



PROJECT AGREEMENT 24 COMMITTEE
Inland Empire Brine Line
REGULAR MEETING MINUTES
April 6, 2021

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
Paul D. Jones, Eastern Municipal Water District General Manager
Jasmin A. Hall, Inland Empire Utilities Agency Governing Board

ALTERNATE COMMITTEE MEMBERS PRESENT [Non-Voting]

David J. Slawson, Alternate, Eastern Municipal Water District Governing Board
Gil Botello, Alternate, San Bernardino Valley Municipal Water District Governing Board

STAFF PRESENT

Jeff Mosher, Karen Williams, Carlos Quintero, David Ruhl, Dean Unger, Alison Lewis, Sara Villa,
Haley Mullay

OTHERS PRESENT

Andrew D. Turner, Lagerlof, LLP; Derek Kawaii, Western Municipal Water District; Craig Proctor,
Inland Empire Utilities Agency; Ken Tam, Inland Empire Utilities Agency

1. CALL TO ORDER | PLEDGE OF ALLEGIANCE

The regular meeting of the PA 24 Committee was called to order at 11:36 a.m. by Chair Harrison on behalf of the Santa Ana Watershed Project Authority, 11615 Sterling Avenue, Riverside, California. Pursuant to the provisions of Executive Order N-29-20, this meeting was conducted virtually. All votes taken during this meeting were conducted via oral roll call.

2. PUBLIC COMMENTS

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

3. ITEMS TO BE ADDED OR DELETED

There were no added or deleted items.

4. APPROVAL OF MEETING MINUTES: March 2, 2021

Chair Harrison called for a motion to approve the March 2, 2021 meeting minutes as posted.

MOVED, approve the March 2, 2021 meeting minutes.

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

5. COMMITTEE DISCUSSION/ACTION ITEMS

A. FYE 2022 AND 2023 BRINE LINE FUND DRAFT BUDGET (PA24#2021.6)

Karen Williams provided a PowerPoint presentation on the FYE 2022 and 2023 Brine Line Fund Draft Budget contained in the agenda packet on pages 11-54. A brief description of the Inland Empire Brine Line historical revenues and expenses were presented from FYE 2018 through FYE 2023. Committee member Jones referred to Brine Line Enterprise Revenues slide (page 19 of the agenda packet) and asked where the funding for the "Other income use of reserves) is transferred from; Ms. Williams noted that it was from the Debt Service Reserve. Chair Harrison questioned the significant decrease of \$3 million in the revenues in FYE 2022 and FYE 2023 over FYE 2021; Ms. Williams noted that it is due to the use of reserves in FYE 2021. Chair Harrison referred to Management Costs slide (page 33 of the agenda packet) and asked why the line item for "Insurance, Rent, FA (fixed asset)" doubled from FYE 2021; Ms. Williams noted that we currently have two (2) facilities that SAWPA's renting for the Brine Line Operations and in previous years there was only one (1) facility, and budget for purchasing new equipment under the fixed asset. It was questioned if the fixed asset is retiring or replacing existing equipment and/or vehicles. Ms. Williams noted it is for new equipment; Dump Truck (5 cylinder) for FYE 2022 and Backhoe, trailer, buckets for FYE 2023. Jeff Mosher added that purchasing the equipment would enable SAWPA operators to do more work in the system rather than having to contract with contractors on either repairs or projects. Committee member Dennstedt noted that Western entered a leasing program with their fleet of vehicles and other items and that saved money, because the contractor assumes the responsibility for all the equipment and maintenance; and recommends SAWPA to contact Western staff to get more details. Committee member Jones agreed with Committee member Dennstedt due to SAWPA not having a vehicle repair and maintenance facility, it may be more economical to enter a leasing program. Carlos Quintero noted that he will contact Western staff and explore the option. Committee Member Jones referred to Proposed Brine Line Rates slide (page 44 of the agenda packet) and asked if there is no rate increase plan for the upcoming FYE 2022, though for FYE 2023 there is a projection of a 3% rate increase based on the Flow, BOD, and TSS costs from OC San; Ms. Williams confirmed and stated that the Brine Line Rates Resolution is anticipated to be brought forward in May.

This item was for informational and discussion purposes; no action was taken on Agenda Item No. 5.A.

B. CAPACITY UTILIZATION PROGRAM AGREEMENT (PA24#2021.7)

David Ruhl provided a PowerPoint presentation on the Capacity Utilization Program Agreement contained in the agenda packet on pages 57 – 67. The creation of a Lease Capacity Pool was approved by the SAWPA Commission in December 2018. The Lease Capacity Pool allows existing and potential customers to lease rather than purchase pipeline capacity and treatment and disposal rights. SAWPA has purchased 17 MGD of treatment and disposal capacity right from OC San, and the capacity currently being utilized in the Brine Line is about 11 MGD, leaving 6 MGD of unused capacity right. The Capacity Utilization Program utilizes the unused portion of capacity right in the Brine Line for customers needing capacity. All existing customers continue to discharge up to their purchased capacity, and existing customers will not lose their capacity. The Discharger

Lease Agreement follows the terms of the Lease Capacity Pool Agreement. Committee Member Jones thanked SAWPA staff on all their efforts in the Capacity Utilization Program.

MOVED, Approve and authorize the General Manager to execute an agreement for the creation of a Capacity Utilization Program for the Inland Empire Brine Line, subject to minor, non-substantive changes contingent on concurrence by legal counsel.

Result:	Adopted by Roll Call Vote (Unanimously)
Motion/Second:	Jones/Dennstedt
Ayes	Dennstedt, Hall, Harrison, Jones
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 2021

7. REQUEST FOR FUTURE AGENDA ITEMS

Committee Member Jones questioned the status of the designation of members for the OC San Joint Policy Committee. Jeff Mosher noted that he had a meeting with Rob Thompson and has a meeting scheduled with Jim Herberg the following week to further discuss the current structure and format of the meeting.

8. CLOSED SESSION

There was no closed session.

9. ADJOURNMENT

There being no further business for review, Chair Harrison adjourned the meeting at 12:19 a.m.

Approved at a Regular Meeting of the Project Agreement 24 Committee on May 4, 2021.



T. Milford Harrison, Chair

Attest:


Sara Villa, Acting Clerk of the Board