

INLAND EMPIRE BRINE LINE DISCHARGER LEASE AGREEMENT  
BETWEEN  
SANTA ANA WATERSHED PROJECT AUTHORITY (SAWPA)  
AND  
CITY OF BEAUMONT (Beaumont)

This Agreement is made this    day of June, 2024, by and between SAWPA and Beaumont. SAWPA and Beaumont are individually and collectively referred to as the Party and Parties respectively.

RECITALS

- A. The Inland Empire Brine Line (Brine Line) is a wastewater pipeline conveyance system constructed for the transmission of non-reclaimable wastewater. The pipeline extends from the Orange County line into the Upper Santa Ana River Watershed. At the Orange County line, it connects to the Orange County Sanitation District's (OCS San's) Santa Ana River Interceptor (SARI), which conveys wastewater to OC San's treatment plant in Huntington Beach. SAWPA owns and operates the Brine Line, and Member Agencies and other agencies in the upper watershed (hereafter referred to as the "Agency" or "Agencies") own 30 million gallons per day (MGD) of pipeline capacity right in the SARI as defined in various agreements.
- B. Agencies in the upper watershed also own a treatment and disposal capacity right of 17 MGD and there is an ability to purchase up to 30 MGD in certain wastewater treatment and disposal facilities owned by OC San. This treatment and disposal right, and the pipeline capacity right referred to in Recital A above, are subject to certain payment obligations and other terms and conditions as defined in the Treatment and Disposal Capacity Agreement with OC San dated July 24, 1996 (1996 Agreement) that is administered by SAWPA and paid by the Agencies in the upper watershed.
- C. Through the 1996 Agreement, SAWPA has purchased 17 MGD of treatment and disposal capacity right from OC San and in turn sold this capacity right to Agencies in the upper watershed. Flow and water quality are defined components of the purchase based upon the maximum flow rate (in MGD) and strength of Biochemical Oxygen Demand (BOD) (measured as BOD5) and Total Suspended Solids (TSS) presented as milligrams per liter (mg/l) and pounds per day (lbs/day).
- D. The 1991 Memorandum of Understanding between SAWPA and OC San Governing Quality Control of Wastewaters Discharged continues to define the pretreatment roles and responsibilities for SAWPA and OC San. SAWPA's Ordinance No. 8, and any successors or amendments thereto, defines the discharge permitting requirements and process that applies to all discharges to the Brine Line.

- E. The Agencies utilize pipeline capacity and treatment and disposal capacity rights for individual dischargers in their service areas. Use of the capacity requires that the discharger obtain a discharge permit from the Agency, as well.
- F. A long-term "Lease Capacity Pool" was created by SAWPA and the Agencies to make available pipeline and treatment and disposal capacity rights. The Lease Capacity Pool is subject to terms and conditions as defined in the Agreement between SAWPA and the Agencies dated April 11, 2019 that is administered by SAWPA.
- G. Beaumont currently owns 0.55 MGD of pipeline capacity right in the Brine Line and 0.55 MGD of treatment and disposal capacity right.
- H. Beaumont discharges to the Brine Line in San Bernardino Valley Municipal Water District's (Valley) service area.
- I. Beaumont desires to lease additional pipeline capacity and treatment and disposal capacity right in the amount of 0.030 MGD (hereafter referred to as "Capacity Right"). SAWPA has evaluated the system capacity availability for Beaumont's location and found that a 0.030 MGD capacity lease can be accommodated.
- J. SAWPA anticipates having adequate commitments to the Lease Capacity Pool to implement this lease.

NOW THEREFORE, the Parties in consideration of the mutual promises contained in this Agreement do hereby covenant and agree as follows:

1. Leasing of 0.030 MGD of Capacity Right. SAWPA agrees to lease to Beaumont 0.030 MGD of Capacity Right for the delivery, treatment and disposal of Industrial Wastewater to the Brine Line at a wastewater strength of 100 mg/l BOD and 100 mg/l TSS, also expressed as 41.7 lbs/day BOD and 41.7 lbs/day TSS. Beaumont shall comply with SAWPA Ordinance No. 8 and any successors or amendments thereto. A discharge permit from SAWPA is required to use the leased capacity, and this Lease Agreement does not modify any permit processes or requirements. Beaumont shall install, own, operate and maintain a flow meter for Beaumont's discharge. Service to Beaumont is interruptible for O&M activities or in the event of an emergency as allowed by SAWPA's Ordinance No. 8 and any successors or amendments thereto, but SAWPA shall use best efforts to provide advance written notice to Beaumont before any interruption.
2. Effective Date: The Lease of 0.030 MGD of Capacity Right agreed to herein will occur on the First Day of the month following the date of the agreement.

3. Lease Connections. Beaumont's additional connections to the Brine Line, if any, for the 0.030 MGD of Capacity Right leased under this Lease Agreement shall be submitted for approval in advance to SAWPA and built at Beaumont's sole cost and expense. Beaumont shall obtain all necessary permits as required by SAWPA's Ordinance No. 8, and any successor or amendment thereto, and federal, state and local laws and regulations prior to making any additional connections to the Brine Line and prior to discharging its 0.030 MGD of flow to the Brine Line allowed under this Lease Agreement.
4. Monthly Lease Charge. Beaumont shall make lease payments to SAWPA for the 0.030 MGD of Capacity Right being leased under this Lease Agreement in the amount of \$2,399.88 per month. The lease payment is calculated as follows:

$$\text{Monthly Lease Charge} = A \times B \times 365 / 12$$

Where

A = Capacity Right quantity in gallons per day (gpd), 30,000 gpd

B = Lease Rate per SAWPA Resolution 2023-5, \$0.00263 / gallon

5. Lease Payment. SAWPA will invoice Beaumont on the Effective Date for the 1<sup>st</sup> month's lease charge. Subsequently, SAWPA will invoice the monthly lease charge on the first day of each month. Payment shall be made by Beaumont upon receipt of an invoice from SAWPA.
6. Brine Line Rates. In addition to the payment required for the lease of the Capacity Right reference above, Beaumont shall pay Valley the rates established by Valley for Brine Line discharges in their service area for Flow, BOD, TSS, Fixed Pipe and Fixed Treatment including any minimum costs attributable to the treatment and disposal capacity being leased under this Lease Agreement. Payment for these costs shall be made by Beaumont upon receipt of an invoice from Valley and the payment terms established by Valley for Brine Line discharges in their service area.
  - a. If the discharge during any month exceeds the Capacity Right leased for flow, BOD, or TSS, a surcharge for the month will be applied based on the maximum daily use. If a surcharge is applied for three consecutive months, Beaumont shall be required to modify the Lease Agreement increasing the Capacity Right leased. The surcharge will be based on the unit lease prices (flow, BOD, TSS) applied for the entire month. Flow will be based on the actual daily flow information. BOD and TSS will be based on the average of samples taken during the previous 12 month period. In the event of missing data, an average value will be used as determined by SAWPA.
7. Term of Lease: The term of the Lease shall be for a period of four (4) years from the Effective Date. Renewal of the Lease Agreement is only allowed by agreement by both Parties and is

contingent upon the availability of capacity in the Lease Capacity Pool. Upon expiration of the term Beaumont shall then remove its 0.030 MGD of flow from the Brine Line.

8. Termination: This Lease may be terminated as follows:
  - a. Automatically, when this Lease Agreement expires as describe above.
  - b. On the last day of the month, upon written notice provided to SAWPA by Beaumont by the first day of the same month.
  - c. For cause in the event that Beaumont fails to perform in accordance with, and is in default under, this Lease Agreement, including failure to pay the monthly lease charge or Brine Line rates. However, SAWPA shall first provide written notice of such nonperformance and default to Beaumont, and if Beaumont fails to correct or cure the default or nonperformance within thirty (30) days of the date of mailing of that notice, Beaumont's 0.030 MGD of leased Capacity Right shall terminate on the thirtieth (30<sup>th</sup>) day after such notice was delivered or sent, and Beaumont shall remove its 0.030 MGD of flows from the Brine Line within fourteen (14) days from the expiration of the foregoing thirty (30) day deadline.
  - d. For cause if Beaumont's permit for discharge to the Brine Line is revoked, withdrawn, or suspended.
9. Rights and Responsibilities of Orange County Sanitation District are retained. The parties to this Agreement understand and agree that OC San retains its rights and responsibilities as defined in the 1991 MOU and 1996 Agreement. This Lease Agreement in no way diminishes the effectiveness or reduces the scope of the 1991 MOU and 1996 Agreement.
10. Amendments and Modifications. The terms of this Agreement may only be amended or modified in writing and signed by the Parties.
11. No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties under this Lease Agreement. This Lease Agreement cannot be assigned nor can any right or obligation hereunder be subleased to any other party or entity without both Parties to this Lease Agreement agreeing to such assignment or sublease in writing.
12. Counterparts. This Lease Agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one document.
13. Entire Agreement. This Lease Agreement contains the entire agreement between the Parties and supersedes any prior oral or written statements or agreements or representations between the Parties.

14. Notice. Except as otherwise provided herein, all notices and other communications required or permitted hereunder shall be in writing, and shall be delivered in person, by E-mail, or sent by certified mail, return receipt requested, and shall be deemed received upon actual receipt or 72 hours after deposit in the mail of the United States Postal Service, postage prepaid and addressed as follows:

To SAWPA:  
Santa Ana Watershed Project Authority (SAWPA)  
Attention: General Manager  
11615 Sterling Avenue  
Riverside, CA 92503  
(951) 354-4220

To City of Beaumont:  
Attention: Thaxton Van Belle, Director of Water Reclamation  
550 East 6<sup>th</sup> Street  
Beaumont, CA 92223  
tvanbelle@beaumontca.gov  
(951) 572-3195

In witness whereof, SAWPA and Beaumont have executed this Agreement as of the day and year first above written:

City of Beaumont

By: \_\_\_\_\_  
Name: Elizabeth Gibbs  
Title: City Manager

Date: \_\_\_\_\_

Santa Ana Watershed Project Authority

By: \_\_\_\_\_  
Jeffrey Mosher  
General Manager

Date: \_\_\_\_\_

Version October 3, 2023