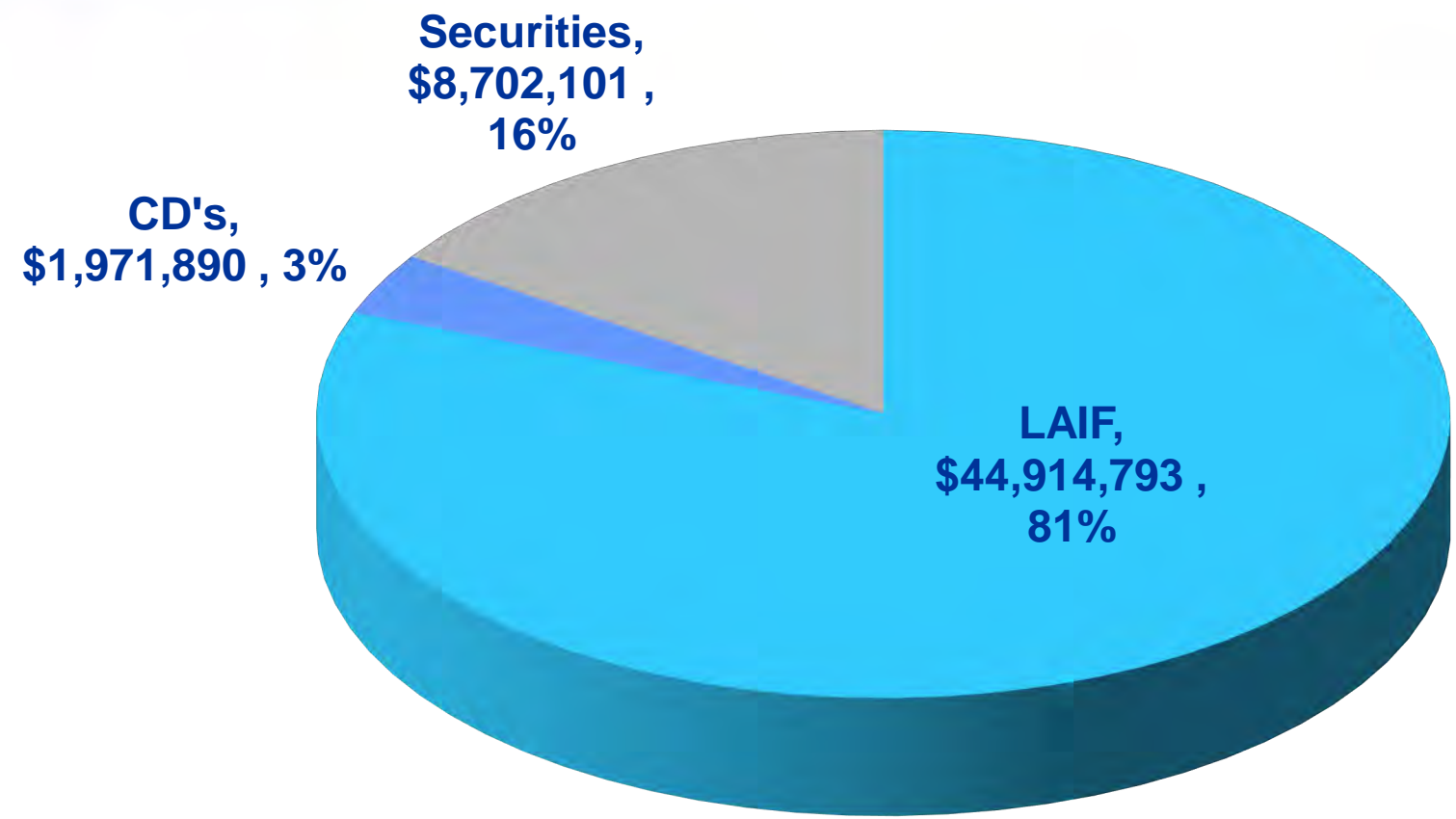
Agenda



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

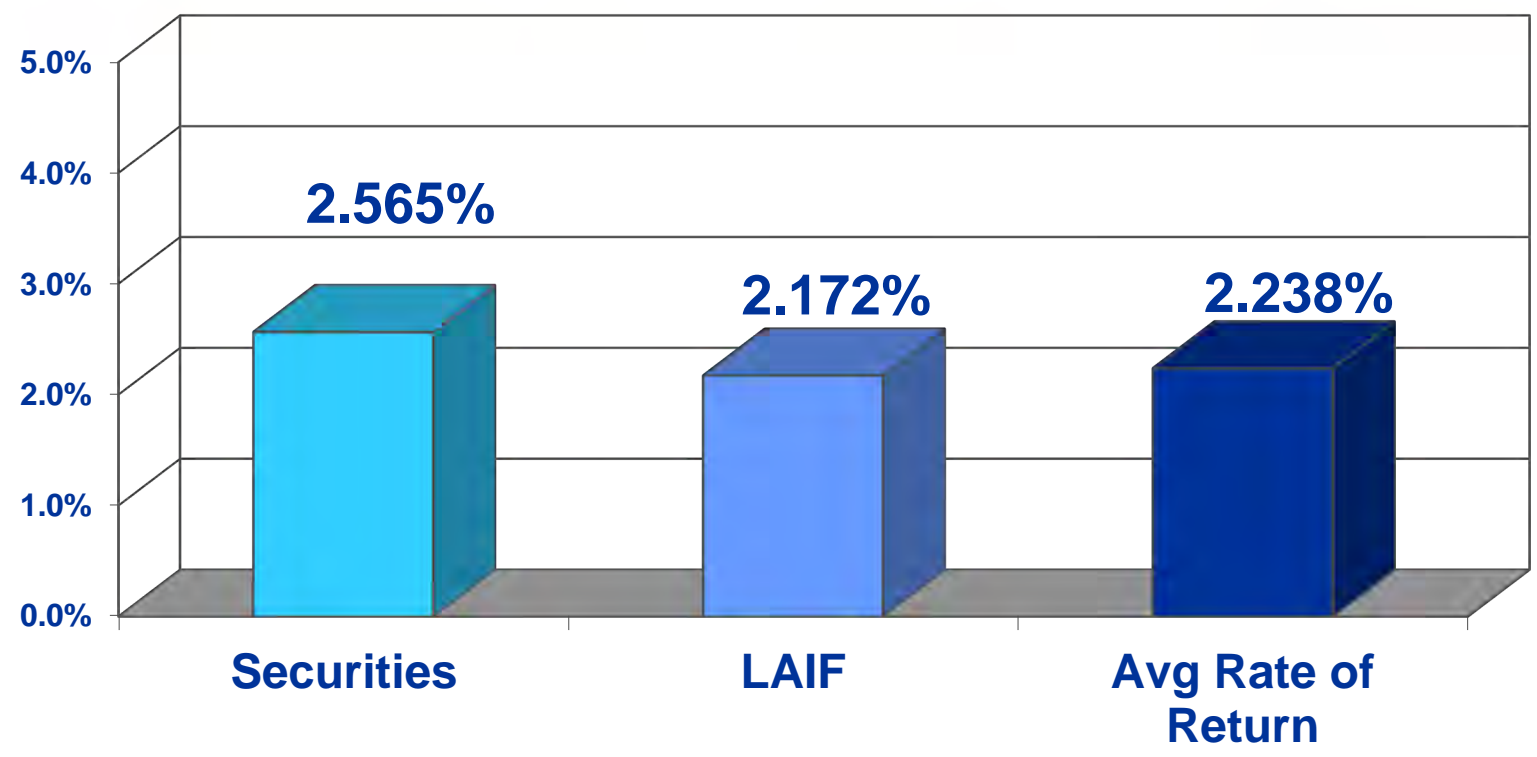
Cash & Investments

\$55,588,784



Cash & Investments

Interest Rate Analysis



Reserve Account Balances

Reserve Account	Balance
Self Insurance	\$4,374,998
Debt Retirement	2,844,366
Pipeline Replacement	23,546,733
OC San Rehabilitation	2,402,137
Capacity Management	12,096,528
OC San Future Capacity	1,852,018
Flow Imbalance Reserve	85,014
Rate Stabilization Reserve	1,037,820
Operating Reserve	2,276,938
Operating Cash	5,072,232
Total Reserves	\$55,588,784

Reserve Account Balances Trends

Reserve	Balance @ 03/31/22	Balance @ 06/30/22	Balance @ 09/30/22	Balance @ 12/31/22
Self Insurance	\$4,321,376	\$4,352,284	\$4,361,363	\$4,374,998
Debt Retirement	2,827,377	2,829,589	2,835,501	2,844,366
Pipeline Replacement	22,548,826	22,758,505	23,141,929	23,546,733
OC San Rehabilitation	2,387,790	2,389,658	2,394,650	2,402,137
Capacity Mgmt	12,024,280	12,033,687	12,058,828	12,096,528
OC San Future Capacity	1,840,956	1,842,396	1,846,246	1,852,018
Flow Imbalance Reserve	84,506	84,572	84,749	85,014
Rate Stabilization Reserve	1,031,621	1,032,428	1,034,585	1,037,820
Operating Reserve	5,518,813	5,806,508	2,269,963	2,276,938
Operating Cash	-	-	5,688,704	5,072,232
Total	\$52,585,545	\$53,129,627	\$55,716,518	\$55,588,784

Transfers, Use and Contributions To/From Reserves



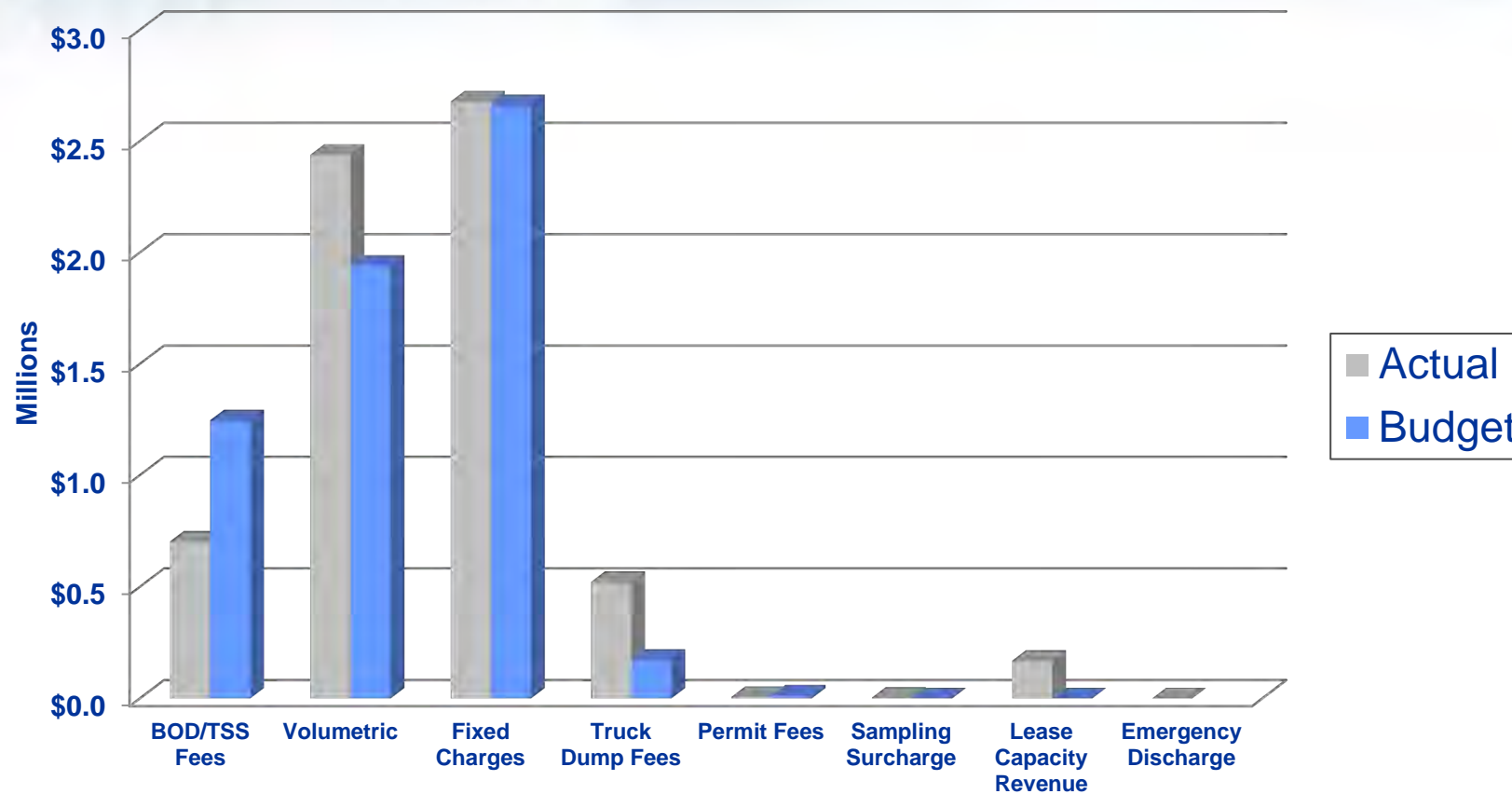
- **Pipeline Replacement Reserve**
 - Contribution of \$733,772
 - Use of \$34,342- Fund 320 Brine Line Protection
- **Interest Earned - \$204,687**

Total Operating Revenues

Source	Actual	Budget	Variance Positive/(Negative)
BOD/TSS Fees	\$702,925	\$1,246,200	(\$543,275)
Volumetric Fees	2,438,257	1,940,650	497,607
Fixed Charges	2,677,835	2,661,711	16,124
Truck Discharge	521,919	173,250	348,669
Permit Fees	6,850	13,700	(6,850)
Lease Capacity Revenue	169,041	0	169,041
Sampling Surcharge	3,448	0	3,448
Emergency Discharge Fees	29	0	29
Total Operating Revenues	\$6,520,304	\$6,035,511	\$484,793

Operating Revenues vs. Budget

Budget vs. Actual

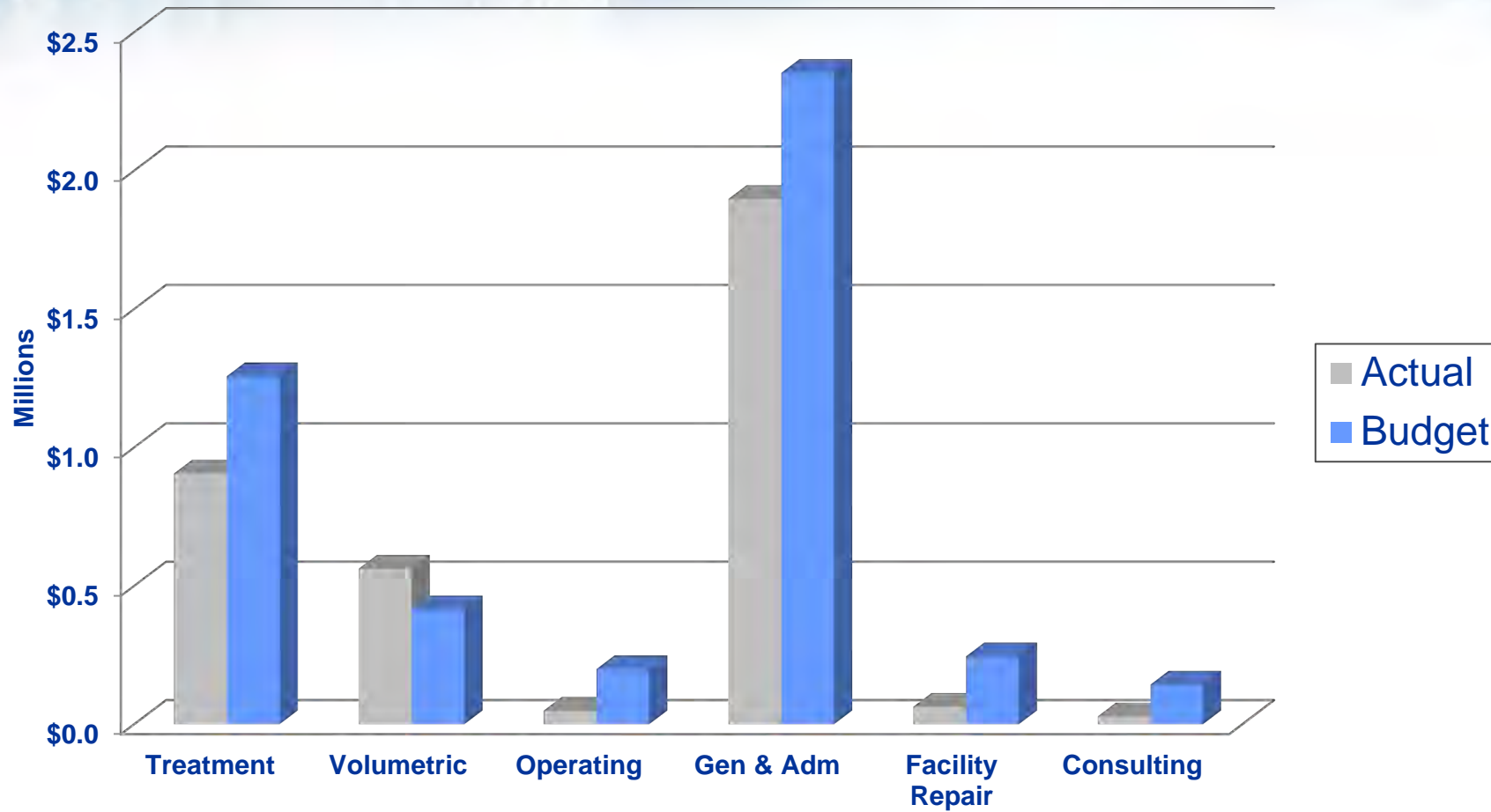


Total Operating Expenses

Source	Actual	Budget	Variance Positive/(Negative)
Treatment Costs	(\$905,249)	(\$1,256,800)	\$351,551
Volumetric Costs	(561,526)	(414,400)	(147,126)
Operating Costs	(48,411)	(198,625)	150,214
General & Administration	(1,897,290)	(2,352,602)	455,312
Facility Repair & Maintenance	(62,504)	(245,000)	182,496
Consulting & Prof. Services	(28,015)	(142,500)	114,485
Total Operating Expenses	(\$3,502,995)	(\$4,609,927)	\$1,106,932

Operating Expenses vs. Budget

Budget vs. Actual



Non-Operating Revenues and Expenses

Source	Actual	Budget	Variance Positive/(Negative)
Interest & Investments	\$213,672	\$162,500	\$51,172
Other Income	482	0	482
Debt Service Payments	(1,044,273)	(1,044,273)	0
Contributions to Reserves	(733,772)	(733,772)	0
Total Non-Operating	(\$1,563,891)	(\$1,615,545)	\$51,654

Enterprise Performance

Flow, BOD, TSS Actual vs. OCSD Billing

	SAWPA Billed	OCSD Billing	Difference
Total Flow (MG)	2,340.6776	2,274.250	66.4276
Total BOD (1,000 lbs)	679.5990	510.995	168.6040
Total TSS (1,000 lbs)	1,499.0511	1,394.326	104.7251
Flow - Pass through per MG	\$224.00	\$246.95	(\$22.95)
BOD cost per 1,000 lbs	\$353.00	\$352.51	\$0.49
TSS cost per 1,000 lbs	\$520.00	\$520.25	(\$0.25)

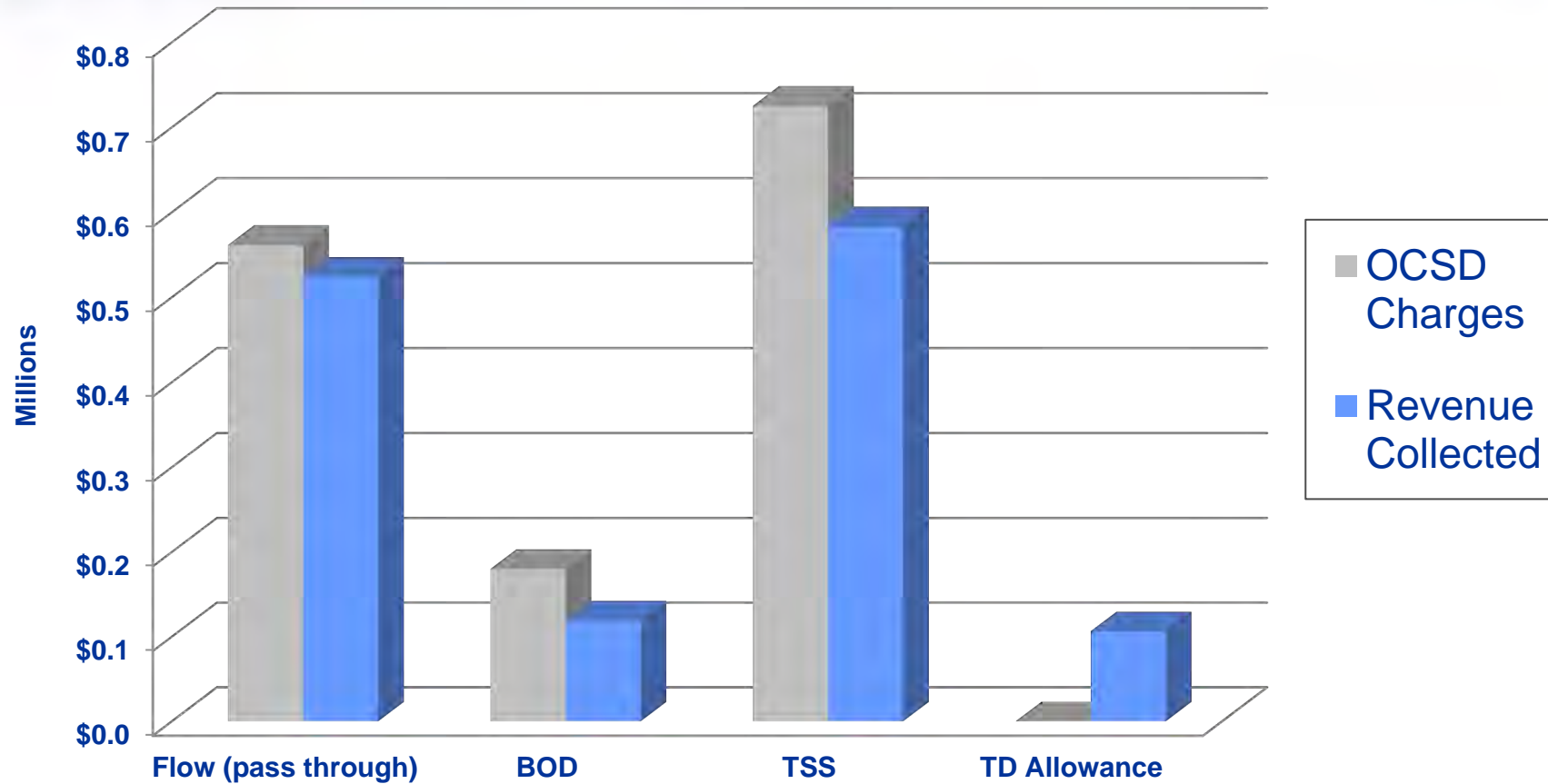
Enterprise Performance

OCSD Flow, BOD & TSS Charges vs. Revenue Billed

	Revenue Billed	OCSD Charges	Difference
Flow (pass through)	\$524,312	\$561,626	(\$37,314)
BOD	119,259	180,131	(60,872)
TSS	583,665	725,397	(141,732)
TD Allowance	106,368	0	106,368
Total	\$1,333,604	\$1,467,154	(\$133,550)

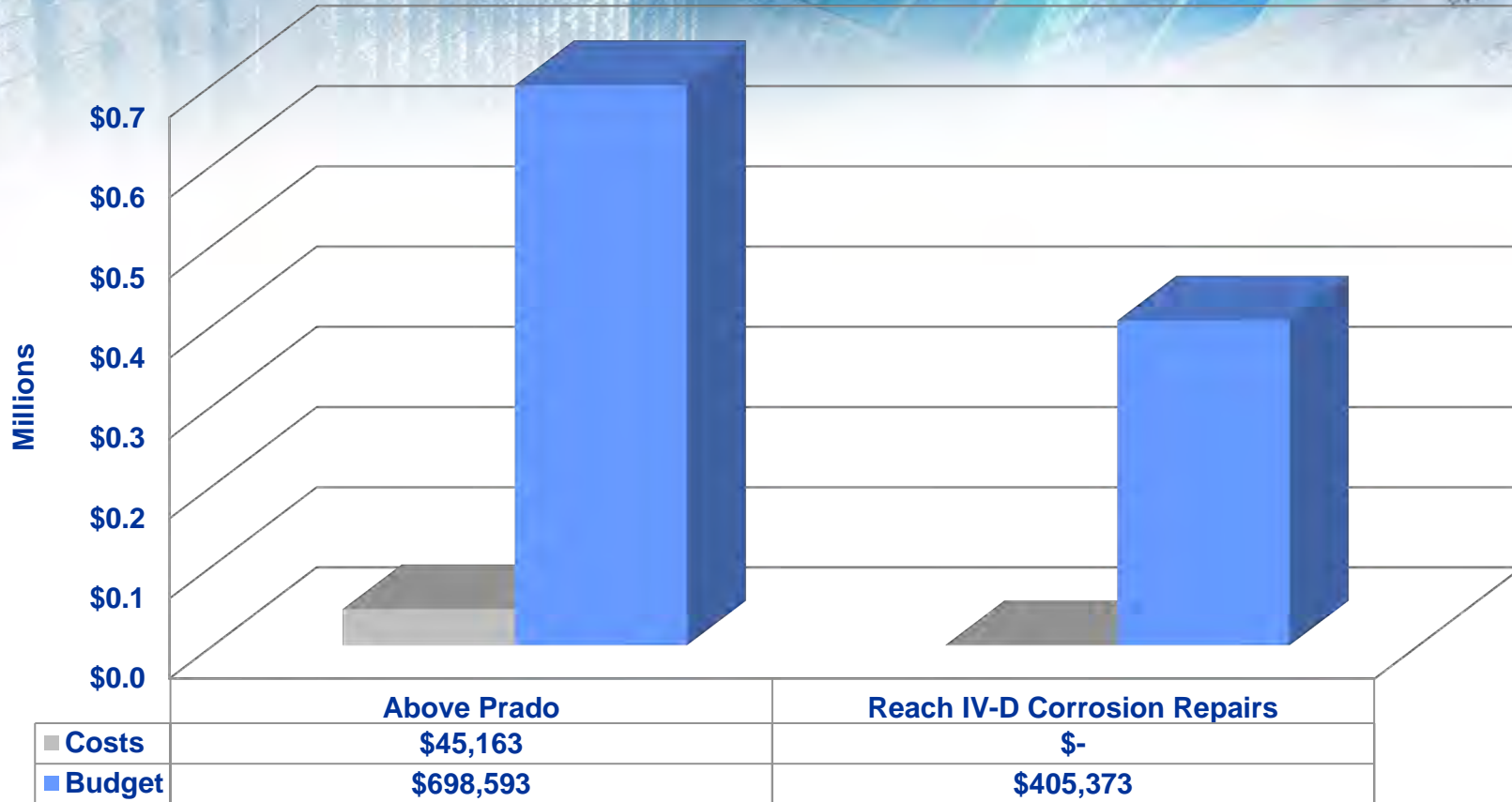
Enterprise Performance

OCSD Flow, BOD & TSS Charges vs. Revenue Collected



Capital Project Fund

Costs vs. Budget



Brine Line Protection / Relocation Projects

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

Questions ?

