AGENDA

REGULAR MEETING OF THE
PROJECT AGREEMENT 24 COMMITTEE
Inland Empire Brine Line

at the

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

Committee Members

<table>
<thead>
<tr>
<th>Eastern Municipal Water District</th>
<th>Inland Empire Utilities Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paul D. Jones, General Manager</td>
<td>Director Kati Parker</td>
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<tr>
<td></td>
<td>Director Jasmin A. Hall (Alt)</td>
</tr>
</tbody>
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<thead>
<tr>
<th>San Bernardino Valley Municipal Water District</th>
<th>Western Municipal Water District</th>
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<tr>
<td>Director T. Milford Harrison, Chair</td>
<td>Director Brenda Dennstedt, Vice Chair</td>
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<td>Craig Miller (Alt), General Manager</td>
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</table>

TUESDAY, JANUARY 7, 2020 – 10:00 A.M.

1. CALL TO ORDER | PLEDGE OF ALLEGIANCE (T. Milford Harrison, Chair)

2. PUBLIC COMMENTS
   Members of the public may address the Committee on items within the jurisdiction of the Committee; however, no action may be taken on an item not appearing on the agenda unless the action is otherwise authorized by Government Code §54954.2(b).

3. APPROVAL OF MEETING MINUTES: November 5, 2019 ........................................5
   Recommendation: Approve as posted.
4. COMMITTEE DISCUSSION ITEMS

A. **BRINE LINE VALUE ASSESSMENT (PA24#2020.1)** .......................................................... 9
   
   **Presenter:** David Ruhl
   
   **Recommendation:** Receive and file.

B. **BRINE LINE ORDINANCE REVISIONS UPDATE (PA24#2020.2)** ...................................... 15
   
   **Presenter:** Lucas Gilbert
   
   **Recommendation:** Receive and file.

C. **OPERATIONS AND MAINTENANCE AGREEMENT | REACH IV-A UPPER FROM EL PRADO ROAD TO CHINO HILLS PARKWAY (PA24#2020.3)** .......................................................... 21
   
   **Presenter:** Carlos Quintero
   
   **Recommendation:** Authorize the General Manager to execute the Operations and Maintenance Agreement for Reach IV-A Upper from El Prado Road to Chino Hills Parkway by and between the Inland Empire Utilities Agency (IEUA) and the Santa Ana Watershed Project Authority (SAWPA).

5. **REQUEST FOR FUTURE AGENDA ITEMS**

6. **CLOSED SESSION**

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

7. **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, Kelly Berry, Clerk of the Board of the Santa Ana Watershed Project Authority declare that on Thursday, January 2, 2020, 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.

   /s/

   Kelly Berry, CMC
# 2020 Project Agreement 24 Committee Regular Meetings

First Tuesday of Every Month

(Note: All meetings 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.)

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
<th>Meeting Type</th>
<th>Month</th>
<th>Date</th>
<th>Meeting Type</th>
</tr>
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<tbody>
<tr>
<td>January</td>
<td>1/7/20</td>
<td>Regular Committee Meeting</td>
<td>February</td>
<td>2/4/20</td>
<td>Regular Committee Meeting</td>
</tr>
<tr>
<td>March</td>
<td>3/3/20</td>
<td>Regular Committee Meeting</td>
<td>April</td>
<td>4/7/20</td>
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<td>May</td>
<td>5/5/20</td>
<td>Regular Committee Meeting</td>
<td>June</td>
<td>6/2/20</td>
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<td>July</td>
<td>7/7/20</td>
<td>Regular Committee Meeting</td>
<td>August</td>
<td>8/4/20</td>
<td>Regular Committee Meeting</td>
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<tr>
<td>September</td>
<td>9/1/20</td>
<td>Regular Committee Meeting</td>
<td>October</td>
<td>10/6/20</td>
<td>Regular Committee Meeting</td>
</tr>
<tr>
<td>November</td>
<td>11/3/20</td>
<td>Regular Committee Meeting</td>
<td>December</td>
<td>12/1/20</td>
<td>Regular Committee Meeting</td>
</tr>
</tbody>
</table>
COMMITTEE MEMBERS PRESENT
T. Milford Harrison, Chair, San Bernardino Valley Municipal Water District Governing Board
Brenda Dennstedt, Vice Chair, Western Municipal Water District Governing Board
Kati Parker, Inland Empire Utilities Agency Governing Board
David J. Slawson, Eastern Municipal Water District Governing Board [non-voting]

ALTERNATE COMMITTEE MEMBERS PRESENT [Non-Voting]
None

COMMITTEE MEMBERS ABSENT
Paul D. Jones, Eastern Municipal Water District General Manager

STAFF PRESENT
Rich Haller, Karen Williams, Larry McKenney, Dean Unger, David Ruhl, Carlos Quintero, Kelly Berry

1. CALL TO ORDER | PLEDGE OF ALLEGIANCE
The regular meeting of the PA 24 Committee was called to order at 10:03 a.m. by Chair Harrison at the Santa Ana Watershed Project Authority, 11615 Sterling Avenue, Riverside, California.

2. PUBLIC COMMENTS
There were no public comments.

3. APPROVAL OF MEETING MINUTES: October 1, 2019
Chair Harrison called for a motion to approve the October 1, 2019 meeting minutes as posted.

MOVED, approve the October 1, 2019 meeting minutes.

Result: Adopted (Unanimously)
Motion/Second: Parker/Dennstedt
Ayes: Dennstedt, Harrison, Parker
Nays: None
Abstentions: None
Absent: Jones
4. COMMITTEE DISCUSSION ITEMS

A. OVERVIEW AND CURRENT STATUS UPDATE | INLAND EMPIRE BRINE LINE (PA24#2019.3)
   David Ruhl provided the PowerPoint presentation contained in the agenda packet on pages 11 – 15. There was no discussion.
   This item was for informational purposes; no action was taken on Agenda Item No. 4.A.

B. ALCOA DIKE – REACH 4B/CRC LATERAL PROTECTION RELOCATION (PA24#2019.4)
   David Ruhl provided the PowerPoint presentation contained in the agenda packet on pages 19 – 21. There was no discussion.
   This item was for informational purposes; no action was taken on Agenda Item No. 4.B.

C. REACH 4A/4B LOWER MAINTENANCE ACTIVITIES (PA24#2019.5)
   Carlos Quintero provided the PowerPoint presentation contained in the agenda packet on pages 25 – 32. There was no discussion.
   This item was for informational purposes; no action was taken on Agenda Item No. 4.C.

D. CALIFORNIA INSTITUTION FOR WOMEN (CIW) FLOW DIVERSION TO INLAND EMPIRE UTILITIES AGENCY (IEUA) FACILITIES (PA24#2019.6)
   Carlos Quintero provided the PowerPoint presentation contained in the agenda packet on pages 37 – 40. There was no discussion.
   This item was for informational purposes; no action was taken on Agenda Item No. 4.D.

E. COMMITTEE MEETING SCHEDULE | DECEMBER 2019
   The ACWA Fall Conference will be held December 3-6 in San Diego, California. Accordingly, the Committee considered cancelling the December 3, 2019 regular meeting of the Committee.
   MOVED, cancel the December 3, 2019 regular meeting of the PA 24 Committee.
   Result: Adopted (Unanimously)
   Motion/Second: Dennstedt/Parker
   Ayes Dennstedt, Harrison, Parker
   Nays: None
   Abstentions: None
   Absent: Jones

F. RECONSIDER PROJECT AGREEMENT 24 COMMITTEE REGULAR MEETING SCHEDULE
   There was discussion about the Committee meeting schedule and whether it was feasible for the Committee members. It was the consensus of the Committee that the meeting schedule would remain with no changes.
5. **REQUEST FOR FUTURE AGENDA ITEMS**

There were no requests for future agenda items.

6. **CLOSED SESSION**

Larry McKenney noted that Agenda Item No. 6.A. was considered by the Commission earlier this morning; the Commission took action authorizing the General Manager to execute a three-year lease agreement with Wilson Properties, Inc., for a 1,984 square foot warehouse unit in an amount not to exceed $67,140. PA 24 Committee approval would authorize the funding of the lease agreement from Brine Line funds. If the Committee wants to discuss further, that would need to take place in Closed Session; otherwise, the Committee can act on the item. It was the consensus of the Committee that no discussion was necessary, and Chair Harrison called for a motion.

**A. THREAT TO PUBLIC SERVICES OR FACILITIES – PURSUANT TO GOVERNMENT CODE SECTION 54957**

Consultation with Operations Manager and Executive Counsel

**MOVED,** authorize the General Manager to execute a three-year lease agreement with Wilson Properties Inc., for a 1,984 square foot warehouse unit in an amount not to exceed $67,140.

Result: Adopted (Unanimously)

Motion/Second: Dennstedt/Parker

Ayes: Dennstedt, Harrison, Parker

Nays: None

Abstentions: None

Absent: Jones

7. **ADJOURNMENT**

There being no further business for review, Chair Harrison adjourned the meeting at 10:35 a.m.

Approved at a Regular Meeting of the Project Agreement 24 Committee on January 7, 2020.

________________________________
T. Milford Harrison, Chair

Attest:

________________________________
Kelly Berry, CMC
Clerk of the Board
DATE: January 7, 2020

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

SUBJECT: Brine Line Value Assessment

PREPARED BY: David Ruhl, Engineering Manager

RECOMMENDATION
That the Project Agreement 24 Committee receive and file this status report.

DISCUSSION
SAWPA hired Weka Inc. to assist staff in preparing an assessment of the value of the Brine Line. The Brine Line value is important in establishing Brine Line rates, capacity lease rates and establishing adequate pipeline replacement reserve values.

A financial consultant, Raftelis, was hired in November 2017 to prepare an excel based financial rate model, provide assessment of a lease capacity pool rate, and review reserve fund requirements. The financial rate model was completed in May 2018 and was used to calculate Brine Line rates as well as establish the rate to lease Brine Line capacity through the Lease Capacity Pool. A recommendation from the financial consultant was to assess the replacement cost of the Brine Line in order to enhance opportunities for responsible financial planning. The Brine Line asset value utilized in the rate model estimates the replacement cost of the Brine Line by first taking the original cost of each pipeline asset (Reach 4, 4A, 4B, 4D, 4E and V) then escalating each asset to its current year value using the ENR’s 20-City Average Construction Cost Index (CCI). Based on this method, the replacement cost of the Brine Line is estimated at $255 million (in 2017 dollars).

Weka’s assessment of the Brine Line value included review of the as-built drawings to obtain critical information to develop a more accurate value of the Brine Line such as pipe size, pipe material, depth to pipe, location (paved versus unpaved) and quantifying materials such as fittings, pipe and maintenance access structures. Field investigations were conducted to verify any changed field conditions such as street improvements such as raising the street profile, more lanes of traffic, increase in asphalt thickness, medians and sidewalks that were not present during the original construction. Lastly, current equipment rates, labor rates, and material costs were obtained to estimate the asset value of the Brine Line. Based on this information, the estimate of the asset value of the Brine Line provided by Weka is $344 Million (2019 dollars). SAWPA staff is reviewing documentation submitted by Weka to verify the value and include other costs as needed. The value as presented does not include costs for preparation of plans, California Environmental Equality Act (CEQA), temporary construction easements and permits.

An additional recommendation from the financial consultant is to conduct an asset criticality assessment to better understand the risk of failure of the Brine Line’s infrastructure. This will allow SAWPA staff to better evaluate the appropriateness of minimum and target reserve levels for the Pipeline Replacement Reserve. Work on this assessment will commence once the Brine Line value assessment is complete. Brine Line rates and lease rates are presented to the Committee on an annual basis. Proposed changes to minimum and target reserve levels, if any, would be reviewed by the General Managers, Member Agency CFOs and provided to the Committee for approval.
REFERENCE DOCUMENTS
None.

RESOURCE IMPACTS
Funds are available in FY 20 Budget Fund 240.

Attachments:
   1. PowerPoint Presentation
Brine Line
Value Assessment

David Ruhl, Engineering Manager
Project Agreement 24 Committee | January 7, 2020
Agenda Item No. 4.A.

Value Assessment

- Financial Rate Model
  - Purpose
    - Brine Line Rates
    - Lease Rate (Lease Capacity Pool)
    - Contribution to Reserves
  - Recommendations
    - Assess the replacement cost
    - Asset Criticality Assessment
Value Assessment

- As-Built Drawings
- Field Verification
- Changed Conditions
- Material Costs
- Labor / Equipment Rates

Brine Line Reach 4D

Hammer
Schleisman

Value Assessment

- As-Built Drawings
- Field Verification
- Changed Conditions
- Material Costs
- Labor / Equipment Rates

Brine Line Reach 4D - 1994

Hammer
Schleisman
Brine Line Value
- Original Cost $128 M
- Rate Model $255 M
- Value Assessment $344 M

Next Steps
- Review documentation and verify Brine Line value
- Initiate asset criticality assessment
QUESTIONS?
DATE: January 7, 2020

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

SUBJECT: Brine Line Ordinance Revisions Update

PREPARED BY: Lucas Gilbert, Manager of Permitting and Pretreatment

RECOMMENDATION
That the Project Agreement 24 Committee receive and file this update of the ongoing SAWPA Ordinance Revisions.

DISCUSSION
Orange County Sanitation District (OCSD) has completed the process of updating and revising their Sewer User Ordinance, Ordinance OCSD-53. As Delegated Control Authority to OCSD SAWPA is required to update their Ordinance to include relevant OCSD revisions. SAWPA has developed draft Ordinance No. 9, which has been revised to incorporate the updates within the new OCSD Ordinance. The proposed updates include a new prohibition on hydrolysate, a new prohibition on discharge via non-domestic surface or floor drains, and clarification of existing language for facility reports of changed conditions and notifications for sale of change of ownership. Additionally, SAWPA has proposed additional revisions to update the definition of an Industrial User to standardize it with the OCSD definition. Furthermore, SAWPA has proposed creation of a new classification of Non-Industrial User for Brine Line dischargers that do not meet the definition of an Industrial User.

SAWPA submitted the draft Ordinance to OCSD for their review and concurrence on October 17, 2019. To date SAWPA has received no comments from OCSD on the submittal. It is anticipated that SAWPA should be in receipt of any OCSD comments, if any, by early 2020. Following resolution of any OCSD comments in the draft Ordinance SAWPA would then continue with the Ordinance adoption process by releasing of the document for public review. Forty-five (45) days after the Public Review period has ended the Ordinance would be brought for a public hearing and then possible adoption by the Committee.

Following the presentation on the Brine Line Ordinance Revisions Update a brief oral report will be provided to review the following pretreatment items of interest: Infrequent Discharge Permits (formerly Emergency Permits), Collection Stations, necessary upcoming updates to the Pretreatment Program Control Documents, administratively extended Permits, and the new staff person hired for pretreatment.

CRITICAL SUCCESS FACTORS
Critical Success Factor 8. Operate the Brine Line to: (1) protect the OCSD treatment plant and the environment from non-compliant dischargers, and (2) eliminate any uncontrolled pipeline releases.

RESOURCE IMPACTS
Work on the Inland Empire Brine Line Pretreatment Program is funded from Fund 240P.

Attachments:
1. PowerPoint Presentation
Background

• Orange County Sanitation District has completed the process of updating and revising their Sewer Use Ordinance.

• SAWPA is required to update their Ordinance to include the relevant OCSD revisions.
## Proposed Ordinance Updates - OCSD

<table>
<thead>
<tr>
<th>Issue</th>
<th>Change/Amendment</th>
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<tbody>
<tr>
<td>Prohibition on Hydrolysate:</td>
<td>Prohibits the direct or indirect receipt of Hydrolysate or wastes and wastewater resulting from Hydrolysis into the Brine Line.</td>
</tr>
<tr>
<td>Prohibition on Non-Domestic Surface and Floor Drains:</td>
<td>Prohibits discharge of non-domestic water via a surface or floor drain directly or indirectly to the Brine Line. (For purpose of limiting stormwater discharge to the Brine Line.)</td>
</tr>
<tr>
<td>Reports of Changed Conditions:</td>
<td>Each User must notify the General Manager’s designee 30 calendar days in advance.</td>
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<tr>
<td>Sale or Change of Ownership:</td>
<td>The successor owner shall apply for a new permit 30 calendar days in advance. This was previously 15 days in advance.</td>
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## Proposed Ordinance Updates - SAWPA

<table>
<thead>
<tr>
<th>Issue</th>
<th>Change/Amendment</th>
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<tbody>
<tr>
<td>Industrial User Definition:</td>
<td>Definition has been revised to standardize it with the OCSD definition.</td>
</tr>
<tr>
<td>Non-Industrial User Definition:</td>
<td>Creation of a new classification of User for Brine Line dischargers that do not meet the definition of Industrial User.</td>
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SAWPA Timetable (Tentative)

<table>
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<tr>
<th>Date</th>
<th>Milestone</th>
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<tbody>
<tr>
<td>September 19</td>
<td>SAWPA Internal Draft to Member and Contract Agencies for review at PPWM (2 weeks)</td>
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<tr>
<td>October 3</td>
<td>Agency Review Complete</td>
<td>✓</td>
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<tr>
<td>October 17</td>
<td>Resolution of conflicting Agency comments, Draft 2</td>
<td>✓</td>
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<tr>
<td>October 17</td>
<td>Submit Draft 2 to OCSD for review</td>
<td>✓</td>
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<tr>
<td>Late 2019</td>
<td>Workshop with OCSD to review draft (As applicable)</td>
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<tr>
<td>10 Days after Review</td>
<td>OCSD Review complete (Anticipate 3 mo. review period)</td>
<td></td>
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<tr>
<td>5 Days after Draft 3</td>
<td>Incorporate comments, agency review, draft 3 (SAWPA)</td>
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<tr>
<td>Prior to Public Hearing</td>
<td>Release draft Ordinance for public review</td>
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<tr>
<td>45 Days after Public Release</td>
<td>Workshop with dischargers</td>
<td></td>
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<td></td>
<td>Public Hearing before Committee, possible adoption</td>
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Additional Items for Discussion

- Infrequent Discharge Permits (formerly Emergency Permits)
- Collection Stations
- Necessary upcoming updates to the Pretreatment Program Control Documents
- Administratively extended Permits
- New staff person
Questions
PA 24 COMMITTEE MEMORANDUM NO. 2020.3

DATE: January 7, 2020

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

SUBJECT: Operations and Maintenance Agreement | Reach IV-A Upper from El Prado Road to Chino Hills Parkway

PREPARED BY: Carlos Quintero, Operations Manager

RECOMMENDATION
Authorize the General Manager to execute the Operations and Maintenance Agreement for Reach IV-A Upper from El Prado Road to Chino Hills Parkway by and between the Inland Empire Utilities Agency (IEUA) and the Santa Ana Watershed Project Authority (SAWPA).

DISCUSSION
Reach 4A Upper of the Brine Line serves the Inland Empire Utilities Agency (IEUA) service area (see Attachment No. 2). IEUA has historically supported Brine Line operations and maintenance activities within Reach 4A Upper.

The existing Operations and Maintenance agreement between IEUA and SAWPA was approved in April 1983, soon after Reach 4A Upper was put into service. The existing O&M agreement outlines a list of activities that are supported by IEUA from Carbon Canyon Road to the Meter Structure (formerly known as S-05 and located on El Prado Road, across the IEUA Regional Plant No. 2).

The proposed agreement updates the list of O&M activities that will be supported by IEUA:
1. Monitor the Brine Line easement at least once per quarter to ensure access to the Brine Line structures;
2. Provide line cleaning support as required and if IEUA resources are available;
3. Provide support during Sewer System Overflows, if IEUA resources are available.

An annual scope of work and budget are prepared and an annual Work Order is issued to IEUA to cover the costs associated with these tasks.

CRITICAL SUCCESS FACTORS
Protect and preserve the useful life of Brine Line assets through strategic maintenance, repair, and capital improvements.

RESOURCE IMPACTS
Operation and Maintenance for Reach 4A Upper are budgeted under Fund 240 (Brine Line Enterprise)

Attachments:
1. PowerPoint Presentation
2. Brine Line Reach 4A Upper Map
3. Operations and Maintenance Agreement for Reach IV-A Upper from El Prado Road to Chino Hills Parkway
Recommendation

- Authorize the General Manager to execute the Operations and Maintenance Agreement for Reach IV-A Upper from El Prado Road to Chino Hills Parkway by and between the Inland Empire Utilities Agency (IEUA) and the Santa Ana Watershed Project Authority (SAWPA).
Inland Empire Brine Line Reach 4A Upper

- Current agreement in place since 1983
- IEUA has supported activities from: Carbon Canyon to RP-2
- New O&M agreement updates activities supported by IEUA
Recommendation

- Authorize the General Manager to execute the Operations and Maintenance Agreement for Reach IV-A Upper from El Prado Road to Chino Hills Parkway by and between the Inland Empire Utilities Agency (IEUA) and the Santa Ana Watershed Project Authority (SAWPA).

Questions??
OPERATIONS AND MAINTENANCE AGREEMENT FOR REACH IV-A UPPER FROM EL PRADO ROAD TO CHINO HILLS PARKWAY

AGREEMENT made this XXth day of XXXX, 20XX, by and between INLAND EMPIRE UTILITIES AGENCY (“IEUA”), a municipal water district, and the SANTA ANA WATERSHED PROJECT AUTHORITY, a joint powers agency (“SAWPA”), collectively referred to as “Parties”.

RECITALS

WHEREAS, SAWPA is responsible for the operation, maintenance, repair, and replacement of the Inland Empire Brine Line, consisting, in part of, Reaches IV, IV-A, IV-B, IV-D, IV-E, and V, including connection facilities and metering facilities (hereinafter referred to as the “Brine Line”); and

WHEREAS, SAWPA is responsible for monitoring both the quantity and quality of wastewater discharged into the Brine Line; and

WHEREAS, SAWPA desires to contract with IEUA to assign some of those responsibilities in accordance with the provisions set forth herein, and IEUA desires to accept such responsibilities, in accordance with the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, based upon the foregoing, and in consideration of the mutual promises of the Parties, it is hereby agreed as follows:

1. Services to be performed.

A. IEUA shall furnish all necessary tools, equipment, materials, and personnel to perform the following services on that portion of the Brine Line known as Reach 4A Upper, which Reach is more particularly defined as a pipeline extending from Maintenance Access Structure 4A-0390 located along El Prado Road (formerly known as the S-05 metering station) to Maintenance Access Structure 4A-0680, located just to the north of the IEUA Carbon Canyon Facility and just south of Chino Hills Parkway.

a. Conduct quarterly inspections and patrol to verify that the Brine Line Maintenance Access Structures are accessible at all times. The quarterly inspections will correspond to the following periods: January through March, April through June, July through September, and October through December. IEUA will address any irregularities regarding access to the Brine Line. Inspections and actions taken shall be identified in a quarterly report to be submitted to SAWPA no later than the 20th day of the following month (January 20, April 20, July 20, and October 20) or the following business day if the 20th day of the month falls on a Friday, weekend, or holiday. If no irregularities are found or any action taken, the report shall identify, at a minimum, the date the inspection was conducted, IEUA staff conducting the inspection, and any other relevant information.
b. Provide pipeline cleaning support as requested by SAWPA, and if agreed to by IEUA, to remove any accumulated solids on Reach 4A Upper. Assist in coordination with dischargers in the IEUA area, as required, to cease discharge to the Brine Line in order for SAWPA to conduct required maintenance activities.

c. Provide emergency response, if IEUA resources are available, in case of a Sewer System Overflow ("SSO"). Work shall consist of stopping or reducing the spill, if possible, providing any necessary vacuum truck(s) (i.e. Vactor) to contain any SSO to the extent possible, remove any overflowing or ponded Brine, and provide site cleaning after the SSO, and any other remediation, as required. SAWPA or SAWPA’s Contractors will be responsible to perform any required repairs.

B. SAWPA shall issue an annual Work Order which shall become effective once signed by both IEUA and SAWPA. A Work Order shall be issued annually to correspond with SAWPA’s fiscal year (July 1 through June 30).

2. Compensation

For and in consideration of the services rendered hereunder by IEUA, SAWPA agrees to pay IEUA a sum equal to:

A. All actual labor costs, to include direct hourly salaries, applicable payroll burden as a percent of direct salaries, department overhead as a percent of direct salaries, and general and administrative costs as a percent of direct salaries, all as calculated by IEUA; provided, however, that the total cost of these items shall not exceed 2.0 times the actual direct salary cost to IEUA of all necessary labor actually provided;

B. With regard to equipment owned by IEUA, and used by IEUA pursuant of this Agreement, SAWPA shall pay IEUA a rental fee calculated in accordance with the latest IEUA resolution setting such rates; provided, however, if such equipment is also used in connection with work not related to this Agreement, an allocation of the rental costs shall be made in proportion to the time the equipment is used on such other work and the work performed pursuant to this Agreement; and

C. With regard to special equipment not owned but rented by IEUA for work performed solely pursuant to this Agreement, SAWPA shall reimburse IEUA 115% of the actual rental cost.

IEUA shall bill SAWPA monthly for work performed during the previous month, provided any work was performed. Within thirty (30) days after receipt of each monthly billing, SAWPA shall pay IEUA the amount due. IEUA shall keep accurate records of all equipment and material(s) provided and labor and services performed for SAWPA, and if and when requested by SAWPA, IEUA shall forthwith provide a detailed statement in support of IEUA’s billing.

3. Term

The respective duties and obligations of the Parties hereto shall commence when executed by both Parties, and shall continue for a period of five (5) years unless sooner terminated by IEUA upon ninety (90) days prior written notice to SAWPA, or by SAWPA in accordance with the provisions of Section 4 below. This Agreement shall be renewed automatically on a year-to-year basis on the same terms and conditions set forth herein unless 90 days written notification is provided by either party.
4. Termination

The parties acknowledge and agree that SAWPA, at its option and at any time during the term of this Agreement, may elect to assume the duties and obligations imposed on IEUA herein and to terminate this Agreement upon ninety (90) days advance written notice to IEUA. SAWPA shall reimburse IEUA for any costs incurred on or before the last day of the agreement. Any discrepancy in the cost amount shall be resolved by mutual agreement of the Parties.

5. Compliance with the Law

In performing the services required hereunder, IEUA shall comply with all applicable federal, state, county and city statutes, ordinances, and regulations. If such compliance is impossible for reasons beyond its control; IEUA shall halt any service and immediately notify SAWPA of that fact and the reasons therefore until the issues are resolved.

6. Indemnification

IEUA hereby acknowledges and agrees to hold harmless and to indemnify SAWPA, its elected officials, officers, agents or employees, against any claims of personal injury or property damage made by any third person, including elected officials, agents, contractors, officers and/or employees of IEUA, except for the active negligence or willful misconduct of SAWPA, or any elected official, employee, officer or agent thereof. SAWPA agrees to and shall hold IEUA, its elected officials, officers, agents or employees harmless from any liability for damages or claims which may arise from under this Agreement that are caused solely by SAWPA’s active negligence or willful misconduct.

7. Assignment

Neither this Agreement nor any duties or obligations hereunder shall be assigned to a third party by IEUA without the prior written approval consent of SAWPA. In the event of an assignment by IEUA to which SAWPA has consented, the assignee or his legal representatives shall agree in writing with SAWPA to personally assume, perform and be bound by the covenants, obligations, and agreements contained herein.

8. Further Acts

Each party to this Agreement agrees to execute and deliver all documents and perform all further acts that may be reasonably necessary to carry out the provisions of this Agreement.

9. Successors and Assigns

Subject to the provision regarding assignment, this Agreement shall be binding on the successors and/or assigns of the respective Parties.

10. Notices

All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments, or designations hereunder by either party to the other shall be in
writing and shall be sufficiently given and served upon the other party, if sent by United States Certified Mail, return receipt requested, postage prepaid and addressed as follows:

**IEUA:**
Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91708

**SAWPA:**
Santa Ana Watershed Project Authority
11615 Sterling Avenue
Riverside, CA 92503

Electronic correspondence is acceptable if addressed to the General Managers or his/her designee, as identified and communicated by each party to this Agreement.

Either party may, in writing, specify a different place for receipt of written notices.

11. Amendments

This writing constitutes the entire Agreement between the Parties and shall become effective as soon as it is signed by both Parties. This agreement supersedes any prior agreement or amendments thereto. No modification of this Agreement shall be valid unless in writing and signed by the Parties hereto.

IN WITNESS WHEREOF, the parties hereto, by and through their duly authorized respective officers, have executed this Agreement on the day and year first above written.

INLAND EMPIRE UTILITIES AGENCY

By____________________________________
, General Manager

SANTA ANA WATERSHED PROJECT AUTHORITY

By____________________________________
Richard Haller, General Manager