



# SAWPA

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

|   |   |
|---|---|
| <b>Meeting Access Via Computer (Zoom):</b>  | <b>Meeting Access Via Telephone:</b>  |
| <ul style="list-style-type: none"> <li><a href="https://sawpa.zoom.us/j/87027812909">https://sawpa.zoom.us/j/87027812909</a></li> </ul> | <ul style="list-style-type: none"> <li>1 (669) 900-6833</li> </ul>          |
| <ul style="list-style-type: none"> <li>Meeting ID: 870 2781 2909</li> </ul>   | <ul style="list-style-type: none"> <li>Meeting ID: 870 2781 2909</li> </ul> |

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, SEPTEMBER 5, 2023 – 10:00 A.M.**

### **REGULAR MEETING OF THE PROJECT AGREEMENT 24 COMMITTEE**

Inland Empire Brine Line

#### **Committee Members**

|   |   |
|---|---|
| <b>Eastern Municipal Water District</b>               | <b>Inland Empire Utilities Agency</b>   |
| Joe Mouawad, General Manager                          | Director Jasmin A. Hall                 |
| Director David J. Slawson (Alt)                       | Shivaji Deshmukh, General Manager (Alt) |
| <b>San Bernardino Valley Municipal Water District</b> | <b>Western Municipal Water District</b> |
| 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).

Members of the public may make comments in-person or electronically for the Committee's consideration by sending them to [publiccomment@sawpa.org](mailto:publiccomment@sawpa.org) with the subject line "Public Comment". Submit your electronic comments by 5:00 p.m. on Monday, September 4, 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: AUGUST 1, 2023** ..... 5  
**Recommendation:** Approve as posted.

**5. COMMITTEE DISCUSSION/ACTION ITEMS**

- A. **INLAND EMPIRE BRINE LINE RESERVE FUNDS REVIEW (PA24#2023.12)**..... 11

**Presenter:** Karen Williams

**Recommendation:** That the Project Agreement 24 Committee:

1. Set target limit for R-01 Brine Line Operating Reserves to \$2,179,659 for FYE 2024 and transfer the amount over target of \$141,358 to R-07 Pipeline Replacement and Capital Investment, and
2. Keep the current balances at 06/30/2023 and continue to accrue interest for the following reserves:
  - a. R-02 Brine Line Debt Service
  - b. R-04 Pipeline Capacity Management
  - c. R-05 OC Future Treatment & Disposal Capacity

- B. **REACH IV EASEMENT DEED ACCEPTANCE AND COUNTY RECORDING (PA24#2023.13)** .....37

**Presenter:** Daniel Vasquez

**Recommendation:** To authorize the General Manager to accept the Grant of Deed from Riverside County Flood Control and Water Conservation District for maintenance of the Reach IV sheet pile protection structure and record the Grant of Deed at the Riverside County Recorder’s Office.

- C. **INLAND EMPIRE BRINE LINE REACH IV-D REHABILITATION WORK PLAN (PA24#2023.14)** .....75

**Presenter:** David Ruhl

**Recommendation:** To authorize the General Manager to execute Task Order No. W&C327-03 with Woodard & Curran for Engineering Services for the Inland Empire Brine Line Reach IV-D Rehabilitation Work Plan Mid-Term Recommendations, for an amount not-to-exceed \$247,174.

**6. INFORMATIONAL REPORTS**

**Recommendation:** Receive for information.

- A. **BRINE LINE FINANCIAL REPORT – JUNE 2023**..... 97

**Presenter:** Karen Williams

- B. **FINANCIAL REPORT FOR THE FOURTH QUARTER ENDING JUNE 30, 2023** ..... 103

**Presenter:** Karen Williams

- C. **GENERAL MANAGER COMMENTS**

- D. **COMMITTEE MEMBERS COMMENTS**

- E. **CHAIR’S COMMENTS/REPORT**

**7. COMMITTEE MEMBER REQUESTS FOR FUTURE AGENDA ITEMS**

**8. CLOSED SESSION**

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

**9. CLOSED SESSION REPORT**

**10. 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](http://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 August 31, 2023, a copy of this agenda has been uploaded to the SAWPA website at [www.sawpa.org](http://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.)

|   |   |
|---|---|
| <b>January</b><br>1/3/23 <del>Regular Committee Meeting</del> [cancelled] | <b>February</b><br>2/7/23 Regular Committee Meeting   |
| <b>March</b><br>3/7/23 Regular Committee Meeting                          | <b>April</b><br>4/4/23 Regular Committee Meeting  |
| <b>May</b><br>5/2/23 Regular Committee Meeting                            | <b>June</b><br>6/6/23 <del>Regular Committee Meeting</del> [cancelled]<br>6/20/23 Special Committee Meeting |
| <b>July</b><br>7/4/23 <del>Regular Committee Meeting</del> [cancelled]    | <b>August</b><br>8/1/23 Regular Committee Meeting   |
| <b>September</b><br>9/5/23 Regular Committee Meeting                      | <b>October</b><br>10/3/23 Regular Committee Meeting   |
| <b>November</b><br>11/7/23 Regular Committee Meeting                      | <b>December</b><br>12/5/23 Regular Committee Meeting  |

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**PROJECT AGREEMENT 24 COMMITTEE**  
Inland Empire Brine Line  
**REGULAR MEETING MINUTES**  
August 1, 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  
Shivaji Deshmukh, Alternate, Inland Empire Utilities Agency General Manager

**COMMITTEE MEMBERS ABSENT**

Jasmin A. Hall, Inland Empire Utilities Agency Governing Board

**ALTERNATE COMMITTEE MEMBERS PRESENT [Non-Voting]**

Gil Botello, San Bernardino Valley Municipal Water District Governing Board  
Craig Miller, Western Municipal Water District General Manager

**STAFF PRESENT**

Jeff Mosher, Karen Williams, David Ruhl, Daniel Vasquez, Dean Unger, John Leete, Sara Villa,  
Alison Lewis

**OTHERS PRESENT**

Andrew D. Turner, Lagerlof, LLP; Nick Kanetis, Eastern Municipal Water District; Branden  
Hodges, Inland Empire Utilities Agency; Derek Kawaii, Western Municipal Water District; Dawn  
Coulson, Epps & Coulson, LLP Attorneys at Law; Jeremy Metts, Anaergia, Inc.

**1. CALL TO ORDER | PLEDGE OF ALLEGIANCE**

The Meeting of the PA 24 Committee was called to order at 10:00 a.m. by Chair T. Milford Harrison on behalf of the Santa Ana Watershed Project Authority, 11615 Sterling Avenue, Riverside, California.

**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 T. Milford Harrison recessed the meeting at 10:03 a.m. for Closed Session.

**4. CLOSED SESSION**

**A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(1)**

*In Re Rialto Bioenergy Facility, LLC*

U.S. Bankruptcy Court for the Southern District of California

Case No.: 23-01467-CL11

**5. CLOSED SESSION REPORT**

Chair T. Milford Harrison resumed Open Session at 10:26 a.m. and Legal Counsel, Andy Turner announced that the Committee received a report from SAWPA staff and Special Counsel, Dawn Coulson; no action was taken on Agenda Item No. 4.A.

**6. CONSENT CALENDAR**

**A. APPROVAL OF SPECIAL MEETING MINUTES: JUNE 20, 2023**

Recommendation: Approve as posted.

**MOVED**, to approve the Consent Calendar as posted.

|                |                                      |
|----------------|--------------------------------------|
| Result:        | <b>Adopted by Roll Call Vote</b>     |
| Motion/Second: | Gardner/Deshmukh                     |
| Ayes:          | Deshmukh, Harrison, Gardner, Mouawad |
| Nays:          | None                                 |
| Abstentions:   | None                                 |
| Absent:        | None                                 |

**7. COMMITTEE DISCUSSION/ACTION ITEMS**

**A. AGUA MANSA LATERAL PROJECT (PA24#2023.9)**

David Ruhl provided a presentation titled Inland Empire Brine Line Agua Mansa Lateral, contained in the agenda packet on pages 11-19. 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 in June 2022. 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.

In March 2023, the PA 24 Committee directed staff to issue a Notice Inviting bids for construction of the project. A pre-bid meeting was held on May 24, 2023. Construction bids were received and opened on June 14, 2023. The estimate of construction cost is \$2,013,000 for an 8-inch lateral and \$2,167,000 for a 12-inch lateral. Seven (7) bids were received as follows:

| <b>Bidder<br/>(Contractor)</b> | <b>8-inch Bid Amount<br/>(Schedule B)</b> | <b>12-inch Bid Amount<br/>(Schedule A)</b> |
|--------------------------------|---|--|
| Genesis Construction           | \$1,879,171                               | \$2,207,290                                |
| Weka Inc.                      | \$2,215,375                               | \$2,481,331                                |
| Ferreira                       | \$2,086,060                               | \$2,218,365                                |
| Chi Construction               | \$2,670,890                               | \$2,996,750                                |
| TE Roberts Inc.                | \$2,435,188                               | \$3,049,480                                |
| Teichert Energy                | \$3,124,651                               | \$3,350,750                                |
| Lucas Builders                 | \$3,777,422                               | \$4,085,450                                |

Staff has reviewed the three (3) lowest bids for compliance with the Bid Documents. Genesis Construction submitted the lowest bid for both the 8-inch lateral and the 12-inch lateral. SAWPA staff contacted Genesis's references and overall received satisfactory remarks. Based on the staff's analysis, Genesis submitted the lowest responsive, responsible bid, and is qualified to perform the work.

Due to the competitive price of the low bid for the 12 – in lateral (Schedule A) and the benefit of a larger capacity pipeline for future growth, maintenance activities and bypass capabilities, staff recommend awarding the 12-inch lateral. The difference in price between the 12-inch lateral and the 8-inch lateral is \$328,715. The difference in cost to SAWPA between the 12-inch lateral and the 8-inch lateral, based on the Cost Share shown in Table 1 is \$82,029.

Chair Milford Harrison asked the total amount received thus far from RBF, and Karen Williams noted two payments of \$260,000 totaling \$520,000. Committee Member Shivaji Deshmukh asked what property easements are needed for this project. Mr. Ruhl noted that RBF's current alignment is in the San Bernardino Flood Control channel access road and that channel crosses over Agua Mansa Road. Committee Member Joe Mouawad asked what the construction duration is and will there be a Construction Management Consultant. Mr. Ruhl noted that they are looking into hiring a consultant to do the construction management and inspection services for the project. The construction schedule is anticipated to be six (6) months. Alternate Committee Member Gil Botello requested that SAWPA staff provide an update on this project to San Bernardino Valley Municipal Water District's (SBVMWD) Board. Mr. Ruhl noted that he will coordinate with SBVMWD's General Manager. Jeremy Metts of RBF thanked SAWPA staff for all their efforts throughout the process.

**MOVED**, to authorize the General Manager to Award a Contract for Public Works Construction to the lowest responsive, responsible bidder, Genesis Construction, for the Inland Empire Brine Line Agua Mansa Lateral Project, in an amount not to exceed \$2,207,290 (Schedule A).

|                |  |
|----------------|--|
| Result:        | <b>Adopted by Roll Call Vote (Unanimously)</b> |
| Motion/Second: | Gardner/Mouawad                                |
| Ayes:          | Deshmukh, Harrison, Gardner, Mouawad           |
| Nays:          | None   |
| Abstentions:   | None   |
| Absent:        | None   |

**B. INLAND EMPIRE BRINE LINE REACH IV-D REHABILITATION WORK PLAN (PA24#2023.10)**

David Ruhl provided a presentation titled Inland Empire Brine Line Reach IV-D Rehabilitation Work Plan, contained in the agenda packet on pages 25-35. The Brine Line Reach IV-D runs from the intersection with Reach IV-A in the City of Chino approximately 21 miles East, to the intersection with Reach IV-E in the City of Rialto. Seven (7) miles of Reach IV-D consists of T-lock lined 42-inch reinforced concrete pipe (RCP). The T-lock lining is a polyvinyl chloride (PVC) lining on the interior circumference of the pipe that provides a protective corrosion barrier between the flow and concrete pipe. The T-lock lining on this portion of the Brine Line was installed on the upper 270 degrees of the pipeline leaving the invert or bottom 90 degrees of the pipe unlined. Low flows during the initial years of operation placed the flow line below the termination of the T-lock liner and exposed the concrete to corrosion and uplifting of the T-lock liner.

In 2018, Woodard & Curran developed the Reach IV-D Rehabilitation Work Plan. The work included a pipeline condition assessment to evaluate the condition and the remaining useful life of this portion of Reach IV-D. The Work Plan includes an evaluation of potential repair

methods, recommended actions to monitor the condition of the Brine Line and a schedule and order of magnitude cost estimate for the near-term, mid-term and long-term recommendations. The near-term (completed in 2019) included a man-entry inspections at two (2) locations. Mid-term (2024) includes clean and CCTV, inspection of entire seven (7) miles of pipe, man-entry physical testing at the same seven (7) locations and re-assess remaining useful life. The long-term (2029 to 2039) includes rehabilitation pipeline, if required, (depending on results of mid-term inspections).

Mr. Ruhl noted that he seeks approval in issuing an RFP to perform the mid-term recommendations. With approval, the RFP will be released today (August 1), and proposals will be due August 30, 2023. Interviews will be conducted September 7, 2023, and a recommendation for award is anticipated October 3, 2023. Chair Milford Harrison asked the estimated cost. Mr. Ruhl noted about \$500,000 with SAWPA doing the line cleaning and CCTV inspection. Committee Member Joe Mouawad asked if part of the condition assessment, will there be shutdowns of the line, and if so, how many are anticipated? Mr. Ruhl noted that there have been discussions with some of the bigger dischargers and the preference is that there will be one (1) complete shutdown of 24-48 hours versus having numerous shutdowns in the February timeframe. Committee Member Mike Gardner noted that it is important to take these steps and continue to make sure that the line does not fail rather than having to replace the entire reach.

**MOVED**, to direct staff to issue a Request for Proposals (RFP) for Engineering Services for the Inland Empire Brine Line Reach IV-D Rehabilitation Work Plan Mid-Term Recommendations.

|                |  |
|----------------|--|
| Result:        | <b>Adopted by Roll Call Vote (Unanimously)</b> |
| Motion/Second: | Gardner/Deshmukh                               |
| Ayes:          | Deshmukh, Harrison, Gardner, Mouawad           |
| Nays:          | None   |
| Abstentions:   | None   |
| Absent:        | None   |

**C. CALIFORNIA ELECTRIC VEHICLE (EV) REQUIREMENTS (PA#2023.11)**

Daniel Vasquez provided a presentation titled California Air Resource Board Advanced Clean Fleets (ACF) Regulations contained in the agenda packet on pages 239-254. Beginning in 2027, small government agencies (10 or fewer vehicles) will be required by California Air Resources Board (CARB) to ensure 100% of all new vehicle fleet purchases are zero-emission electric vehicles (ZEV). This rule was adopted by CARB on April 28, 2023, in order to support Governor Gavin Newsom’s Executive Order N-79-20.

An additional option presented by CARB’s new rule would be to follow the ZEV Fleet Milestones option in lieu of waiting to comply by 2027. State and local government fleets may purchase either ZEV, or near ZEVs, or a combination of both, until 2035. Beginning in 2035, only ZEVs will meet CARB requirements. SAWPA’s current fleet vehicles are as follows:

| <b>Make/Model</b>   | <b>Year</b> | <b>Mileage</b> |
|---------------------|-------------|----------------|
| Ford F250 4x4       | 2017        | 74,155         |
| Ford F350 4x4       | 2019        | 24,269         |
| Ford F550 4x4       | 2014        | 80,576         |
| GMC Sierra 2500 4x4 | 2013        | 92,548         |
| Ford Escape         | 2011        | 80,003         |
| Nissa NV 2500       | 2018        | 31,792         |



Replacing existing vehicles with ZEV equivalents may significantly limit SAWPA operational capabilities with respect to vehicle utility, operability range, and supporting infrastructure. In addition, SAWPA staff will research solutions and present to the PA 24 Committee a work plan to comply with the new rule while preventing loss of operational capabilities by SAWPA. Committee Member Shivaji Deshmukh noted that IEUA's staff has put in a lot of effort to understand the regulations working with CARB through CASA and he suggests SAWPA coordinate with the member agencies to help make the change in regulations more practical rather than re-inventing the wheel.

This item was for discussion purposes; no action was taken on Agenda item No. 7.C

## **8. INFORMATIONAL REPORTS**

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

### **A. BRINE LINE FINANCIAL REPORT – MAY 2023**

Karen Williams noted that a review of the Reserve Fund balances will be presented to the Committee in September.

### **B. GENERAL MANAGER COMMENTS**

Jeff Mosher informed the Committee that David Ruhl is working on the master plan and has been coordinating with the member agencies as well as other water agencies that would potentially have future projects that would discharge to the Brine Line. It is anticipated to provide an interim report to the Committee early next year. Mr. Mosher noted that the OC San/SAWPA Joint Policy Committee meeting is tentatively scheduled for October 12<sup>th</sup> with a tour of Plant No. 2.

### **C. COMMITTEE MEMBERS COMMENTS**

### **D. CHAIR'S COMMENTS/REPORT**

## **9. COMMITTEE MEMBER REQUESTS FOR FUTURE AGENDA ITEMS**

There were no requests for future Agenda items.

## **10. ADJOURNMENT**

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

**Approved at a Regular Meeting of the Project Agreement 24 Committee on September 5, 2023.**

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T. Milford Harrison, Chair

Attest:

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Sara Villa, Clerk of the Board

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## PA 24 COMMITTEE MEMORANDUM NO. 2023.12

**DATE:** September 5, 2023

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

**SUBJECT:** Inland Empire Brine Line Reserve Funds Review

**PREPARED BY:** Karen Williams, Deputy General Manager/Chief Financial Officer

### RECOMMENDATION

That the Project Agreement 24 Committee:

1. Set target limit for R-01 Brine Line Operating Reserves to \$2,179,659 for FYE 2024 and transfer the amount over target of \$141,358 to R-07 Pipeline Replacement and Capital Investment, and
2. Keep the current balances at 06/30/2023 and continue to accrue interest for the following reserves:
  - a. R-02 Brine Line Debt Service
  - b. R-04 Pipeline Capacity Management
  - c. R-05 OC Future Treatment & Disposal Capacity

### DISCUSSION

SAWPA's Reserve 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 currently maintains six (6) distinct reserves that pertain to the Brine Line. The six (6) reserves are as follows:

- R-01 Brine Line Operating
- R-02 Brine Line Debt Retirement
- R-04 Pipeline Capacity Management
- R-05 OC San Future Treatment & Disposal Capacity
- R-06 OC San Pipeline Rehabilitation
- R-07 Brine Line Replacement and Capital Investment

As per the approved Reserve Policy, funding above the target level in the reserve will be discussed and approved with the PA24 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. During the FYE 2024 and 2025 budget process, contributions to the two reserve accounts that are under the target levels were reviewed and contribution amounts were approved for the next two years. There are four reserves that are over the target levels set in the Reserve Policy. The following table shows each reserve level on June 30, 2023, the minimum balance, target, and the amount over or under the target.

**Reserve Balances as of June 30, 2023**

| Reserve Fund                                  | No.  | Balance @ 06/30/2023 | Minimum Balance     | Target              | Amount Over/(Under) Target | Comments  |
|---|------|----------------------|---------------------|---------------------|----------------------------|---|
| Brine Line Operating                          | R-01 | \$2,321,017          | \$2,273,388         | \$2,273,388         | \$47,629                   | Interest through 06/30/2023   |
| Debt Retirement                               | R-02 | \$2,899,430          | \$1,709,476         | \$1,709,476         | \$1,189,954                | 1.5x annual debt plus interest through 06/30/2023                   |
| Pipeline Capacity Management                  | R-04 | \$12,330,705         | \$3,894,181         | \$9,735,454         | \$2,595,251                | Funds from pipeline capacity sales plus interest                    |
| OC San Future Treatment and Disposal Capacity | R-05 | \$1,887,871          | \$1,842,396         | \$1,842,396         | \$45,475                   | Target set at 06/30/2022 balance. Interest through 06/30/2023       |
| OC San Pipeline Rehabilitation                | R-06 | \$2,448,640          | \$2,425,147         | \$7,250,000         | (\$4,801,360)              | Budget contributions in FYE 2024 and 2025 (\$325,309, \$155,786)    |
| Pipeline Replacement and Capital Investment   | R-07 | \$32,448,955         | \$17,503,000        | \$42,911,000        | (\$10,462,045)             | Budget contributions in FYE 2024 and 2025 (\$1.9 million each year) |
| <b>Totals</b>                                 |      | <b>\$54,336,618</b>  | <b>\$29,647,588</b> | <b>\$65,721,714</b> | <b>(\$11,385,096)</b>      |   |

R-01 Brine Line Operating

The target set for this reserve is \$2,273,388. The target level set for this reserve is 25% of total operating expenses each year. Interest is earned each quarter and is based on the average monthly balance. It is recommended that the target level for this reserve be changed to \$2,179,659 based on budgeted operating expenses of \$8,718,636 for FYE 2024. The balance should be transferred to R-07 Pipeline Replacement and Capital Investment.

R-02 Debt Retirement

The target set for this reserve is \$1,709,476. The target level set for this reserve is equivalent to the annual debt service payments and is required per the SRF Loan agreements. Interest is earned each quarter and is based on the average monthly balance. Currently, this reserve is over the target. Staff recommends that this reserve be allowed to continue to earn interest and keep a balance over the target level.

In the 10-year CIP there are over \$54 million in projects that may qualify for SRF loan funding. If we were to receive an SRF Loan in the amount of \$22.8 million for the Reach IV-D Corrosion Repair project, the annual debt service payment would be \$1,278,798. This amount would need to be in the Debt Retirement Reserve. The total required amount for the reserve would be

\$2,988,274. By continuing to earn interest each quarter the reserve amount would grow over time and no additional contributions would be needed.

#### R-04 Pipeline Capacity Management

The target set for this reserve is \$9,735,454. The target level set for this reserve is equal to 25% of the annual average CIP project costs associated with managing pipeline capacity. Interest is earned each quarter and is based on the average monthly balance. Currently, this reserve is over the target. Staff recommends that this reserve be allowed to continue to earn interest and keep a balance over the target level.

The current balance of \$12,232,268 is from pipeline capacity sales to Eastern Municipal Water District and Western Municipal Water District, and interest earned. Until more is known regarding the future costs of this project, all funds should remain in this reserve account.

#### R-05 OC San Future Treatment & Disposal Capacity

The target set for this reserve is \$1,842,396. The target level set for this reserve was the June 30, 2022, reserve balance. Interest is earned each quarter and is based on the average monthly balance. Funds in this reserve are from treatment capacity purchases from San Bernardino Valley Municipal Water District. These funds will be used to purchase treatment & disposal capacity from OC Sanitation District. The current price to purchase 1 MGD of treatment & disposal capacity is \$6.8 million. Currently, this reserve is over the target. Staff recommends that this reserve be allowed to continue to earn interest and keep a balance over the target level.

#### R-06 OC San Pipeline Rehabilitation

The target set for this reserve is \$7,250,000. The target level set for this reserve is based on SAWPA's share of future OC San capital project costs. Currently this reserve is at \$2,448,640, which is below the target level. During the FYE 2024 and 2025 budget process, contributions to this reserve were set at \$325,309 and \$155,786. Interest is earned each quarter and is based on the average monthly balance.

#### R-07 Brine Line Replacement and Capital Investment

The target set for this reserve is \$42,911,000. The target level set for this reserve is based on three components (Resiliency, CIP, and Renew and Replacement) and is reviewed each year. Currently this reserve is at \$32,448,955, which is below the target level. During the FYE 2024 and 2025 budget process, contributions to this reserve were set at \$1.9 million each year. Interest is earned each quarter and is based on the average monthly balance.

### **RESOURCE IMPACTS**

There are no resource impacts at this time.

Attachments:

1. Approved Updated SAWPA Reserve Policy
2. Presentation

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## SANTA ANA WATERSHED PROJECT AUTHORITY

# RESERVE POLICY

### POLICY STATEMENT

A key element of prudent financial planning is to ensure that sufficient funding is available for current operating, capital, and debt service needs. Additionally, fiscal responsibility requires anticipating the likelihood of, and preparing for, unforeseen events. The Santa Ana Watershed Project Authority (“SAWPA”) desires to identify and provide a calculation methodology and/or maintained level of all existing and future needs of the agency where reserve funds are required and/or necessary. The SAWPA Commission and the Project Agreement 24 Committee (PA 24) realizes the importance of reserves in providing reliable service to its member agencies, financing long-term capital projects, and the funding of emergencies, should they arise. In this context, SAWPA will at all times strive to have sufficient funding available to meet its operating, capital, and debt service obligations. Funds will be accumulated and maintained to allow SAWPA to fund expenditures in a manner consistent with SAWPA’s long range financial plan and the Capital Improvement Plan (“CIP”), and avoid significant rate fluctuations due to changes in cash flow requirements.

The Commission and PA 24 may designate specific reserve accounts and maintain minimum reserve balances consistent with statutory obligations that it has determined to be in the best interest of SAWPA. The Policy directives outlined in this document are intended to ensure SAWPA has sufficient funds to meet current and future needs. The Commission and PA 24 will annually review the level of reserve funding. Considerations to continue or the establishment of a new reserve will be determined based on the following criteria:

- ◆ Reason for the reserve.
- ◆ Availability and source of funds to continue, replenish or establish the reserve.
- ◆ Operating expenditure levels approved within the biennial budget process.
- ◆ Future capital expenditure and debt service requirements of the agency.
- ◆ Commission and PA 24 approval of the reserve policy.

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

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

## DEFINITIONS

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

- I. **RESTRICTED FUNDS:** Restrictions on the use of these funds are imposed by an outside source such as creditors, grantors, contributors, laws, or regulations governing use. These funds are specifically governed by a written contract with SAWPA or outlined within the debt covenants of a debt financing.
- II. **UNRESTRICTED FUNDS:** These funds have no externally imposed use restrictions. The use of Unrestricted Funds is at the discretion of the SAWPA Commission and PA 24. Unrestricted Funds are designated for a specific purpose, which is determined by the Commission and PA 24. The Commission and PA 24 also have the authority to redirect the use of these funds as the needs of SAWPA change.

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

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

- ◆ *Restricted and Designated Reserves* – Reserves that are designated for a particular purpose and whose use is restricted to only that purpose. The Restricted and Designated Reserves consist of the Debt Retirement Reserve (R-02).
- ◆ *Board Designated Reserves* – Reserves earmarked for the purpose of funding items such as new capital facilities, repair or replacement of existing facilities, and general operating reserves designated for a specific purpose and use by the Commission and PA 24. The Board Designated Reserves are comprised of the following reserve accounts: Brine Line Operating Reserves (R-01), Debt Retirement Reserve (R-02), Pipeline Capacity Management Reserve (R-04), OC San Future Treatment and Disposal Capacity Reserve (R-05), OC San Pipeline Rehabilitation Reserve (R-06) Pipeline Replacement and Capital Investment Reserve (R-07), General Fund Operating Reserve (R-10), and General Fund Building Reserve (R-11).
- ◆ *Board Restricted (Obligated) Reserves* – Reserves set aside to meet financial commitments for services not yet fulfilled and purchases that will take place in the future. These reserves consist of the Capital Improvement Construction Reserve (R-12).
- ◆ *Contractually Restricted Reserves* – Funds held to satisfy limitations set by external requirements established by creditors, grant agencies or contributors, or law. Examples include stipulated bond covenants, capital improvement fees, and service deposits. These reserves consist of the Debt Retirement Reserve (R-02).



## **GENERAL PROVISIONS**

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

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

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

Through a variety of policy documents and plans, including the Brine Line CIP, the long-range financial plan, and the Brine Line Financial Study and Rate Model, the Commission and PA 24 have set forth a number of long-term goals for SAWPA. A fundamental purpose of SAWPA's policy documents and plans is to link what must be accomplished with the necessary resources to successfully do so.

SAWPA has established and will maintain the reserves outlined in the following sections. A principal tenet of SAWPA's Reserve Policy shall be the crediting of interest income to specific funds. Unless otherwise stated in this Reserve Policy, interest derived from reserve balances will be credited to the reserve account from which it was earned. Reserve balances will be reviewed by the Chief Financial Officer ("CFO") on a monthly basis, as well as biennially during the budget review process in order to determine how reserve balances compare with the budgeted projections and how they measure against the goals outlined in this Policy. The CFO will involve member agencies in reviewing SAWPA's long range financial plan during the biennial budget process to determine if the current annual funding amounts for each reserve, if applicable, should be raised, lowered, or maintained.

The minimum level established for each reserve represents the baseline financial condition that is acceptable to SAWPA from risk and long-range financial planning perspectives. The target level established represents the goal amount to be held in each reserve fund at any time. The maximum level funding for the reserves are these target levels. The target level may at times be above the target level due to the accumulation of funds to meet SAWPA's operating, capital and debt service obligations. Funding above the target level in the reserve will be discussed and approved with the Commission and PA24 annually and during the biennial budget adoption process. SAWPA will involve member agencies in reviewing the timing for each reserve to achieve its target. Maintaining reserve funding at appropriate levels is a prudent, ongoing

business process that consists of an iterative, dynamic assessment and application of various funding alternatives. These alternatives (either alone or in combination with each other) include, but are not limited to: rates, loans and grants, debt financing, investment of funds, and levels of capital expenditures.

The Commission or PA 24 shall approve any reallocation of funds or any transfers among reserve funding.

### **SPECIFIC PROVISIONS**

SAWPA will maintain the following reserves at or above the respective minimum levels, with a goal of achieving the respective target levels (if applicable):

- 1.) Brine Line Operating Reserve (R-01): The Brine Line Operating Reserve is established to cover temporary cash flow deficiencies that occur as a result of timing differences between the receipt of operating revenue and expenditure requirements. The reserve is utilized as needed to pay outstanding Brine Line Enterprise expenditures prior to the receipt of anticipated operating revenues. The reserve is also intended to mitigate the effects of occasional shortfalls in revenue due to a number of events such as weather factors (wet weather or drought events and natural disasters), increased water conservation, poor regional economic conditions, and unplanned or unexpectedly large rate adjustments/increases. This reserve may also be utilized in the event that a meter error occurs and the discharger is over-billed.

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

Target Level – Same as minimum level.

Events and Conditions Prompting the Use of the Reserve – This reserve is utilized as needed to pay outstanding Brine Line Enterprise expenditures prior to the receipt of anticipated operating revenues, to mitigate the effects of occasional revenue shortfalls, and to refund dischargers in the event that a meter error occurs and the discharger is over-billed.

Funding Source – Primary source of funding is through Brine Line Rates. Funding may be provided through reallocation of funds or any transfers among reserves as approved by PA 24.

Periodic Review Dates for Balances – Reviewed and recalibrated through the normal biennial budget and annual rate-setting process. Funding above the target level in the reserve will be discussed with PA 24 during the biennial budget adoption process.

- 2.) Debt Retirement Reserve (R-02) – This reserve was initially established with funds received from SAWPA’s member agencies for the purchase of pipeline capacity (30 MGD) in the Brine Line system to provide future funding on debt service payments for SRF loans

required to build the Brine Line system. Treasury-strips (“T-Strips”) were purchased with maturities to match annual principal and interest payments due on the long-term debt associated with the State loans. This reserve will be maintained and/or adjusted at levels set forth in future “bond covenants” or other debt obligation instruments as approved by PA 24.

Minimum Level – Funding shall at a minimum equal the amount stipulated in any formal loan agreements and/or bond covenants. Additionally, SAWPA shall meet or exceed all required debt service coverage ratios as stipulated in any formal loan agreements and/or bond covenants.

Target Level – Same as minimum level.

Additionally, SAWPA shall target a debt service coverage ratio equal to the higher of:

- ◆ 1.5 times the highest annual debt service; or
- ◆ The highest annual debt service times the sum of the minimum debt service coverage ratio plus 0.25

Events and Conditions Prompting the Use of the Reserve – This reserve is utilized as needed to pay when due debt service payments on SAWPA’s obligations. The PA 24 shall take action to approve annual debt service obligations of the Agency as presented in the biennial budget. Any other use (debt obligations approved and entered into following adoption of the biennial budget) shall require prior PA 24 approval before the expense of funds from this reserve.

Funding Source – Primary source of funding is through Brine Line Rates. Funding may be provided through reallocation of funds or any transfers among reserves as approved by PA 24.

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

3.) Pipeline Capacity Management Reserve (R-04) – This reserve was established to set aside 100% of the funding derived from pipeline capacity sales to provide funds for future pipeline capacity needs within the Brine Line. As the pipeline reaches capacity, other alternatives will be needed to ensure the ability to discharge and achieve salt balance within the Santa Ana Watershed. All of the funding derived from pipeline capacity sales will be deposited and maintained in this reserve.

Minimum Level – Funding shall at a minimum equal 25% of annual average CIP project costs associated with managing pipeline capacity. These projects may involve Brine Line flow concentration, flow reduction, or other alternative solutions to ensure sufficient capacity.

Target Level – The target funding level shall equal 2.5 times the minimum level.

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

Funding Source – Funding derived from pipeline capacity sales and through Brine Line Rates. Funding may be provided through reallocation of funds or any transfers among reserves as approved by PA 24.

Periodic Review Dates for Balances – Reviewed as part of the biennial budget process. Funding above the target level in the reserve will be discussed with PA 24 during the biennial budget adoption process.

- 4.) OC San Future Treatment and Disposal Capacity Reserve (R-05) – This reserve is established to provide future funding as it becomes necessary for SAWPA to acquire (purchase) additional treatment and disposal capacity (minimum of 1 MGD increments) in the OC San treatment plant facility. As incremental treatment plant capacity is purchased by member agencies from SAWPA at an agreed upon rate set by SAWPA resolution, funds would be deposited into this reserve account which can then be used by SAWPA to purchase treatment and disposal capacity from OC San.

Reserve levels will depend on the rate of growth and capacity sales. As capacity purchases are made by member agencies, funds will be deposited in this reserve so that its balance will be sufficient to cover anticipated additional treatment and disposal capacity purchases as and when they come due. Capacity lease revenue may also be deposited in this reserve to provide funding for future purchases of treatment and disposal capacity from OC San required to serve Brine Line lessees.

Minimum Level – Funding shall at a minimum equal the sum of past reserve contributions from member agencies not yet spent by SAWPA to purchase additional treatment and disposal capacity from OC San.

Target Level – Same as minimum level.

Events and Conditions Prompting the Use of the Reserve – This reserve may only be utilized to purchase additional treatment capacity in the OC San plant as approved by PA 24. Any other use of this reserve shall not occur without prior authorization from PA 24.

Funding Source – Funding derived from treatment and disposal capacity sales, capacity lease revenues and Brine Line Rates. Funding may be provided through reallocation of funds or any transfers among reserves as approved by PA 24.

Periodic Review Dates for Balances – Reviewed as part of the biennial budget process. Funding above the target level in the reserve will be discussed with PA 24 during the biennial budget adoption process.

- 5.) OC San Pipeline Rehabilitation Reserve (R-06) – This reserve was established to fund SAWPA's share of capital costs associated with its proportionate share of capacity right

ownership in the Santa Ana Regional Interceptor (SARI) Line maintained by OC San. Since these costs are expected to vary significantly in timing and size, an approach has been developed to normalize these expenditures into equal annual payments. The objective is for SAWPA to make equal annual contributions (adjusted for inflation) into this interest earning reserve fund, and then make withdrawals from this fund when payments to OC San for the SARI Line come due. According to the Brine Line Financial Study, this approach will mitigate significant capital cost spikes for SAWPA.

Minimum Level – Funding shall at a minimum equal 2% of SAWPA’s estimated share of SARI Line asset value.

Target Level – The target funding level shall equal the higher of the following:

- ◆ The minimum level
- ◆  $[\% \text{ certainty of OC San's project costs}] \times [\text{SAWPA share in project}] \times [\% \text{ of project cost to be cash financed}]$

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

Funding Source – Primary source of funding is through Brine Line Rates. Funding may be provided through reallocation of funds or any transfers among reserves as approved by PA 24.

Periodic Review Dates for Balances – Reviewed and recalibrated through the normal biennial budget and if OC San revises its SARI Line capital costs. Funding above the target level in the reserve will be discussed with PA 24 during the biennial budget adoption process.

6.) Pipeline Replacement and Capital Investment Reserve (R-07): This reserve was established to provide capital replacement funding as the Brine Line system’s infrastructure (pipe) deteriorates over its expected useful life. This reserve is also intended to provide cash on hand for planned capital projects and emergency repairs. Maintaining this reserve serves two major purposes: i) provides a means of tracking funds designated for capital investment (such as capital revenues, depreciation funding, grants, etc.) and ensuring that they are used for their intended purpose and facilitating compliance with any applicable requirements, and ii) provides protection against the risk of cost overruns related to its capital improvement program.

Minimum Level – Funding shall at a minimum equal the sum of the following three components:

- ◆ Resiliency Component: Asset value times the lowest non-zero percentage of high and very high probability of failure (PoF) and consequence of failure (CoF) per SAWPA’s most recent Brine Line Criticality Assessment
- ◆ CIP Component: Annual average cash financed project costs in the 10-year inflated CIP

- ◆ **Renewal & Replacement (R&R) Component:** The sum of the following formula calculated individually for each pipeline reach:  

$$[10\% \text{ equity financing}] \times [\text{asset value}] \div [75\text{-year replacement period}] \times [\text{age of reach in years}]$$

Target Level – The target funding level shall equal the sum of the following three components:

- ◆ **Resiliency Component:** The minimum of:
  - 1) Asset value times half of the highest percentage of high and very high PoF and CoF per SAWPA’s most recent Brine Line Criticality Assessment
  - 2) \$5 million
- ◆ **CIP Component:** 2.5 times the annual average cash financed projects in the 10-year inflated CIP
- ◆ **Renewal & Replacement Component:** The sum of the following formula calculated individually for each pipeline reach:  

$$[25\% \text{ equity financing}] \times [\text{asset value}] \div [75\text{-year replacement period}] \times [\text{age of reach in years}]$$

Events and Conditions Prompting the Use of the Reserve – Through the biennial budget process, staff shall recommend anticipated asset replacement projects. The PA 24 shall take action to approve recommended project appropriations from this reserve. This reserve shall be utilized to cover out of pocket insurance losses experienced by SAWPA. Any reimbursement received by SAWPA from the insurance company as a result of a submitted claim shall be deposited back into the reserve as replenishment for the loss. Should emergency replacement be necessary during any fiscal year, PA 24 ~~the~~ may take action to amend the budget and appropriate needed funds as required by such emergency. In addition, in certain circumstances SAWPA may elect to fund one-time operating expenditures related to specific projects through the use of this reserve rather than rate increases.

Funding Source – Primary source of funding is through Brine Line Rates. Funding may be provided through reallocation of funds or any transfers among reserves as approved by PA 24.

Periodic Review Dates for Balances – Reserve balances and projected replacement projects will be reviewed by staff and PA 24 during the preparation and approval of the biennial budget and on an as-needed basis in the case of emergencies. Funding above the target level in the reserve will be discussed with PA 24 during the biennial budget adoption process.

7.) General Fund Operating Reserve (R-10) – Established to provide cash flow for unbudgeted and/or unexpected expenditures and to mitigate potential delays between the time when expenditures are incurred and the time when revenues are received. This reserve also holds accrued employee vacation and sick time funds owed to SAWPA employees.

Minimum Level – None.

Target Level – A prudent target level will be equal to 180 days of SAWPA’s General Fund total budgeted operating expenditures. This reserve will be funded only based on realized efficiencies in the General Fund resulting in actual year-end expenditures being under budget.

Events and Conditions Prompting the Use of the Reserve – This reserve is designated to maintain working capital for current operations and to meet routine cash flow needs. Upon Commission approval, this reserve may be routinely utilized by staff to cover temporary cash flow deficiencies caused by timing differences between revenues and expenditures and extraordinary decreases in revenues and unexpected increases in expenditures. This reserve is also used to pay accrued employee vacation and sick time per the SAWPA Employee Manual.

Funding Source – Primary source of funding is from member agency contributions.

Periodic Review Dates for Balances – Reviewed during the preparation and approval of the biennial budget process. Funding above the target level in the reserve will be discussed with the Commission during the biennial budget adoption process.

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

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

Target Level – None.

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

Funding Source – Primary source of funding is from member agency contributions.

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

9.) Capital Improvement Construction Reserve (R-12) – This is a restricted reserve established to set aside 100% of the funding derived from the construction fund money proceeds of a bond issue required to support specific capital projects identified and approved by PA 24 in SAWPA’s CIP. The use of these proceeds is restricted by conditions set in the respective legal bond documents.

Minimum Level – None. The balance in this reserve will be determined based on the amount of construction fund moneys generated as part of the bond proceeds and the spend-down requirements for the particular CIP project being financed.

Target Level – Same as minimum level.

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

Funding Source – Proceeds from bond issuance. Funding may also be provided through reallocation of funds or any transfers among reserves as approved by PA 24.

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

## **INVESTMENT GUIDELINES**

It has been SAWPA’s practice to rely primarily on a pay-as-you-go (pay-go) strategy and some use of SRF loans to fund capital improvements and replacement of existing assets. Maintaining a balance between debt and pay-go sources may provide an added benefit to SAWPA in terms of allowing for a more optimal investment strategy. In the context of these policies and in circumstances where such balance is present, the investment portfolio can be separated into short and long portfolios to maximize investment returns. The balance in the Liquidity (Operating) Funds should be kept in short-term investments. Moneys in the Capital Funds, however, may be invested for a longer horizon as the funds are needed in the later years.

## **DELEGATION OF AUTHORITY**

The Commission and PA 24 have sole authority to amend or revise this Reserve Policy. Through approval of this Policy, the Commission and PA 24 have established written procedures and guidelines for staff to follow in the management of SAWPA’s Reserves.





# Inland Empire Brine Line Reserve Funds Review

Karen Williams, Deputy General Manager/ Chief Financial Officer  
Project Agreement 24 Committee  
September 5, 2023

# Brine Line Reserve Policy

- The updated Reserve Policy was approved by:
  - PA24 on November 1, 2022
  - SAWPA Commission on December 20, 2022
- PA24 approved the elimination of 3 reserves and transferred the balance of \$5.5 million to R-07 Pipeline Replacement and Capital Investment on February 7, 2023.
- As per the approved Reserve Policy, funding above the target level in the reserve will be discussed and approved with the PA24 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 to PA24 and the Commission in September 2023, after the new budget is adopted.

# Reserve Balances as of 06/30/2023 (including 4<sup>th</sup> Qtr. Interest)

| Fund  | 06/30/2023<br>Ending<br>Balance | Minimum      | Target       | Over or<br>Under<br>Target | Amount Over<br>or (Under)<br>Target | Comment  |
|---|---------------------------------|--------------|--------------|----------------------------|-------------------------------------|--|
| R-01 Brine Line Operating                             | \$2,321,017                     | \$2,273,388  | \$2,273,388  | Over                       | \$47,629                            | Interest through 06/30/2023  |
| R-02 Debt Retirement                                  | \$2,899,430                     | \$1,709,476  | \$1,709,476  | Over                       | \$1,189,954                         | Interest through 06/30/2023  |
| R-04 Pipeline Capacity<br>Management                  | \$12,330,705                    | \$3,894,181  | \$9,735,454  | Over                       | \$2,595,251                         | Funds from pipeline capacity<br>sales                              |
| R-05 OC San Future Treatment<br>and Disposal Capacity | \$1,887,871                     | \$1,842,396  | \$1,842,396  | Over                       | \$45,475                            | Target set at 06/30/22 balance<br>Interest through 06/30/23        |
| R-06 OC San Pipeline<br>Rehabilitation                | \$2,448,640                     | \$2,425,147  | \$7,250,000  | Under                      | (\$4,801,360)                       | Contributions for FYE 2024 and<br>2025 are \$325,309 and \$155,786 |
| R-07 Pipeline Replacement and<br>Capital Investment   | \$32,448,955                    | \$17,503,000 | \$42,911,000 | Under                      | (\$10,462,045)                      | Contributions for FYE 2024 and<br>2025 are \$1.9 million each year |
| Resiliency Component                                  |                                 | \$2,338,000  | \$5,000,000  | --                         | --                                  | --   |
| CIP Component   |                                 | \$3,013,000  | \$7,531,000  | --                         | --                                  | --   |
| R&R Component   |                                 | \$12,152,000 | \$30,380,000 | --                         | --                                  | --   |
| <b>Total - Unrestricted</b>                           | \$52,627,142                    | \$27,938,112 | \$64,012,238 | --                         | --                                  | --   |
| <b>Total – Restricted</b>                             | \$1,709,476                     | \$1,709,476  | \$1,709,476  | --                         | --                                  | --   |
| <b>Total</b>  | \$54,336,618                    | \$29,647,588 | \$65,721,714 | --                         | --                                  | -- 27  |

## R-01 Brine Line Operating

- Target set at \$2,273,388 (25% of budgeted operating costs).
- Interest earned in 2023 = \$51,054.
- Balance at 06/30/2023 = \$2,321,017.

### **Recommendation:**

- Set new target at \$2,179,659 (25% of budgeted operating costs for 2024 - \$8,718,636).
- Transfer \$141,358 to R-07 Pipeline Replacement and Capital Investment.

## R-02 Debt Retirement

- Target set at \$1,709,476 (1x annual debt service payment).
- Interest earned in 2023 = \$69,840.
- Balance at 06/30/2023 = \$2,899,430.

### Recommendation:

- Keep the \$2,899,430 balance in this reserve and continue to accrue interest.
- 10-year CIP of \$54 million that qualify for SRF Loans.
  - Reach IV-D Corrosion Repair SRF Loan of \$22.8 million with estimated annual loan payment of \$1,278,798 (\$2,988,274 1x annual debt service payment reserve requirement).

## R-04 Pipeline Capacity Management

- Target set at \$9,735,454.
- Interest earned in 2023 = \$297,017.
- Balance at 06/30/2023 = \$12,330,705.

### **Recommendation:**

- Keep the \$12,330,705 balance in this reserve and continue to accrue interest until more information is known on the future costs of this project.
- Funds in this account are from pipeline capacity sales to EMWD and WMWD, and interest earned.

## R-05 OC San Future Treatment and Disposal Capacity

- Target set at \$1,842,396
- Interest earned in 2023 = \$45,474
- Balance at 06/30/2023 = \$1,887,871

### **Recommendation:**

- Keep the \$1,887,871 in this reserve and continue to accrue interest.
- The current price for 1 MG of treatment & disposal capacity is \$6.8 million. Funds in this reserve will be used to purchase additional treatment capacity.
- Funds in this reserve are from SBVMWD treatment capacity purchases and interest earned.

## R-06 OC San Pipeline Rehabilitation

- Target set at \$7,250,000.
- Interest earned in 2023 = \$58,982.
- Balance at 06/30/2023 = \$2,448,640.

### **Recommendation:**

- Continue to contribute to this fund.
  - FYE 2024 contribution = \$325,309.
  - FYE 2025 contribution = \$155,786.



## R-07 Pipeline Replacement and Capital Investment

- Target set at \$42,911,000 based on three components (Resiliency, CIP, and Renew and Replacement).
- Interest earned in 2023 = \$650,171.
- Transfers from eliminated reserves = \$5,525,046.
- Contributions in 2023 = \$1,467,543.
- RBF loan payment = \$260,432.
- Use of reserves in 2023 = (\$212,742).
- Balance at 06/30/2023 = \$32,448,955.

### **Recommendation:**

- Continue to contribute to this fund.
- FYE 2024 and 2025 contribution = \$1,900,000 per year.
- Use of \$2,928,845 for capital projects in FYE 2024 and \$1,870,013 in FYE 2025.

# Recommendation:

That the Project Agreement 24 Committee:

- Set the target limit for R-01 Brine Line Operating to \$2,179,659 for FYE 2024 and transfer the amount over the target of \$ 141,358 to R-07 Pipeline Replacement and Capital Investment.
- Keep the current balance at 06/30/2023 in the reserve and continue to accrue interest for the following reserves:
  - R-02 Brine Line Debt Service,
  - R-04 Pipeline Capacity Management Reserve,
  - R-05 OC Future Treatment & Disposal Capacity.

**Questions?**

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## **PA 24 COMMITTEE MEMORANDUM NO. 2023.13**

**DATE:** September 5, 2023

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

**SUBJECT:** Reach IV Easement Deed Acceptance and County Recording

**PREPARED BY:** Daniel Vasquez, Manager of Operations

### **RECOMMENDATION**

That the Project Agreement 24 authorize the General Manager to accept the Grant of Deed from Riverside County Flood Control and Water Conservation District for maintenance of the Reach IV sheet pile protection structure and record the Grant of Deed at the Riverside County Recorder's Office.

### **DISCUSSION**

In 2014, Orange County Flood Control passed this easement to Riverside County Flood Control to maintain a grade stabilizer for the Brine Line as part of a larger construction project. In 2015, SAWPA agreed to accept sole responsibility for ownership, operation and maintenance of the project once completed in "Cooperative Agreement-Santa Ana Canyon- Below Prado, Inland Empire Brine Line Sheet Pile Protection Project".

In 2017, at the completion of the project, operation and maintenance of the protection structure was given over to SAWPA. The easement was never recorded with Riverside County. A Certificate of Acceptance by SAWPA is required for county recording.

The sheet pile protection structure is in good condition and operations staff perform periodic inspections. No other impact on resources currently.

### **RESOURCE IMPACTS**

Funds to cover staff time to perform inspections of the sheet pile protection structure are included in the Fiscal Year 2024 Budget, Fund 240.

Attachments:

1. Certificate of Acceptance
2. Easement Deed
3. PowerPoint Presentation
4. Cooperative Agreement

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CERTIFICATE OF ACCEPTANCE

This is to certify that the interests in real property conveyed by the Grant of Deed to which this Certificate of Acceptance is attached, dated May 8, 2023 from the Riverside County Flood Control and Water Conservation District to the Santa Ana Watershed Project Authority (SAWPA), a Joint Powers Authority, is hereby accepted by the order of the SAWPA Project Agreement 24 Committee on the 5<sup>th</sup> day of September, 2023, and the Santa Ana Watershed Project Authority consents to recordation thereof by its duly authorized agent.

Santa Ana Watershed Project Authority, a Joint Powers Authority

By: \_\_\_\_\_

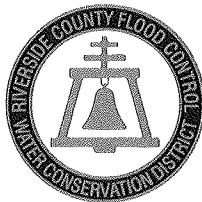
Jeffrey J. Mosher  
General Manager

Dated: \_\_\_\_\_

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JASON E. UHLEY  
General Manager-Chief Engineer



1995 MARKET STREET  
RIVERSIDE, CA 92501  
951.955.1200  
FAX 951.788.9965  
www.rcflood.org

RIVERSIDE COUNTY FLOOD CONTROL  
AND WATER CONSERVATION DISTRICT

May 10, 2023

Mr. David P. Ruhl  
Special Program Manager  
Santa Ana Watershed Project Authority  
11615 Sterling Avenue  
Riverside, CA 92503

Dear Mr. Ruhl:

Re: Santa Ana Canyon – Below Prado  
Inland Empire Brine Line  
Protection Project  
Project No. 2-0-00108

The referenced project was completed and responsibility for operations and maintenance was transferred to Santa Ana Watershed Project Authority ("SAWPA") in 2017. As part of the conveyance of the project, a complete Routine Operation and Maintenance Procedure Manual was provided along with the Record Drawings, Maintenance Cooperative Agreement, Right of Way documents and inspection forms. It has been brought to our attention that the original easement from the District to SAWPA was never recorded and is still being held by the District.

The District has had an easement deed re-executed by our Chairman transferring the necessary easement rights to SAWPA. We formally request the General Manager sign the enclosed easement deed with proper acknowledgment and record it with the County Recorder's Office. Please provide the District with a conformed copy upon recordation.

Should you have any questions, please contact Ami Urista of our staff at 951.955.4518.

Very truly yours,

A handwritten signature in black ink, appearing to read "Julianna Adams".

JULIANNA ADAMS  
Chief of Emergency Management  
and Government Affairs

Enclosures

cc: Nicholas Guizado  
Robert DeMeritt

AU:blm  
P8/251002

Recorded at request of, and return to:

Santa Ana Watershed Project Authority  
Attn: Jeff Mosher  
11615 Sterling Avenue  
Riverside, CA 92503

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Project: 017049 – Brine Project  
File: Chino Hills SP(508) – 2015-01  
APN: Portion of 101-120-012

**The undersigned grantor(s) declare(s)**  
DOCUMENTARY TRANSFER TAX \$ 0  
Exempt per Revenue & Taxation Code Section 11922  
Exempt from Recording Fees per Govt. Code Section 27383

### EASEMENT DEED

**FOR A VALUABLE CONSIDERATION**, receipt of which is hereby acknowledged, **RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT**, a body politic, ("**Grantor**"), does hereby convey to **Santa Ana Watershed Project Authority**, a Joint Powers Authority, ("**Grantee**"), all rights, title and interest in the real property easement interest described in and shall be subject to the terms contained in that certain Easement Deed recorded on October 23, 2014 as Instrument No. 2014-0403266 in the Official Records of the County of Riverside, State of California, situated in the city of Corona, County of Riverside, State of California, described in legal description referenced as Exhibits "A" and "B", said easement deed attached hereto and incorporated herein by reference.

Grantee agrees to keep, perform, and be bound by all the terms, covenant, and conditions of this Easement.

Grantor:

Grantee:

RIVERSIDE COUNTY FLOOD CONTROL  
AND WATER CONSERVATION DISTRICT

SANTA ANA WATERSHED PROJECT AUTHORITY

By: Karen S. Spiegel  
KAREN SPIEGEL,  
Chairman  
Board of Supervisors

By: \_\_\_\_\_  
JEFF MOSHER  
General Manager

Date 5/8/23

Date \_\_\_\_\_

ATTEST:  
KIMBERLY A. RECTOR, Clerk

By: [Signature]  
DEPUTY

Oct. 7, 2014 11.2

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA }  
 } §  
COUNTY OF RIVERSIDE }

On May 8, 2023, before me, Breanna Smith, Board Assistant, personally appeared Karen Spiegel, Chair of the Board of Supervisors, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument; and that a copy of this paper, document or instrument has been delivered to the chairperson.

I certify under the penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

Kimberly A. Rector  
Clerk of the Board of Supervisors

By: Breanna Smith  
Deputy Clerk

(SEAL)

**PETER ALDANA  
COUNTY OF RIVERSIDE  
ASSESSOR-COUNTY CLERK-RECORDER**

**Recorder**  
P.O. Box 751  
(951) 486-7000  
www.riversideacr.com

**CERTIFICATION**

Pursuant to the provisions of Government Code 27361.7, I certify under the penalty of perjury that the following is a true copy of illegible wording found in the attached document:

(Print or type the page number(s) and wording below):

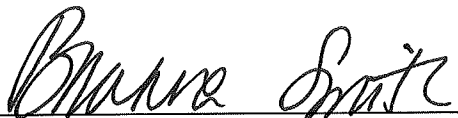
CLARIFICATION FOR SEAL for the Riverside County Flood Control and Water Conservation District (EMBOSED ON DOCUMENT)

RIVERSIDE COUNTY FLOOD CONTROL AND  
WATER CONSERVATION DISTRICT

1945

CALIFORNIA

Date: 05/08/2023

Signature: 

Print Name: Breanna Smith, Board Assistant

DOC # 2014-0403266

10/23/2014 01:44P Fee:NC

Page 1 of 12

Recorded in Official Records

County of Riverside

Larry W. Ward

Assessor, County Clerk & Recorder



**RECORDED AT THE REQUEST OF  
AND WHEN RECORDED MAIL TO:**

Riverside County Flood Control and  
Water Conservation District  
1995 Market Street  
Riverside, CA 92501

Mail Tax Statements as shown above

| S      | R | U | PAGE | SIZE | DA   | MISC | LONG | RFD  | COPY |
|--------|---|---|------|------|------|------|------|------|------|
| 1      |   |   | 12   |      | 1    |      |      |      |      |
| M      | A | L | 465  | 426  | PCOR | NCOR | SMF  | NCHG | EXAM |
| nchacc |   |   |      |      |      | T:   | CTY  | UNI  | 072  |

APN: Portion of 101-120-012

DOCUMENTARY TRANSFER TAX \$ \_\_\_\_\_

- Computed on the consideration or value of property conveyed
- Exempt per Revenue & Taxation Code Section 11922
- Exempt from Recording Fees per Govt. Code Section 27383

**C**  
072

By: \_\_\_\_\_

SIGNATURE OF DECLARANT OR AGENT DETERMINING TAX FIRM NAME

- Unincorporated Area
- Incorporated - City of Corona

Parcel No: E01-R3258  
Project: Santa Ana River Interceptor (SARI) - Brine Line Protection

**EASEMENT DEED**

For valuable consideration, receipt of which is hereby acknowledged,

**ORANGE COUNTY FLOOD CONTROL DISTRICT,**  
a body corporate and politic,  
hereinafter referred to as "**DISTRICT,**"

does hereby grant to  
**RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT,** a body politic,  
hereinafter referred to as "**GRANTEE,**" its, successor and assigns,

a non-exclusive easement in, on, over, upon and across that certain real property in the City of Corona, County of Riverside, State of California described in "**Exhibit A,**" and illustrated in "**Exhibit B,**" which exhibits are attached hereto and made a part hereof (hereinafter referred to as "**Easement Area**").

**GRANTEE'S** rights shall include rights to install and maintain a grade stabilizer, including steel sheet piles and rock riprap, ("**Facilities**") for protection of the SARI Brine Line in the Easement Area and shall include reasonable access to the Easement Area for the purpose of exercising the rights herein granted.

**DISTRICT** and **GRANTEE,** may sometimes hereinafter be individually referred to as "**Party**" or jointly as "**Parties**". It is understood and agreed by the Parties hereto and their successors and assigns that the easement and right of way herein granted in this easement deed ("**Easement Deed**") shall be subject to the following terms, conditions, and reservations:

**1. CONSTRUCTION AND MAINTENANCE (PMES2.2S)**

GRANTEE shall have all construction and/or maintenance plans approved in writing by DISTRICT'S Director of OC Public Works, or designee, (hereinafter referred to as "Director") prior to commencement of any work in, on or about the Easement Area; and upon completion of any such work, GRANTEE shall immediately notify Director in writing of such completion.

Director's approval of GRANTEE'S construction and/or maintenance plans shall not be deemed approval from the standpoint of structural safety, suitability for purpose or conformance with building or other codes or other governmental requirements. DISTRICT is not responsible for permitting of any construction and/or maintenance, design, assumptions or accuracy of GRANTEE'S construction and/or maintenance plans. Director will rely on the professional expertise of GRANTEE'S Engineer of Record when approving GRANTEE'S construction and/or maintenance plans.

GRANTEE hereby acknowledges that the Easement Area lies within a certain golf course facility commonly known as the Green River Golf Club (hereinafter referred to as "GRGC") and is operated in, or about the Easement Area.

GRANTEE shall perform all construction, maintenance and/or excavation as described below, in such a manner that will allow for unobstructed operations and maintenance of the GRGC.

Should it be necessary for GRANTEE to conduct any construction or excavation activities or otherwise disturb the surface of the Easement Area subsequent to the completion of the initial installation of GRANTEE'S Facilities, GRANTEE agrees to notify Director in writing sixty (60) days in advance of such planned activities, obtain Director's written approval of all plans, and obtain an encroachment permit for construction from the County of Orange ("County") with payment of normal processing fees therefor prior to commencement of any such activities. Said approval shall not be withheld unreasonably, nor shall said approval be necessary in any emergency situation or in conducting routine maintenance activities which do not involve disturbance of the surface area. Should work be done subject to an emergency, GRANTEE shall notify and provide adequate documentation to the District of the work performed.

Except in areas in which such activities require regulatory agency approval, which GRANTEE shall comply with per Section 3, or are otherwise designated as environmentally sensitive, GRANTEE shall have the right to cut such roots as may endanger or interfere with GRANTEE'S Facilities provided, however, that any excavation shall be made in such a manner as will cause the least injury to the surface of the ground and any improvements and/or landscaping around such excavation, and that the earth so removed shall be replaced and the surface of the ground and any improvements and/or landscaping around such excavation, damaged shall be promptly restored by GRANTEE at its expense to the same condition as existed prior to excavation, to Director's satisfaction.

GRANTEE shall, at no cost to DISTRICT, maintain in good repair and in safe condition all Facilities constructed, used or placed upon the Easement Area by or on behalf of GRANTEE pursuant to this Easement Deed.

**2. REMOVAL AND/OR ABANDONMENT (PMES3.1S)**

GRANTEE agrees that in the event (a) GRANTEE'S Facilities are no longer required, or (b) GRANTEE'S use of said Facilities ceases for a continuous period of more than one (1) year without written notice from GRANTEE to DISTRICT of the circumstances affecting such suspension and of GRANTEE'S intention to resume usage of the Facilities, GRANTEE shall, at Director's request and at no cost to DISTRICT, remove and/or abandon said Facilities within ninety (90) days after receipt of written notice from Director to remove and/or abandon. Following such removal and/or abandonment, GRANTEE shall, at no cost to DISTRICT,

restore the Easement Area to the condition that existed prior to the granting of this Easement Deed, to Director's satisfaction.

GRANTEE shall also execute and deliver to Director, within ninety (90) days of such removal and/or abandonment, for recordation in the Official Records of Orange County, California, a Quitclaim Deed sufficient to remove the encumbrance of this Easement Deed from title.

### **3. COMPLIANCE WITH REGULATORY AUTHORITIES (PMES6.2S)**

GRANTEE shall, at its own cost and expense, promptly and at all times observe, comply with and carry out all present and future orders, regulations, directions, rules, laws, ordinances, permits and requirements of all governmental authorities, including but not limited to environmental regulatory authorities, with jurisdiction in, on, over and about the Easement Area, which arise from GRANTEE'S use of or performance of any activities permitted to be conducted in, on, over, or across the Easement Area.

In addition, GRANTEE shall ensure that all construction in the Easement Area is performed in accordance with any NPDES (National Pollutant Discharge Elimination System) permit requirements or other water quality statutes, regulations, ordinances, or permits applicable to the construction, including but not limited to use of appropriate best management practices, so as to ensure that pollutants are not discharged into the DISTRICT'S flood control system or waters of the State of California.

No approvals or consents given hereunder by DISTRICT, as a Party to this Easement Deed, shall be deemed approval as to compliance or conformance with applicable governmental codes, laws, rules or regulations.

### **4. HOLD HARMLESS (PMES7.2S)**

GRANTEE acknowledges the Easement Area is in, on, or about a flood plain along and is in close proximity to the GRGC, and may be subject to all hazards associated with flood conditions and/or golf course operations. GRANTEE agrees to assume all risks, financial or otherwise, associated therewith.

GRANTEE hereby releases and waives all claims and recourse against DISTRICT and County including the right of contribution for loss of or damage to property, or injury to or death of any person arising from, growing out of or in any way connected with or related to this Easement Deed, including any damage to or interruption of use of GRANTEE'S Facilities caused by erosion, flood, or flood overflow conditions of the flood control system, or caused by the operation, maintenance, repair, reconstruction, replacement, enlargement or improvement of the flood control system or by DISTRICT'S flood control operations, except claims arising from the concurrent acts or omissions of DISTRICT and/or County, their officers, agents, employees and contractors.

GRANTEE hereby agrees to indemnify, defend (with counsel approved in writing by DISTRICT), and hold harmless, DISTRICT and County, their elected and appointed officials, officers, agents, employees and contractors against any and all claims, losses, demands, damages, cost, expenses or liability for injury to any persons or property, arising out of the maintenance, use of or operations or activities conducted in, on, or over the Easement Area, and/or the exercise of the rights under this Easement Deed by GRANTEE, its agents, officers, employees or licensees, except for liability arising out of the concurrent acts or omissions of DISTRICT, and/or County, their elected and appointed officials, officers, agents, employees or contractors including the cost of defense of any lawsuit arising therefrom. If DISTRICT and/or County is/are named as co-defendant(s) in a lawsuit, GRANTEE shall notify Director of such fact and shall represent DISTRICT/County in such legal action unless DISTRICT/County undertake(s) to represent itself/themselves as co-defendant(s) in such legal action, in which event, GRANTEE shall pay to DISTRICT/County its/their reasonable litigation costs, expenses, and attorneys' fees. If judgment is entered against DISTRICT/County and GRANTEE by a court of competent jurisdiction because of the concurrent acts or omissions of

DISTRICT/County and GRANTEE, DISTRICT and GRANTEE agree that liability will be apportioned as determined by the court. Neither party shall request a jury apportionment.

GRANTEE acknowledges that it is familiar with the language and provisions of California Civil Code Section 1542 which provides as follows:

*A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which, if known by him or her must have materially affected his or her settlement with the debtor.*

GRANTEE, being aware of and understanding the terms of Section 1542, hereby waives all benefit of its provisions to the extent described in this section.

**5. GRANTEE'S LIABILITY FOR HAZARDOUS OR TOXIC MATERIALS (PMES8.2S)**

GRANTEE shall not cause or permit any "Hazardous Material," as hereinafter defined, to be brought upon, kept, or used in or about the Easement Area. If GRANTEE breaches the obligations stated herein, or if contamination of the Easement Area by Hazardous Material otherwise occurs for which GRANTEE is legally liable to DISTRICT for damage resulting therefrom, then GRANTEE shall indemnify, defend with counsel approved in writing by DISTRICT, and hold harmless, DISTRICT and/or County, and their elected or appointed officials, officers, agents, and employees from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses (including, without limitation, diminution in value of the Easement Area, sums paid in settlement of claims, attorney fees, consultant fees, and expert witness fees) which arise during or after GRANTEE'S use of the Easement Area as a result of such contamination. This indemnification includes, without limitation, costs incurred by DISTRICT in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by any federal, state, or local governmental entity or agency because of Hazardous Material being present in the soil or ground water under the Easement Area. GRANTEE shall promptly take all action, at its sole cost and expense, as is necessary to clean, remove, and restore the Easement Area to its condition prior to the introduction of such Hazardous Material by GRANTEE, provided GRANTEE shall first have obtained Director's written approval and the approval of any necessary governmental entities or agencies for any such remedial action.

As used herein, the term "**Hazardous Material**" means any hazardous or toxic substance, material, or waste which is or shall become regulated by any governmental entity or agency, including, without limitation, the County, the state of California, or the United States government.

**6. RESERVATIONS (PMES9.1N)**

DISTRICT hereby reserves for itself and its successors and assigns, such surface, subsurface and aerial rights in the Easement Area and the right to grant easements, rights of way and permits to any third party in, over, upon, across and along any and all portions of the Easement Area as will not unreasonably interfere with or prohibit the use by GRANTEE of the rights and easement herein granted.

In the event DISTRICT exercises such rights to utilize the Easement Area, which use results in the disturbance of the Easement Area, DISTRICT'S only responsibility shall be to backfill with compacted earth to the grade of the surrounding property following completion of DISTRICT'S activity. GRANTEE shall restore GRANTEE'S Facilities to the design and grade approved as provided for in Section 1 (Construction and Maintenance) above.



**7. CONVEYANCE SUBJECT TO EXISTING INTERESTS (PMES10.1S)**

This Easement Deed is subject to existing contracts, leases, licenses, easements, encumbrances, and claims which may affect the Easement Area, and the use of the word "grant" herein shall not be construed as a covenant against the existence of any thereof.

Nothing contained herein, or in any document related hereto, shall be construed to imply the conveyance to GRANTEE of rights in the Easement Area which exceed those owned by DISTRICT, or any representation or warranty, either express or implied, relating to the nature or condition of the Easement Area or DISTRICT'S interest therein.

**8. ASSIGNMENT (N)**

This Easement Deed is personal and exclusive to GRANTEE, and GRANTEE shall not assign or convey any of GRANTEE'S interest, rights, or obligations under this Easement Deed to a third party, except that GRANTEE may assign or transfer its interest in this Easement Deed to the Santa Ana Watershed Project Authority provided that GRANTEE'S interest, rights and obligations in this Easement Deed are conveyed in their entirety. In the event of a conveyance of GRANTEE'S interest in this Easement Deed, GRANTEE agrees that the instrument of conveyance shall include a provision obligating the transferee, assignee or grantee to keep, perform and be bound by all the terms, covenants and conditions of this Easement Deed. GRANTEE further agrees to record the instrument of conveyance and provide Director with a copy of the recorded document within 45 days of recording.

**9. TAXES AND ASSESSMENTS (PMES11.1S)**

Should this Easement Deed create a possessory interest which is subject to the payment of taxes levied on such interest, it is understood and agreed that all taxes and assessments (including but not limited to said possessory interest tax) which become due and payable upon the Easement Area or upon fixtures, equipment, or other property installed, constructed or used by GRANTEE thereon in connection with this Easement Deed, shall be the full responsibility of GRANTEE, and GRANTEE shall cause said taxes and assessments to be paid promptly when due.

**10. NOTICES (PMES12.1S)**

All notices, documents, correspondence and communications concerning this Easement Deed shall be addressed as set forth in this Section, or as the Parties may hereafter designate by written notice, and shall be sent through the United States mail with postage prepaid. Any such mailing shall be deemed served or delivered twenty-four (24) hours after mailing. Each Party may change the address for notices by giving the other Party at least ten (10) calendar days' prior written notice of the new address.

Notwithstanding the above, either Party may also provide notices, documents, correspondence, or such other communications to the other by personal delivery or by facsimile and so given shall be deemed to have been given upon receipt if provided by personal delivery; or if by facsimile on the day transmitted provided transmitted by 4:30 P.M. (PT) on the receiving Party's regular business day, otherwise delivery shall be deemed to have been given on the next business day.

**To DISTRICT:**

Orange County Flood Control District  
RE: Santa Ana River Interceptor (SARI) – Brine Line  
Protection - E01-R3258  
P.O. Box 4048  
Santa Ana, CA 92702-4048

**To GRANTEE:**

Riverside County Flood Control and  
Water Conservation District  
1995 Market Street  
Riverside, CA 92501

**11. VENUE (PMES13.1S)**

The Parties hereto agree that this Easement Deed has been negotiated and executed in the state of California and shall be governed by and construed under the laws of California. In the event of any legal action to enforce or interpret this Easement Deed, the sole and exclusive venue shall be a court of competent jurisdiction located in the County of Orange, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the Parties hereto specifically agree to waive any and all rights to request that an action be transferred for trial to another county.

**12. WAIVER OF RIGHTS (PMES14.1S)**

The failure of DISTRICT to insist upon strict performance of any of the terms, covenants, or conditions of this Easement Deed shall not be deemed a waiver of any right or remedy that DISTRICT may have, and shall not be deemed a waiver of the right to require strict performance of all the terms, covenants, and conditions of the Easement Deed thereafter, nor a waiver of any remedy for the subsequent breach or default of any term, covenant, or condition of the Easement Deed.

**13. SEVERABILITY (PMES15.1S)**

If any term, covenant, condition, or provision of this Easement Deed is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

**14. ATTORNEYS' FEES (PMES16.1S)**

In any action or proceeding brought to enforce or interpret any provision of this Easement Deed, or where any provision hereof is validly asserted as a defense, each Party shall bear its own attorneys' fees and costs.

**15. SUCCESSORS AND ASSIGNS (PMES18.1S)**

The terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators and assigns of the Parties hereto.

**16. AUTHORITY (PMES20.1S)**

The Parties to this Easement Deed represent and warrant that this Easement Deed has been duly authorized and executed and constitutes the legally binding obligation of their respective organization or entity, enforceable in accordance with its terms.

//

//

//

Approved as to Form  
Office of the County Counsel  
Orange County, California

By: ED  
Deputy

Date: 9-29-14

**DISTRICT**

**ORANGE COUNTY FLOOD CONTROL  
DISTRICT, a body corporate and politic**

By: Shane L. Silsby  
Shane L. Silsby,  
Director, OC Public Works  
Pursuant to Minute Order dated  
September 28, 1993

**ACKNOWLEDGMENT**

STATE OF CALIFORNIA )  
  )  
COUNTY OF ORANGE )

On October 20, 20 14 before me, Catherine Lapid a notary  
public, personally appeared Shane L. Silsby,

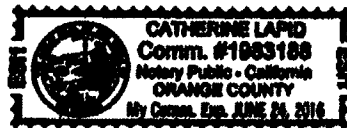
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within  
instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that  
by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted,  
executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true  
and correct.

WITNESS my hand and official seal.

Signature Catherine Lapid

(Seal)



*GRANTEE'S signature on following page*

Approved as to Form:  
Gregory P. Priamos  
County Counsel

**GRANTEE**

**RIVERSIDE COUNTY FLOOD CONTROL  
AND WATER CONSERVATION DISTRICT**

By: Synthia M. Gunzel  
Synthia M. Gunzel  
Deputy County Counsel

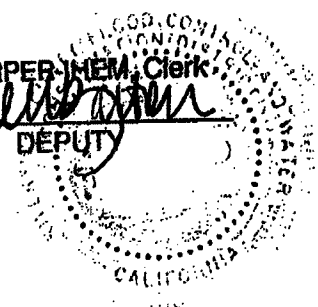
By: Marion Ashley  
Marion Ashley  
Chairman

Date: October 7, 2014

ATTEST:

KECIA HARPER-JENKINS, Clerk

By: Kecia Harper-Jenkins  
DEPUTY



**ACKNOWLEDGMENT**

STATE OF CALIFORNIA )  
                                  )  
COUNTY OF ORANGE )

On October 7, 2014 before me, Karen Barton, Board Assst personally appeared Marion Ashley, Chairman

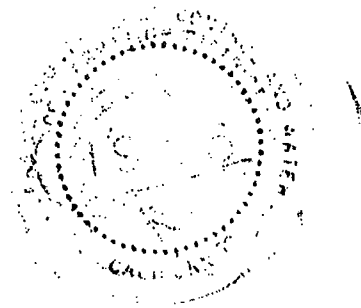
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Karen Barton

(Seal)

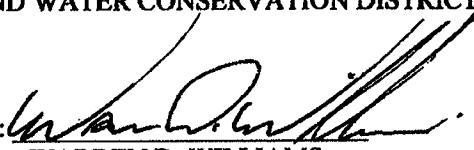


**CERTIFICATE OF ACCEPTANCE**

This is to certify that the interest in real property conveyed by the deed, dated October 20, 2014 from the ORANGE COUNTY FLOOD CONTROL DISTRICT to RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT is hereby accepted by the undersigned officer pursuant to authority conferred by resolution of the Board of Supervisors of said District adopted on May 12, 1961, and the grantee consents to the recordation thereof by its duly authorized officer.

RIVERSIDE COUNTY FLOOD CONTROL  
AND WATER CONSERVATION DISTRICT

Date 10/23/14

By:   
WARREN D. WILLIAMS  
General Manager-Chief Engineer

Project: Santa Ana Brine Line (SARI)  
Project No. 2-0-00105  
APN 101-120-012 (portion)  
RCFC Parcel No. 2105-12A

Exhibit "A"

**Santa Ana River Below Prado Dam – Brine Line Protection  
Parcel 2105-12A  
(O.C.F.C.D. PARCEL E01-R3258)**

Being a portion of Government Lot 2, Section 25, Township 3 South, Range 8 West, San Bernardino Meridian in an unincorporated territory of Riverside County, California described as follows:

Commencing at corner L. S. #5, being an angle point in the boundary of the Rancho La Sierra Yorba, as shown on the Map of the Partition of Maria Jesus Y. de Scully Estate on file in Case No. 7939, of the Superior Court of the State of California in and for the County of Riverside which recorded May 18, 1925 in Book 637 of Deeds, Page 432 records of said County.

Thence North 40° 22' 38" West along said Rancho line, 165.63 feet to the intersection of a line parallel with and distant northwesterly 20.00 feet, measured at right angles from the centerline of the abandoned Atchison, Topeka and Santa Fe Railway Company's former right-of-way through said Government Lot, as described in Parcel 6 of Grant Deed to Santa Ana River Development Company, recorded July 17, 1943 in Book 588 of Official Records, Page 275 records of said County.

Thence North 21° 18' 38" East along said parallel line, 207.87 feet to the Point of Beginning;

Thence continuing North 21° 18' 38" East along said parallel line, 161.23 feet;

Thence South 65° 49' 54" East, 52.99 feet;

Thence South 24° 10' 06" West, 85.54 feet;

Thence South 19° 34' 58" West, 71.65 feet;

Thence North 70° 25' 02" West, 50.85 feet to said parallel line and the Point of Beginning.

Containing 8010 square feet more or less.



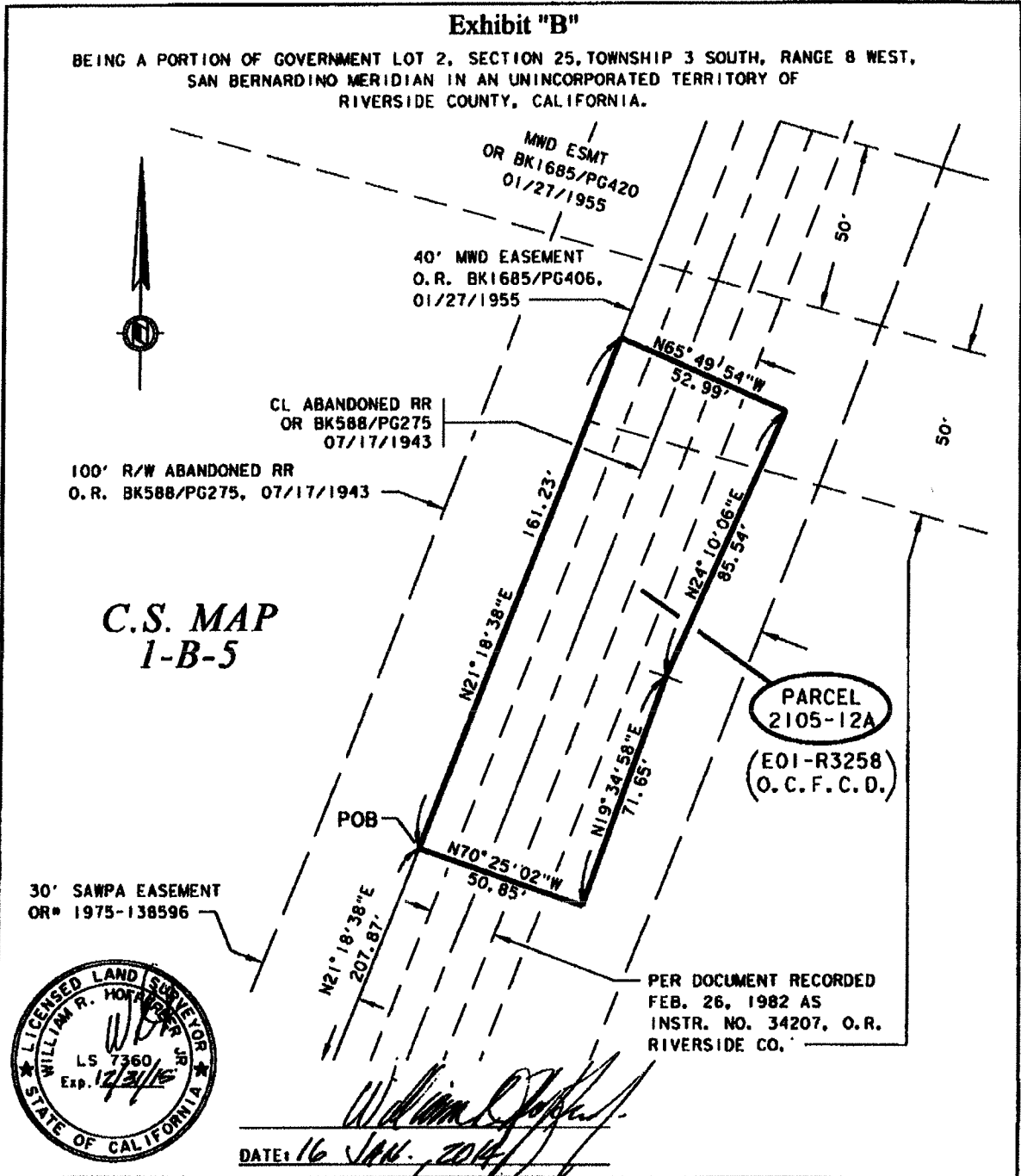
WILLIAM R. HOFFERBER JR.

Land Surveyor No. 7360  
Signed For: Riverside County Flood Control  
and Water Conservation District

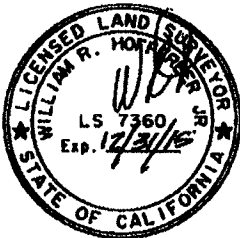
Date: 16 JAN., 2014

**Exhibit "B"**

BEING A PORTION OF GOVERNMENT LOT 2, SECTION 25, TOWNSHIP 3 SOUTH, RANGE 8 WEST,  
SAN BERNARDINO MERIDIAN IN AN UNINCORPORATED TERRITORY OF  
RIVERSIDE COUNTY, CALIFORNIA.



**C.S. MAP  
1-B-5**



**RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT**  
1995 MARKET ST. RIVERSIDE, CA. 92501

|   |  |                           |                            |
|---|--|---------------------------|----------------------------|
| PROJECT NAME: <b>SANTA ANA RIVER BELOW PRADO DAM - BRINE LINE PROTECTION</b>  |  |                           |                            |
| THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN. | RCFC PARCEL NUMBER(S):<br><b>PARCEL 2105-12A</b> | SCALE:<br><b>NO SCALE</b> | PREPARED BY:<br><b>DAB</b> |
|   |  | <b>JAN-09-2014</b>        | SHEET NO.<br><b>2 OF 2</b> |

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# Reach IV Easement Deed Acceptance and County Recording

Daniel Vasquez, Manager of Operations

PA 24| September 5, 2023

Item 5.B

# Recommendation

- Authorize the General Manager to accept the Grant of Deed from Riverside County Flood Control and Water Conservation District for maintenance of the Reach IV sheet pile protection structure and record the Grant of Deed at the Riverside County Recorder's Office.

# Background

- In 2014, Orange County Flood Control passed this easement to Riverside County Flood control to maintain a grade stabilizer for the SARI Brine Line
- In 2015, SAWPA agreed to accept sole responsibility for ownership, operation and maintenance of the project once completed in “Cooperative Agreement-Santa Ana Canyon-Below Prado, Inland Empire Brine Line Sheet Pile Protection Project”.

# Background Cont.

- In 2017, at the completion of the project, operation and maintenance of the protection structure was given over to SAWPA. The easement was never recorded with Riverside County.

# Inland Empire Brine Line Reach IV Protection Project



**Legend**

- Protection Area
- Reach IV
- Chino Hills State Park

K:\Interns\Sam\Upstairs Projects\David\Projects\BrineLineGreenRiverProject.mxd SW-2437

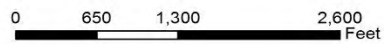
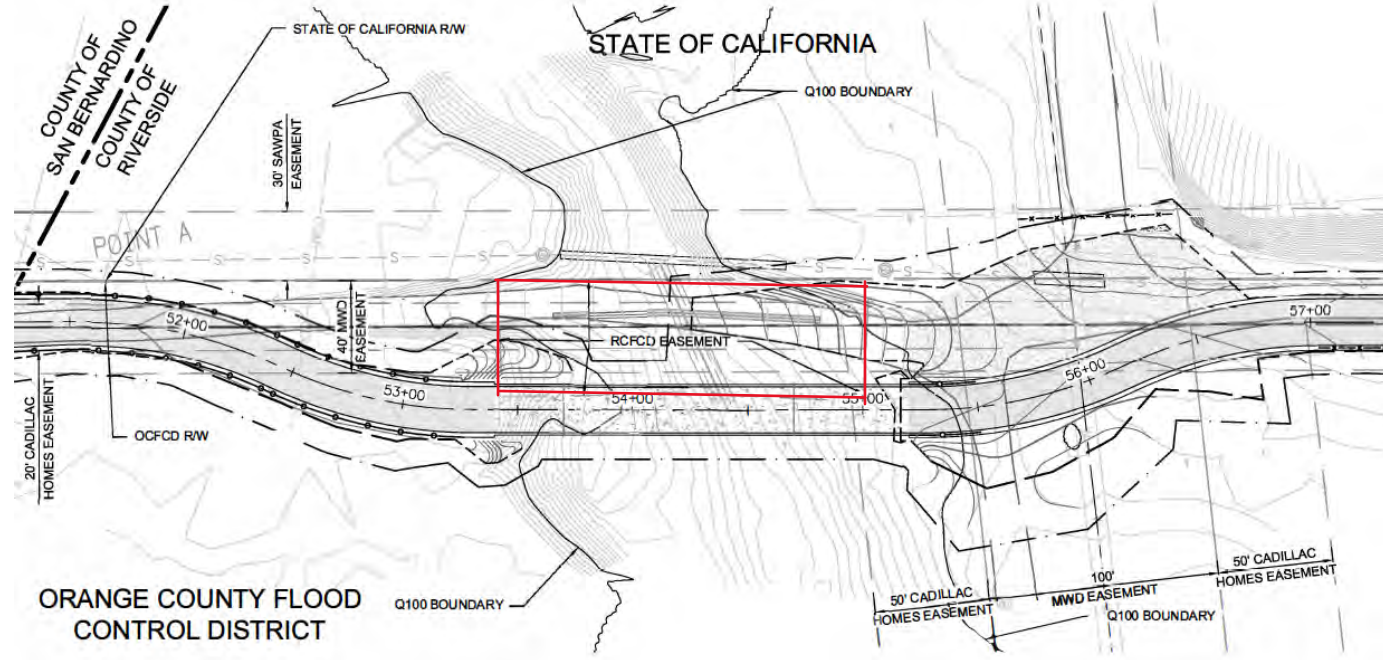


Figure 1. Project Location

**PROFILE**

SCALE:  
HOR 1"=40'  
VERT 1"=20'



**PLAN**  
SCALE 1"=40'

# Recommendation

- Authorize the General Manager to accept the Grant of Deed from Riverside County Flood Control and Water Conservation District for maintenance of the Reach IV sheet pile protection structure and record the Grant of Deed at the Riverside County Recorder's Office.



Questions??



COOPERATIVE AGREEMENT

Santa Ana Canyon - Below Prado, Inland Empire Brine Line  
Sheet Pile Protection Project  
Project No. 2-0-00108

The RIVERSIDE COUNTY FLOOD CONTROL AND WATER  
CONSERVATION DISTRICT, hereinafter called "DISTRICT", and the SANTA ANA  
WATERSHED PROJECT AUTHORITY, hereinafter called "SAWPA", hereby agree as  
follows:

RECITALS

A. In conjunction with its responsibilities as a Local Sponsor of the federal  
Santa Ana River Mainstem Project (SARMP), DISTRICT has budgeted for and plans to design  
and construct the "Santa Ana Canyon – Below Prado, Inland Empire Brine Line Sheet Pile  
Protection Project", hereinafter called "PROJECT", generally located along an abandoned  
railroad right of way on the north and west side of the Santa Ana River between State Route 71  
and the Green River Golf Course. The proposed PROJECT is necessary in order to protect  
SAWPA'S Inland Empire Brine Line from lateral erosion and scour that may result from  
increased flood releases from Prado Dam associated with the SARMP; and

B. The proposed PROJECT consists of the construction and subsequent  
maintenance of approximately 2,200 lineal feet of buried sheet pile, as shown in concept and  
highlighted in red on Exhibit "A", attached hereto and made a part hereof; and

C. DISTRICT desires SAWPA to accept ownership and responsibility for the  
operation and maintenance of PROJECT upon completion of construction.

NOW, THEREFORE, the parties hereto mutually agree as follows:

SECTION I

DISTRICT shall:

1. Act as Lead Agency pursuant to the California Environmental Quality Act (CEQA) and fulfill all obligations, including implementation and monitoring of all identified mitigation measures, associated therewith.
2. Prepare or cause to be prepared plans and specifications for PROJECT, hereinafter called "IMPROVEMENT PLANS", in accordance with applicable DISTRICT and SAWPA standards.
3. Provide SAWPA an opportunity to review and approve IMPROVEMENT PLANS prior to DISTRICT advertising PROJECT for construction bids.
4. Obtain all necessary permits, rights of way, rights of entry and temporary construction easements necessary to construct, operate and maintain PROJECT. With regard to any environmental/regulatory permits, District shall be solely responsible for fulfilling the terms and conditions stipulated therein.
5. Advertise, award and administer a public works construction contract for PROJECT.
6. Provide SAWPA with written notice that DISTRICT has awarded a construction contract for PROJECT.
7. Notify SAWPA in writing at least twenty (20) days prior to the start of construction of PROJECT.
8. Construct, or cause to be constructed, PROJECT pursuant to a DISTRICT administered public works construction contract, in accordance with IMPROVEMENT PLANS approved by DISTRICT and SAWPA, and pay all costs associated therewith.



1 all permits, rights of entry and rights of way set forth in Exhibit "B"; (iii) receipt of certification  
2 as set forth in Section I.9; and (iv) receipt of reproducible copy of "record drawing" plans for  
3 PROJECT as set forth in Section I.9.

### 4 SECTION III

5 It is further mutually agreed:

6  
7 1. Except as otherwise provided herein, all construction work involved with  
8 PROJECT shall be inspected by DISTRICT and shall not be deemed complete until approved  
9 and accepted as complete by DISTRICT.

10 2. In the event SAWPA desires to include any additional work not  
11 functionally related to the PROJECT as part of the PROJECT construction contract, SAWPA  
12 shall submit a written request to DISTRICT describing the additional work desired and agrees  
13 to pay DISTRICT for any agreed upon additional work requested. Payment for any additional  
14 work shall be based upon actual quantities of materials installed at the contract unit prices bid,  
15 or at the negotiated change order prices.

16  
17 3. SAWPA personnel may observe and inspect all work being done on  
18 PROJECT, but shall provide any comments to DISTRICT personnel who shall be solely  
19 responsible for all communications with DISTRICT'S construction contractor(s).

20  
21 4. In the event of a major flood event or series of events resulting in the need  
22 for maintenance or repair, at the request of SAWPA, the parties will meet and confer on:

- 23 a. The cause of the problem;
- 24 b. The options for completing corrective action and preventing future
- 25 reoccurrence; and
- 26
- 27
- 28

1 c. Flood control related technical assistance from DISTRICT in  
2 developing solutions and obtaining FEMA reimbursement, if  
3 applicable.

4 5. DISTRICT shall indemnify, defend, save and hold harmless SAWPA  
5 (including its officers, elected and appointed officials, employees, agents, representatives,  
6 independent contractors and subcontractors) from any liabilities, claim, damage, proceeding or  
7 action, present or future, based upon, arising out of or in any way relating to DISTRICT  
8 (including its officers, Board of Supervisors, elected and appointed officials, employees,  
9 agents, representatives, independent contractors and subcontractors) actual or alleged acts or  
10 omissions related to this Agreement, performance under this Agreement, or failure to comply  
11 with the requirements of this Agreement, including but not limited to: (a) property damage; (b)  
12 bodily injury or death; (c) payment of attorney's fees; or (d) any other element of any kind or  
13 nature whatsoever, except where caused by the active negligence, sole negligence or willful  
14 misconduct of SAWPA.  
15

16  
17 6. SAWPA shall indemnify, defend, save and hold harmless DISTRICT and  
18 County of Riverside (including their respective officers, districts, special districts and  
19 departments, their respective directors, officers, Board of Supervisors, elected and appointed  
20 officials, employees, agents, representatives, independent contractors and subcontractors) from  
21 any liabilities, claim, damage, proceeding or action, present or future, based upon, arising out  
22 of or in any way relating to SAWPA (including its officers, elected and appointed officials,  
23 employees, agents, representatives, independent contractors and subcontractors) actual or  
24 alleged acts or omissions related to this Agreement, performance under this Agreement, or  
25 failure to comply with the requirements of this Agreement, including but not limited to: (a)  
26 property damage; (b) bodily injury or death; (c) payment of attorney's fees; or (d) any other  
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1 element of any kind or nature whatsoever, except where caused by the active negligence, sole  
2 negligence, or willful misconduct of DISTRICT .

3 7. Any waiver by DISTRICT or by SAWPA of any breach of any one or  
4 more of the terms of this Agreement shall not be construed to be a waiver of any subsequent or  
5 other breach of the same or of any other term hereof. Failure on the part of DISTRICT or  
6 SAWPA to require exact, full and complete compliance with any terms of this Agreement shall  
7 not be construed as in any manner changing the terms hereof, or estopping DISTRICT or  
8 SAWPA from enforcement hereof.

9 8. This Agreement is to be construed in accordance with the laws of the State  
10 of California.

11 9. Any and all notices sent or required to be sent to the parties to this  
12 Agreement will be mailed by first class mail, postage prepaid, to the following addresses:

13 RIVERSIDE COUNTY FLOOD CONTROL  
14 AND WATER CONSERVATION DISTRICT  
15 1995 Market Street  
16 Riverside, CA 92501  
17 Attn: Special Projects Section

SANTA ANA WATERSHED  
PROJECT AUTHORITY  
11615 Sterling Avenue  
Riverside, CA 92503  
Attn: David Ruhl, Program Manager

18 10. If any provision in this Agreement is held by a court of competent  
19 jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless  
20 continue in full force without being impaired or invalidated in any way.

21 11. This Agreement is the result of negotiations between the parties hereto,  
22 and the advice and assistance of their respective counsel. No provision contained herein shall  
23 be construed against DISTRICT solely because, as a matter of convenience, it prepared this  
24 Agreement in its final form.

25 12. This Agreement is intended by the parties hereto as a final expression of  
26 their understanding with respect to the subject matter hereof and as a complete and exclusive  
27  
28

1 statement of the terms and conditions thereof. This Agreement may be changed or modified  
2 only upon the written consent of the parties hereto.

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1 IN WITNESS WHEREOF, the parties hereto have executed this Agreement on

2 FEB 10 2015  
3 (to be filled in by Clerk of the Board)

4 RECOMMENDED FOR APPROVAL: **RIVERSIDE COUNTY FLOOD CONTROL  
5 AND WATER CONSERVATION DISTRICT**

6 By Warren D. Williams  
7 WARREN D. WILLIAMS  
8 General Manager-Chief Engineer

By Marion Ashley  
MARION ASHLEY, Chairman  
Riverside County Flood Control and Water  
Conservation District Board of Supervisors

9  
10 APPROVED AS TO FORM:

ATTEST:

11 GREG PRIAMOS  
12 County Counsel

KECIA HARPER-IHEM  
Clerk of the Board

13 By Neal Kipnis  
14 NEAL KIPNIS  
15 Deputy County Counsel

By Kecia Harper-Ihem  
Deputy

16 (SEAL)  
17  
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26 Cooperative Agreement - Santa Ana Canyon -  
27 Below Prado, Inland Empire Brine Line Sheet Pile Protection Project  
28 AM:blm  
12/18/14



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**SANTA ANA WATERSHED PROJECT AUTHORITY**

By   
CELESTE CANTU  
General Manager

Cooperative Agreement - Santa Ana Canyon –  
Below Prado, Inland Empire Brine Line Sheet Pile Protection Project  
AM:blm  
12/18/14



G:\2010\10-0196\GIS\S Project location.mxd

## PA 24 COMMITTEE MEMORANDUM NO. 2023.14

**DATE:** September 5, 2023

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

**SUBJECT:** Inland Empire Brine Line Reach IV-D Rehabilitation Work Plan

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

### RECOMMENDATION

That the Project Agreement 24 Committee authorize the General Manager to execute Task Order No. W&C327-03 with Woodard & Curran for Engineering Services for the Inland Empire Brine Line Reach IV-D Rehabilitation Work Plan Mid-Term Recommendations, for an amount not to exceed \$247,174.

### DISCUSSION

In August 2023, staff issued a Request for Proposals (RFP) for Engineering Services for the Inland Empire Brine Line Reach IV-D Rehabilitation Work Plan Mid-Term Recommendations. The RFP was posted on PlanetBids and 18 firms registered as prospective bidders. Two (2) firms attended the non-mandatory pre-proposal meeting on August 10, 2023. On August 30, 2023, one proposal was received from Woodard & Curran.

SAWPA staff reviewed the proposal to ensure that it meets the criteria outlined in the RFP (project understanding, technical approach, relevant qualifications, experience, level of effort and references). Woodard & Curran is qualified and has the experience to perform the work since Woodard & Curran prepared the IV-D Work Plan in 2018 and the update to the Work Plan in 2019. SAWPA was pleased with the work performed by Woodard & Curran and would recommend working with Woodard & Curran on the Mid-term Recommendations.

The cost proposal was reviewed by SAWPA staff to ensure the level of effort was consistent with the project objectives. A conference call was conducted with Woodard & Curran to discuss the Scope of Work, schedule, allocation of billing hours and assumptions made in the proposal. Based on the discussions it was determined to include penetrating radar testing as part of the condition assessment. The fee estimate was revised to \$247,174 (an increase of \$578) to include the cost to rent the equipment to perform the test.

### Reach IV-D Pipeline Background

The Brine Line Reach IV-D was constructed in the early 1990's and runs from the intersection with Reach IV-A in the City of Chino approximately 21 miles East, to the intersection with Reach IV-E in the City of Rialto. A portion (seven (7) miles) of Reach IV-D consists of T-lock lined 42-inch reinforced concrete pipe (RCP). The T-lock lining is a polyvinyl chloride (PVC) lining on the interior circumference of the pipe that provides a protective corrosion barrier between the flow and concrete pipe. The T-lock lining on this portion of the Brine Line was installed on the upper 270 degrees of the pipeline leaving the invert or bottom 90 degrees of the pipe unlined. Low flows during the initial years of operation placed the flow line below the termination of the T-lock liner and exposed the concrete to corrosion and uplifting of the T-lock liner.

In 2018, the SAWPA Commission authorized Woodard & Curran to prepare the Reach IV-D Rehabilitation Work Plan. The work included a pipeline condition assessment to evaluate the condition and the remaining useful life of this portion of Reach IV-D. The Work Plan includes an evaluation of potential repair methods, recommended actions to monitor the condition of the Brine Line and a schedule and order of magnitude cost estimate for the near-term, mid-term and long-term recommendations.

Pipeline Condition Assessment

A condition assessment of the Reach IV-D pipeline was conducted through visual assessment (manned entry and CCTV inspection), physical tests of the unlined concrete surface and estimating the depth of concrete cover over the steel reinforcement in the concrete pipe. Based on this assessment the consultant estimated the predicted remaining useful life of 10 to 20 years. The variability of 10 years in the estimated useful life is due to the lack of historical information on the rate of deterioration of the unlined concrete.

Reach IV-D Work Plan Recommendation

Due to the lack of historical information on the rate of deterioration of the unlined concrete, the consultant recommended additional field investigation in five (5) years to characterize the rate of deterioration and further refine the remaining useful life of the pipe (mid-term recommendation). In order to obtain a complete baseline with which to compare future inspection results the consultant recommended completing two additional manned entry inspections at two key locations along with additional cleaning and CCTV (near-term recommendation). Lastly, based on the predicted remaining useful life of 10 – 20 years, the consultant recommended implementing the recommended rehabilitation method prior to the predicted remaining useful life. The predicted remaining useful life is recommended to be updated upon completion of the mid-term field investigations in five (5) years.

A summary of the Work Plan recommendations described above are provided in the following table.

Summary of Work Plan Recommendations

| Project   | Anticipated Schedule (1)   | Project Recommendation   | Order of Magnitude Cost                     |
|-----------|----------------------------|--|---|
| Near-Term | Within One Year (Complete) | Man-entry inspections at two key locations, Clean and CCTV 1 pipe segment                                    | \$50,000                                    |
| Mid-Term  | 5 years                    | Clean and CCTV entire 7 miles of pipeline. Man-entry inspection at 7 locations. Refine useful life estimate. | \$500,000                                   |
| Long-Term | 10 – 20 years              | Rehabilitate pipeline, if required within boundaries as identified with Mid-Term Inspections.                | \$40 Million (+/-) Subject to reevaluation. |

(1) Anticipated schedule is based upon the November 2018 completion Reach IV-D Work Plan

Field Investigation – Near-term Recommendation

The near-term field investigations were completed in 2019. The condition of the pipeline as inspected during the manned entry for the two pipeline locations were both slightly worse than

what was seen at the other five (5) man-entry locations as presented in the 2018 Reach IV-D Work Plan. However, the results from the testing and measurements showed that significant concrete cover exists over the structural reinforcement at these locations. Based on these results, the consultant concluded that the findings presented in the 2018 Reach IV-D Work Plan remain valid and the recommendations presented at the time remain the same.

### **RESOURCE IMPACTS**

Sufficient funds for engineering services and to cover the field investigation work is included in the Fiscal Year 24 Budget Fund No. 327 and Fund 240 (Brine Line Enterprise).

#### Attachments:

1. PowerPoint Presentation
2. Task Order W&C327-01

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# Inland Empire Brine Line Reach IV-D Rehabilitation Work Plan

David Ruhl, Executive Manager of Engineering and Operations  
Project Agreement 24 Committee  
September 5, 2023 | Item No. 5.C

# Reach IV-D Rehabilitation Work Plan

## Recommendation:

That the PA 24 Committee authorize the General Manager to execute Task Order No. W&C327-03 with Woodard & Curran for Engineering Services for the Reach IV-D Rehabilitation Work Plan Mid-term Recommendations, for an amount not-to-exceed \$247,174.



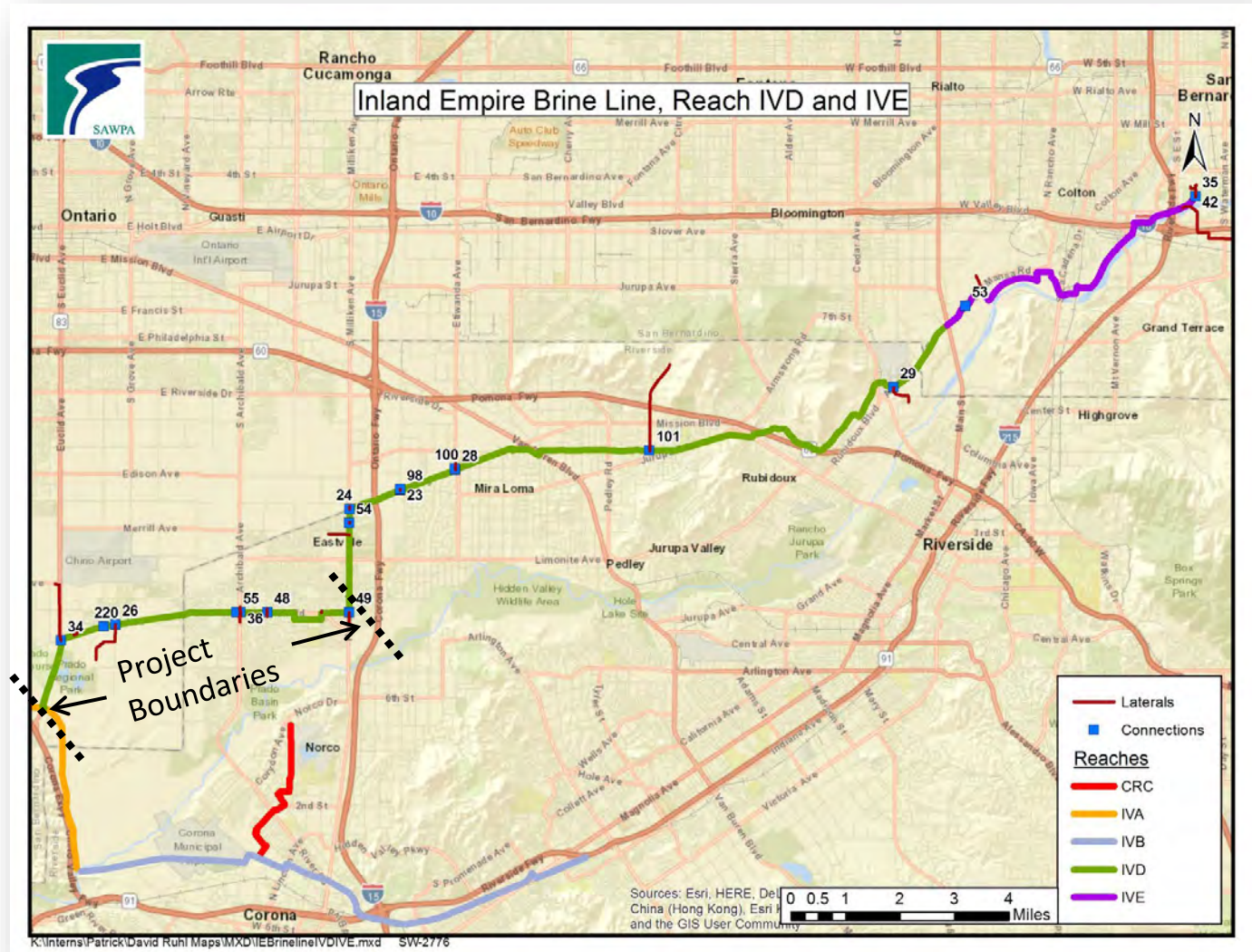
# Brine Line Reach IV-D Pipeline Corrosion

## Reach 4D

- 21 Miles
- Built in mid 1990s
- Pipe size 36" – 48"
- Ave. Flow 5.5 MGD

## Project Boundaries

- 7 Miles
- 42" RCP with 270 degree T-Lock
- Within Cities of Chino and Eastvale



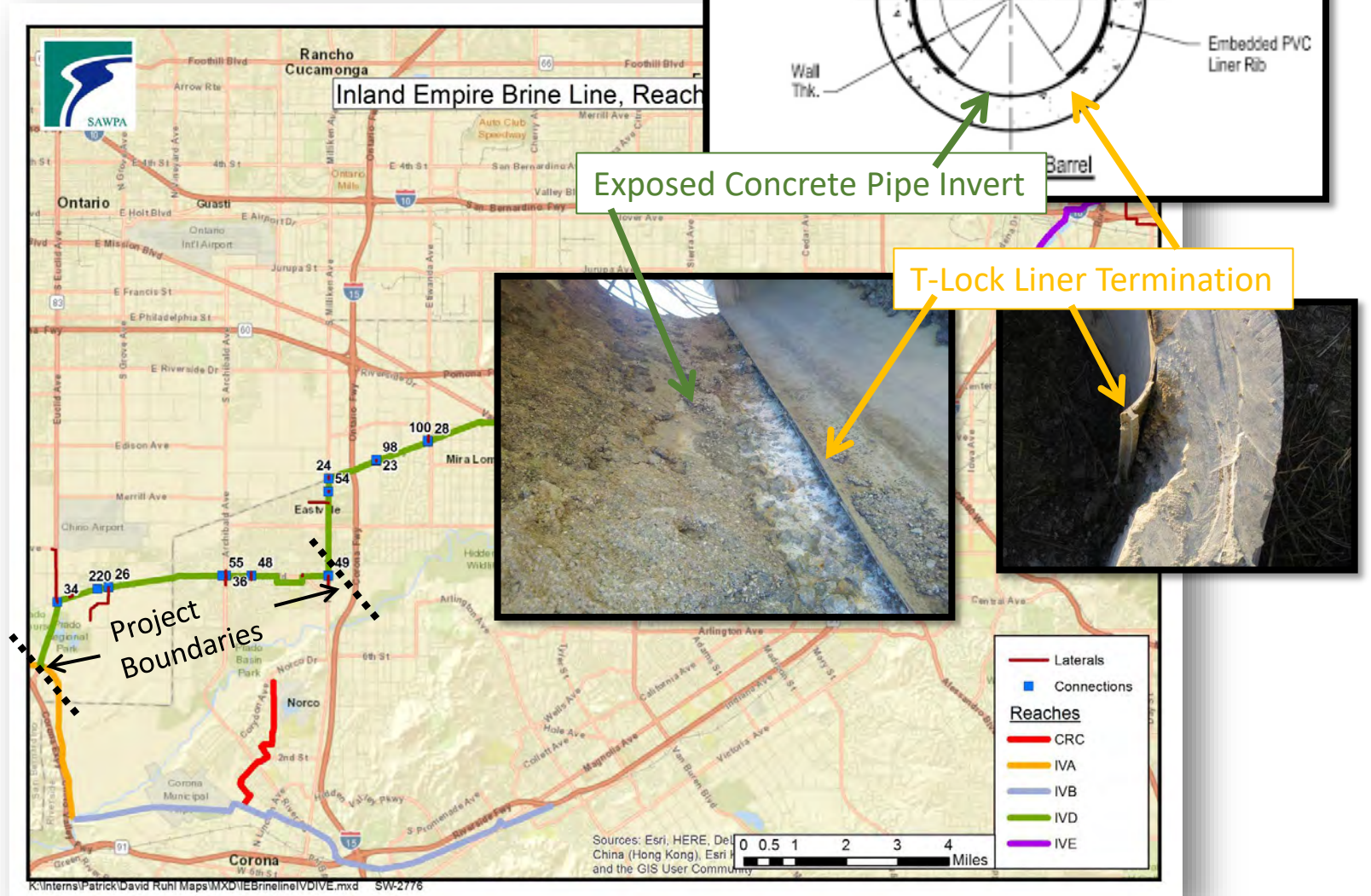
# Brine Line Reach IV-D Pipeline Corrosion

## Reach 4D

- 21 Miles
- Built in mid 1990s
- Pipe size 36" – 48"
- Ave. Flow 5.5 MGD

## Project Boundaries

- 7 Miles
- 42" RCP with 270 degree T-Lock
- Within Cities of Chino and Eastvale



# Work Plan - Investigation Results

---

## Concrete behind the T-Lock liner

- Concrete is in good condition and well protected from the corrosive environment

## Concrete below the liner termination

- Concrete Deterioration 1/2" – 1"
- At least 1" of concrete cover over the steel reinforcement

Based on a combination of man-entry and CCTV inspection results, the 42-inch pipe has an estimated remaining useful life of 6 - 11 years.



# Work Plan Recommendations

## Near-Term (2019 complete):

- Man-entry inspections at 2 locations

## Mid-Term (2024):

- Clean and CCTV inspection of entire 7 miles of pipe.
- Man-entry physical testing at the same seven (7) locations
- Re-assess remaining useful life

## Long-Term (2029 to 2039):

- Rehabilitate pipeline, if required, (depending on results of Mid-Term Inspections)

# Selection Process

---

- RFP posted to PlanetBids
  - 18 prospective firms downloaded RFP
- Pre-proposal meeting
  - 2 prospective firms attended meeting
- 1 proposal received from Woodard & Curran
  - Fee estimate \$246,596
- Staff review
  - Proposal meets the requirements in the RFP
  - Cost proposal level of effort is consistent with project objectives
  - Meeting to discuss scope of work
    - Revised fee estimate \$247,174.
  - W&C is qualified and has the experience to perform the work based on past work with SAWPA (2018 Work Plan and 2019 Update)

# Reach IV-D Rehabilitation Work Plan

## Recommendation:

That the PA 24 Committee authorize the General Manager to execute Task Order No. W7C327-03 with Woodard & Curran for Engineering Services for the Reach IV-D Rehabilitation Work Plan Mid-term Recommendations, for an amount not-to-exceed \$247,174.

# QUESTIONS?

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**SANTA ANA WATERSHED PROJECT AUTHORITY  
TASK ORDER NO. W&C327-03**

**CONSULTANT:** Woodard & Curran **VENDOR NO.:** 1980  
530 Technology Drive, Suite 100  
Irvine, CA 92618

**COST:** \$247,174.00

**PAYMENT:** Upon Receipt of Proper Invoice

**REQUESTED BY:** David Ruhl, Executive Manager of September 5, 2023  
Engineering and Operations

**FINANCE:** \_\_\_\_\_  
Karen Williams, Deputy GM/CFO Date

**FINANCING SOURCE:** Acct. Coding: 327-Plan-6113-01  
Acct. Description: General Consulting

**COMMITTEE AUTHORIZATION REQUIRED FOR THIS TASK ORDER:** YES (X) NO ( )  
Authorization: September 5, 2023; PA24#2023.14

This Task Order is issued upon approval and acceptance by the Santa Ana Watershed Project Authority (SAWPA) and Woodard & Curran (Consultant) pursuant to the General Services Agreement between SAWPA and Consultant, entered on February 7, 2023, expiring December 31, 2026.

**I. PROJECT NAME OR DESCRIPTION**

Inland Empire Brine Line Reach IV-D Rehabilitation Work Plan Mid-Term Recommendations

**II. SCOPE OF WORK / TASKS TO BE PERFORMED**

Consultant shall provide all labor, materials, and equipment for services of the Inland Empire Brine Line Reach IV-D Rehabilitation Work Plan Mid-Term Recommendations as described in the attached scope of work.

**III. PERFORMANCE TIME FRAME**

Consultant shall begin work September 5, 2023, and shall complete performance of such services by **June 30, 2024**.

**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 **\$247,174.00**. 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.



**Scope of Work:**

**Task 1: Project Management**

As part of the Project Management Task Woodard & Curran shall do the following:

- Manage all tasks in a cost effective, timely, and professional manner, including, but not limited to, overseeing subconsultant efforts;
- Attend virtual Kick-Off meeting with SAWPA staff to solicit input and confirm approach and criteria;
- Provide monthly project status reports and invoices of appropriate detail;
- Participate in virtual bi-weekly conference calls to discuss project status;
- Participate in three (3) virtual workshops with SAWPA staff, member agencies and dischargers to (1) present the draft Field Investigation Plan, then (2) prior to implementation of the Field Investigation Plan and, finally, (3) upon submittal of the draft Data Analysis and Summary Report;
- Participate in two (2) Project Agreement 24 Committee meetings in person to present the field investigation findings and the draft Data Analysis and Summary Report. In preparation for the Project Agreement 24 Committee meetings, Woodard & Curran shall provide PowerPoint in electronic format to SAWPA.
- QA/QC on all deliverables including a Senior Technical Advisor Review Meeting (STAR) at the beginning of the project.

***Assumptions:***

- Woodard & Curran will prepare for and attend up to two (2) Project Agreement 24 Committee meetings in person at SAWPA's offices. Up to two (2) Woodard & Curran staff will attend.
- All other project meetings will be conducted virtually.
- Woodard & Curran will prepare for and participate in bi-weekly coordination conference calls for the duration of the project. It is assumed that each call will be ½ hour long and that 16 calls will be required.
- Stakeholder coordination will be required with major dischargers only and the coordination effort will be led by SAWPA. Coordination support from Woodard & Curran will be relatively minimal and is assumed to be 16 hours. Any additional time spent for coordination will be considered as extra work and is beyond the scope of the project.
- Project management is based on a seven-month schedule. See preliminary project schedule.

***Deliverables:***

- Kick-off meeting and workshop materials, agenda, and meeting minutes (electronic .pdf via email). Meeting materials, agenda, and action items will not be provided for bi-weekly coordination conference calls.
- PowerPoint presentations for workshops and Committee meetings.
- Monthly invoices and progress reports (electronic .pdf via email).

**Task 2: Data Collection and Review**

Woodard & Curran will review pertinent records and report including record drawings, 2018 Work Plan and the 2019 Summary Report, flow data, CCTV data, as-builts, flow data, photo documentation, flow projections, and other available documents.

**Assumptions:**

- SAWPA will provide necessary record drawings, flow data, previous investigation photo documentation, flow projections, water quality data, and CCTV data in a timely manner.

**Deliverables:**

- None.

**Task 3: Field Investigation****Subtask 3.1 Field Investigation Plan:**

Woodard & Curran and our subconsultant V&A will prepare a Field Investigation Plan, which shall include recommendations for investigative measures such as CCTV and other in-pipe inspections, overall cost, schedule, health and safety plan, ease of implementation (within the limited shut down timeframe of 36 to 48 hours), reduce disruptions to the Brine Line dischargers, and type and quality of produced data to determine the most appropriate method to identify conditions of the pipe and compare with the data from the 2018 and 2019 field investigations.

Woodard & Curran will coordinate with SAWPA's CCTV subcontractors to ensure that performance standards are consistent and the correct data are collected as part of their field investigation.

Woodard & Curran will participate in a meeting with SAWPA staff to present the draft Field Investigation Plan (See Task 1), submit plan for SAWPA review, incorporate SAWPA comments and submit for final review.

**Subtask 3.2 Field Investigation:**

Woodard & Curran's subconsultant V&A will conduct physical inspections of the manholes and pipelines at the same seven (7) locations as was inspected in 2018 and 2019 including:

- Manhole 4D-0020
- Manhole 4D-0060
- Manhole 4D-0118
- Manhole 4D-0150
- Manhole 4D-0360
- Manhole 4D-0470
- Manhole 4D-0480

Woodard & Curran will provide 16 hours of field support plus travel and coordinate timing of the field support with SAWPA's pipeline cleaning and CCTV firms. See assumptions below.

Assessments to be completed by V&A will be conducted from the interior of the Brine Line Reach IV-D. From the interior of the manhole, the pipe will be assessed within 5 feet of the transition from the pipe to manhole. Assessment of the structure will be limited to safely accessible areas and confined space entry. It is Woodard & Curran's understanding that SAWPA and Brine Line dischargers will shutdown the Brine Line prior to the V&A team arriving on site. V&A will coordinate with SAWPA's traffic control subcontractor during confined space entries for the condition assessment work as required. V&A will also subcontract with Jamison Engineering Contractors (JEC) to provide confined space entry support and repair of linings.

It is anticipated that the field work will be completed during a single 36-to-48-hour shutdown (performed at night and over the weekend) with three (3) 2-person V&A crews and JEC crews. Crews from JEC will also be onsite during the work. V&A will use the following methods to perform the condition assessment of Reach IV-D:

- Visual Assessment - Perform visual observations of the concrete surfaces, linings, and coatings. The observations will be documented with digital photographs and field notes. Drawings will be prepared summarizing the defects. The condition of the structure will be rated using the VANDA® Concrete Condition Index.
- Concrete Sounding - Sounding is performed by using a chipping hammer to strike concrete surfaces. The sound from the hammer strike can indicate shallow subsurface discontinuities, such as voids, delamination, or honeycombing. Sounding will be performed at three (3) locations within the pipeline or manhole at each confined space entry location.
- Concrete Penetration Testing - Penetration measurements involve applying a consistent level of force from a chipping hammer to remove loose material from the concrete surface, until solid, hard material is reached, and then measuring the depth of the resulting cavity. Penetration testing will be performed at three (3) locations within the pipeline or manhole at each confined space entry location.
- Concrete Surface pH Testing - V&A will conduct in-situ pH measurements within each structure to determine the pH of the concrete exposed to the wastewater environment. Concrete is generally made from a combination of aggregate, sand, and Portland cement. The Portland cement in mortar has a pH usually between 12 and 13 after curing. This elevated pH level provides corrosion protection for the reinforcing steel. At a pH of less than 10, corrosion is possible. Up to three (3) locations within the pipeline or manhole at each confined space entry location.
- Pipe Lining and Concrete Feel Tests – In the pipe (within five feet of the manhole), V&A will reach below the flow line to feel the termination point of the T-lock liner and the concrete. V&A will attempt to determine if the liner edge is still attached (if not, the magnitude of unattachment and if curling is present), and magnitude (depth) that concrete has corroded at the interface with the T-lock liner.
- Behind the Liner Testing – At each location, V&A will assess the concrete behind the T-lock liner, one near the crown of the pipe and one below the spring line of the pipe. The concrete will be exposed by cutting four sides of a rectangle and removing the T-Lock liner. The flow line must be at least one foot below the location where the T-Lock liner will be cut. The T-Lock liner will be repaired by placing a new PVC sheet over the exposed concrete with adhesive, and then sealing the cut edges using PVC weld strip and a hot air welding gun. Assessments of the concrete will include visual, sounding, penetration testing, and surface pH testing.
- Surface Penetrating Radar – A SPR unit will be used to measure the depth of the concrete cover in the pipe, identify placement of reinforcing steel, and to detect coarse voids and defects. SPR scanning is typically conducted over a 3-foot by 3-foot area and can be performed over coated surfaces. The portable wheel-mounted unit is rolled across the surface to be investigated and a radar beams scans up to 16 inches into the concrete generating a 2-dimensional image of the underlying concrete member.

After the field investigations have been completed, our Subconsultant V&A will prepare a Physical Inspection Report. The Report will describe the field assessment methods, results, and conclusions including potential causes for degradation of materials. The Report will include photographs of the existing condition, data tables, and graphical and illustrative figures, as required, to present the information gathered during

the inspection. The location and severity of defects will be noted, and the current condition of the pipe regarding its state of degradation will be described.

**Assumptions:**

- Field investigation effort shall include:
  - Cleaning of the entire seven miles of pipe between MAS IV-D-0010 and IV-D-0480 to remove the existing slime layer prior to inspection (completed by others).
  - CCTV of the entire seven miles of pipe between MAS IVD-0010 and IV-D-0480 (completed by others).
  - Man-entry physical testing of the same five structures inspected in 2018 and the two siphon inlet structures inspected as part of the near-term work in 2019.
- Field Investigation Plan will be an approximately 10-page technical memorandum.
- Budget assumes that physical inspections will occur at 7 manhole structures. Confined space entry will be required.
- SAWPA will contract separately for pipeline cleaning, CCTV inspection, Traffic Control plans, and implementation of Traffic Control during field inspections. These services are not included in this scope and fee.
- Woodard & Curran will coordinate with SAWPA's pipeline cleaning and CCTV firms to confirm performance standards are consistent with the field investigation plan.
- A Health and Safety Plan will be developed and submitted to SAWPA for field investigation as part of the Field Investigation Plan.
- SAWPA will acquire encroachment permits from the City of Chino, City of Eastvale, and Caltrans. Woodard & Curran will assist SAWPA in preparing information needed for permit applications such as project descriptions, figures, and maps. This scope assumes 16 hours for permit support.
- Concrete condition will be rated according to the VANDA Concrete Condition Index.
- Some or all work associated with this task are subject to prevailing wage rate requirements. All project labor subject to prevailing wage requirements will incur a 30% markup on the associated labor fee. The markup covers the higher base hourly labor rates associated with prevailing wage rates, additional overtime requirements, and reporting requirements.
- The scope of work for field investigations does not cover permitting, bonds, shutdowns and dewatering of the system, pipe / manhole cleaning, excavations, or supplied air.
- Cleaning and CCTV inspection oversight is not included in this scope of work.

**Deliverables:**

- Draft and Final Field Investigation Plan (electronic .pdf)
- Health and Safety Plan (as an appendix to the Field Investigation Plan - electronic .pdf)
- Draft and Final Physical Inspection Report (electronic .pdf)

**Task 4: Structural Integrity Assessment**

Woodard & Curran will assess the structural integrity of the pipeline and maintenance access structures (MAS) based upon the available data collected as part of Task 2, field data obtained as part of Task 3, and the consultant's experience with similar pipe materials in similar operating conditions. Woodard & Curran will characterize the rate of deterioration by comparing the new data with the existing data collected in May 2018 and May of 2019 and refine originally predicted remaining useful life (10-20 years) of the pipeline and MAS before major repairs.

***Deliverable:***

- This task has no deliverables. The results of the work associated with this task will be presented as part of Task 5.

**Task 5: Data Analysis and Summary Report:**

Woodard & Curran will summarize data, information, and results in a Data Analysis and Summary Report. W&C shall prepare and submit a Data Analysis and Summary Report outline for review and approval. Report shall include the following:

- Detailed findings from the CCTV inspections and man-entry physical testing.
- Observed rate of deterioration.
- Pipeline and MAS estimated useful life.
- Areas of immediate concern and recommendations including but not limited to additional field investigations, minor repairs, and major repairs.
- Schedule and cost estimate for recommended actions other than major repairs.

***Assumptions:***

- A Data Analysis and Summary Report outline will be developed and submitted to SAWPA for review and comment prior to preparing the details of the report.

***Deliverables:***

- Draft Data Analysis and Summary Report Outline (electronic .pdf).
- Draft and Final Data Analysis and Summary Report (electronic original word files and .pdf).

**Exhibit 2 to Task Order W&C 327-03**



**Fee Estimate & Breakdown of Hours**

**Santa Ana Watershed Project Authority  
Reach IV-D Rehabilitation Work Plan Mid-Term Recommendations**

08/31/23

| Tasks  | Labor               |                 |                   |                |                 |          | Total Hours | Total Labor Costs (1) | V & A<br>Manhole/ Pipe Inspection | Subtotal         | Sub Consultant Total Cost (2) | ODCs         |                | Total Fee        |
|--|---------------------|-----------------|-------------------|----------------|-----------------|----------|-------------|-----------------------|-----------------------------------|------------------|-------------------------------|--------------|----------------|------------------|
|  | Scott Goldman       | Justin Kraetsch | Jen Glynn         | Gina Habil     | Glenn Hermanson | Admin    |             |                       |                                   |                  |                               | ODCs         | Total ODCs (3) |                  |
|  | Principal-In-Charge | Project Manager | Technical Advisor | Staff Engineer | QA/QC Review    |          |             |                       |                                   |                  |                               |              |                |                  |
|  | STPL                | PE2             | STPL              | E1             | STPL            |          |             |                       |                                   |                  |                               |              |                |                  |
|  | \$345               | \$280           | \$345             | \$200          | \$345           | \$130    |             |                       |                                   |                  |                               |              |                |                  |
| <b>Task 1: Project Management</b>  |                     |                 |                   |                |                 |          |             |                       |                                   |                  |                               |              |                |                  |
| 1.1 Project Management   |                     | 7               |                   | 10             |                 | 7        | 24          | \$4,870               | \$4,691                           | \$4,691          | \$4,926                       |              | \$0            | \$9,796          |
| 1.2 Stakeholder and Subconsultant Coordination                           |                     | 8               |                   | 8              |                 |          | 16          | \$3,840               |                                   | \$0              | \$0                           |              | \$0            | \$3,840          |
| 1.3 Kick-Off Meeting   | 2                   | 2               | 2                 | 4              |                 |          | 10          | \$2,740               | \$1,500                           | \$1,500          | \$1,575                       |              | \$0            | \$4,315          |
| 1.4 Field Investigation Plan Review Workshop                             |                     | 3               | 2                 | 6              |                 |          | 11          | \$2,730               | \$1,500                           | \$1,500          | \$1,575                       |              | \$0            | \$4,305          |
| 1.4 Pre-Field Investigation Implementation Workshop                      |                     | 3               | 2                 | 6              |                 |          | 11          | \$2,730               | \$1,500                           | \$1,500          | \$1,575                       |              | \$0            | \$4,305          |
| 1.5 Data Analysis and Summary Report Review Workshop                     |                     | 3               | 2                 | 6              |                 |          | 11          | \$2,730               |                                   | \$0              | \$0                           |              | \$0            | \$2,730          |
| 1.6 Commission Meetings (2)  | 6                   | 8               |                   |                |                 |          | 14          | \$4,310               |                                   | \$0              | \$0                           | \$400        | \$440          | \$4,750          |
| 1.7 Bi-Weekly Coordination Conference Calls (16)                         |                     | 8               | 8                 | 8              |                 |          | 24          | \$6,600               | \$4,624                           | \$4,624          | \$4,855                       |              | \$0            | \$11,455         |
| 1.8 QC Review (STAR Workshop)  | 2                   | 4               | 2                 | 4              | 2               |          | 14          | \$3,990               |                                   | \$0              | \$0                           |              | \$0            | \$3,990          |
| <b>Subtotal Task 1:</b>  | <b>10</b>           | <b>46</b>       | <b>18</b>         | <b>52</b>      | <b>2</b>        | <b>7</b> | <b>135</b>  | <b>\$34,540</b>       | <b>\$13,815</b>                   | <b>\$13,815</b>  | <b>\$14,506</b>               | <b>\$400</b> | <b>\$440</b>   | <b>\$49,486</b>  |
| <b>Task 2: Data Collection and Review</b>                                |                     |                 |                   |                |                 |          |             |                       |                                   |                  |                               |              |                |                  |
| 2.1 Data Collection and Review   |                     | 4               |                   | 8              |                 |          | 12          | \$2,720               | \$3,084                           | \$3,084          | \$3,238                       |              | \$0            | \$5,958          |
| <b>Subtotal Task 2:</b>  | <b>0</b>            | <b>4</b>        | <b>0</b>          | <b>8</b>       | <b>0</b>        | <b>0</b> | <b>12</b>   | <b>\$2,720</b>        | <b>\$3,084</b>                    | <b>\$3,084</b>   | <b>\$3,238</b>                | <b>\$0</b>   | <b>\$0</b>     | <b>\$5,958</b>   |
| <b>Task 3: Field Investigation</b>                                       |                     |                 |                   |                |                 |          |             |                       |                                   |                  |                               |              |                |                  |
| 3.1 Field Investigation Plan and Schedule                                |                     |                 |                   |                |                 |          |             |                       |                                   | \$0              |                               |              |                |                  |
| 3.1.1 Draft Plan and Schedule  |                     | 12              | 4                 | 16             | 2               |          | 34          | \$8,630               | \$9,346                           | \$9,346          | \$9,813                       |              | \$0            | \$18,443         |
| 3.1.2 Final Plan and Schedule Submittal                                  |                     | 3               | 1                 | 6              |                 |          | 10          | \$2,385               |                                   | \$0              | \$0                           |              | \$0            | \$2,385          |
| 3.2 Field Investigation Implementation                                   |                     |                 |                   |                |                 |          |             |                       |                                   | \$0              |                               |              |                |                  |
| 3.2.1 Permit Support   |                     | 4               |                   | 12             |                 |          | 16          | \$3,520               |                                   | \$0              | \$0                           |              | \$0            | \$3,520          |
| 3.2.2 Field Investigations   |                     | 16              |                   |                |                 |          | 16          | \$4,480               | \$72,953                          | \$72,953         | \$76,601                      | \$200        | \$220          | \$81,301         |
| 3.2.3 Draft and Final Physical Inspection Report Submittal               |                     | 8               | 2                 | 8              | 2               |          | 20          | \$5,220               | \$25,696                          | \$25,696         | \$26,981                      |              | \$0            | \$32,201         |
| <b>Subtotal Task 3:</b>  | <b>0</b>            | <b>43</b>       | <b>7</b>          | <b>42</b>      | <b>4</b>        | <b>0</b> | <b>96</b>   | <b>\$24,235</b>       | <b>\$107,995</b>                  | <b>\$107,995</b> | <b>\$113,395</b>              | <b>\$200</b> | <b>\$220</b>   | <b>\$137,850</b> |
| <b>Task 4: Structural Integrity Assessment</b>                           |                     |                 |                   |                |                 |          |             |                       |                                   |                  |                               |              |                |                  |
| 4.1 Evaluate Pipeline & MAS Structural Integrity & Remaining Useful Life |                     | 8               | 8                 | 2              |                 |          | 18          | \$5,400               |                                   | \$0              | \$0                           |              | \$0            | \$5,400          |
| <b>Subtotal Task 4:</b>  | <b>0</b>            | <b>8</b>        | <b>8</b>          | <b>2</b>       | <b>0</b>        | <b>0</b> | <b>18</b>   | <b>\$5,400</b>        | <b>\$0</b>                        | <b>\$0</b>       | <b>\$0</b>                    | <b>\$0</b>   | <b>\$0</b>     | <b>\$5,400</b>   |
| <b>Task 5: Data Analysis and Summary Report</b>                          |                     |                 |                   |                |                 |          |             |                       |                                   |                  |                               |              |                |                  |
| 5.1 Data Analysis and Summary Report Outline                             |                     | 2               | 1                 | 4              |                 |          | 7           | \$1,705               |                                   | \$0              | \$0                           |              | \$0            | \$1,705          |
| 5.2 Data Analysis and Summary Report                                     |                     |                 |                   |                |                 |          |             |                       |                                   | \$0              |                               |              |                |                  |
| 5.2.1 Draft Data Analysis and Summary Report                             |                     | 32              | 8                 | 50             | 6               |          | 96          | \$23,790              |                                   | \$0              | \$0                           |              | \$0            | \$23,790         |
| 5.2.2 Draft Cost Estimate  |                     | 8               | 4                 | 16             | 2               |          | 30          | \$7,510               |                                   | \$0              | \$0                           |              | \$0            | \$7,510          |
| 5.2.3 Final Data Analysis and Summary Report                             |                     | 12              | 4                 | 24             | 4               |          | 44          | \$10,920              |                                   | \$0              | \$0                           |              | \$0            | \$10,920         |
| 5.2.4 Final Cost Estimate  |                     | 4               | 2                 | 12             | 1               |          | 19          | \$4,555               |                                   | \$0              | \$0                           |              | \$0            | \$4,555          |
| <b>Subtotal Task 6:</b>  | <b>0</b>            | <b>58</b>       | <b>19</b>         | <b>106</b>     | <b>13</b>       | <b>0</b> | <b>196</b>  | <b>\$48,480</b>       | <b>\$0</b>                        | <b>\$0</b>       | <b>\$0</b>                    | <b>\$0</b>   | <b>\$0</b>     | <b>\$48,480</b>  |
| <b>Total Fee:</b>  | <b>10</b>           | <b>159</b>      | <b>52</b>         | <b>210</b>     | <b>19</b>       | <b>7</b> | <b>464</b>  | <b>\$115,375</b>      | <b>\$124,894</b>                  | <b>\$124,894</b> | <b>\$131,139</b>              | <b>\$600</b> | <b>\$660</b>   | <b>\$247,174</b> |

- The individual hourly rates include salary, overhead and profit.
- Subconsultants will be billed at actual cost plus 5%.
- Other direct costs (ODCs) such as reproduction, delivery, mileage (rates will be those allowed by current IRS guidelines), and travel expenses, will be billed at actual cost plus 10%.
- Woodard & Curran reserves the right to adjust its hourly rate structure and ODC markup at the beginning of the calendar year for all ongoing contracts.




**Santa Ana Watershed Project Authority  
PA24 - Brine Line - Financial Report  
June 2023**

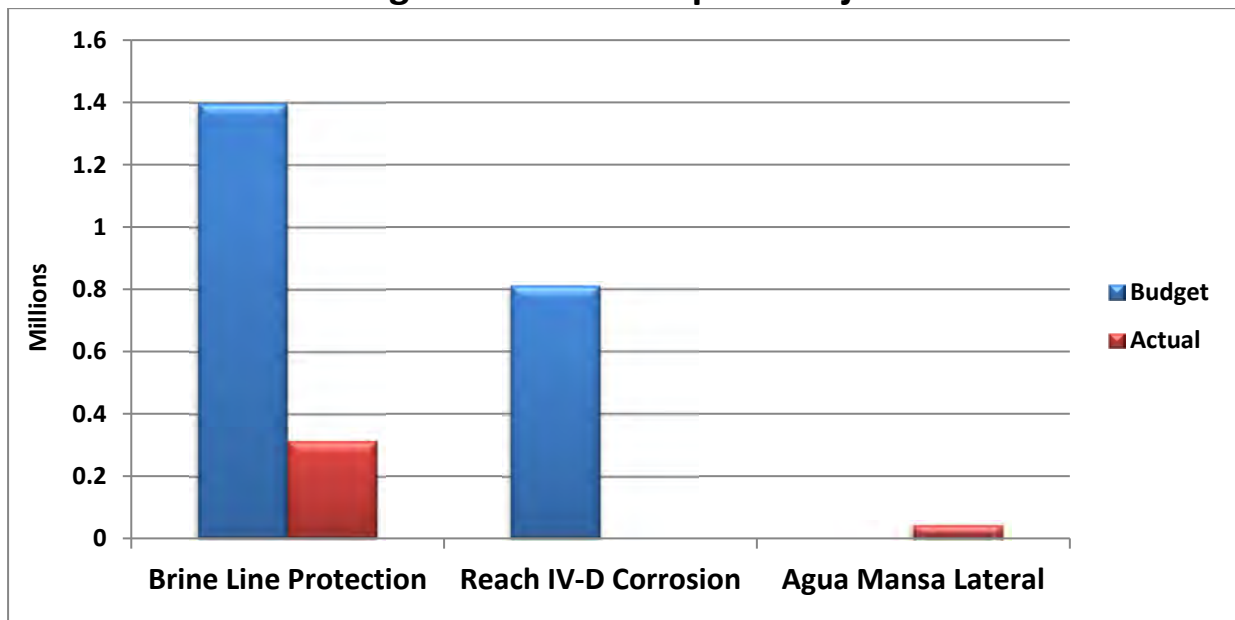
*Staff comments provided on the last page are an integral part of this report.*

|                 |   |
|-----------------|---|
| <b>Overview</b> | This report highlights the Brine Line’s key financial indicators for the Fiscal Year-to-Date (FYTD) through June 2023 unless otherwise noted. |
|-----------------|---|


**Brine Line - Capital Projects**

| <b>Budget to Actual – Capital Projects</b> |                    |                    |                  |  <b>Concern</b> |
|--|--------------------|--------------------|------------------|--|
|  | Annual Budget      | FYTD Budget        | FYTD Actual      | Favorable (Unfavorable) Variance   |
| Brine Line Protection                      | \$1,397,185        | \$1,397,185        | \$313,486        | \$1,083,699  |
| Reach IV-D Corrosion                       | 810,746            | 810,746            | -                | 810,746  |
| Agua Mansa Lateral                         | -                  | -                  | 42,956           | (42,956)   |
| <b>Total Capital Costs</b>                 | <b>\$2,207,931</b> | <b>\$2,207,931</b> | <b>\$356,442</b> | <b>\$1,851,489</b>   |

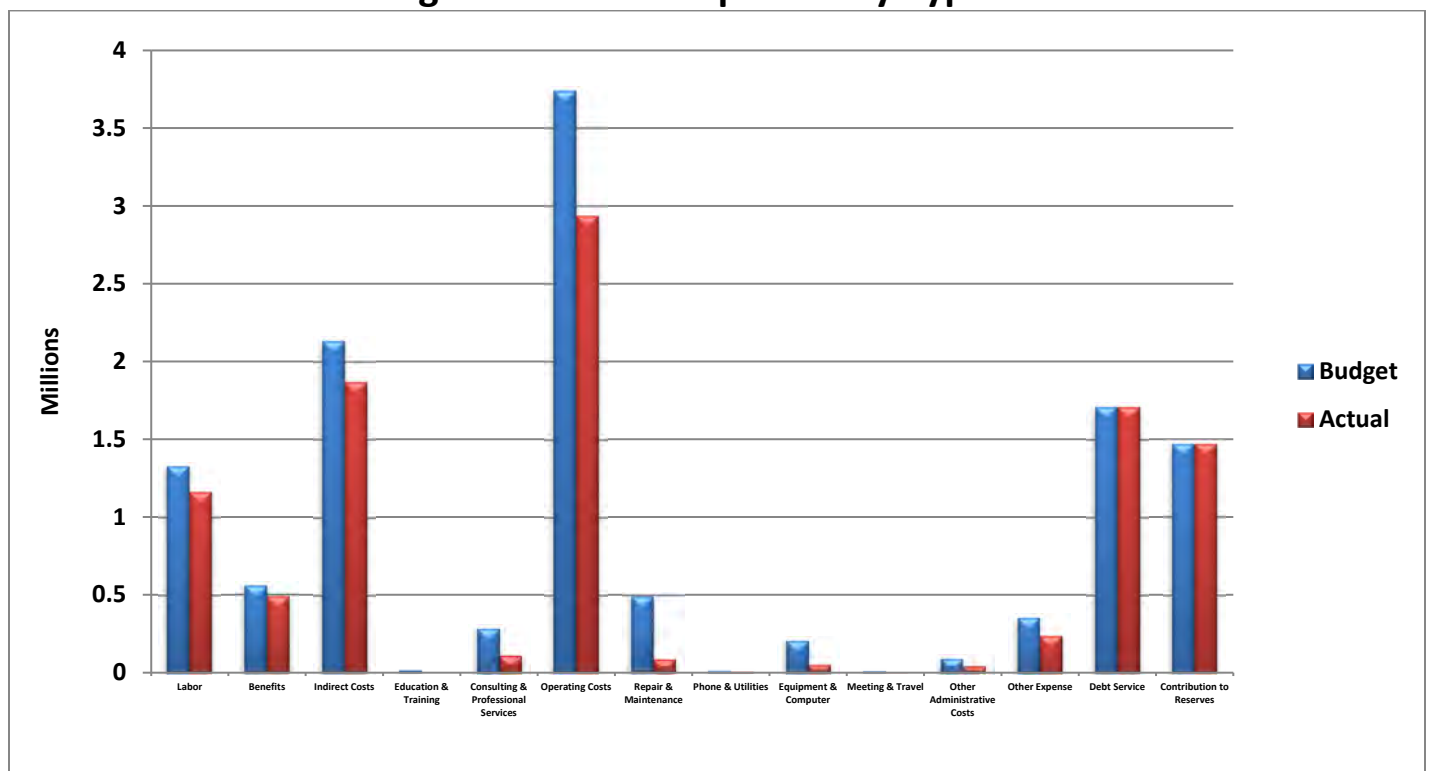
**Budget to Actual - Capital Projects**



## Brine Line – Operating

| Budget to Actual - Expenses by Type |                     |                     |                     |  Favorable |
|-------------------------------------|---------------------|---------------------|---------------------|---|
|                                     | Annual Budget       | FYTD Budget         | FYTD Actual         | Favorable (Unfavorable) Variance  |
| Labor                               | \$1,326,650         | \$1,326,650         | \$1,161,934         | \$164,716   |
| Benefits                            | 556,753             | 556,753             | 488,012             | 68,741  |
| Indirect Costs                      | 2,133,400           | 2,133,400           | 1,868,390           | 265,010   |
| Education & Training                | 14,500              | 14,500              | 1,236               | 13,264  |
| Consulting & Prof Svcs              | 285,000             | 285,000             | 113,549             | 171,451   |
| Operating Costs                     | 3,739,650           | 3,739,650           | 2,936,409           | 803,241   |
| Repair & Maintenance                | 490,000             | 490,000             | 90,314              | 399,686   |
| Phone & Utilities                   | 11,500              | 11,500              | 9,327               | 2,173   |
| Equip & Computers                   | 206,500             | 206,500             | 53,572              | 152,928   |
| Meeting & Travel                    | 10,000              | 10,000              | 2,055               | 7,945   |
| Other Admin Costs                   | 90,900              | 90,900              | 43,374              | 47,526  |
| Other Expense                       | 355,000             | 355,000             | 239,272             | 115,728   |
| Debt Service                        | 1,709,476           | 1,709,476           | 1,709,476           | -   |
| Contribution to Reserves            | 1,467,543           | 1,467,543           | 1,467,543           | -   |
| <b>Total</b>                        | <b>\$12,396,872</b> | <b>\$12,396,872</b> | <b>\$10,184,463</b> | <b>\$2,212,409</b>  |

## Budget to Actual - Expenses by Type



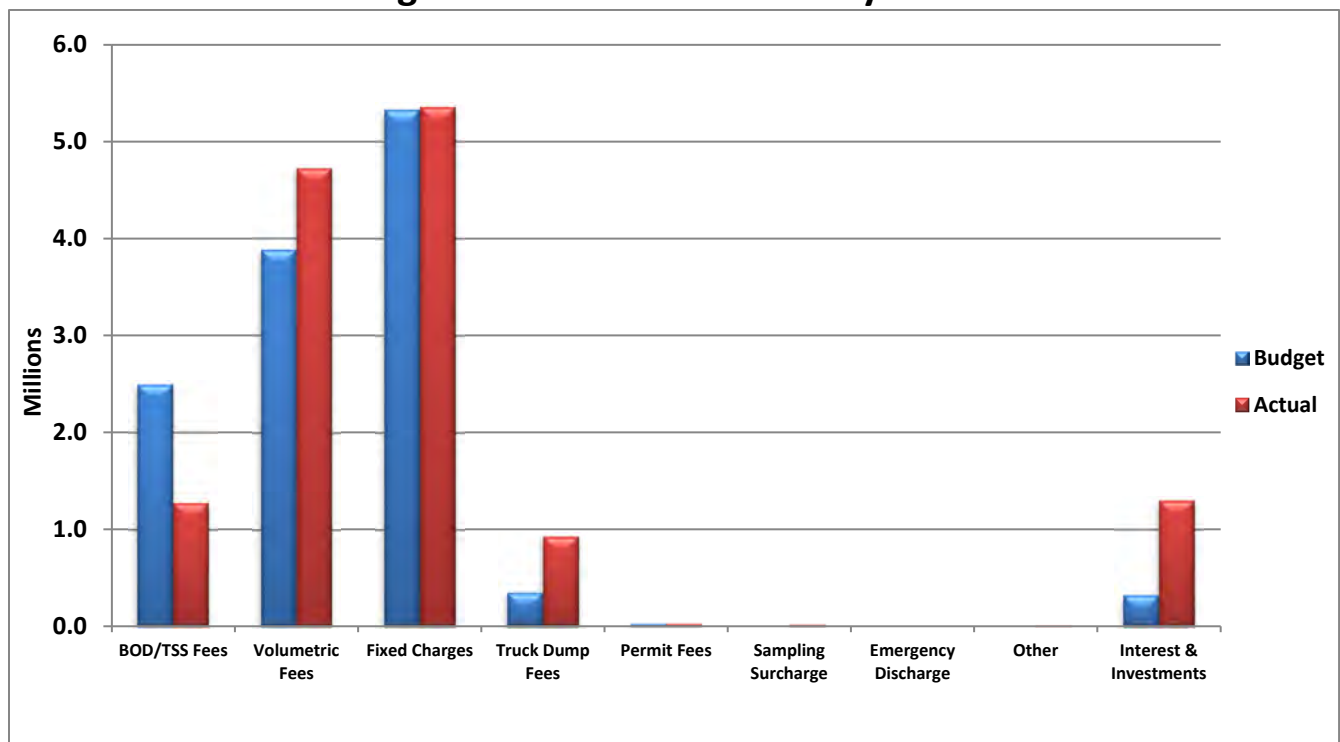
## Budget to Actual - Revenues by Source



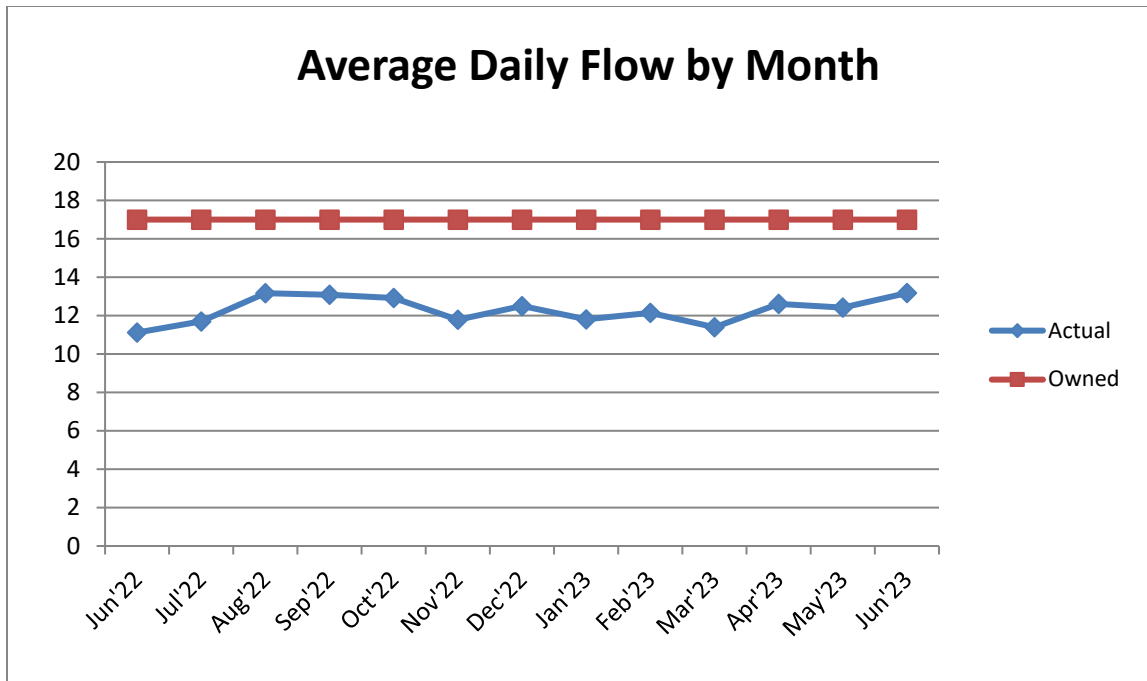
**Favorable**

|                          | Annual Budget       | FYTD Budget         | FYTD Actual         | Favorable (Unfavorable) Variance |
|--------------------------|---------------------|---------------------|---------------------|----------------------------------|
| BOD/TSS Fees             | \$2,492,400         | \$2,492,400         | \$1,273,339         | (\$1,219,061)                    |
| Volumetric Fees          | 3,881,300           | 3,881,300           | 4,719,704           | 838,404                          |
| Fixed Charges            | 5,323,422           | 5,323,422           | 5,355,590           | 32,168                           |
| Truck Dump Fees          | 346,500             | 346,500             | 919,736             | 573,236                          |
| Permit Fees              | 28,250              | 28,250              | 28,050              | (200)                            |
| Sampling Surcharge       | -                   | -                   | 13,843              | 13,843                           |
| Lease Capacity Revenue   | -                   | -                   | -                   | -                                |
| Emergency Discharge Fees | -                   | -                   | 106                 | 106                              |
| Use of Reserves          | -                   | -                   | -                   | -                                |
| Other Revenue            | -                   | -                   | 9,289               | 9,289                            |
| Interest & Investments   | 325,000             | 325,000             | 1,295,665           | 970,665                          |
| <b>Total</b>             | <b>\$12,396,872</b> | <b>\$12,396,872</b> | <b>\$13,615,323</b> | <b>\$1,218,451</b>               |

## Budget to Actual - Revenues by Source



### Average Daily Flow by Month

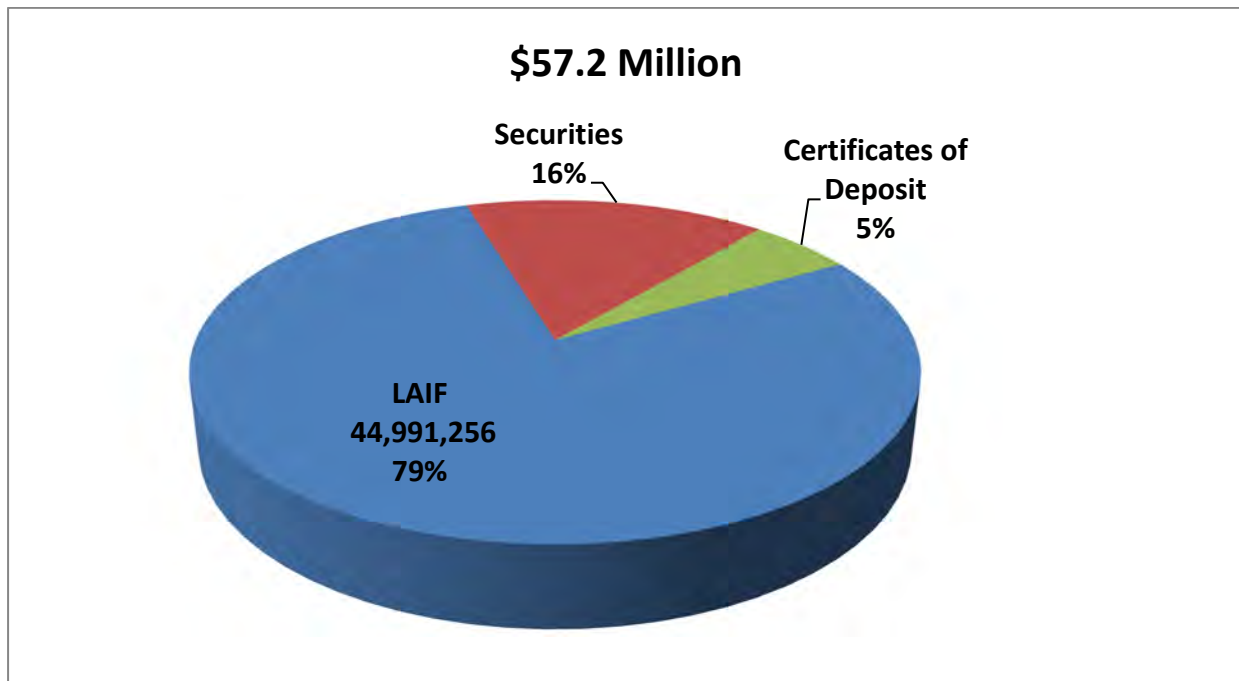


### Total Discharge by Agency (in million gallons)

| 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           |
| <b>Total</b>                     | <b>374.3123</b> | <b>395.1152</b> | <b>379.4609</b> | <b>413.3696</b> | <b>353.5346</b> | <b>424.9644</b> | <b>2,340.7570</b> |

| Discharger                       | Jan'23          | Feb'23          | Mar'23          | Apr'23          | June'23         | Jun'23          | Total             |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|
| Chino Desalter Authority         | 93.6116         | 93.3203         | 98.1827         | 115.0983        | 107.0560        | 102.0663        | 1,263.8073        |
| Eastern Municipal Water District | 105.6255        | 99.0024         | 93.5115         | 111.9789        | 92.7608         | 104.2510        | 1,273.0460        |
| Inland Empire Utilities Agency   | 11.1641         | 10.2370         | 11.0799         | 11.2109         | 12.2979         | 12.6760         | 147.3276          |
| San Bernardino Valley MWD        | 39.8892         | 38.7740         | 44.1691         | 45.1373         | 42.6372         | 42.2356         | 455.2569          |
| Western Municipal Water District | 87.1749         | 99.2994         | 93.7297         | 116.9229        | 114.3931        | 117.7883        | 1,344.1572        |
| Truck Discharge                  | 3.2635          | 2.8998          | 3.0677          | 3.2315          | 3.4202          | 3.0974          | 43.4239           |
| <b>Total</b>                     | <b>340.7288</b> | <b>343.5329</b> | <b>343.7406</b> | <b>403.5798</b> | <b>372.5652</b> | <b>382.1146</b> | <b>4,527.0189</b> |





## Total Cash & Investments



## Reserve Fund Balance

|   | Amount              |
|---|---------------------|
| Debt Retirement                             | \$2,876,283         |
| Pipeline Replacement & Capital Investment   | 32,045,367          |
| OC San Pipeline Rehabilitation              | 2,429,092           |
| Pipeline Capacity Management                | 12,232,268          |
| OC San Future Treatment & Disposal Capacity | 1,872,800           |
| Brine Line Operating                        | 2,302,489           |
| Brine Line Operating Cash                   | 3,451,591           |
| <b>Total Reserves</b>                       | <b>\$57,209,890</b> |

## 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 83.9% below budget. Many of the projects budgeted for have been delayed and will be done in FYE 2024.



**Santa Ana Watershed  
Project Authority**

**Financial Report for the Inland Empire Brine Line  
Enterprise/CIP for the 4thQuarter Ending  
June 30, 2023**

1

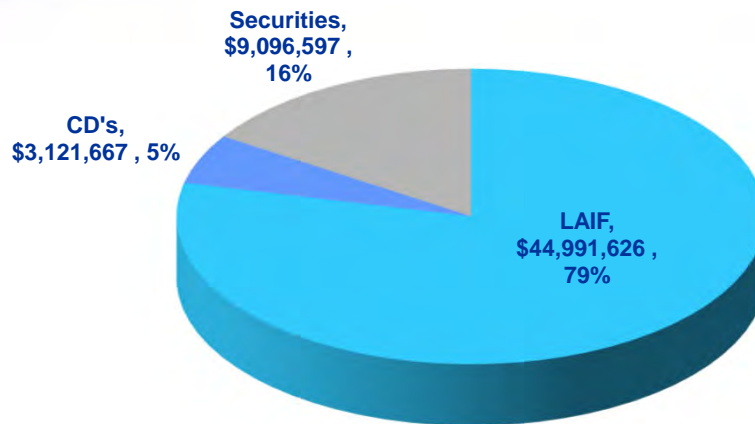
## **Agenda**

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

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## Cash & Investments

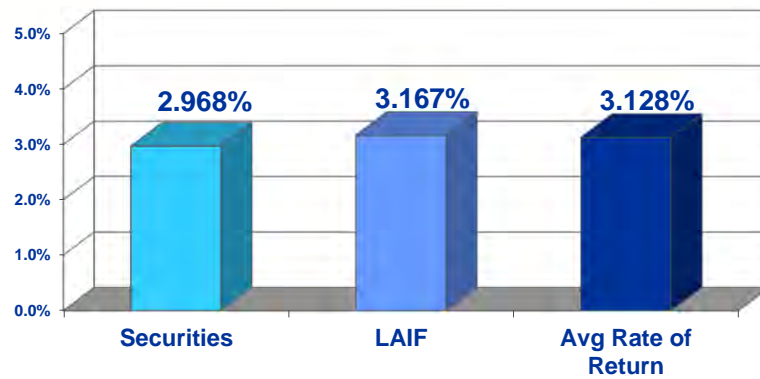
**\$57,209,890**



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## Cash & Investments

### Interest Rate Analysis



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## Reserve Account Balances

| Reserve Account                             | Balance             |
|---|---------------------|
| Debt Retirement                             | \$2,876,283         |
| Pipeline Replacement & Capital Investment   | 32,305,799          |
| OC San Pipeline Rehabilitation              | 2,429,092           |
| Pipeline Capacity Management                | 12,232,268          |
| OC San Future Treatment & Disposal Capacity | 1,872,800           |
| Brine Line Operating                        | 2,302,489           |
| Operating Cash                              | 3,191,159           |
| <b>Total Reserves</b>                       | <b>\$57,209,890</b> |

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## Reserve Account Balances Trends

| Reserve                                     | Balance @<br>09/30/22 | Balance @<br>12/31/22 | Balance @<br>03/31/2023 | Balance @<br>06/31/2023 |
|---|-----------------------|-----------------------|-------------------------|-------------------------|
| Self Insurance                              | \$4,361,363           | \$4,374,998           | \$-                     | \$-                     |
| Debt Retirement                             | 2,835,501             | 2,844,366             | 2,858,445               | 2,876,283               |
| Pipeline Replacement & Capital Investment   | 25,141,929            | 25,546,733            | 31,457,768              | 32,045,367              |
| OC San Pipeline Rehabilitation              | 2,394,650             | 2,402,137             | 2,414,028               | 2,429,092               |
| Pipeline Capacity Mgmt                      | 12,058,828            | 12,096,528            | 12,156,407              | 12,232,268              |
| OC San Future Treatment & Disposal Capacity | 1,846,246             | 1,852,018             | 1,861,185               | 1,872,800               |
| Flow Imbalance Reserve                      | 84,749                | 85,014                | -                       | -                       |
| Rate Stabilization Reserve                  | 1,034,585             | 1,037,820             | -                       | -                       |
| Brine Line Operating                        | 2,269,963             | 2,276,938             | 2,288,209               | 2,302,489               |
| Operating Cash                              | 3,688,704             | 3,072,232             | 3,802,229               | 3,451,591               |
| <b>Total</b>                                | <b>\$55,716,518</b>   | <b>\$55,588,784</b>   | <b>\$56,838,271</b>     | <b>\$57,209,890</b>     |

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## Transfers, Use and Contributions To/From Reserves

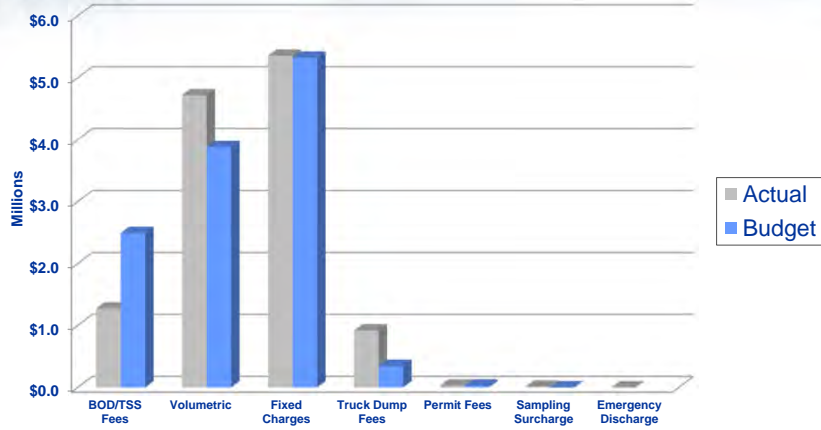
- **Pipeline Replacement & Capital Investment**
  - Contribution of \$1,467,543
  - RBF Loan Payment #1 of \$260,432
  - Transfer of \$4,396,654 from Self-Insurance Reserve
  - Transfer of \$1,042,957 from Rate Stabilization Reserve
  - Transfer of \$85,435 from Flow Imbalance Reserve
  - Use of \$199,608- Fund 320 Brine Line Protection
  - Use of \$13,134 – Fund 328 Agua Mansa Lateral
- **Interest Earned - \$507,015**

## Total Operating Revenues

| Source                          | Actual              | Budget              | Variance<br>Positive/(Negative) |
|---------------------------------|---------------------|---------------------|---------------------------------|
| BOD/TSS Fees                    | \$1,273,339         | \$2,492,400         | (\$1,219,061)                   |
| Volumetric Fees                 | 4,719,704           | 3,881,300           | 838,404                         |
| Fixed Charges                   | 5,355,590           | 5,323,422           | 32,168                          |
| Truck Discharge                 | 919,736             | 346,500             | 573,236                         |
| Permit Fees                     | 28,050              | 28,250              | (200)                           |
| Sampling Surcharge              | 13,843              | 0                   | 13,843                          |
| Emergency Discharge Fees        | 106                 | 0                   | 106                             |
| <b>Total Operating Revenues</b> | <b>\$12,310,368</b> | <b>\$12,071,872</b> | <b>\$238,496</b>                |

## Operating Revenues vs. Budget

Budget vs. Actual



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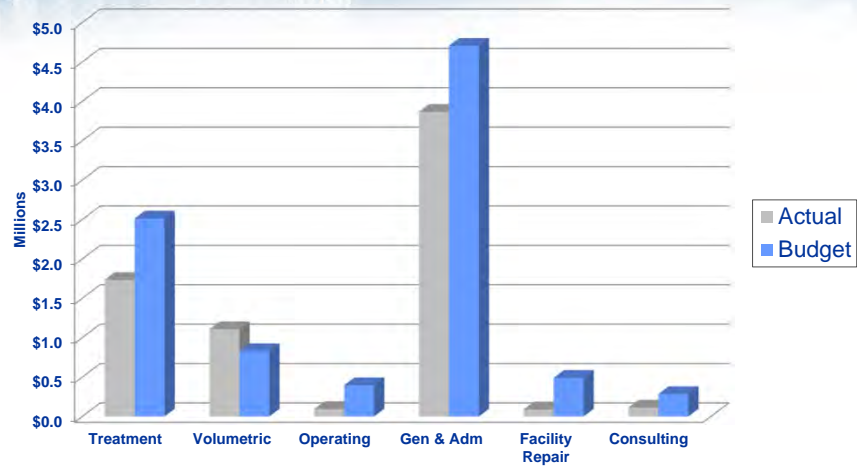
## Total Operating Expenses

| Source                          | Actual               | Budget               | Variance<br>Positive/(Negative) |
|---------------------------------|----------------------|----------------------|---------------------------------|
| Treatment Costs                 | (\$1,733,480)        | (\$2,513,600)        | \$780,120                       |
| Volumetric Costs                | (1,107,909)          | (828,800)            | (279,109)                       |
| Operating Costs                 | (95,020)             | (397,250)            | 302,230                         |
| General & Administration        | (3,867,172)          | (4,705,203)          | 838,031                         |
| Facility Repair & Maintenance   | (90,314)             | (490,000)            | 399,686                         |
| Consulting & Prof. Services     | (113,549)            | (285,000)            | 171,451                         |
| <b>Total Operating Expenses</b> | <b>(\$7,007,444)</b> | <b>(\$9,219,853)</b> | <b>\$2,212,409</b>              |

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## Operating Expenses vs. Budget

Budget vs. Actual



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## Non-Operating Revenues and Expenses

| Source                     | Actual               | Budget               | Variance<br>Positive/(Negative) |
|----------------------------|----------------------|----------------------|---------------------------------|
| Interest & Investments     | \$1,295,665          | \$325,000            | \$970,665                       |
| Other Income               | 9,289                | 0                    | 9,289                           |
| Debt Service Payments      | (1,709,476)          | (1,709,476)          | 0                               |
| Contributions to Reserves  | (1,467,543)          | (1,467,543)          | 0                               |
| <b>Total Non-Operating</b> | <b>(\$1,872,065)</b> | <b>(\$2,852,019)</b> | <b>\$979,954</b>                |

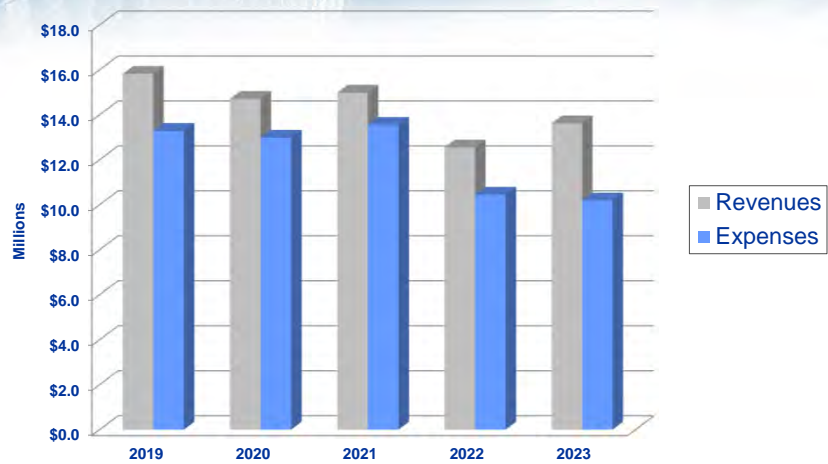
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## 5 Year Enterprise Performance

| FYE  | Revenue      | Expense        | Net Gain (Loss) |
|------|--------------|----------------|-----------------|
| 2019 | \$15,815,809 | (\$13,275,330) | \$2,540,479     |
| 2020 | 14,705,314   | (12,973,136)   | 1,732,178       |
| 2021 | 14,979,869   | (13,547,431)   | 1,432,438       |
| 2022 | 12,540,991   | (10,440,350)   | 2,100,641       |
| 2023 | 13,615,323   | (10,184,463)   | 3,430,860       |

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## 5 Year Enterprise Performance



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## Enterprise Performance

### Flow, BOD, TSS Actual vs. OC San Billing

|                            | SAWPA Billed | OC San Billing | Difference |
|----------------------------|--------------|----------------|------------|
| Total Flow (MG)            | 4,511.2796   | 4,486.370      | 24.9096    |
| Total BOD (1,000 lbs)      | 625.7877     | 998.683        | (372.8953) |
| Total TSS (1,000 lbs)      | 2,023.9159   | 2,655.329      | (631.4131) |
| 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)   |

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## Enterprise Performance

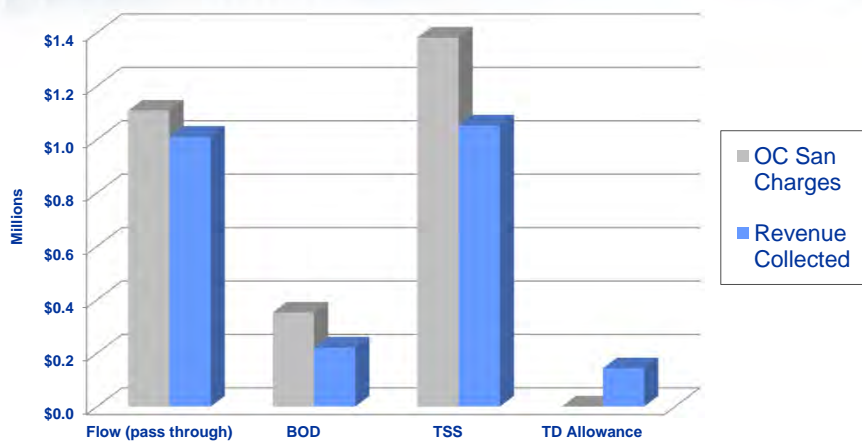
### OC San Flow, BOD & TSS Charges vs. Revenue Billed

|                     | Revenue Billed     | OC San Charges     | Difference         |
|---------------------|--------------------|--------------------|--------------------|
| Flow (pass through) | \$1,010,527        | \$1,107,909        | (\$97,382)         |
| BOD                 | 220,903            | 352,046            | (131,143)          |
| TSS                 | 1,052,436          | 1,381,434          | (328,998)          |
| TD Allowance        | 143,139            | 0                  | 143,139            |
| <b>Total</b>        | <b>\$2,427,005</b> | <b>\$2,841,389</b> | <b>(\$414,384)</b> |

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## Enterprise Performance

OC San Flow, BOD & TSS Charges vs. Revenue Collected



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## 5 Year Enterprise Performance

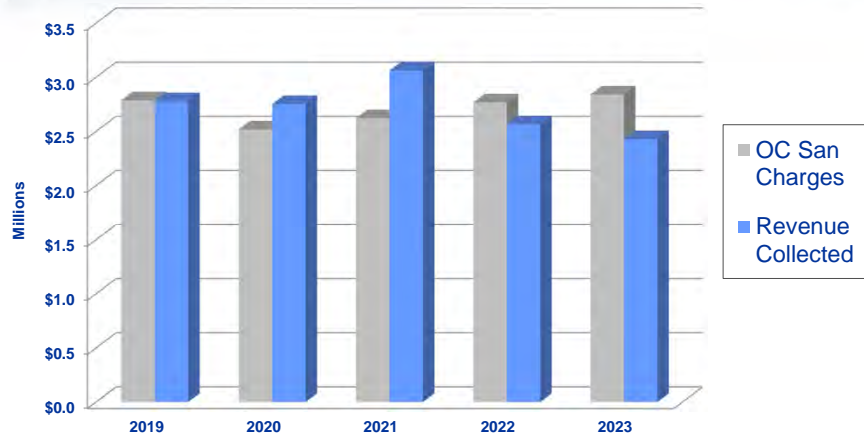
Flow, BOD & TSS Charges vs. Revenue Billed – Last 5 Years

| FYE          | Revenue Billed      | OC San Charges      | Difference      |
|--------------|---------------------|---------------------|-----------------|
| 2019         | \$2,777,460         | \$2,786,958         | (\$9,498)       |
| 2020         | 2,751,954           | 2,518,051           | 233,903         |
| 2021         | 3,061,944           | 2,621,142           | 440,802         |
| 2022         | 2,566,021           | 2,767,351           | (201,330)       |
| 2023         | 2,427,005           | 2,841,389           | (414,384)       |
| <b>Total</b> | <b>\$13,584,384</b> | <b>\$13,534,891</b> | <b>\$49,493</b> |

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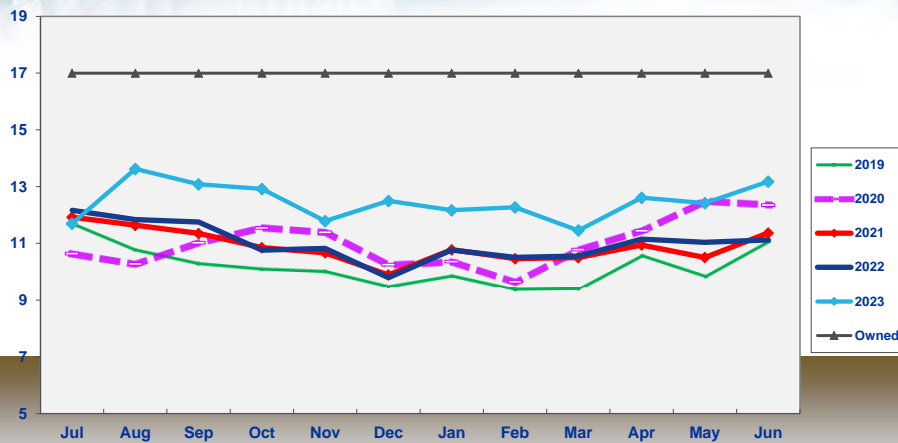
# 5 Year Enterprise Performance

## Flow, BOD & TSS Charges vs. Revenue Collected – Last 5 Years



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## Average Daily Flow by Month

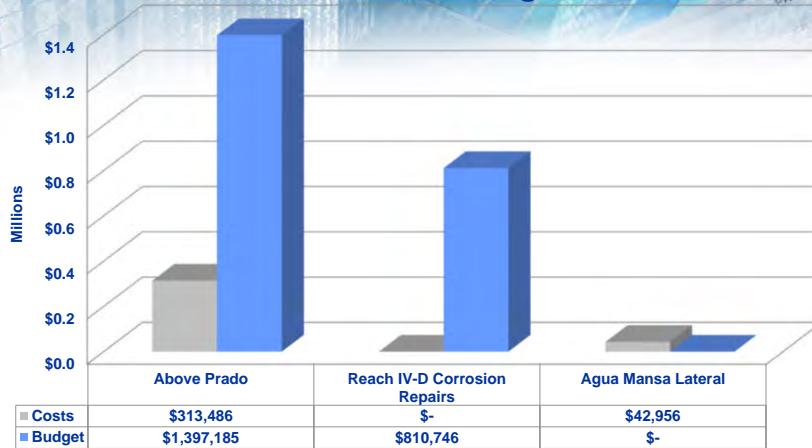


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## Capital Project Fund

Costs vs. Budget



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## Capital Project Fund (320)

### Brine Line Protection / Relocation Projects

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

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