



PROJECT AGREEMENT 24 COMMITTEE
Inland Empire Brine Line
REGULAR MEETING MINUTES
February 7, 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
Jasmin A. Hall, Inland Empire Utilities Agency Governing Board

ALTERNATE COMMITTEE MEMBERS PRESENT [Non-Voting]

Shivaji Deshmukh, Inland Empire Utilities Agency General Manager
Gil Botello, San Bernardino Valley Municipal Water District Governing Board

STAFF PRESENT

Jeff Mosher, Karen Williams, David Ruhl, Edina Goode, Dean Unger, John Leete, Daniel Vasquez, Sara Villa

OTHERS PRESENT

Andrew D. Turner, Lagerlof, LLP; Nick Kanetis, Eastern Municipal Water District; Ken Tam, Inland Empire Utilities Agency; June Hayes, San Bernardino Valley Municipal Water District; Derek Kawaii, Western Municipal Water District

1. CALL TO ORDER| PLEDGE OF ALLEGIANCE

The regular meeting of the PA 24 Committee was called to order at 10:35 a.m. by Chair T. Milford Harrison on behalf of the Santa Ana Watershed Project Authority, 11615 Sterling Avenue, Riverside, California. Pursuant to the provisions of AB 361, 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. CONSENT CALENDAR

A. APPROVAL OF MEETING MINUTES: NOVEMBER 1, 2022

Recommendation: Approve as posted.

B. FYE 2024 AND 2025 GOALS AND OBJECTIVES (PA24#2023.1)

Recommendation: Approve as posted.

MOVED, to approve the Consent Calendar as posted.

Result:	Adopted by Roll Call Vote
Motion/Second:	Gardner/Mouawad
Ayes:	Gardner, Harrison, Mouawad
Nays:	None
Abstentions:	Hall
Absent:	None

5. COMMITTEE DISCUSSION/ACTION ITEMS

A. INLAND EMPIRE BRINE LINE REACH IV AND REACH IV-B DUCTILE IRON PIPE CONDITION ASSESSMENT (PA24#2023.2)

Daniel Vasquez provided a presentation titled Reach IV and IV-B Ductile Iron Pipe (DIP) Condition Assessment, contained in the agenda packet on pages 25-37. A brief background was provided on the criticality assessment established criticality rankings for Brine Line Infrastructure using both probability of failure and consequence of failure analysis in 2021. In November 2022, SAWPA staff issued a Request for Proposals (RFP) for professional services for the Inland Empire Brine Reach IV and IV-B DIP Condition Assessment. Two (2) proposals were received on December 15, 2022, from Atkins and Woodard & Curran. A selection committee comprised of SAWPA staff reviewed the proposals and interviewed the two (2) proposing firms on January 11, 2023. The firms were scored on criteria outlined in the RFP (project understanding, technical approach, relevant qualifications, experience, level of effort and references). Based on the RFP criteria, Woodard & Curran received the highest total score and unanimous consensus from the selection committee as the most qualified firm to perform the work. Woodard & Curran received favorable responses from their references. Upon selection of Woodard & Curran as the top qualified firm, Woodard & Curran was contacted to include a portion of the optional tasks as additional tasks in the scope of work. The additional tasks include coordination with SAWPA's CCTV contractor prior to and during CCTV field inspections (\$25,198) and implementation of traffic control at field test sites (\$11,020) for a total of \$36,218. Based on the additional tasks the revised total fee is \$392,356. Woodard & Curran requested minor changes to SAWPA's General Services Agreement. The requested changes were reviewed by Legal Counsel and were considered acceptable.

Chair Milford Harrison noted that he appreciates the red-line version of the agreement included in the agenda packet to reference the recommended changes from the vendor. Committee Member Joe Mouawad asked what the schedule is for completing the condition assessment and are the entry points identified already for the reaches where the CCTV inspection will be conducted. Mr. Vasquez noted that the critical path is going to be dictated by the ability to obtain encroachment permits, though it is anticipated to be completed by nesting season at the end of 2023. The entry point access for Reach IV, the maintenance access structures (MAS) are going to allow man entry where the plan is to obtain real samples of windows that are cut out and there will be concrete pouring to be able to determine the health of the reinforced concrete pipe. For the DIP, there is access at the end of each section.

MOVED, to authorize the General Manager to execute a General Services Agreement and Task Order No. W&C320-01 with Woodard and Curran in an amount not to exceed \$392,356 to provide Professional Services for the Preparation of the Inland Empire Brine Line Reach IV and IV-B DIP Condition Assessment.

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

B. INLAND EMPIRE BRINE LINE RESERVE FUNDS TRANSFER (PA24#2023.3)

Karen Williams provided a presentation titled the Inland Empire Brine Line Reserve Funds Transfer, contained in the agenda packet on pages 79-88. A summary of the

recommendations of the Draft Brine Line Reserve memorandum was provided and it was noted that on November 1, 2022, the PA 24 Committee approved the following:

1. Receive the Draft Brine Line Reserves and Capacity Lease Memorandum and direct staff to finalize the report,
2. Approve the updated SAWPA Reserve Policy contingent on approval of the Reserve Policy by the SAWPA Commission, and
3. Approve the transfer of the balance of the Self-Insurance Reserve, Rate Stabilization Reserve and the Flow Imbalance Reserve to the Pipeline Replacement and Capital Investment Reserve, upon approval of the Reserve Policy by the SAWPA Commission.

On December 20, 2022, the updated SAWPA Reserve Policy was approved by the Commission. With the Commission's approval of the Reserve Policy the Self-Insurance Reserve, Rate Stabilization Reserve, and the Flow Imbalance Reserves were eliminated, and the funds need to be transferred to the Pipeline Replacement and Capital Investment Reserve. The table below shows the amounts that will be transferred.

Reserve Fund	Reserve No.	Reserve Balance	Transfer Amount	Balance at 01/31/2023
Rate Stabilization	R-03	\$1,042,957	(\$1,042,957)	\$0
Flow Imbalance	R-08	\$85,435	(\$85,435)	\$0
Self-Insurance	R-09	\$4,396,654	(\$4,396,654)	\$0
Pipeline Replacement and Capital Investment	R-07	\$23,662,622	\$5,525,046	\$29,187,668

Ms. Williams noted that after the elimination of the three reserves and transfer to R-07 Pipeline Replacement and Capital Investment, the reserve minimum and target level, and the amount the reserve is over or under the target level. Reserves R-01, R-02, R-04 and R-05 are over the target level while R-06 and R-07 are under the target level. As per the approved Reserve Policy, funding above the target level in the reserve will be discussed and approved with the PA 24 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 and approach to meeting reserve below the targets in July 2023, after the new budget is adopted. The table in the next page reflects the reserve balances as of January 31, 2023, and staff's recommendation is the that PA 24 Committee approve the transfer of \$5,525,046 from the eliminated reserves to the Pipeline Replacement and Capital Investments Reserve (R-07) and receive and file the Reserve Review.

Reserve Fund	No.	Balance @ 01/31/2023	Minimum Balance	Target	Amount Over/(Under) Target	Comments
Brine Line Operating	R-01	\$2,288,209	\$2,273,388	\$2,273,388	\$14,821	Interest through 12/31/2022
Debt Retirement	R-02	\$2,858,445	\$1,709,476	\$1,709,476	\$1,148,969	1.5x annual debt plus interest through 12/31/2022
Pipeline Capacity Management	R-04	\$12,156,407	\$3,894,181	\$9,735,454	\$2,420,953	Funds from pipeline capacity sales plus interest
OC San Future Treatment and Disposal Capacity	R-05	\$1,861,185	\$1,842,396	\$1,842,396	\$18,789	Target set at 06/30/2022 balance. Interest through 12/31/2022
OC San Pipeline Rehabilitation	R-06	\$2,414,028	\$2,425,147	\$7,250,000	(\$4,835,972)	Consider contributions in FYE 2024 and 2025
Pipeline Replacement and Capital Investment	R-07	\$29,187,668	\$16,594,000	\$40,640,000	(\$11,452,332)	Consider contributions in FYE 2024 and 2025
Totals		\$50,765,942	\$28,738,590	\$63,450,714	(\$12,684,772)	

MOVED, that the Project Agreement 24 Committee:

1. Transfer \$5,525,046 from the eliminated reserves to the Pipeline Replacement and Capital Investment Reserve (R-07).
2. Receive and file Reserve Review.

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

6. **INFORMATIONAL REPORTS**

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

A. **BRINE LINE FINANCIAL REPORT – SEPTEMBER 2022**

Presenter: Karen Williams

B. **BRINE LINE FINANCIAL REPORT – OCTOBER 2022**

Presenter: Karen Williams

C. **BRINE LINE FINANCIAL REPORT – NOVEMBER 2022**

Presenter: Karen Williams

D. **FINANCIAL REPORT FOR THE FIRST QUARTER ENDING SEPTEMBER 30, 2022**

Karen Williams provided a brief overview and referenced the Financial Report for the Inland Empire Brine Line Enterprise/CIP for the First Quarter Ending September 30, 2022, contained in the agenda packet on pages 107-115.

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 T. Milford Harrison adjourned the meeting at 11:12 a.m.

Approved at a Regular Meeting of the Project Agreement 24 Committee on March 7, 2023.

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T. Milford Harrison

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T. Milford Harrison, Chair

Attest:

DocuSigned by:

Sara Villa

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Sara Villa, Clerk of the Board