



Inland Empire Brine Line Reserve Funds Review

Karen Williams, Deputy General Manager/ Chief Financial Officer
Project Agreement 24 Committee
September 5, 2023

Brine Line Reserve Policy

- The updated Reserve Policy was approved by:
 - PA24 on November 1, 2022
 - SAWPA Commission on December 20, 2022
- PA24 approved the elimination of 3 reserves and transferred the balance of \$5.5 million to R-07 Pipeline Replacement and Capital Investment on February 7, 2023.
- As per the approved Reserve Policy, funding above the target level in the reserve will be discussed and approved with the PA24 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 to PA24 and the Commission in September 2023, after the new budget is adopted.

Reserve Balances as of 06/30/2023 (including 4th Qtr. Interest)

Fund	06/30/2023 Ending Balance	Minimum	Target	Over or Under Target	Amount Over or (Under) Target	Comment
R-01 Brine Line Operating	\$2,321,017	\$2,273,388	\$2,273,388	Over	\$47,629	Interest through 06/30/2023
R-02 Debt Retirement	\$2,899,430	\$1,709,476	\$1,709,476	Over	\$1,189,954	Interest through 06/30/2023
R-04 Pipeline Capacity Management	\$12,330,705	\$3,894,181	\$9,735,454	Over	\$2,595,251	Funds from pipeline capacity sales
R-05 OC San Future Treatment and Disposal Capacity	\$1,887,871	\$1,842,396	\$1,842,396	Over	\$45,475	Target set at 06/30/22 balance Interest through 06/30/23
R-06 OC San Pipeline Rehabilitation	\$2,448,640	\$2,425,147	\$7,250,000	Under	(\$4,801,360)	Contributions for FYE 2024 and 2025 are \$325,309 and \$155,786
R-07 Pipeline Replacement and Capital Investment	\$32,448,955	\$17,503,000	\$42,911,000	Under	(\$10,462,045)	Contributions for FYE 2024 and 2025 are \$1.9 million each year
Resiliency Component		\$2,338,000	\$5,000,000	--	--	--
CIP Component		\$3,013,000	\$7,531,000	--	--	--
R&R Component		\$12,152,000	\$30,380,000	--	--	--
Total - Unrestricted	\$52,627,142	\$27,938,112	\$64,012,238	--	--	--
Total – Restricted	\$1,709,476	\$1,709,476	\$1,709,476	--	--	--
Total	\$54,336,618	\$29,647,588	\$65,721,714	--	--	--

R-01 Brine Line Operating

- Target set at \$2,273,388 (25% of budgeted operating costs).
- Interest earned in 2023 = \$51,054.
- Balance at 06/30/2023 = \$2,321,017.

Recommendation:

- Set new target at \$2,179,659 (25% of budgeted operating costs for 2024 - \$8,718,636).
- Transfer \$141,358 to R-07 Pipeline Replacement and Capital Investment.

R-02 Debt Retirement

- Target set at \$1,709,476 (1x annual debt service payment).
- Interest earned in 2023 = \$69,840.
- Balance at 06/30/2023 = \$2,899,430.

Recommendation:

- Keep the \$2,899,430 balance in this reserve and continue to accrue interest.
- 10-year CIP of \$54 million that qualify for SRF Loans.
 - Reach IV-D Corrosion Repair SRF Loan of \$22.8 million with estimated annual loan payment of \$1,278,798 (\$2,988,274 1x annual debt service payment reserve requirement).

R-04 Pipeline Capacity Management

- Target set at \$9,735,454.
- Interest earned in 2023 = \$297,017.
- Balance at 06/30/2023 = \$12,330,705.

Recommendation:

- Keep the \$12,330,705 balance in this reserve and continue to accrue interest until more information is known on the future costs of this project.
- Funds in this account are from pipeline capacity sales to EMWD and WMWD, and interest earned.

R-05 OC San Future Treatment and Disposal Capacity

- Target set at \$1,842,396
- Interest earned in 2023 = \$45,474
- Balance at 06/30/2023 = \$1,887,871

Recommendation:

- Keep the \$1,887,871 in this reserve and continue to accrue interest.
- The current price for 1 MG of treatment & disposal capacity is \$6.8 million. Funds in this reserve will be used to purchase additional treatment capacity.
- Funds in this reserve are from SBVMWD treatment capacity purchases and interest earned.

R-06 OC San Pipeline Rehabilitation

- Target set at \$7,250,000.
- Interest earned in 2023 = \$58,982.
- Balance at 06/30/2023 = \$2,448,640.

Recommendation:

- Continue to contribute to this fund.
 - FYE 2024 contribution = \$325,309.
 - FYE 2025 contribution = \$155,786.

R-07 Pipeline Replacement and Capital Investment

- Target set at \$42,911,000 based on three components (Resiliency, CIP, and Renew and Replacement).
- Interest earned in 2023 = \$650,171.
- Transfers from eliminated reserves = \$5,525,046.
- Contributions in 2023 = \$1,467,543.
- RBF loan payment = \$260,432.
- Use of reserves in 2023 = (\$212,742).
- Balance at 06/30/2023 = \$32,448,955.

Recommendation:

- Continue to contribute to this fund.
- FYE 2024 and 2025 contribution = \$1,900,000 per year.
- Use of \$2,928,845 for capital projects in FYE 2024 and \$1,870,013 in FYE 2025.

Recommendation:

That the Project Agreement 24 Committee:

- Set the target limit for R-01 Brine Line Operating to \$2,179,659 for FYE 2024 and transfer the amount over the target of \$ 141,358 to R-07 Pipeline Replacement and Capital Investment.
- Keep the current balance at 06/30/2023 in the reserve and continue to accrue interest for the following reserves:
 - R-02 Brine Line Debt Service,
 - R-04 Pipeline Capacity Management Reserve,
 - R-05 OC Future Treatment & Disposal Capacity.

Questions?



Reach IV Easement Deed Acceptance and County Recording

Daniel Vasquez, Manager of Operations

PA 24| September 5, 2023

Item 5.B

Recommendation

- Authorize the General Manager to accept the Grant of Deed from Riverside County Flood Control and Water Conservation District for maintenance of the Reach IV sheet pile protection structure and record the Grant of Deed at the Riverside County Recorder's Office.

Background

- In 2014, Orange County Flood Control passed this easement to Riverside County Flood control to maintain a grade stabilizer for the SARI Brine Line
- In 2015, SAWPA agreed to accept sole responsibility for ownership, operation and maintenance of the project once completed in “Cooperative Agreement-Santa Ana Canyon-Below Prado, Inland Empire Brine Line Sheet Pile Protection Project”.

Background Cont.

- In 2017, at the completion of the project, operation and maintenance of the protection structure was given over to SAWPA. The easement was never recorded with Riverside County.

Inland Empire Brine Line Reach IV Protection Project



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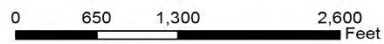
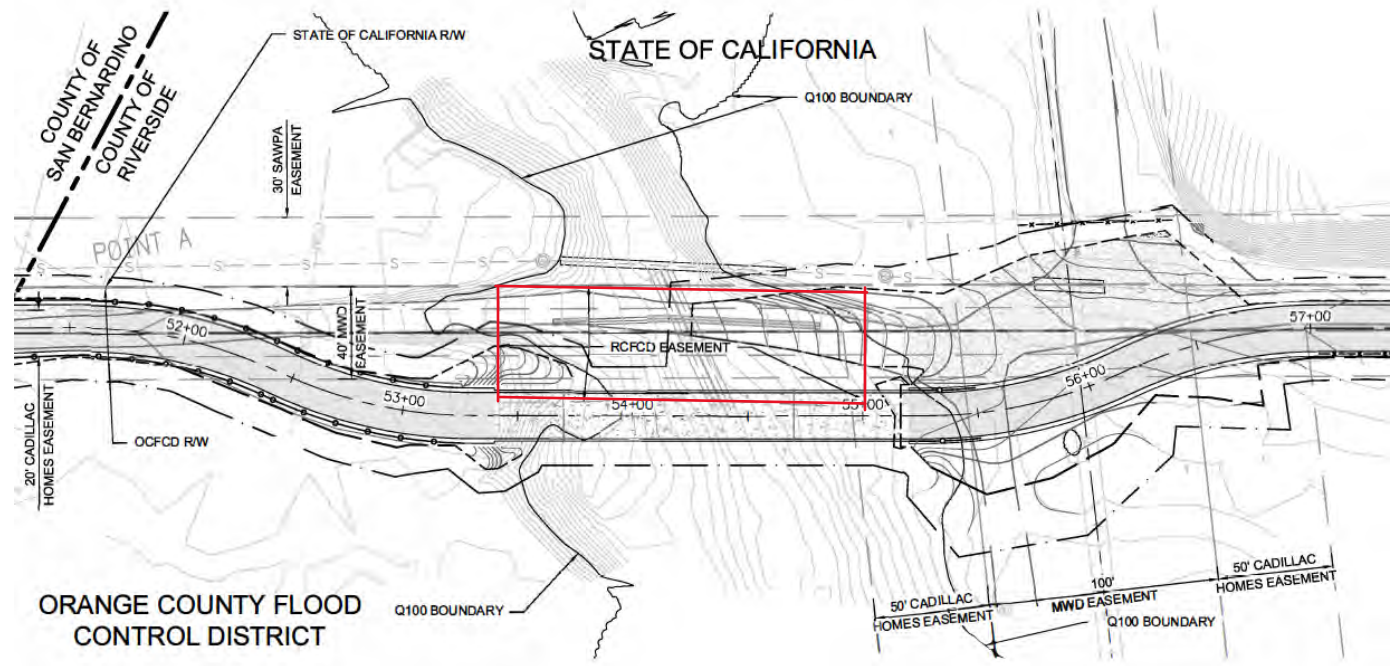


Figure 1. Project Location

PROFILE

SCALE:
HOR 1"=40'
VERT 1"=20'



PLAN

SCALE 1"=40'

Recommendation

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Questions??



Inland Empire Brine Line Reach IV-D Rehabilitation Work Plan

David Ruhl, Executive Manager of Engineering and Operations
Project Agreement 24 Committee
September 5, 2023 | Item No. 5.C

Reach IV-D Rehabilitation Work Plan

Recommendation:

That the PA 24 Committee authorize the General Manager to execute Task Order No. W&C327-03 with Woodard & Curran for Engineering Services for the Reach IV-D Rehabilitation Work Plan Mid-term Recommendations, for an amount not-to-exceed \$247,174.

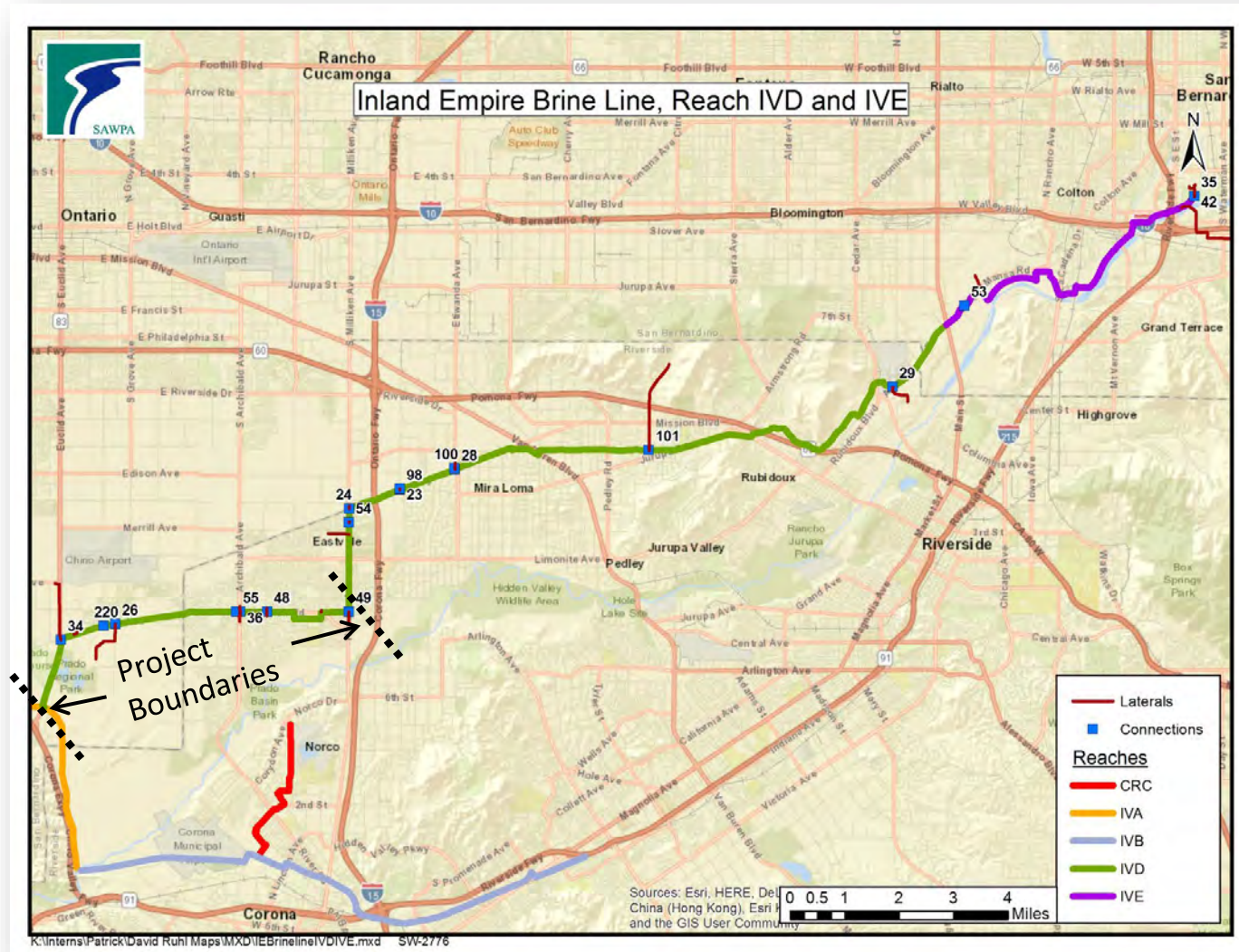
Brine Line Reach IV-D Pipeline Corrosion

Reach 4D

- 21 Miles
- Built in mid 1990s
- Pipe size 36" – 48"
- Ave. Flow 5.5 MGD

Project Boundaries

- 7 Miles
- 42" RCP with 270 degree T-Lock
- Within Cities of Chino and Eastvale



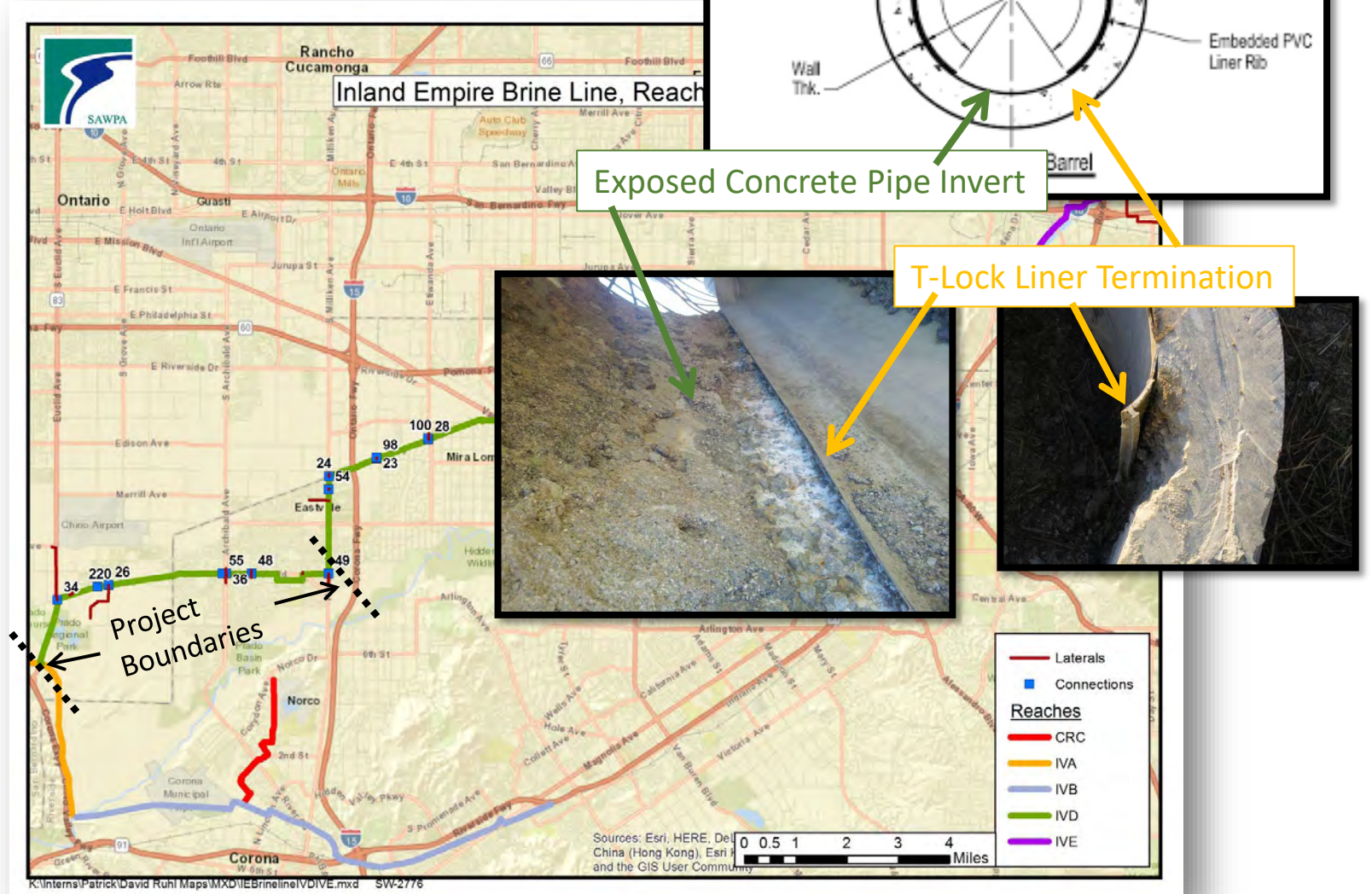
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Work Plan - Investigation Results

Concrete behind the T-Lock liner

- Concrete is in good condition and well protected from the corrosive environment

Concrete below the liner termination

- Concrete Deterioration 1/2" – 1"
- At least 1" of concrete cover over the steel reinforcement

Based on a combination of man-entry and CCTV inspection results, the 42-inch pipe has an estimated remaining useful life of 6 - 11 years.



Work Plan Recommendations

Near-Term (2019 complete):

- Man-entry inspections at 2 locations

Mid-Term (2024):

- Clean and CCTV inspection of entire 7 miles of pipe.
- Man-entry physical testing at the same seven (7) locations
- Re-assess remaining useful life

Long-Term (2029 to 2039):

- Rehabilitate pipeline, if required, (depending on results of Mid-Term Inspections)

Selection Process

- RFP posted to PlanetBids
 - 18 prospective firms downloaded RFP
- Pre-proposal meeting
 - 2 prospective firms attended meeting
- 1 proposal received from Woodard & Curran
 - Fee estimate \$246,596
- Staff review
 - Proposal meets the requirements in the RFP
 - Cost proposal level of effort is consistent with project objectives
 - Meeting to discuss scope of work
 - Revised fee estimate \$247,174.
 - W&C is qualified and has the experience to perform the work based on past work with SAWPA (2018 Work Plan and 2019 Update)

Reach IV-D Rehabilitation Work Plan

Recommendation:

That the PA 24 Committee authorize the General Manager to execute Task Order No. W7C327-03 with Woodard & Curran for Engineering Services for the Reach IV-D Rehabilitation Work Plan Mid-term Recommendations, for an amount not-to-exceed \$247,174.

QUESTIONS?

