



Staff Report

TO: City Council
FROM: Thaxton Van Belle, Director of Water Reclamation
DATE: June 4, 2024
SUBJECT: Lease Agreement with Santa Ana Watershed Project Authority for Additional Brine Line Capacity Rights of 0.030 MGD

Description Lease additional Brine Line capacity to maximize salt-mitigation efforts.

Background and Analysis:

The City of Beaumont owns 0.55 MGD of pipeline capacity in the Brine Line. Increased flows and City Staff's optimization of the Reverse Osmosis (RO) system has created the need for additional capacity in the brine line to maximize salt-mitigation efforts and avoid nightly shutdowns of the RO system.

A long-term "Lease Capacity Pool" was created by the Santa Ana Watershed Project Authority (SAWPA) to make available pipeline and capacity rights for treatment and disposal (capacity right). City staff recommends leasing an additional 0.030 MGD of capacity rights to avoid discharge disruptions and to maximize desalination efforts. SAWPA anticipates having adequate commitments to the Lease Capacity Pool to implement this lease.

The term of the proposed lease is four years, which correlates with the City's estimated time to make up accrued salt debt to the basin at this increased rate. At that time, the City may relax its efforts having met its obligations or pursue the purchase or lease of additional capacity depending on the City's needs and capacity availability. The lease has a 30-day exit clause if the need arises, however, it is not anticipated to be executed.

City legal counsel has reviewed the proposed agreement.

Fiscal Impact:

The additional capacity rights in this agreement cost \$28,800 annually. Additionally, there will be increased treatment costs, proportionally estimated to increase by approximately \$18,500 annually. Both expenses have been budgeted for in GL 700-4050-7089-0000.

The estimated cost to prepare this staff report is \$125.

Recommended Action:

Authorize the City Manager to sign a lease agreement with SAWPA for additional brine line capacity rights of 0.030 MGD for four (4) years at \$2,400 a month.

Attachments:

- A. Lease Agreement