

RESOLUTION NO. 2011-11

A RESOLUTION OF THE COMMISSION OF THE SANTA ANA WATERSHED PROJECT AUTHORITY ESTABLISHING THE PURCHASE PRICE FOR TREATMENT AND DISPOSAL RIGHTS IN THE INLAND EMPIRE BRINE LINE

WHEREAS, the Santa Ana Watershed Project Authority (hereinafter "SAWPA") has constructed the Inland Empire Brine Line (Brine Line) formerly known as the Santa Ana Regional Interceptor System, intended for the treatment and disposal of non-reclaimable wastewater;

WHEREAS, for the long-term operation and maintenance of the Brine Line, it is necessary to collect charges from SAWPA's Member Agencies for the treatment and disposal of non-reclaimable wastewater, including charges for the discharge of suspended solids ("TSS") and biochemical oxygen demand ("BOD");

WHEREAS, one of SAWPA's goals is to fund the long-term maintenance, operations and replacement of the Brine Line to ensure the long-term reliability of the Brine Line; and

WHEREAS, it is the desire of SAWPA to maximize the removal of salts from the Upper Santa Ana River Watershed and to adjust the rate to accommodate a "fee for service" business model;

NOW, THEREFORE, BE IT RESOLVED that the Commission of the Santa Ana Watershed Project Authority ("SAWPA") hereby establishes the following rates and charges, effective immediately, for the purchase of treatment and disposal rights for non-reclaimable wastewater;

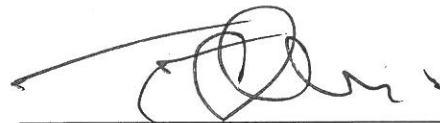
1. The purchase price shall be OCSD's sales price charged to SAWPA for such treatment and disposal rights including OCSD's contract cost and SAWPA's administrative costs. The purchase price may change from time-to-time as determined by OCSD. By way of example, the purchase price as of the date of this Resolution is as follows:
 - a. \$8,588,017 per MGD, for wastewater strength not exceeding 258 mg/l of BOD and 275 mg/l of TSS on an average basis.
 - b. If the wastewater is or will be at a higher strength as determined by SAWPA, added BOD and TSS capacity also shall be purchased at the rate of \$1,422.00 per pound of BOD for discharges over the strength level of 258 mg/l, and \$1,029.00 per pound of TSS for discharges over the strength level of 275 mg/l and shall be purchased as part of the initial purchase price.
2. The prices set forth in Section 1 above are subject to the following terms and conditions:
 - a. The price shall automatically increase as prices and rates are increased by OCSD, and the price charged by SAWPA to its member agencies for the purchase of such OCSD treatment and disposal rights shall be no less than the prices charged to SAWPA by OCSD notwithstanding the prices set forth in this Resolution;

- b. OCSD treatment and disposal rights shall be sold on a “first-come-first-serve” basis consistent with SAWPA’s Transfer Policy as set forth in Resolution No. 308 and any successors thereto;
 - c. Each purchase contract for OCSD treatment and disposal rights shall include a provision that a purchaser only may sell unused treatment and disposal rights to SAWPA at a price no-to-exceed the then current price for such rights or the price originally paid for such treatment and disposal rights by the purchaser, whichever is lower. However, SAWPA shall not be obligated to purchase such unused treatment and disposal rights. Further, there shall be no refund or repurchase by SAWPA for unused or unnecessary high-strength wastewater capacity previously purchased by a Member Agency.
3. Supersession: All previous Resolutions adopted by the Commission establishing prices for purchasing treatment and disposal rights in the Brine Line are hereby superseded.
 4. Effective Date: This Resolution shall be effective on July 19, 2011, and remain in effect until superseded.

APPROVED AND ADOPTED this 19th day of July, 2011.

SANTA ANA WATERSHED PROJECT AUTHORITY

By:



Terry Catlin, Chair