Recommendation to Commission:

Approve and authorize the General Manager to execute a Discharger Lease Agreement with Rialto Bioenergy Facility (RBF) to lease 0.25 million gallons per day (MGD) of brine line treatment and disposal capacity right at a wastewater strength of 100 mg/l Biological Oxygen Demand (BOD) and 100 mg/l Total Suspended Solids (TSS) from the Lease Capacity Pool for a period of five (5) years, subject to minor, non-substantive changes contingent on concurrence by legal counsel.
Lease Capacity Pool

- Option to Industrial Customers to lease rather than purchase pipeline capacity and treatment and disposal rights

- Benefits
  - Provides some certainty
  - Easier to obtain
  - Less of a financial challenge to smaller customers
  - Additional revenues for SAWPA and Member Agencies
Lease Capacity Pool

- Member Agencies own some Capacity that is not utilized
- Member Agencies contribute small quantity to capacity pool
- Individual Discharger Lease Agreements
- Discharger obtain permit to discharge
- Discharger pay brine rates, permit fees and lease rate
- Member Agencies receive proportionate share of lease revenues
### Lease Capacity Pool

<table>
<thead>
<tr>
<th>Date</th>
<th>Agency</th>
<th>Lessee</th>
<th>Pipeline Capacity Right (MGD)</th>
<th>Treatment and Disposal Capacity Right (MGD)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contribution to Lease Capacity Pool</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>April 2019</td>
<td>WMWD</td>
<td></td>
<td>0.05</td>
<td>0.05</td>
</tr>
<tr>
<td>April 2019</td>
<td>IEUA</td>
<td></td>
<td>0.05</td>
<td>0.05</td>
</tr>
<tr>
<td>Sept 2019</td>
<td>IEUA</td>
<td></td>
<td>0.30</td>
<td>0.30</td>
</tr>
<tr>
<td>April 2020</td>
<td>WMWD</td>
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<td>0.25</td>
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<tr>
<td><strong>Total Contribution</strong></td>
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<td><strong>0.40</strong></td>
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<tr>
<td><strong>Discharger Lease Agreement</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Sept 2019</td>
<td>CDA</td>
<td></td>
<td>(0.40)</td>
<td>(0.40)</td>
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<tr>
<td><strong>Total Leased Capacity Right</strong></td>
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<td><strong>(0.40)</strong></td>
<td><strong>(0.40)</strong></td>
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<td><strong>Lease Capacity Pool Balance</strong></td>
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</table>
Rialto Bioenergy Facility

- Process 1,080 tons/day of food waste and municipal biosolids
- Permanent discharge point at gravity location
  - high strength brine wastewater
- Interim temporary discharge point
  - Low strength brine wastewater
- Request to lease Capacity from Lease Capacity Pool
Lease Discharge Agreement

- 0.25 MGD of capacity right (100 mg/l BOD and 100 mg/l TSS)
- A discharge permit is required to use the leased capacity
- Effective date is August 1, 2020
- Monthly lease charge is $8,897
- RBF will pay regular brine line rates to Valley
- 5 year term, renewal of lease by agreement by both parties
Recommendation to Commission:

Approve and authorize the General Manager to execute a Discharger Lease Agreement with the RBF to lease 0.25 MGD of brine line treatment and disposal capacity right at a wastewater strength of 100 mg/l BOD and 100 mg/l TSS from the Lease Capacity Pool for a period of 5 years, subject to minor, non-substantive changes contingent on concurrence by legal counsel.
QUESTIONS?