

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

**MINUTES**

**June 7, 2018**

The Special Meeting of the Board of Directors of the Chino Basin Desalter Authority was held at the City of Ontario, 303 E. "B" Street, Ontario, CA, on the above date. The meeting was called to order at 2:00 p.m. by Greg Newton, City of Norco.

**Directors Present:**

Greg Newton, City of Norco, Chair  
S.R. "Al" Lopez, Western Municipal Water District, Vice Chair  
Tom Haughey, City of Chino, Secretary  
Peter Rogers, City of Chino Hills  
Jim Bowman, City of Ontario  
Jasmin Hall, Inland Empire Utilities Agency  
Betty Anderson, Jurupa Community Services District  
J. Arnold Rodriguez, Santa Ana River Water Company

**Directors Absent:**

None

**Others Present:**

Curtis Paxton, CDA General Manager/CEO  
Todd Minten, CDA Operations Manager  
Allison Burns, CDA Deputy General Counsel  
Michael Chung, CDA CFO/Treasurer  
Jose Garcia, CDA Principal Accountant  
Casey Costa, CDA Executive Assistant  
Dave Crosley, City of Chino  
Scott Burton, City of Ontario  
Todd Corbin, Jurupa Community Services District  
Bryan Smith, Jurupa Community Services District

**FLAG SALUTE**

The Pledge of Allegiance was led by Director Lopez/WMWD

**PUBLIC COMMENT ON NON-AGENDA ITEMS**

None

## **ACTION ITEMS**

### **1. MINUTES OF MAY 3, 2018 SPECIAL BOARD MEETING**

**Motion:** *It was moved by Director Anderson/JCSD seconded by Director Bowman/Ontario to approve Action Item 1.*

**Motion carried:**

**Ayes:** *T. Haughey/Chino, P. Rogers/Chino Hills, G. Newton/Norco, J. Bowman/Ontario, B. Anderson/JCSD, J.A. Rodriguez/SARWC, S.R. Lopez/MMWD*

**Noes:** *None*

**Absent:** *None*

**Abstained:** *None*

### **2. ADOPTION OF FY2018/19 CAPITAL AND O&M BUDGET**

Report by: Jose Garcia, CDA Principal Accountant

1. Approve the proposed FY2018/19 Capital and O&M Budget in accordance with the Authority's Joint Powers Authority Agreement.

Principal Accountant Garcia reviewed the proposed Capital and Operations and Maintenance budgets for Fiscal Year 2018/2019. He reviewed key assumptions including water production of 35,200 Acre Feet (AF), which includes Phase 3 production. He reviewed average cost of water, new funding for Phase 3 Expansion Project and Fixed Project Costs. He reviewed proposed revenues and expenses compared to FY 2017/18 budget, 2018/19 Capital Budget including Phase 3 and South Archibald Plume Project, and 2018/19 Reserve Summary.

Director Haughey/Chino commented that the Chino II plant produces about 1/3 more than Chino I at a cost of about 50% more. Principal Accountant Garcia replied that the costs vary for each plant, including increased costs for labor, chemicals and disposal fees for the Concentrate Reduction Facility at Chino II. He added that 2018/19 is the first full year that CDA will operate the CRF and after this year the budget will be adjusted as actual costs are realized.

Director Newton commented that the average cost of water ranges from \$693 to \$943 and asked why there was such a wide range. Principal Accountant Garcia replied that two members do not pay debt service, which accounts for about \$250/AF.

**Motion:** *It was moved by Director Haughey/Chino seconded by Director Bowman/Ontario to approve Action Item 2.*

**Motion carried:**

**Ayes:** T. Haughey/Chino, P. Rogers/Chino Hills, G. Newton/Norco, J. Bowman/Ontario, B. Anderson/JCSD, J.A. Rodriguez/SARWC, S.R. Lopez/MMWD.

**Noes:** None

**Absent:** None

**Abstained:** None

**STAFF COMMENTS**

- (i) CDA Deputy General Counsel Allison Burns had no comments.
- (ii) CDA CFO/Treasurer, Michael Chung was not present.
- (iii) CDA General Manager/CEO, Curtis Paxton reminded the Board that the Regular July Board Meeting has been rescheduled for July 12, 2018. He also addressed the limited parking at City of Ontario City Hall, particularly during the day and time the CDA Board Meeting is scheduled. He commented that there is ample parking available in lot north of the Library if the main parking lot is full.

**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).*

- 3. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:  
SIGNIFICANT EXPOSURE TO LITIGATION PURSUANT TO GOVERNMENT CODE  
SECTION 54956.9(D)(2)  
(TWO POTENTIAL CASES)**
- 4. **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**
- 5. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:  
CONSIDERATION OF INITIATION OF LITIGATION PURSUANT TO GOVERNMENT  
CODE SECTION 54956.9(D)(4)  
(ONE POTENTIAL CASE)**

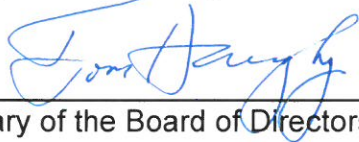
The Board recessed into Closed Session at 2:17 p.m. and reconvened at 2:33 p.m.

Deputy General Counsel Burns reported that the Board gave direction to staff and legal counsel. There was no reportable action.

**DIRECTOR COMMENTS**

There were no comments.

**ADJOURNMENT** – There being no further business to come before the Board, the meeting was adjourned at 2:34 p.m.



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Secretary of the Board of Directors/cc