



PROJECT AGREEMENT 24 COMMITTEE
Inland Empire Brine Line
REGULAR MEETING MINUTES
April 7, 2020

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
Paul D. Jones, Eastern Municipal Water District General Manager

ALTERNATE COMMITTEE MEMBERS PRESENT [Non-Voting]

None

COMMITTEE MEMBERS ABSENT

None

STAFF PRESENT

Rich Haller, Karen Williams, David Ruhl, Carlos Quintero, Dean Unger, Kelly Berry

OTHERS PRESENT

Andrew D. Turner, Lagerlof, LLP

1. CALL TO ORDER | PLEDGE OF ALLEGIANCE

The regular meeting of the PA 24 Committee was called to order at 10:17 a.m. by Chair Harrison on behalf of the Santa Ana Watershed Project Authority, 11615 Sterling Avenue, Riverside, California. The record will reflect this meeting was conducted virtually.

Pursuant to the provisions of Executive Order N-25-30 issued by Governor Gavin Newsom on March 12, 2020, and Executive Order N-29-20 issued by Governor Gavin Newsom on March 17, 2020, any Committee member may call into the Committee meeting without otherwise complying with the Brown Act's teleconferencing requirements.

Executive Order N-33-20 issued by Governor Gavin Newsom on March 19, 2020, ordered all individuals to stay at home or at their place of residence. In concert with state and local efforts to prevent the spread of COVID-19, and until further notice, the Santa Ana Watershed Project Authority will be holding all Board and Committee meetings by teleconference and virtually through the Zoom app.

As set forth on the posted meeting agenda, this Committee meeting was accessible to the public by teleconference and through Zoom. Members of the public who were unable to participate by teleconference or virtually were invited to submit comments and questions in writing via email for the Committee's consideration. All votes taken during this meeting were conducted via oral roll call

An oral roll call of Committee Members in attendance was duly noted and recorded by the Clerk of the Board.

2. PUBLIC COMMENTS

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

3. ITEMS TO BE ADDED OR DELETED

There were no added or deleted items.

4. APPROVAL OF MEETING MINUTES: March 3, 2020

Chair Harrison called for a motion to approve the March 3, 2020 meeting minutes as posted.

MOVED, approve the March 3, 2020 meeting minutes.

Result:	Adopted by Roll Call Vote (Unanimously)
Motion/Second:	Dennstedt/Jones
Ayes	Dennstedt, Harrison, Jones, Parker
Nays:	None
Abstentions:	None
Absent:	None

5. COMMITTEE DISCUSSION/ACTION ITEMS

A. INLAND EMPIRE BRINE LINE SERVICE CONTRACTS (PA24#2020.7)

Carlos Quintero provided a PowerPoint presentation contained in the agenda packet on pages 13 – 18. SAWPA relies on several outside service providers to perform Brine Line maintenance activities. Companies respond to a Request for Proposals (RFPs) and contracts are issued for a two-year period with an option to renew for one additional year. The term of the current service contracts ends June 30, 2020, with an option to extend to June 30, 2021. A recommendation will be brought before the Committee in June to extend the term to June 30, 2021, excluding the contract for pipeline cleaning services.

Innerline Engineering currently provides pipeline cleaning services; however, Innerline Engineering is no longer able to provide these services. Accordingly, staff proposed issuing a Request for Proposals for Brine Line Pipeline Cleaning Services. A pre-proposal meeting will be held April 15 (virtually), and award of contract would be brought back to the Committee in June. Committee Member Jones noted that since the member agencies provide these services, they should be invited to participate in the RFP process. Quintero noted he will include the member agencies.

MOVED, direct the General Manager to issue a Request for Proposals for Brine Line Pipeline Cleaning services for Fiscal Years 2020-21 and 2021-22.

Result:	Adopted by Roll Call Vote (Unanimously)
Motion/Second:	Jones/Dennstedt
Ayes	Dennstedt, Harrison, Jones, Parker
Nays:	None
Abstentions:	None
Absent:	None

B. INLAND EMPIRE BRINE LINE RATE RESOLUTION (PA24#2020.6)

Carlos Quintero provided a PowerPoint presentation contained in the agenda packet on pages 33 – 44. A discussion ensued regarding the proposed rate increase and the timing of its June 1, 2020 effective date, given the current COVID-19 emergency situation and resulting financial impact to dischargers. Committee Member Dennstedt proposed continuing the item to July and analyze the economic and financial situation at that time. Committee Member Parker asked if SAWPA’s costs would be covered if the rate increase is delayed.

General Manager Haller noted SAWPA has been tracking flows during this time to determine any significant change, and flows have remained constant. Staff shares the Committee’s concern about the future economy; delaying the rate increase past July 1 would mean a revenue difference of approximately \$50,000/month. Serving the customers is important and the timing is significant.

Committee Member Jones supported continuing the item to the May 5 meeting and requested additional information to better understand the magnitude and justification for the proposed increase:

- Page 37 of the agenda packet listed nine (9) Brine Line expense categories, of these categories:
 - What percentage/dollar amount of each expense category comprises the total rate requirement?
 - What are the largest drivers for the proposed rate increase?
- Outline the approximate revenue reduction if the Committee does not move forward with a proposed rate increase on July 1, 2020. What would be the impact if the rate increase was delayed for six months to January 1, 2021, including the impact on and the amount of the reserves.

The Committee concurred all components of the proposed increase should be closely examined and further discussed. General Manager Haller noted that a list of upcoming capital projects would also be provided as a component for the Committee’s analysis.

MOVED, continue to the May 5, 2020 regular meeting further discussion and possible action to recommend establishing the new Inland Empire Brine Line rates to be effective July 1, 2020 (FY20-21) or as directed.

Result:	Adopted by Roll Call Vote (Unanimously)
Motion/Second:	Dennstedt/Jones
Ayes	Dennstedt, Harrison, Jones, Parker
Nays:	None
Abstentions:	None
Absent:	None

6. INFORMATIONAL REPORTS

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

A. BRINE LINE FINANCIAL REPORT – JANUARY 2020

7. REQUEST FOR FUTURE AGENDA ITEMS

There were no requests for future agenda items.

8. CLOSED SESSION

There was no closed session.

9. ADJOURNMENT

There being no further business for review, Chair Harrison adjourned the meeting at 10:55 a.m.

Approved at a Regular Meeting of the Project Agreement 24 Committee on May 5, 2020.



T. Milford Harrison, Chair

Attest:



Kelly Berry, CMC
Clerk of the Board