



**CHINO BASIN
DESALTER
AUTHORITY**

**Meeting of the
Finance Committee
of the Board of Directors**

January 18, 2018 • 2:00 p.m.

2151 S. Haven Avenue, Suite 202
Ontario, CA 91761 • (909) 218-3230

**FINANCE COMMITTEE OF THE
BOARD OF DIRECTORS**

CHINO BASIN DESALTER AUTHORITY

**January 18, 2018
2:00 p.m.**

**Chino Basin Desalter Authority
2151 S. Haven Avenue, Suite 202
Ontario, CA 91761**

*All documents available for public review are on file with the Authority's secretary
located at 2151 S. Haven, Suite 202, Ontario, CA 91761.*

AGENDA

CALL TO ORDER

PUBLIC COMMENT

Members of the public may address the Board on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Those persons wishing to address the Board on any matter, whether or not it appears on the agenda, are requested to complete and submit to the Board Secretary a "Request to Speak" form which is available on the table in the Board Room. Comments will be limited to five minutes per speaker.

ADDITIONS TO THE AGENDA

In accordance with Section 54954.2 of the Government Code (Brown Act), additions to the agenda require two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted.

ACTION ITEMS

- 1. MINUTES OF DECEMBER 14, 2017 FINANCE COMMITTEE MEETING**

INFORMATION ITEMS

- 2. MONTHLY CREDIT CARD ACTIVITY REPORT FOR NOVEMBER 2017**
Report by: Michael Chung, CDA CFO/Treasurer

CLOSED SESSION

The Finance Committee may adjourn to a Closed Session to consider litigation matters, personnel matters, or other matters as provided for in the Ralph M. Brown Act (Section 54950 et seq., of the Government Code).

- 3. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:
SIGNIFICANT EXPOSURE TO LITIGATION PURSUANT TO GOVERNMENT
CODE SECTION 54956.9(D)(2)**

(ONE POTENTIAL CASE)

COMMITTEE MEMBER COMMENTS

STAFF COMMENTS

CDA CFO/Treasurer
CDA General Manager/CEO

ADJOURN

Declaration of Posting

I, Casey Costa, Executive Assistant to the Chino Basin Desalter Authority, hereby certify that a copy of this agenda has been posted by 2:00 p.m. at the Chino Basin Desalter Authority's main office, 2151 S. Haven Ave., Ontario, CA on Monday, January 15, 2018.

Casey Costa, Executive Assistant



Finance Committee Meeting

Agenda Item

No. 1

**MEETING OF THE FINANCE COMMITTEE
OF THE BOARD OF DIRECTORS OF THE
CHINO BASIN DESALTER AUTHORITY**

**MINUTES
December 14, 2017**

The Meeting of the Finance Committee of the Chino Basin Desalter Authority (CDA) was held at the CDA Administrative Offices, 2151 S. Haven Avenue, Suite 202, Ontario, CA, on the above date.

The meeting was called to order at 2:00 p.m.

COMMITTEE MEMBERS PRESENT

Tom Haughey, City of Chino
Peter Rogers, City of Chino Hills
Betty Anderson, Jurupa Community Services District

COMMITTEE MEMBERS ABSENT

None

OTHERS PRESENT

Curtis Paxton, CDA General Manager/CEO
Michael Chung, CDA CFO/Treasurer
Jose Garcia, CDA Principal Accountant
Todd Minten, CDA Operations Manager
Dave Crosley, City of Chino
Steve Popelar, Jurupa Community Services District

PUBLIC COMMENT

There were no comments from the public.

ADDITIONS TO THE AGENDA

There were no additions to the agenda.

ACTION ITEMS

1. MINUTES OF DECEMBER 4, 2017 FINANCE COMMITTEE MEETING

Motion: It was moved by Director Anderson/JCSD, seconded by Director Haughey/Chino, and carried unanimously to approve Action Item 1.

2. APPROVAL OF ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR 2016/17

Report by: Michael Chung, CDA CFO/Treasurer

It is recommended that the Committee recommend the following action to the full Board at the 1/4/2018 Board Meeting:

1. Approve the Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2017; and
2. Direct staff to make distribution, as appropriate, to the various federal, state and local agencies, financial institutions, bond rating agencies and other interested parties.

Treasurer Chung reported that the Annual Financial Report is not yet complete, pending final opinion from auditors. The complete report that includes the final opinion will be presented at the January 2018 Board Meeting.

Principal Accountant Garcia presented an overview of the Annual Financial Report for Fiscal Year 2016/17. Further explanation was requested regarding the long-term debt. Treasurer Chung replied that the bond matures in 2035 and the interest rate will remain the same. It was asked if additional debt is expected; Treasurer Chung replied that it is not anticipated unless a major project is undertaken such as an additional desalter or expansion. It was questioned what would happen if revenue would exceed expenses and it was explained that any excess revenues would be returned to member agencies. There were no further questions or comments.

Motion: It was moved by Director Anderson/JCSD, seconded by Director Haughey/Chino, and carried unanimously to approve Action Item 2.

3. RECORDS RETENTION SCHEDULE

Report by: Curtis D. Paxton, CDA General Manager/CEO

It is recommended that the Committee recommend the following action to the full Board at the 1/4/2018 Board Meeting:

1. Adopt Resolution No. 2018-02, establishing a Records Retention Schedule.

General Manager Paxton reported that CDA does not currently have a Records Retention Schedule. The proposed schedule has been reviewed by Legal Counsel. There were no questions or comments.

Motion: It was moved by Director Haughey/Chino, seconded by Director Anderson/JCSD, and carried unanimously to approve Action Item 3.

4. COST OF LIVING ADJUSTMENT – CDA EMPLOYEES

Report by: Curtis D. Paxton, CDA General Manager/CEO

It is recommended that the Committee recommend the following action to the full Board at the 1/4/2018 Board Meeting:

1. Approve a Cost of Living Adjustment (COLA) of 3.10% for CDA employees (with the exception of the General Manager/CEO) effective Pay Period 1 of 2018.

General Manager Paxton reviewed the discussion that took place when last year's COLA was approved; it was discussed to standardize the COLA process by using October to October CPI data. The published CPI increase for October 2016 – October 2017 was 3.1% for the region. He also reported that CDA Member Agencies COLA increases are in the range of 2% to 5%. Steve Popelar/JCSD recommended that a written policy be approved by the Board of Directors, outlining the standardized COLA increase so that each year's implementation is straight-forward. General Manager Paxton recommended moving ahead with this COLA recommendation and drafting the policy within the next year to present to the Board of Directors for approval.

Motion: It was moved by Director Haughey/Chino, seconded by Director Anderson/JCSD, and carried unanimously to approve Action Item 4.

5. CHANGE TO EMPLOYEE BENEFIT PACKAGE FOR CDA EMPLOYEES

Report by: Curtis D. Paxton, CDA General Manager/CEO

It is recommended that the Committee recommend the following action to the full Board at the 1/4/2018 Board Meeting:

1. Approve an increase of \$200 per month in the health insurance contribution for CDA fulltime employees (excluding the General Manager/CEO)

General Manager Paxton reviewed the recommendation to increase the health insurance contribution for two full-time employees. He reviewed the historical premiums for family coverage for the most recent four years, with the most recent increase for 2018 being 13%. It was asked whether employees would receive the difference if the CDA contribution were to exceed the insurance premiums; General Manager Paxton replied that there is currently no policy, so they would not. Steve Popelar/JCSD suggested a Board-approved policy to standardize the calculation for future increases. There were no future questions or comments.

Motion: It was moved by Director Anderson/JCSD, seconded by Director Haughey/Chino, and carried unanimously to approve Action Item 5.

6. SOUTH ARCHIBALD PLUME PROJECT: PIPELINE DESIGN CONTRACT
Report by: Cindy Miller, South Archibald Plume Program Manager

It is recommended that the Committee recommend the following action to the full Board at the 1/4/2018 Board Meeting:

1. Approve a professional services agreement with Albert A. Webb Associates for engineering design and construction management and inspection services in the not-to-exceed amount of \$499,990; and
2. Authorize the General Manager/CEO to finalize and execute the agreement, with subsequent authorizations up to a not-to-exceed total of \$549,989.

General Manager Paxton reported that Request for Proposals were publicly advertised, with four firms responding. CDA staff and the RP-1 group reviewed the proposals and Albert A. Webb Associates was the highest ranked firm. During TAC review, there was an objection raised by Western Municipal Water District, as they are in active litigation with Albert A. Webb Associates concerning the Santa Ana River Crossing. CDA Legal Counsel is currently working with WMWD Legal Counsel. Staff recommends that this item move forward for now and it will be determined whether the item will be agendaized for the upcoming Board Meeting.

Motion: It was moved by Haughey/Chino, seconded by Director Anderson/JCSD, and carried unanimously to approve Action Item 6.

INFORMATION ITEMS

7. TREASURER'S FINANCIAL AFFAIRS REPORT FOR QUARTER ENDED SEPTEMBER 2017

Report by: Michael Chung, CDA CFO/Treasurer

8. TREASURER'S REPORT ON GENERAL DISBURSEMENTS FOR THE QUARTER ENDED SEPTEMBER 2017

Report by: Michael Chung, CDA CFO/Treasurer

9. BUDGET VARIANCE REVIEW FOR THE QUARTER ENDED SEPTEMBER 2017

Report by: Michael Chung, CDA CFO/Treasurer

10. INVESTMENT REPORT

Report by: Michael Chung, CDA CFO/Treasurer

11. MONTHLY CREDIT CARD ACTIVITY REPORT FOR OCTOBER 2017

Report by: Michael Chung, CDA CFO/Treasurer

Principal Accountant Garcia reviewed Information Items 7 through 11.

COMMITTEE MEMBER COMMENTS

There were no comments.

STAFF COMMENTS

There were no comments.

ADJOURN

There being no further business the meeting was adjourned at 2:43 p.m.



Finance Committee Meeting

Agenda Item

No. 2



SUBJECT: MONTHLY CREDIT CARD ACTIVITY FOR NOVEMBER 2017

RECOMMENDATION:

It is recommended that the Committee review credit card activity for November 2017.

BACKGROUND:

This report covers the month of November 2017, for which there were no purchases.

IMPACT ON BUDGET:

There is no impact to budget.

Prepared by: Michael Chung, CDA Principal Accountant

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Board of Directors: Approved Continued Denied

CDA GM/CEO Acknowledgement: _____ **Date:** _____



CHINO BASIN DESALTER

WorldPoints

November 10, 2017 - December 09, 2017

Company Statement

Account Information:
www.bankofamerica.com

Mail Billing Inquiries to:
BANK OF AMERICA
PO BOX 982238
EL PASO, TX 79998-2238

Mail Payments to:
BUSINESS CARD
PO BOX 15796
WILMINGTON, DE 19886-5796

Customer Service:
1.800.673.1044, 24 Hours

TTY Hearing Impaired:
1.888.500.6267, 24 Hours

Outside the U.S.:
1.509.353.6656, 24 Hours

For Lost or Stolen Card:
1.800.673.1044, 24 Hours

Business Offers:
www.bankofamerica.com/mybusinesscenter

Payment Information	
New Balance Total	\$0.00
Minimum Payment Due	\$0.00
Payment Due Date	01/04/18
Minimum Payment Warning: If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance.	

Account Summary	
Previous Balance	\$2,857.99
Payments and Other Credits	-\$2,857.99
Balance Transfer Activity	\$0.00
Cash Advance Activity	\$0.00
Purchases and Other Charges	\$0.00
Fees Charged	\$0.00
Finance Charge	\$0.00
New Balance Total	\$0.00
Credit Limit	\$10,000
Credit Available	\$10,000.00
Statement Closing Date	12/09/17
Days in Billing Cycle	30

Transactions

Posting Date	Transaction Date	Description	Reference Number	Amount
CHINO BASIN DESALTER				
Account Number: 4738				
12/06	12/06	Payments and Other Credits AUTO PAYMENT DEDUCTION		- 2,857.99
		TOTAL PAYMENTS AND OTHER CREDITS FOR THIS PERIOD		-\$2,857.99

0285799 0000000 0000000


 BUSINESS CARD
 PO BOX 15796
 WILMINGTON, DE 19886-5796

 **N0006813
 CHINO BASIN DESALTER
 2151 S HAVEN AVE UNIT 202
 ONTARIO, CA 91761-074252

Account Number:
November 10, 2017 - December 09, 2017

New Balance Total \$0.00
Minimum Payment Due **\$0.00**
 Payment Due Date 01/04/18

Enter payment amount

\$

Check here for a change of mailing address or phone numbers. Please provide all corrections on the reverse side.

Mail this coupon along with your check payable to:
BUSINESS CARD,
or make your payment online at
www.bankofamerica.com

⑆ 5499900 1 1⑆ 16 1 79 1 19 704 738 ⑈

Finance Charge Calculation

Your **Annual Percentage Rate (APR)** is the annual interest rate on your account.

	Annual Percentage Rate	Balance Subject to Interest Rate	Finance Charges by Transaction Type
PURCHASES	22.24% V	\$0.00	\$0.00
CASH	25.24% V	\$0.00	\$0.00

V = Variable Rate (rate may vary), Promotional Balance = APR for limited time on specified transactions.

Important Messages

Your credit card now has an added security feature. To learn more about EMV chip card technology, visit bankofamerica.com/businesschipcard.

WorldPoints Rewards for Business™ Summary

Beginning Balance	43,218.69	Monthly Bonus	.00
Earned	.00	Transferred In	.00
Redeemed	42,500.00	Transferred Out	.00
Adjustments	.00	Ending Balance	718.69

Redeem your points for cash, gift cards and travel by calling 1.800.673.1044, or visit bankofamerica.com/business