

**SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF THE
CHINO BASIN DESALTER AUTHORITY**

**MINUTES
June 4, 2020**

The Special Meeting of the Board of Directors of the Chino Basin Desalter Authority was held via teleconference and videoconference on the above date. The meeting was called to order at 2:00 p.m. by Director Haughey, City of Chino.

Directors Present:

Tom Haughey, City of Chino - Chair
Betty Anderson, Jurupa Community Services District – Vice Chair
Jim Bowman, City of Ontario - Secretary
Peter Rogers, City of Chino Hills
Greg Newton, City of Norco
Kati Parker, Inland Empire Utilities Agency
Vicki Rupe, Santa Ana River Water Company
Don Galleano, Western Municipal Water District

Directors Absent:

None

Others Present:

Thomas O'Neill, CDA General Manager/CEO
Todd Minten, CDA Operations Manager
Jose Garcia, CDA Principal Accountant
Michael Chung, CDA CFO/Treasurer
Casey Costa, CDA Executive Assistant
Allison Burns, CDA Deputy General Counsel
Chris Bonadurer, City of Ontario
Ben Armel, Jurupa Community Services District
Derek Kawaii, Western Municipal Water District
Cindy Miller, Hazen & Sawyer

MOMENT OF SILENCE

In Memory of Director Robert Stockton, Western Municipal Water District

PUBLIC COMMENT ON NON-AGENDA ITEMS

There were no public comments.

ACTION ITEMS

1. MINUTES OF MAY 7, 2020 SPECIAL BOARD MEETING

Motion: It was moved by Director Newton/City of Norco and seconded by Director Rogers/City of Chino Hills to approve Action Item 1

Motion carried:

Ayes: Tom Haughey, City of Chino
Peter Rogers, City of Chino Hills
Betty Anderson, Jurupa Community Services District
Greg Newton, City of Norco
Jim Bowman, City of Ontario
Vicki Rupe, Santa River Water Company
Don Galleano, Western Municipal Water District

Noes: None

Absent: None

Abstained: None

2. CONSIDERATION AND POSSIBLE ACTION REGARDING SHORT-TERM FINANCING OF THE CHINO I DESALTER GRANULAR ACTIVATED CARBON (GAC) CAPITAL PROJECT

Report By: Michael Chung, CDA CFO/Treasurer

Staff Recommendation:

1. Staff recommends that the Board consider the option of short-term financing of the Chino I Desalter Granular Activated Carbon (GAC) Capital Project;
2. Authorize the CFO/Treasurer to initial borrowing of \$2.1 Million from the CDA's current reserve.

Treasurer Chung reviewed the option of financing the Chino I Desalter Granular Activated Carbon (GAC) Project of \$2.1 Million by borrowing from the current CDA reserve and scheduling replenishments throughout the next two fiscal years. Consideration of this item is presented as an option, due to the impact of COVID-19 and the resulting potential loss of revenues to CDA's member agencies. This would defer the required \$2.1 Million capital funding for the GAC Project, which would impact the FY 2020/21 budget by \$60/AF. Repayment to the reserves would occur during FY 2021/22 and FY 2022/23 at \$30/AF each year.

Director Anderson/JCSD asked when the Chino GAC Project will begin. General Manager O'Neill replied that construction is anticipated to begin by December 2020 and will be completed in 2021. There were no further questions or comments.

Motion: It was moved by Director Rogers/City of Chino Hills, seconded by Director Anderson/Jurupa Community Services District to approve financing of the GAC Project by borrowing \$2.1 Million from the CDA reserves, to be replenished in FY 2021/22 and FY 2022/23 and authorized the CFO/Treasurer to complete the transaction.

Motion carried:

Ayes: Tom Haughey, City of Chino
Peter Rogers, City of Chino Hills
Betty Anderson, Jurupa Community Services District
Greg Newton, City of Norco
Jim Bowman, City of Ontario
Vicki Rupe, Santa River Water Company
Don Galleano, Western Municipal Water District

Noes: None

Absent: None

Abstained: None

3. ADOPTION OF FISCAL YEAR 2020/21 CAPITAL AND O&M BUDGET

Report By: Jose Garcia, CDA Principal Accountant

Staff Recommendation:

1. Approve the adoption of the proposed Fiscal Year 2020/21 Capital and O&M Budget in accordance with the Authority's Joint Powers Authority Agreement.

Principal Accountant Garcia reviewed the proposed FY 20/21 budget for Chino I and Chino II Desalter and capital budget, with anticipated water production of 35,200 Acre Feet (AF) and compared proposed budget with approved budget for FY 2019/20. He noted that cost of water shown in the presentation, ranging from \$827/AF to \$1,080/AF, includes \$2.1 Million for the GAC project, which will decrease by \$60/AF due to approval of Item 2. There were no questions or comments.

Motion: It was moved by Director Anderson/Jurupa Community Services District and seconded by Director Bowman/City of Ontario to approve Action Item 3

Motion carried:

Ayes: Tom Haughey, City of Chino
Peter Rogers, City of Chino Hills
Betty Anderson, Jurupa Community Services District
Greg Newton, City of Norco
Jim Bowman, City of Ontario
Vicki Rupe, Santa River Water Company
Don Galleano, Western Municipal Water District

Noes: None

Absent: None

Abstained: None

4. ACCEPT QUITCLAIM OF 30-INCH WATER PIPELINE OWNED AND MAINTAINED BY WESTERN MUNICIPAL WATER DISTRICT TO THE CHINO BASIN DESALTER AUTHORITY

Report By: Thomas O'Neill, CDA General Manager/CEO

Staff Recommendation:

1. Authorize the General Manager/CEO to accept on behalf of CDA the Quitclaim Deed from Western Municipal Water District for a segment of 30-inch water pipeline in Old Hamner Road.

General Manager O'Neill reviewed the recommendation to authorize the acceptance of the Quitclaim Deed from Western Municipal Water District. He reviewed that the Interagency Agreement between CDA, Western and City of Norco was executed in 2013 to facilitate water delivery between CDA and the Arlington Desalter and addressed ownership of facilities in connection the expansion project. The agreement stipulated that Western quitclaim a segment of 30-inch water pipeline in Old Hamner Road, west of the I-15 and in a portion of Detroit Street to CDA. There were no questions or comments.

Motion: *It was moved by Director Rogers/City of Chino Hills and seconded by by Director Anderson/Jurupa Community Services District to approve Action Item 4.*

Motion carried:

Ayes: Tom Haughey, City of Chino
Peter Rogers, City of Chino Hills
Betty Anderson, Jurupa Community Services District
Greg Newton, City of Norco
Jim Bowman, City of Ontario
Vicki Rupe, Santa River Water Company
Don Galleano, Western Municipal Water District

Noes: None

Absent: None

Abstained: None

5. SOUTH ARCHIBALD PLUME CLEANUP PROJECT: CLOSE-OUT CHANGE ORDERS TO GWINCO CONSTRUCTION CONTRACT CDASAP-19-07 FOR PLUME RAW WATER PIPELINE PROJECT PHASE 1 (SPECIFICATION NO. CDASAP-19-07)

Report By: Cindy Miller, South Archibald Plume Program Manager

Staff Recommendation:

1. Approve Close-out Change Orders #8 through #13 to the construction contract CDASAP-19-07 for Gwinco Construction & Engineering, Inc. for construction of the Raw Water Pipeline Project Phase 1 (Specification No. CDASAP-19-07) for a total revised contract amount of \$1,644,465.26.
2. Authorize the General Manager/CEO to close out the contract with Gwinco and file a Notice of Completion.

Program Manager Miller reviewed the recommendation to approve Close-out Change Orders 8 through 13 for the construction contract with Gwinco Construction & Engineering, Inc. for construction of the Raw Water Pipeline Project Phase 1 for the South Archibald Plume Project. Change orders include the realignment of a nearby gas line and final close-out items negotiated with the Contractor upon completion of work in the field. General Manager O'Neill approved change orders 1 through 7 under his authorization limit and change order 8 resulted in an exceedance of his limit. Approval of change orders 8 through 13 is recommended for a total revised contract amount of \$1,644,465.26, which represents a required approval of \$52,473.26 above the previous authorization limit. There were no questions or comments.

Motion: It was moved by Director Rogers/City of Chino Hills and seconded by Director Newton/City of Norco to approve Action Item 5.

Motion carried:

Ayes: Tom Haughey, City of Chino
Peter Rogers, City of Chino Hills
Betty Anderson, Jurupa Community Services District
Greg Newton, City of Norco
Jim Bowman, City of Ontario
Vicki Rupe, Santa River Water Company
Don Galleano, Western Municipal Water District

Noes: None

Absent: None

Abstained: None

6. SOUTH ARCHIBALD PLUME CLEANUP PROJECT: PURCHASE AND SALE AGREEMENT WITH TARPON PROPERTY OWNERSHIP 2 LLC FOR EASEMENT FOR PHASE 2 PIPELINE

Report By: Cindy Miller, South Archibald Plume Program Manager

Staff Recommendation:

1. Authorize the General Manager to execute a Purchase and Sale Agreement at the Purchase Price of \$104,255.84, with additional landscaping restoration budget not-to-exceed \$130,000.00, with Tarpon Property Ownership 2 LLC for an easement for construction of a portion of the Phase 2 Raw Water Pipeline along Bellegrave Avenue west of the Interstate-15 crossing, subject to non-substantive changes agreed to by the General Manager/CEO and General Counsel.
2. Authorize General Manager/CEO to execute all documents necessary to close escrow.

Program Manager Miller reviewed that construction of the Phase 2 Raw Water Pipeline connecting VOC wells to the Chino II Desalter will require access to property adjacent to Bellegrave Avenue west of the I-15. She reviewed the recommendation to approve the purchase of a permanent 14-foot wide utility easement approximately 400 feet long along

the pipeline alignment, a permanent easement approximately 0.04 acres extending the existing right-of-way, and a temporary 10-foot wide construction easement allowing access during the construction period. There were no questions or comments.

Motion: It was moved by Director Anderson/Jurupa Community Services District and seconded by Director Bowman/City of Ontario to approve Action Item 6.

Motion carried:

Ayes: Tom Haughey, City of Chino
Peter Rogers, City of Chino Hills
Betty Anderson, Jurupa Community Services District
Greg Newton, City of Norco
Jim Bowman, City of Ontario
Vicki Rupe, Santa River Water Company
Don Galleano, Western Municipal Water District

Noes: None

Absent: None

Abstained: None

7. SOUTH ARCHIBALD PLUME PROJECT: AMENDMENT 6 TO WEBB'S AGREEMENT FOR DESIGN OF CHINO II WELL FIELDS SYSTEM EXPANSION PIPELINES

Report By: Cindy Miller, South Archibald Plume Program Manager

Staff Recommendation:

1. Approve an amendment to the professional services agreement with Albert A. Webb Associates for engineering design services in the not-to-exceed amount of \$133,230; and
2. Authorize the General Manager/CEO to finalize and execute the amendment, with subsequent authorizations up to a not-to-exceed total of \$1,148,000.

Program Manager Miller reviewed the recommendation to approve an amendment to the agreement with Albert A. Web Associates for design services in the amount of \$133,230. She reviewed that concurrent projects in the area impacted the proposed pipeline alignment, and coordination efforts have required modification of the original design contract, resulting in previous amendments to the contract. As the project is in the construction phase for the pipelines, additional scope has been identified including well site utilities design, additional activities for Remington plans and additional project and construction support. There were no questions or comments.

Motion: It was moved by Director Bowman/City of Ontario and seconded by Director Newton/City of Norco to approve Action Item 7.

Motion carried:

Ayes: Tom Haughey, City of Chino
Peter Rogers, City of Chino Hills
Betty Anderson, Jurupa Community Services District
Greg Newton, City of Norco
Jim Bowman, City of Ontario
Vicki Rupe, Santa River Water Company
Don Galleano, Western Municipal Water District

Noes: None

Absent: None

Abstained: None

8. CDA EMPLOYEE HANDBOOK

Report By: Thomas O'Neill, CDA General Manager/CEO

Staff Recommendation:

1. Approve the Chino Basin Desalter Authority Employee Handbook.

General Manager O'Neill reviewed the recommendation to approve the proposed CDA Employee Handbook, containing Board approved policies and benefits, and procedures to comply with current federal and state laws.

Motion: *It was moved by Director Haughey/City of Chino and by Director Anderson/Jurupa Community Services District to approve Action Item 8.*

Motion carried:

Ayes: Tom Haughey, City of Chino
Peter Rogers, City of Chino Hills
Betty Anderson, Jurupa Community Services District
Greg Newton, City of Norco
Jim Bowman, City of Ontario
Vicki Rupe, Santa River Water Company
Don Galleano, Western Municipal Water District

Noes: None

Absent: None

Abstained: None

9. CONSIDERATION AND POSSIBLE ACTION ON RESCHEDULING THE REGULAR JULY 2020 BOARD MEETING

Consideration of rescheduling the July Board Meeting due to the 4th of July holiday was presented for discussion. All Board Members in attendance indicated they will be available to attend the Regular Board Meeting on July 2, 2020 and no action was taken.

INFORMATION ITEMS

10. ENGAGEMENT LETTER OF THE EXTERNAL AUDITOR

Report by: Michael Chung, CDA CFO/Treasurer

Treasurer Chung presented the engagement letter from Rogers, Anderson, Malody & Scott, notifying the Board of Directors of their intention to provide auditing services according to CDA's request.

STAFF COMMENTS

- i. Deputy CDA General Counsel, Allison Burns had no comments.
- ii. CDA CFO/Treasurer, Michael Chung had no comments.
- iii. CDA General Manager/CEO, Thomas O'Neill reported that average water deliveries for May 2020 exceeded goal by approximately 50 acre feet and commended operations staff for this achievement. Executive Assistant Costa presented video of the CDA administrative office.

CLOSED SESSION

The Authority 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).

11. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: CONSIDERATION OF INITIATION OF LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(D)(4) (TWO POTENTIAL CASES)

12. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: SIGNIFICANT EXPOSURE TO LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(D)(2) (ONE POTENTIAL CASES)

The Board did not enter into Closed Session

DIRECTOR COMMENTS

Director Anderson/JCSD suggested that a replacement be considered for the Board Member representing CDA on the ACWA/JPIA Board of Directors. Deputy General Counsel Burns replied that the appointment will require Board action.

Director Galleano/WMWD thanked CDA Board Members and staff for recognizing the loss of Director Stockton, Western Municipal Water District, with the moment of silence. Each Director spoke of their relationship with Director Stockton and expressed their sadness and sympathy for his family and WMWD Board Members and staff.

ADJOURNMENT – There being no further business to come before the Board, the meeting was adjourned at 2:47 p.m., in the memory of Director Robert Stockton.



Secretary of the Board of Directors/cc