



**CHINO BASIN  
DESALTER  
AUTHORITY**

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

**April 19, 2018 • 2:00 p.m.**

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

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

**April 19, 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 MARCH 21, 2018 FINANCE COMMITTEE MEETING**
- 2. PHASE 3 EXPANSION: AGREEMENT WITH SPECIALTY MINERALS, INC. FOR DISPOSAL/SALE OF CALCIUM CARBONATE PELLETS**  
Report by: Curtis D. Paxton, General Manager/CEO  
  
It is recommended that the Committee recommend the following action to the full Board at the 5/3/2018 Board Meeting subject to final approval by the Technical Advisory Committee on 04/24/2018:
  1. Approve the Agreement with Specialty Minerals Inc. for the disposal/sale of calcium carbonate pellets produced by the Concentrate Reduction Facility.
  2. Authorize the General Manager/CEO to execute the Agreement.
- 3. SOUTH ARCHIBALD PLUME CLEANUP PROJECT: CONSTRUCTION CONTRACT AWARD FOR DRILLING, CONSTRUCTION, DEVELOPMENT, AND TESTING OF CDA MONITORING WELLS II-MW3 & II-MW4**  
Report by: Cindy Miller, South Archibald Plume Project Program Manager  
  
It is recommended that the Committee recommend the following action to the full Board at a future Board Meeting:
  1. Approve the contract award to Yellow Jacket Drilling Services LLC for the Drilling, Construction, Development, and Testing of CDA Monitoring Wells II-MW3 and II-MW4 in the not-to-exceed amount of \$265,720.
  2. Authorize the General Manager/CEO to execute the contract and approve authorized expenditures up to a not-to-exceed total of \$292,292

**INFORMATION ITEMS**

**4. MONTHLY CREDIT CARD ACTIVITY REPORT FOR FEBRUARY 2018**

Report by: Jose Garcia, CDA Principal Accountant

**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).

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

**(ONE POTENTIAL CASE)**

**6. CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

**Property: APN 0218-231-13, 15, City of Ontario  
CDA Negotiators: Curtis Paxton, Allison Burns  
Negotiating parties: SC Ontario Development Company  
Under negotiation: Price and terms of payment**

**7. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:  
CONSIDERATION OF INITIATION OF LITIGATION PURSUANT TO  
GOVERNMENT CODE SECTION 54956.9(D)(4)**

**(ONE POTENTIAL CASE)**

**COMMITTEE MEMBER COMMENTS**

**STAFF COMMENTS**

CDA CFO/Treasurer  
CDA General Manager/CEO

**ADJOURN**

***Declaration of Posting***

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I, Casey Costa, Executive Assistant to the Chino Basin Desalter Authority, hereby certify that a copy of this agenda has been posted at the Chino Basin Desalter Authority's main office, 2151 S. Haven Ave., Ontario, CA by April 16, 2018 at 2:00 p.m.

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Casey Costa, Executive Assistant



# Finance Committee Meeting

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## Agenda Item

### No. 1

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

**MINUTES  
March 21, 2018**

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  
Todd Corbin, Jurupa Community Services District

**COMMITTEE MEMBERS ABSENT**

None

**OTHERS PRESENT**

Curtis Paxton, CDA General Manager/CEO  
Todd Minten, CDA Operations Manager  
Michael Chung, CDA CFO/Treasurer  
Jose Garcia, CDA Principal Accountant  
Casey Costa, CDA Executive Assistant  
David Crosley, City of Chino  
Steve Popelar, Jurupa Community Services District  
Rod LeMond, Western Municipal Water District  
Cindy Miller, Hazen & Sawyer (via telephone)

**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 FEBRUARY 15, 2018 FINANCE COMMITTEE MEETING**

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

**2. PHASE 3 EXPANSION: AMENDMENT NO. 1 TO DUDEK'S CONTRACT FOR DESIGN OF DUAL PRODUCT WATER PIPELINES USING HORIZONTAL DIRECTIONAL DRILLING**

Report by: Cindy Miller, Phase 3 Expansion Program Manager

It is recommended that the Committee recommend the following action to the full Board at the 4/5/2018 Board Meeting:

1. Approve Amendment No. 1 in the amount of \$84,263 to Dudek's contract for Design of Dual Product Water Pipelines Using Horizontal Directional Drilling, for a total contract amount of \$587,226.
2. Authorize the General Manager to execute Amendment No. 1 and approve authorized expenditures up to a not-to-exceed total of \$625,000.

Program Manager Miller reviewed the recommendation to approve an amendment to the contract with Dudek for Design of Dual Product Water Pipelines. She reviewed that Dudek's team had been called off the site due to approval to access the property. When those issues were resolved, some work associated with the geotechnical investigation and pilot bore needed to be repeated. There were also some additional tasks due to the new preferred alignment, as well as a request from CDA to prepare a frac-out plan for the California Department of Fish and Wildlife Streambed Alteration Agreement. It was asked whether Western Municipal Water District staff had been provided updates as these developments occurred. Program Manager Miller responded that the change order was presented multiple times at the Sponsor Group Meeting, of which there was WMWD representation. The amendment was evaluated by WMWD and we received approval to move forward with the amendment. There were no further questions or comments.

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

**3. RECONCILIATION OF THE ALLOCATION OF COSTS FOR FISCAL YEAR 2016/17 AND RELATED RESERVE BALANCE ANALYSIS**

Report by: Michael Chung, CDA CFO/Treasurer

It is recommended that the Committee recommend the following action to the full Board at the 4/5/2018 Board Meeting:

1. Approve the reconciliation of the allocation of costs for fiscal year 2016/17 per the attached Exhibit A;
2. Approve the refund of the overpayment to each member Agency;
3. Approve the analysis of reserve balance at June 30, 2017 per the attached Exhibit B.

Treasurer Chung reviewed the recommendation to approve the annual reconciliation for fiscal year 2016/17 and approve the refund of overpayment to member agencies. The budget was prepared using the expected delivery of 29,900 acre feet (af) of water, compared to actual deliveries of 24,655 af. Total audited costs were \$18,443,197 and assessments received were \$22,703,156, resulting in an overpayment of \$4,259,959.

Treasurer Chung reviewed the reserve balance analysis at June 30, 2017. The balance is short by \$318,088 according to the Reserve Policy. Through TAC discussion, members agreed to contribute to bring the balance to the policy level of \$6.63 million. LeMond/WMWD questioned how the \$3.5 million operating contingency was developed; Treasurer Chung replied that the contingency amount is 3 months of operating revenue, based on budget. He added that he will be working with the TAC and member agency Finance Directors on an updated Reserve Policy to present to the Board later this year.

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

#### **INFORMATION ITEMS**

4. **TREASURER'S FINANCIAL AFFAIRS REPORT FOR QUARTER ENDED DECEMBER 2017**  
Report by: Michael Chung, CDA CFO/Treasurer
5. **TREASURER'S REPORT ON GENERAL DISBURSEMENTS FOR THE QUARTER ENDED DECEMBER 2017**  
Report by: Michael Chung, CDA CFO/Treasurer
6. **BUDGET VARIANCE REVIEW FOR THE QUARTER ENDED DECEMBER 2017**  
Report by: Michael Chung, CDA CFO/Treasurer
7. **MONTHLY CREDIT CARD ACTIVITY REPORT FOR JANUARY 2018**  
Report by: Michael Chung, CDA CFO/Treasurer

Principal Accountant Garcia reviewed Information Items 4-6. Treasurer Chung reviewed Information Item 7.

#### **COMMITTEE MEMBER COMMENTS**

There were no comments.

#### **STAFF COMMENTS**

There were no comments.

#### **ADJOURN**

There being no further business the meeting was adjourned at 2:25 p.m.



# **Finance Committee Meeting**

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## **Agenda Item**

**No. 2**

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**SUBJECT: PHASE 3 EXPANSION: AGREEMENT WITH SPECIALTY MINERALS, INC. (SMI) FOR THE DISPOSAL/SALE OF CALCIUM CARBONATE PELLETS**

**RECOMMENDATION:**

Staff recommends that the Board:

1. Approve the Agreement with Specialty Minerals, Inc. (SMI) for the disposal/sale of calcium carbonate pellets generated from the Concentrate Reduction Facility; and
2. Authorize the General Manager/CEO to execute the Agreement.

**BACKGROUND:**

In January 2017, the Board approved a Letter of Understanding with Specialty Minerals Inc. (SMI) for the disposal/sale of calcium carbonate pellets generated by the water treatment process at the Concentrate Reduction Facility. The intent of the Letter of Understanding was to provide the framework and deal points for a detailed agreement to be negotiated and finalized.

The arrangement with SMI provides for guaranteed disposal of the pellets at a predetermined freight charge until SMI is able to develop high value applications that can generate shared revenue for SMI and CDA. The cost of the seed material needed for pellet generation is also set in the Agreement. SMI will invest resources in the processing, sales, and market development of the calcium pellets and/or resultant product when the agreement is finalized.

The initial term of the Agreement is for five years. If SMI is able to generate an annual revenue of \$150,000 for CDA by the fifth year of the Agreement, the Agreement will automatically renew for an additional five years. If SMI is able to generate an annual revenue of \$300,000 for CDA by the tenth year of the Agreement, the Agreement will automatically renew for an additional five years.

This item was reviewed/approved by the:

- Technical Advisory Committee (TAC) on 04/24/2018
- Finance Committee on 04/19/2018

**IMPACT ON BUDGET:**

The cost of the seed material to be purchased from SMI and the freight charges for disposal of the pellets as described in the Agreement have been included in the adopted FY 2017/18 Budget.

**ATTACHMENT:**

- Agreement with Specialty Minerals, Inc.

**Prepared by:** Curtis Paxton, CDA General Manager/CEO

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**Board of Directors:**     Approved     Continued     Denied

**CDA GM/CEO Acknowledgement:** \_\_\_\_\_ **Date:** \_\_\_\_\_

## AGREEMENT

This Agreement, dated as of May 3, 2018 (the “Effective Date”) is made between Specialty Minerals Inc., a Delaware corporation (hereinafter referred to as “SMI”), having its main office located at 622 3<sup>rd</sup> Avenue, 38<sup>th</sup> Floor, New York, NY 10017, and Chino Basin Desalter Authority, a joint exercise of powers agency (hereinafter referred to as “CDA”), with its main office located at 2151 S. Haven Avenue, Suite 202, Ontario, CA 91761. (SMI and CDA hereinafter may be referred to together as the “Parties”).

WHEREAS, CDA is constructing an expansion of the Chino II water treatment facility in Jurupa Valley, California (the “Chino II Facility”); and

WHEREAS, CDA will purchase from SMI, and SMI will sell to CDA, limestone for the operation of the Chino II Facility; and

WHEREAS, the Chino II Facility will produce calcium carbonate pellets (the “Pellets”) as a byproduct of its water treatment process; and

WHEREAS, SMI agrees to accept 100% of the Pellets; and

WHEREAS, SMI will endeavor to create a positive revenue stream of sales margin for SMI and CDA as soon as possible during the first (5) five years of the Agreement; and

WHEREAS, the Parties will explore the sale or use of the Pellets into industrial commercial applications and markets.

NOW, THEREFORE, in consideration of good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

### **1. Purchase and Sale of Calcium Carbonate**

- (a) Subject to the terms and conditions of this Agreement, during the Term (as defined below), CDA agrees to purchase 100% of its product requirements for limestone, including SMI’s VICAL® 4005 product (hereinafter, “SMI Product”), meeting the specifications attached hereto as Appendix A (hereafter, “Product Specifications”) for use at the Chino II Facility. The SMI Product shall be shipped from SMI’s Lucerne Valley, CA facility to the Chino II Facility in 2,000 lb. supersacks or in bulk shipments, in accordance with the instructions provided by CDA in its purchase order. CDA agrees that it shall use the SMI Product only in its own operations and shall not resell any SMI Product.
- (b) The initial contract price for SMI Product hereunder (“SMI Product Price”) is:
  - (i) \$55.00/ton, in 2,000 lb. supersacks, or
  - (ii) \$25.00/ton, in bulk shipments.

The SMI Product Price does not include freight, which shall be paid by CDA. SMI Product Price is FOB Lucerne Valley, CA. At CDA’s option, CDA may elect to pay freight collect, or CDA may have SMI prepay and add actual freight cost to the invoice.

- (c) The SMI Product Price will remain as provided in Section 1(b) through March 31, 2019, and, commencing April 1, 2019, SMI may adjust the SMI Product Price on April 1 of each year, in an amount equal to the Consumer Price Index: Los Angeles-Riverside-Orange County, CA CPI-O all items, 12 month % change, provided however that such increase will be no more than 2.0% annually. SMI shall notify CDA of any SMI Product Price increase by no later than February 1 of each year.
- (d) Payment terms are Net (30) days from CDA's receipt of SMI's invoice. All payments must be in U.S. dollars and made payable as designated by SMI in writing from time to time.
- (e) CDA hereby acknowledges and agrees that the risk of loss and title with respect to any shipments of SMI Product made to CDA shall pass to CDA FOB SMI's Lucerne Valley, CA facility.

## **2. Supply and Disposal of Pellets**

- (a) Subject to the terms and conditions of this Agreement, during the Term, CDA agrees to exclusively supply to SMI, and SMI agrees to accept from CDA, 100% of the Pellets produced by the Chino II Facility in accordance with the specifications set forth in Exhibit "B" hereto ("Pellet Specifications"), at no charge to SMI. CDA's estimated volume of Pellets for the initial year of this Agreement is 8,000-10,000 tons (annualized). CDA shall advise SMI in a timely manner of anticipated changes in output of Pellets from the Chino II Facility. Notwithstanding the foregoing sentences of this Section 2(a), CDA may: (1) dispose of Pellets as required by law or regulation; and (2) supply Pellets at no charge to third parties at a shipping cost lower than the cost to ship the Pellets to SMI's Lucerne Valley location.
- (b) CDA agrees that it shall pay all freight charges (the "Pellet Freight Charges") to ship the Pellets from the Chino II Facility to SMI's Lucerne Valley, CA facility. Such Pellet Freight Charges are currently estimated to be \$20/ton (including fuel). CDA may pay the Pellet Freight Charges to ship Pellets to a closer alternative processing location with lower costs of shipping, upon advanced mutual agreement of the Parties. CDA shall be responsible for paying Pellet Freight Charges directly to carriers. CDA shall keep SMI informed from time to time of the Pellet Freight Charges.
- (c) CDA agrees as follows:
  - (i) Upon request from time to time, CDA shall promptly furnish to SMI Pellet samples, technical data, test results and certifications, process and ingredient information, and related information and data in CDA's possession or otherwise available to it, regarding the Pellets or the component materials of the Pellets.
  - (ii) CDA shall inform SMI of any information which CDA has received or has actual knowledge of concerning any existing or new claims, suits, or administrative actions, related to environmental, health, and/or safety issues concerning the Pellets, including, but not limited to, information, regardless of the source of the information or Seller involvement in the claim, suit or administrative action.

- (iii) CDA shall not make any material modification to the Pellets or the component materials of the Pellets without prior written notice to SMI including, but not limited to (A) a change in Pellets composition, including the addition, removal, or change of any component of the Pellets; and (B) a deviation from the requirements set forth in the Pellet Specification in Appendix B.

### **3. Exclusive Right to Market and Sell Pellets**

- (a) SMI may use the Pellets supplied to SMI as a component in its own products, and shall have the exclusive right to distribute or sell for Positive Sales Margin any of such Pellets, or any product consisting of the Pellets in whole or in part, or any product of which the Pellets are a component. As used in this Agreement, “Positive Sales Margin” means SMI’s total Pellet sales revenue less SMI’s total costs for bringing Pellets to market. Total costs for bringing pellets to market are defined and auditable by Generally Accepted Accounting Principles (GAAP) which are inclusive of costs of materials, labor, manufacturing overhead, and prepaid freight. Except as permitted in Section 2(a), CDA shall not transfer, deliver, sell, or otherwise provide the Pellets, or any products consisting of the Pellets in whole or in part, or any product of which the Pellets are a component, to any other party without SMI’s prior written consent.
- (b) SMI shall in good faith endeavor to market and sell the Pellets, and products consisting of the Pellets in whole or in part or of which the Pellets are a component, for the purpose of creating a Positive Sales Margin stream to be shared with CDA in proportion as set forth hereinafter. In connection with the foregoing, SMI will endeavor to create direct Positive Sales Margin generating sales of Pellets to customers who will pay the freight from CDA to the customer’s manufacturing location (also reducing the Pellet Freight Charges incurred by CDA), and/or to create alternative processing locations with potentially higher processing costs, but lower costs of shipping for processing Pellets suitable for end-user and potentially also reducing the Pellet Freight Charges incurred by CDA. SMI shall be responsible for handling all customer inquiries for Pellet sales, and CDA shall refer any potential customers of Pellets to SMI. During the Term, CDA shall not communicate with any third parties regarding the marketing, sale or processing of Pellets by anyone other than SMI. SMI shall handle all invoicing of Pellet customers and accounts receivable collection. SMI shall endeavor to create an annualized share of Positive Sales Margin for CDA of greater than \$150,000 annually as soon as possible during the Initial Term, as defined hereinafter, of this Agreement. SMI is targeting an annualized share for CDA of greater than \$300,000 annually during the subsequent five (5) years following the Initial Terms of the Agreement contingent on sustainability of the Positive Sales Margin stream. The \$150,000 and \$300,000 targets are contingent upon the available output of Pellets from CDA of 10,000 tons annually and would be pro-rated based on actual annual available output of Pellets to SMI during any specific year.
- (c) Where SMI is successful in selling the Pellets with Positive Sales Margin generation, SMI shall pay to CDA a fee (the “Pellet Fee”) for each and every Positive Sales Margin sale of 35% of Positive Sales Margin generated by such sale. Where SMI is using the Pellets delivered to their Lucerne Valley, CA plant as a blend-in for their current ore for existing SMI products as a way to consume delivered Pellets in absence of new Positive Sales Margin Business, SMI will pay CDA a “Pellet Fee” of \$3.00 per ton for pellets used as an offset to using their own ore. Any applicable Pellet Fees shall be paid by SMI to CDA

Semi-Annually. A general status review will be conducted semi-annually (within 30 days after January 1st and July 1st of each year) between CDA and SMI summarizing the progress toward these objectives for CDA. Example of Positive Sales Margin share calculation contained on Addendum C.

#### **4. Term and Termination**

- (a) The initial term of this Agreement is five (5) years, commencing on the Effective Date (“Initial Term”). If, at the conclusion of the Initial Term (during the 5<sup>th</sup> year), SMI has effectively created a positive revenue for CDA greater than \$150,000 (or a lesser pro-rated amount due to Pellet availability from CDA, as provided in Section 3(b)) , the Agreement shall renew automatically for an additional five (5) years. If SMI should fail to generate the positive revenue for CDA identified in the preceding sentence, either party may terminate this Agreement, or the parties may agree to continue the Agreement or renegotiate the terms of a new agreement. Should the Agreement automatically renew as set forth hereinabove and SMI creates a positive revenue stream for CDA (during the 5<sup>th</sup> year of the second 5-year term of this Agreement) of greater than \$300,000 (or a lesser pro-rated amount due to Pellet availability from CDA) the Agreement will automatically renew for an additional five (5) year period contingent on the positive revenue stream situation being sustainable. An example of meeting a pro-rated target during the 5<sup>th</sup> year of the Agreement would be that if the CDA only had 5000 tons of available annual output of Pellets for SMI, it would thereby reduce the target threshold for automatic renewal by 50% to \$75,000.
- (b) This Agreement may be terminated by the parties prior to the expiration of the Term as follows:
  - (i) by either party, upon written notice, in the event the other party fails to perform any of its material obligations under this Agreement or otherwise is in material breach of any of its obligations hereunder; provided that the party receiving such notice shall have sixty (60) days from the date of receipt to take actions in good faith to cure the failure or breach, after which time this Agreement shall terminate only if such actions have not been taken.
  - (ii) by either party, if by reason of a *Force Majeure* Event (as defined below) the obligations imposed on the other party have not been fulfilled for at least a period of sixty (60) days.
  - (iii) By SMI, if (A) SMI determines or is notified that the Pellets do not meet the Pellet Specifications, (B) SMI, in its sole discretion, deems any deviation from the Pellet Specifications to be unacceptable, and (C) within sixty (60) days after notice of such deviation from the Pellet Specifications to CDA, the Pellets do not again meet the Pellet Specifications.
  - (iv) By CDA, if (A) CDA determines or is notified that the SMI Product does not meet the Product Specifications, (B) CDA, in its sole discretion, deems any deviation from the Product Specifications to be unacceptable, and (C) within sixty (60) days after notice of such deviation from the Product Specifications to SMI, the SMI Product do not again meet the Product Specifications.

- (v) By SMI upon written notice to CDA, if the Pellets are found to contain any hazardous substances as classified by applicable governmental authorities, or if there are other regulatory issues with or scientific data relating to the Pellets that cause SMI to reasonably determine in its sole discretion that the continued delivery of Pellets to its Lucerne Valley, CA facility is unacceptable.
  - (vi) This Agreement will automatically terminate upon the occurrence of any of the following events with respect to either party: (A) its dissolution or liquidation, (B) the entry of a decree or order by a court having jurisdiction adjudging it a bankrupt or insolvent, or approving a petition seeking reorganization, arrangement, adjustment or composition of or in respect of it, under federal bankruptcy law or any other applicable federal or state bankruptcy, insolvency or other similar law, and the continuance of any such decree or order unstayed and in effect for a period of 60 days; (C) the commencement by it of a voluntary case under federal bankruptcy law or any other applicable federal or state bankruptcy, insolvency, or other similar law; (D) the consent by it to the institution of bankruptcy or insolvency proceedings against it; (E) the filing by it of a petition or answer or consent seeking reorganization or relief under federal bankruptcy law or any other applicable federal or state law, or the consent by it to the filing of such petition or to the appointment of a receiver, liquidator, assignee, trustee, sequestrator or similar official of it or of any substantial part of its property; (F) any levy under attachment, execution or similar process which is not vacated or removed by payment or bonding within ten (10) days, or (G) the transfer of any of such party's assets for the benefit of creditors.
- (c) In the event this Agreement expires or is terminated, both parties will be released from all other obligations and duties imposed or assumed hereunder except for continuing obligations and limitations pertaining to confidentiality, warranties, remedies and limitations of damages, indemnities, and dispute resolution.

## **5. Confidentiality**

Subject to applicable laws, rules and regulations, including without limitation the California Public Records Act, Government Code Section 6250, et seq., court orders, or orders of governmental or regulatory agencies with jurisdiction over the applicable party (collectively, "Applicable Disclosure Laws"), CDA and SMI shall treat as confidential and not disclose to others, or use for their own purposes, except as necessary to perform the Agreement (and then only on a confidential basis), any information regarding the other party's plans, plants, processes, products, costs, equipment, operations, or customers without in each instance securing the prior written consent of the other party. Public and non-proprietary information is excluded.

## **6. Warranties; Remedies; Limitation of damages**

- (a) SMI warrants that SMI Product sold hereunder will conform to the Product Specifications. SMI further warrants that the SMI Product sold to CDA under this Agreement has been manufactured, packaged, labeled and sold in compliance with all applicable U.S. federal and state laws, rules and regulations. **SMI MAKES NO WARRANTY OF MERCHANTABILITY OR SUITABILITY FOR ANY PARTICULAR PURPOSE, AND NO OTHER WARRANTY, EXPRESS OR IMPLIED, IS MADE WITH RESPECT TO SMI PRODUCT SOLD UNDER THIS AGREEMENT.**

- (b) In the event that CDA determines or is notified that the SMI Product does not meet the Product Specifications, CDA will notify SMI within forty-five (45) days after delivery of SMI Product to the Chino II Facility, that it rejects the SMI Product. Failure of CDA to reject SMI Product within forty-five (45) days shall be deemed acceptance of such SMI Product. If SMI Product is rejected by CDA, SMI shall evaluate the material at the Chino II Facility and if the material is out of specification CDA may (i) accept replacement material from SMI within specification, (ii) accept a refund by SMI of all amounts paid by CDA for such SMI Product or (iii) declare SMI to have materially breached the terms of this Agreement and exercise its remedies pursuant to Section 4(b)(i) or 4(b)(iv) hereof. SMI shall take back or dispose of out of specification materials. SMI shall have no further obligation to CDA with respect to such material.
- (c) SMI shall indemnify CDA for property damage to CDA directly caused by a breach of any express warranty made by SMI herein, but only if CDA notifies SMI in writing within sixty (60) days of the date of occurrence. In no event shall SMI's indemnity obligation under this subparagraph 6(c) exceed one million dollars (\$1MM) in the aggregate during the Initial Term, or during any Renewal Term, of this Agreement.
- (d) CDA warrants that it will take all commercially reasonable actions to ensure that the Pellets conform to the Pellet Specifications. CDA further warrants that the Pellets have been produced in compliance with all applicable U.S. federal and state laws, rules and regulations. **CDA MAKES NO WARRANTY OF MERCHANTABILITY OR SUITABILITY FOR ANY PARTICULAR PURPOSE, AND NO OTHER WARRANTY, EXPRESS OR IMPLIED, IS MADE WITH RESPECT TO THE PELLETS.**
- (e) In the event that either party determines or is notified that the Pellets do not meet the Pellet Specifications, such party will notify the other party promptly. If SMI, in its sole discretion, deems any such deviation from the Pellet Specifications to be unacceptable, CDA shall stop all shipments of Pellets to the Pellet destinations and shall exercise commercially reasonable efforts to ensure that Pellets again meet the Pellet Specifications. CDA shall use alternate means of disposal of Pellets until either (i) the Pellets again meet the Pellet Specifications or (ii) SMI, in its sole discretion, deems any continuing deviations from the Pellet Specifications are acceptable. If the Pellets do not again meet the specifications within 60 days after notice to CDA of nonconformance with the Pellet Specifications, SMI shall have the right to terminate this Agreement in accordance with Section 4(b)(iii).
- (f) CDA shall indemnify SMI for property damage to SMI directly caused by a breach of any express warranty made by CDA herein, but only if SMI notifies CDA in writing within thirty (30) days of the date of occurrence. In no event shall CDA's indemnity obligation under this subparagraph 6(f) exceed one million dollars (\$1MM) in the aggregate during the Initial Term, or during any Renewal Term, of this Agreement.
- (g) SMI and CDA acknowledge and agree that pricing has been negotiated in consideration of their agreement to limit certain liabilities. In no event will SMI or CDA be liable to the other for incidental or consequential damages, however caused. This exclusion applies regardless of whether such damages are sought for breach of warranty, breach of contract, for tort or under any other legal theory.

## 7. **Force Majeure**

- (a) “*Force Majeure* Event” means any event, whether foreseen or unforeseen, that meets all three of the following tests:
- (i) The event prevents a party (the “Nonperforming Party”), in whole or in part, from performing its obligations under this Agreement.
  - (ii) The event is beyond the reasonable control of and not the fault of the Nonperforming Party.
  - (iii) The Non-Performing Party has been unable to avoid or overcome the event by the exercise of due diligence.

Despite the preceding definition of a *Force Majeure* Event, a *Force Majeure* Event excludes economic hardship, changes in market conditions or insufficiency of funds.

- (b) Acts and Events Deemed to Be *Force Majeure* Events. In furtherance of the definition of *Force Majeure* Event and not in limitation of that definition, each of the following acts or events is deemed to be a *Force Majeure* Event: war, flood, lightning, drought, earthquake, fire, landslide, hurricane, tornado, explosion, civil disturbance, act of God or the public enemy, terrorist act, military action, epidemic, famine or plague, shipwreck, action of a court or public authority, or strike, work-to-rule action, go-slow or similar labor difficulty.
- (c) Suspension of Performance. If a *Force Majeure* Event occurs, the Nonperforming Party is excused from whatever performance is prevented by the *Force Majeure* Event to the extent prevented.
- (d) Exclusive Remedy. The relief offered by this *Force Majeure* provision, together with the right of a party to terminate this Agreement in accordance with Section 4(b)(ii), is the exclusive remedy available to the Nonperforming Party with respect to a *Force Majeure* Event.

## 8. **Dispute Resolution**

- (a) Any claims or dispute (“Disputes”) arising out of or relating to this Agreement shall be resolved in accordance with the procedures specified in this Section 8, which shall be the sole and exclusive procedure for the resolution of any such Disputes.
- (b) The parties shall attempt in good faith to resolve any Disputes promptly by negotiation between executives who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for administration of this Agreement. Any party may give the other party written notice of any Dispute not resolved in the normal course of business. Within 15 days after delivery of the notice, the receiving party shall submit to the other a written response. The notice and response shall include (i) a statement of that party’s position and a summary of arguments supporting that position, and (ii) the name and title of the executive who will represent that party and of any other person who will accompany the executive. Within 30 days after delivery of the initial notice, the executives of both parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to attempt to resolve the dispute. All reasonable



requests for information made by one party to the other will be honored. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.

- (c) Any Dispute not finally resolved through negotiation may be finally resolved through resort to judicial process.

**9. Miscellaneous**

- (a) Each party giving or making any notice, request, demand or other communication (each, a “Notice”) pursuant to this Agreement shall give the Notice in writing and use one of the following methods of delivery, each of which for purposes of this Agreement is a writing: personal delivery, registered or certified mail (in each case, return receipt requested and postage prepaid), or nationally recognized overnight courier (with all fees prepaid). Any party giving a Notice shall address the Notice to the person set forth on the signature page hereto and at the address set forth in the first paragraph hereto, or to another person or another address as designated by a party in a Notice given pursuant to this Section. A Notice is effective only if the party giving the Notice has complied with this Section and if the addressee has received the Notice.
- (b) The parties may amend this Agreement only by a written agreement of the parties that identifies itself as an amendment to this Agreement.
- (c) The parties may waive this Agreement or any provision hereof only by a writing executed by the party or parties against whom the waiver is sought to be enforced. No failure or delay in exercising any right or remedy, or in requiring the satisfaction of any condition under this Agreement, and no act, omission or course of dealing between the parties, operates as a waiver or estoppel of any right, remedy or condition. A waiver made in writing on one occasion is effective only in that instance and only for the purpose stated. A waiver once given is not to be construed as a waiver on any future occasion or against any other person.
- (d) If any provision of this Agreement is determined to be invalid, illegal or unenforceable, the remaining provisions of this Agreement remain in full force, if the essential terms and conditions of this Agreement for each party remain valid, binding, and enforceable.
- (e) This Agreement constitutes the final agreement between the parties. It is the complete and exclusive expression of the parties’ agreement on the matters contained in this Agreement. All prior and contemporaneous negotiations and agreements between the parties on the matters contained in this Agreement are expressly merged into and superseded by this Agreement. The provisions of this Agreement may not be explained, supplemented or qualified through evidence of trade usage or a prior course of dealings. If the terms and conditions of any purchase order, invoice, or order confirmation issued in connection with sales made pursuant to this Agreement are inconsistent with any provision of this Agreement, then the terms of this Agreement will control. In entering into this Agreement, neither party has relied upon any statement, representation, warranty or agreement of the other party except for those expressly contained in this Agreement. There are no conditions precedent to the effectiveness of this Agreement, other than those expressly stated in this Agreement.

- (f) Neither party may assign any of its rights nor delegate any performance under this Agreement, whether such assignment or delegation is voluntary or involuntary, by merger, consolidation, dissolution, operation of law or any other manner, except with the prior written consent of the other party. Any purported assignment of rights or delegation of performance in violation of this Section is void. This Agreement is binding upon and inures to the benefit of the parties hereto, and their permitted assigns.
- (g) This Agreement does not and is not intended to confer any rights or remedies upon any person other than the signatories.
- (h) The relationship of the parties shall, at all times, be that of independent contractors. Nothing contained in this Agreement shall authorize, empower, or constitute either party the agent of the other party in any manner; authorize or empower any of either party's officers or employees to represent themselves to be an employee or agent of the other party; authorize or empower either party to assume or create any obligation or responsibility whatsoever, express or implied, on behalf of or in the name of the other party; or authorize or empower either party to bind the other party in any manner or make any representation, warranty, covenant, agreement, or commitment on behalf of the other party.
- (i) The parties may execute this Agreement in multiple counterparts, each of which constitutes an original, and all of which, collectively, constitute only one agreement. The signatures of both parties need not appear on the same counterpart, and delivery of an executed counterpart signature page by facsimile or by e-mail attachment of a scanned document is as effective as executing and delivering this Agreement in the presence of the other parties to this Agreement.
- (j) The descriptive headings of the sections of this Agreement are for convenience only, do not constitute a part of this Agreement, and do not affect this Agreement's construction or interpretation.
- (k) The laws of the State of California (without giving effect to its conflict of laws principles) govern all matters arising out of or relating to this Agreement and the transactions it contemplates, including, without limitation, its interpretation, construction, performance, and enforcement.
- (l) **WAIVER OF RIGHT TO JURY TRIAL. Each party, to the extent permitted by law, knowingly, voluntarily, and intentionally waives its right to a trial by jury in any action or other legal proceeding arising out of or relating to this Agreement and the transactions it contemplates. This waiver applies to any action or legal proceeding, whether sounding in contract, tort, or otherwise.**
- (m) SMI represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.
- (a) SMI maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for SMI, to solicit or secure this Agreement.

Further, SMI warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for SMI, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. SMI further agrees to file, or shall cause its employees or subcontractors to file, a Statement of Economic Interest with CDA's Filing Officer as required under state law in the performance of the Services. For breach or violation of this warranty, CDA shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of CDA, during the term of his or her service with CDA, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

IN WITNESS WHEREOF, the parties hereto execute this Agreement effective as of the Effective Date.

**[Chino Basin Desalter Authority]**


**Specialty Minerals Inc.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Email: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Email: \_\_\_\_\_

**APPENDIX A**

**SMI Product Specifications**

	<b>Specialty Minerals, Inc.</b> Lucerne Valley, California				
	Document ID: LV-FPS-043 Rev 3				
	<b>Product name: Vical® 4005</b>				
	Chemical Formula: CaCO <sub>3</sub> Mineral Class: Calcite Particle Shape: Rhombohedron				
<b>Product Specifications (These properties determine "acceptance" or "rejection")</b>					
<b>PROPERTY</b>	<b>MIN</b>	<b>MAX</b>	<b>TYPICAL</b>	<b>PROCEDURE</b>	
Dry Brightness	77.0	~	80.0	LV-TEST-14	
Dry Color (b)	4.0	7.0	5.3	LV-TEST-14	
+20 Mesh (Cumulative %)	~	0.0	0.0	LV-TEST-05	
+40 Mesh (Cumulative %)	~	5.0	2.7	LV-TEST-05	
+100 Mesh (Cumulative %)	80.0	100.0	96.6	LV-TEST-05	
-200 Mesh (%)	~	5.0	1.1	LV-TEST-05	
<b>Typical Properties (specification limits have not been set)</b>					
<b>CHEMICAL ANALYSIS</b>	<b>PHYSICAL PROPERTIES</b>		<b>Particle Size (Cumulative mesh)</b>		
CaCO <sub>3</sub> 98%	Specific Gravity (g/cc)		2.71	+20	0.0
MgO 0.5%	pH		9.5	+30	0.1
Fe <sub>2</sub> O <sub>3</sub> 0.05%	% Moisture		0.1	+40	2.7
Al <sub>2</sub> O <sub>3</sub> 0.2%				+50	61.1
SiO <sub>2</sub> 0.5%				+70	88.9
Acid Insoluble 0.7%				+100	96.6
				+140	98.3
				+200	98.9
				-200	1.1

## APPENDIX B

### Target Pellet Specifications

#### **Physical Properties**

100% <u>Passing through</u> a 20 mesh screen	0.7-0.8 mm (Target)
Hunter Whiteness L*	NLT 92.0
Hunter b*	NMT 2.0

#### **Chemical Properties**

% CaCO <sub>3</sub> (XRF)	NLT 93.0%
% Fe as Fe <sub>2</sub> O <sub>3</sub> (XRF)	NMT 0.05%
% Mg as <u>MgO</u> (XRF)	NMT 2.0%
% Si as SiO <sub>2</sub> (amorphous by XRF)	NMT 1.0%
% Crystalline Silica (by XRD)	NMT 0.1%
% Al as Al <sub>2</sub> O <sub>3</sub> (XRD)	NMT 0.1 %

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NMT = Not More Than

NLT = Not Less Than

## APPENDIX C

### Example

**BASIC CALCULATION EXAMPLE FOR POSITIVE SALES MARGIN TO CDA:**

Positive Sales Margin = SMI's Total Sales Revenue Less SMI's Costs For Bringing Pellets To Market Based On GAAP.

Annual Positive Sales Margin To CDA Will Be 35% OF The Total Of Positive Sales Margin Generated On SMI Revenue Sales Plus \$3.00/ton For Any Pellets Used As An Ore Offset To SMI.

CDA Share OF Positive Sales Margin	35%						
Pellet Fee As Ore Offset/per ton	\$3.00						
<b>Example based on 10000 tons of pellets available to SMI</b>	Tons	SMI Selling Price/ton	Costs to bring to market (GAAP)/ton	Positive Sales margin/ton	CDA Positive Sales margin share/ton	Ore Offset pellet fee to CDA/ton	Annual Positive Sales Margin for CDA
SMI Annual sales of product based on a selling price of \$85.00 ton	5000	\$85.00	\$40.00	\$45.00	\$15.75		\$78,750.00
Pellets sent to Lucerne and consumed as Ore Offset - no new positive sales margin business.	5000					\$3.00	\$15,000.00
<b>Total:</b>							<b>\$93,750.00</b>



# **Finance Committee Meeting**

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## **Agenda Item**

**No. 3**

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**SUBJECT: SOUTH ARCHIBALD PLUME CLEANUP PROJECT: CONSTRUCTION CONTRACT AWARD FOR DRILLING, CONSTRUCTION, DEVELOPMENT, AND TESTING OF CDA MONITORING WELLS II-MW3 & II-MW4**

**RECOMMENDATION:**

Staff recommends that the Board:

1. Approve the contract award to Yellow Jacket Drilling Services LLC for the Drilling, Construction, Development, and Testing of CDA Monitoring Wells II-MW3 and II-MW4 in the not-to-exceed amount of \$265,720.
2. Authorize the General Manager/CEO to execute the contract and approve authorized expenditures up to a not-to-exceed total of \$292,292.

**BACKGROUND:**

Two monitoring wells will be drilled to help track groundwater levels and groundwater quality in the vicinity of proposed extraction Well II-12 and the South Archibald TCE plume. This contract provides for the Drilling, Construction, Development, and Testing for these wells.

The Drilling, Construction, Development, and Testing of CDA Monitoring Wells II-MW3 and II-MW4 construction bid package was publicly advertised, and two bids were received on March 16, 2018. The apparent low bidder's unit bid items were evaluated for their reasonable conformance with the engineer's estimate and compared with the other bids received. The attached bid evaluation summary details the qualitative and quantitative analysis of the bids. Based upon these findings, it was concluded that the lowest responsive bid is from Yellow Jacket Drilling Services LLC. The bids ranged from 10% below to 10% above the engineer's estimate of \$296,560.

<b>Firm</b>	<b>Bid Price</b>
Yellow Jacket Drilling Services LLC	\$265,720
Cascade Drilling L.P.	\$327,100

The Yellow Jacket bid documents were reviewed and confirmed for conformance with requirements of applicable grant agreements.

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

**Board of Directors:**     Approved         Continued         Denied

**CDA GM/CEO Acknowledgement:** \_\_\_\_\_ **Date:** \_\_\_\_\_



This recommendation was reviewed by the Sponsor Group and TAC on April 10, 2018 and the Finance Committee on April 19, 2018.

Award of the contract for the Drilling, Construction, Development, and Testing of CDA Monitoring Wells II-MW3 and II-MW4 is recommended to Yellow Jacket Drilling Services LLC as the lowest responsive and responsible bidder in the not-to-exceed amount of \$265,720. It is also recommended that the Board authorize the General Manager/CEO to approve expenditures up to a total of \$292,292.

**ENVIRONMENTAL REVIEW:**

The Board adopted environmental documentation and a mitigation monitoring and reporting plan for the project on January 6, 2011.

**IMPACT ON BUDGET:**

Funding to cover the contract amount is available in the project account via deposits of grant funding received from USBR by IEUA.

**ATTACHMENT:**

- 1) Bid Evaluation Summary

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

Page 2 of 2

**Board of Directors:**     Approved         Continued         Denied

**CDA GM/CEO Acknowledgement:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Drilling, Construction, Development, and Testing  
Chino Basin Desalter Authority Monitoring Wells II-MW3 and II-MW4**

**BID EVALUATION  
DRILLING, CONSTRUCTION, DEVELOPMENT, AND TESTING OF TWO (2)  
MONITORING WELLS**

**Engineer's Estimate**

**Yellow Jacket**

**Cascade Drilling**

<b>Item No.</b>	<b>Description</b>	<b>Qty</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Total Item Price</b>	<b>Unit Price</b>	<b>Total Item Price</b>	<b>Unit Price</b>	<b>Total Item Price</b>
1	Mobilization and demobilization of all equipment to project area staging location, including site preparation, drilling permits as required, cleanup, and restoration of each site.	2	ls	\$30,000 lump sum	\$60,000	\$6,500 lump sum	\$13,000	\$15,000 lump sum	\$30,000
2	Containment and proper disposal of all drill cuttings, drilling fluid, and groundwater waste, as specified.	2	wells	\$20,000 per well	\$40,000	\$20,000 per well	\$40,000	\$23,000 per well	\$46,000
3	Drill nominal 6 inch diameter dual-wall reverse circulation borehole, collect formation samples at 5 ft intervals.	1,000	ft	\$50 per foot	\$50,000	\$50 per foot	\$50,000	\$80 per foot	\$80,000
4	Provide geophysical borehole logs as specified.	2	sets	\$6,000 per set	\$12,000	\$12,500 per set	\$25,000	\$5,750 per set	\$11,500
5	Ream 6 inch dual-wall borehole to 12 inch diameter using mud rotary drilling method, as specified.	1,000	ft	\$50 per foot	\$50,000	\$30 per foot	\$30,000	\$70 per foot	\$70,000
6	Furnish and install 4 in. diameter sch 80 PVC casing and screen as single-completion monitoring wells, as specified.	984	ft	\$15 per foot	\$14,760	\$30 per foot	\$29,520	\$25 per foot	\$24,600
7	Furnish and install filter pack and annular seals, as specified.	1,000	ft	\$25 per foot	\$25,000	\$30 per foot	\$30,000	\$28 per foot	\$28,000
8	Perform initial development of 4 in. sch 80 diameter monitoring wells by swabbing and airlifting, as specified.	40	hr	\$350 per hour	\$14,000	\$400 per hour	\$16,000	\$250 per hour	\$10,000
9	Perform final development of 2 in. sch 80 diameter monitoring wells by pumping and surging, as specified.	48	hr	\$350 per hour	\$16,800	\$400 per hour	\$19,200	\$250 per hour	\$12,000
10	Collect title 22 water quality samples from each well following development	2	sets	\$5,000 per set	\$10,000	\$5,000 per set	\$10,000	\$4,500 per set	\$9,000
11	Furnish and install monument style protective well covers as wellhead completions, as specified.	2	wells	\$2,000 per well	\$4,000	\$1,500 per well	\$3,000	\$3,000 per well	\$6,000
<b>TOTAL PRICE (Items 1 - 11):</b>					<b>\$296,560</b>		<b>\$265,720</b>		<b>\$327,100</b>



# **Finance Committee Meeting**

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## **Agenda Item**

**No. 4**

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**SUBJECT: MONTHLY CREDIT CARD ACTIVITY REPORT FOR FEBRUARY 2018**

**RECOMMENDATION:**

It is recommended that the Committee review the attached credit card activity report for February 2018.

**BACKGROUND:**

This report covers the month of February 2018, for which there was \$75.84 in purchases.

**IMPACT ON BUDGET:**

The credit card expenditures were made against the adopted budget for FY17/18.



**MONTHLY LOG OF CREDIT CARD TRANSACTIONS**

Card No. xxxx xxxx xxxx 4738

Month: February 10, 2018 - March 9, 2018

\* Please attach all **ORIGINAL** receipts for each transaction and proof of purchase if the charge is a Web purchase.

Cardholder's Name: Chino Basin Desalter/Curtis D. Paxton

Date	User Name	Site	Vendor	Description	Amount	Account # GL/JL
4/12/2018	Casey Costa	Chino I	Signazon	White Vinyl Sign with Overlaminat	\$ 75.84	10-2-100-5210
<b>TOTAL RECEIPTS</b>					\$ 75.84	
<b>illed Amount on Credit Card Str</b>					\$ 75.84	
<b>Difference</b>					\$ -	

*Curtis D. Paxton*

Authorized Signature: \_\_\_\_\_

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



CHINO BASIN DESALTER

WorldPoints

February 10, 2018 - March 09, 2018

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	Account Summary
New Balance Total ..... \$75.84	Previous Balance ..... \$501.97
<b>Minimum Payment Due ..... \$75.84</b>	Payments and Other Credits ..... -\$501.97
<b>Payment Due Date ..... 04/05/18</b>	Balance Transfer Activity ..... \$0.00
<b>Late Payment Warning:</b> If we do not receive your minimum payment by the date listed above. You may have to pay a fee based on the outstanding balance on the fee assessment date: \$19.00 for balance less than \$100.01 \$29.00 for balance less than \$1,000.01 \$39.00 for balance less than \$5,000.01 \$49.00 for balance equal to or greater than \$5,000.01	Cash Advance Activity ..... \$0.00
	Purchases and Other Charges ..... \$75.84
	<b>Fees Charged ..... \$0.00</b>
	<b>Finance Charge ..... \$0.00</b>
	New Balance Total ..... \$75.84
	Credit Limit ..... \$10,000
	Credit Available ..... \$9,924.16
<b>Minimum Payment Warning:</b> 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.	Statement Closing Date ..... 03/09/18
	Days in Billing Cycle ..... 28

Cardholder Activity Summary							
Account Number	Credit Limit	Total Activity	Payments and Other Credits	Balance Transfer Activity	Cash Advance Activity	Purchases and Other Charges	Fees Charged
PAXTON, CURTIS D	10,000	75.84	0.00	0.00	0.00	75.84	0.00

0050197 0007584 0007584

BUSINESS CARD  
PO BOX 15796  
WILMINGTON, DE 19886-5796

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

Account Number:  
February 10, 2018 - March 09, 2018

New Balance Total ..... \$75.84  
**Minimum Payment Due ..... \$75.84**  
Payment Due Date ..... 04/05/18

Enter payment amount

\$ [input boxes]

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

**Transactions**

Posting Date	Transaction Date	Description	Reference Number	Amount
<b>CHINO BASIN DESALTER</b>				
<b>Account Number: 4738</b>				
<b>Payments and Other Credits</b>				
03/08	03/08	AUTO PAYMENT DEDUCTION		- 501.97
<b>TOTAL PAYMENTS AND OTHER CREDITS FOR THIS PERIOD</b>				<b>-\$501.97</b>
<b>PAXTON, CURTIS D</b>				
<b>Account Number: 4883</b>				
<b>Purchases and Other Charges</b>				
02/13	02/12	SIGNAZON.COM	214-2960022 TX	75.84
				25265088044000012092839
<b>TOTAL PURCHASES AND OTHER CHARGES FOR THIS PERIOD</b>				<b>\$75.84</b>

**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	22.49% V	\$0.00	\$0.00
CASH	25.49% 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](http://bankofamerica.com/businesschipcard).

YOUR AUTOMATIC PAYMENT IS SCHEDULED TO BE CREDITED TO THIS ACCOUNT ON 04/05/2018.

**WorldPoints Rewards for Business™ Summary**

Beginning Balance	1,480.96	Other Bonuses	.00
Earned	183.79		
Redeemed	.00		
Adjustments	.00	<b>Ending Balance</b>	<b>1,664.75</b>

Redeem your points for cash, gift cards and travel by calling 1.800.673.1044, or visit [bankofamerica.com/business](http://bankofamerica.com/business)