



**CHINO BASIN
DESALTER
AUTHORITY**

SPECIAL MEETING OF THE BOARD OF DIRECTORS

**January 8, 2026
2:00 P.M.**

Video conference:

<https://us02web.zoom.us/j/81352059101?pwd=M01uOEVteVBCTnVyZ0tKVUxrb1hHdz09>

-or- <https://zoom.us/> Zoom Meeting ID: 813 5205 9101 Passcode: 380557

Dial-in #: (669) 900 6833 Zoom Meeting ID: 813 5205 9101 Passcode: 380557

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

3550 E. Philadelphia Street, Suite 170, Ontario, CA 91761

JANUARY 8, 2026 AT 2:00 P.M.

NOTICE AND AGENDA

OTHER TELECONFERENCE LOCATIONS LISTED BELOW

Public access is also available via remote teleconference:

<https://us02web.zoom.us/j/81352059101?pwd=M01uOEVteVBCTnVyZ0tKVUxrb1hHdz09>

Dial-in #: (669) 900 6833 Zoom Meeting ID: 813 5205 9101 Passcode: 380557

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

Members of the public may address the Board on any item that is within the jurisdiction of the Chino Basin Desalter Authority; 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 submit their request to comment to the Board Secretary prior to the start of the meeting at (909) 218-3730 or ccosta@chinodesalter.org. Comments will be limited to three minutes per speaker. Under the provisions of the Brown Act, the CDA Board is prohibited from taking action on non-agendized matters. However, the Board may respond briefly or refer the communication to staff. The CDA Board may also request the Secretary to calendar an item related to your communication at a future CDA Board Meeting.

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.

CONSENT CALENDAR ITEMS

Consent Calendar items are expected to be routine and non-controversial to be acted upon by the Board at one time without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Consent Calendar, it will be moved to the first item on the Action Items

1. MINUTES OF DECEMBER 4, 2025 SPECIAL BOARD MEETING

Report By: Casey Costa, CDA Executive Assistant

2. BUDGET VARIANCE ANALYSIS FOR THE QUARTER ENDED SEPTEMBER 30, 2025

Report By: Christine Convento, CDA CFO/Treasurer

ACTION ITEMS

Prior to action of the CDA Finance Committee, any member of the audience will have the opportunity to address the CDA Board on any item listed on the agenda, including those on any consent calendar. Please submit a comment card to the secretary with the agenda item number noted.

3. AWARD OF CONSTRUCTION CONTRACT - CHINO I AND CHINO II DESALTERS WATER SOFTENERS PROJECT

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

Staff Recommendation:

1. Award a construction contract to SCW Contracting Corporation, for the Chino I and II Desalters Water Softeners Replacement Project in the amount of \$2,162,698; and
2. Authorize the General Manager/CEO to execute the contract and approve authorized change orders up to \$2,270,833 of the contract amount; and
3. Approve use of available funds from the Water Softener CIP Reserve and Infrastructure Maintenance/Replacement Reserve.

4. PROFESSIONAL SERVICES AGREEMENT WITH BUTIER ENGINEERING, INC. FOR INSPECTION SERVICES FOR CHINO I AND CHINO II DESALTERS WATER SOFTENER PROJECT

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

Staff Recommendation:

1. Approve a professional services agreement with Butier Engineering, Inc. for inspection services for the Chino I and Chino II Desalters Water Softener Project in the not-to-exceed amount of \$122,800.
2. Authorize the General Manager/CEO to finalize and execute the agreement, with subsequent authorizations up to a not-to-exceed total of \$122,800.

5. PURCHASE OF ANTISCALANT PUMP SKIDS FOR THE CHINO II DESALTER

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

Staff Recommendation:

1. Approve the sole source purchase from D&H Water Systems for two Antiscalant Inhibitor Pump Skids for the Chino II desalter in the amount of \$62,700.

6. REJECT ALL BIDS FOR THE CHINO I & CHINO II COATING PROJECTS 2025

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

Staff Recommendation:

1. Discuss and provide direction regarding stipend amounts for the members of the CDA Board of Directors.

7. AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT WITH TOM DODSON & ASSOCIATES FOR ENVIRONMENTAL CONSULTING SERVICES FOR CDA MONITORING WELLS AND EXTRACTION WELLS

Report by: Thomas O’Neill, CDA General Manager/CEO

Staff Recommendation:

1. Approve an amendment to the professional services agreement with Tom Dodson & Associates for environmental consulting services in the not-to-exceed amount of \$11,805; and

8. PURCHASE OF SPARE RO INTERSTAGE PUMP AND MOTOR FOR THE CHINO II DESALTER

Report by: Thomas O’Neill, CDA General Manager/CEO

Staff Recommendation:

1. Approve the sole source purchase from Afton Pumps Inc. for a spare RO interstage Pump and motor for the Chino II desalter in the amount of \$96,875.00.

9. ELECTION OF OFFICERS OF CHINO BASIN DESALTER AUTHORITY BOARD OF DIRECTORS

Report by: Thomas O’Neill, CDA General Manager/CEO

Staff Recommendation:

1. Elect a Chairperson and Vice-Chairperson of the Board of Directors of the Chino Basin Desalter Authority for the calendar year 2026.

10. CHINO BASIN DESALTER AUTHORITY BOARD OF DIRECTORS COMMITTEE APPOINTMENTS

Report by: Thomas O’Neill, CDA General Manager/CEO

Staff Recommendation:

1. Appoint members of the Board of Directors of the Chino Basin Desalter Authority to the Finance Committee for calendar year 2026.

11. APPOINTMENT OF REPRESENTATIVE ON THE ACWA/JPIA BOARD OF DIRECTORS

Report by: Thomas O’Neill, CDA General Manager/CEO

Staff Recommendation:

1. Appoint a Representative on the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA) Board of Directors.

STAFF COMMENTS

Deputy CDA General Counsel, Allison Burns
CDA CFO/Treasurer, Michael Chung
CDA General Manager/CEO, Thomas O’Neill

CLOSED SESSION

- 12. **CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(1): Chino Basin Desalter Authority v. Leatherwood Construction et al.**
- 13. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: CONSIDERATION OF INITIATION OF LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(D)(4) (ONE POTENTIAL CASE)**
- 14. **CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(1): IN RE: AQUEOUS FILM-FORMING FOAMS PRODUCTS LIABILITY LITIGATION; MDL No.: 2:18-mn-2873-RMG**

DIRECTOR COMMENTS

ADJOURN

One or more board members will participate from the following meeting location(s) : 5000 Willows Rd., Alpine, CA 91901; 303 E. “B” St., Ontario, CA 91764,

Any person with a disability who requires accommodations in order to participate in this meeting or for package materials in an alternative format should telephone the Executive Assistant at (909) 218-3730, at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation. Copies of records provided to Members which relate to any agenda item to be discussed in open session may be obtained from Chino Basin Desalter Authority at 3550 E. Philadelphia Street, Suite 170, Ontario, CA 91761.

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 at the Chino Basin Desalter Authority’s main office, 3550 E. Philadelphia Street, Suite 170, Ontario, CA by January 5, 2026 at 2:00 p.m.



Casey Costa, Executive Assistant



Agenda Item No. 1

CHINO BASIN DESALTER AUTHORITY
SPECIAL MEETING OF THE BOARD OF DIRECTORS MINUTES
DECEMBER 4, 2025 AT 2:00 P.M.

A Special Meeting of the Board of Directors of the Chino Basin Desalter Authority (CDA) was called to order at 2:00 PM

Committee Members Present:

Curtis Burton, City of Chino
Peter Rogers, City of Chino Hills
Frank Abacherli, Santa Ana River Water Company
Greg Newton, City of Norco
Ken McLaughlin, Jurupa Community Services District (Alternate)
Jim Bowman, City of Ontario
Steven Elie, Inland Empire Utilities Agency
Mike Gardner, Western Municipal Water District

Committee Members Absent:

None

Others Present:

Thomas O'Neill, CDA General Manager/CEO
Michael Chung, CDA CFO/Treasurer
Christine Convento, CDA Interim CFO/Treasurer
Lili David, CDA Senior Finance & Accounting Technician
Allison Burns, CDA Deputy General Counsel
Kevin Alexander, Inland Empire Utilities Agency
Raul Arevalo, Inland Empire Utilities Agency
Alyssa Coronado, Santa Ana River Water Company
Mary Hambel, Hazen & Sawyer

PUBLIC COMMENT

There were no public comments.

CONSENT CALENDAR ITEMS

- 1. MINUTES OF OCTOBER 2, 2025 REGULAR BOARD MEETING**
Report By: Casey Costa, CDA Executive Assistant
- 2. TREASURER'S FINANCIAL AFFAIRS REPORT FOR THE QUARTER ENDED SEPTEMBER 30, 2025**
Report By: Christine Convento, Interim CDA CFO/Treasurer
- 3. TREASURER'S REPORT ON GENERAL DISBURSEMENTS**
Report By: Christine Convento, Interim CDA CFO/Treasurer
- 4. INVESTMENT REPORT**
Report By: Christine Convento, Interim CDA CFO/Treasurer

Motion: It was moved by Gardner/Western Municipal Water District and seconded by Director Newton/City of Norco, to approve Consent Items 1-4.

Motion carried:

Ayes: Curtis Burton, City of Chino
Peter Rogers, City of Chino Hills
Frank Abacherli, Santa Ana River Water Company
Greg Newton, City of Norco
Ken McLaughlin, Jurupa Community Services District (Alternate)
Jim Bowman, City of Ontario
Mike Gardner, Western Municipal Water District

Noes: None

Abstain: None

Absent: None

ACTION ITEMS

5. APPROVAL OF A SOLE-SOURCE CONTRACT WITH AMERICAN WATER CHEMICALS (AWC) FOR THE SUPPLY OF ANTISCALANT

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

Staff Recommendation:

1. Approve a sole-source contract with AWC for the supply and delivery of Antiscalant AWC A-102 Si in the not-to-exceed amount of \$330,000; and
2. Authorize the General Manager/CEO to execute the contract and related documents on behalf of the Authority.

General Manager O'Neill reviewed the recommendation to award a sole-source contract to AWC for supply of antiscalant, critical in the RO process. He reported that CDA's 2025 pilot and full-scale testing of AWC A-102 Si antiscalant at Chino II showed improvement compared to the current product. The proposed sole-source agreement with AWC includes chemical supply and technical services such as system performance monitoring, scaling modeling, pilot validation, on-site support during initial membrane cleaning, and annual lab analyses and membrane autopsies. AWC's October 6, 2025 proposal offers a firm-fixed price of \$1.66/lb, with annual costs not to exceed \$330,000 for FY 2025/26. The contract runs through June 30, 2027, with future purchases subject to budget approval. There were no questions or comments.

Motion: It was moved by Director Gardner/Western Municipal Water District and seconded by Director Bowman/City of Ontario, to approve Action Item 5.

Motion carried:

Ayes: Curtis Burton, City of Chino
Peter Rogers, City of Chino Hills
Frank Abacherli, Santa Ana River Water Company
Greg Newton, City of Norco
Ken McLaughlin, Jurupa Community Services District (Alternate)
Jim Bowman, City of Ontario
Mike Gardner, Western Municipal Water District

Noes: None

Abstain: None

Absent: None

6. APPROVAL OF ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR 2024/2025

Report By: Christine Convento, Interim CDA CFO/Treasurer

Staff Recommendation:

1. Authorize the acceptance of the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ended June 30, 2025, and
2. Direct staff to appropriately disseminate the report as applicable to federal, state, and local agencies, financial institutions, bond rating agencies, and other relevant stakeholders.

Christine Convento, Interim CDA CFO/Treasurer reviewed the recommendations to authorize acceptance of the FY 2024–25 Annual Comprehensive Financial Report (ACFR) and direct staff to distribute it to applicable federal, state, and local agencies, financial institutions, bond rating agencies, and other relevant stakeholders. She presented a PowerPoint summarizing financial performance, including revenue by category and revenue trends, expenses by category and expense trends, and an overview of reserves.

Director Gardner/WMWD inquired whether CDA has a Reserve Policy. Interim CFO/Treasurer Christine Convento confirmed that CDA maintains a Reserve Policy, which is presented to and approved by the Board annually. Director Gardner/WMWD then asked whether the reserves are fully funded. Christine Convento explained that reserve funding status is evaluated and reported during the annual reconciliation process, including the funding status. General Manager O'Neill added that certain reserve components are standard, and that additional reserves for projects such as well development and PFAS, have been incorporated in recent years, resulting in an overall increase in reserve levels. There were no further questions.

Motion: It was moved by Director Burton/City of Chino and seconded by Director Abacherli/Santa Ana River Water Company, to approve Action Item 6.

Motion carried:

Ayes: Curtis Burton, City of Chino
Peter Rogers, City of Chino Hills
Frank Abacherli, Santa Ana River Water Company
Greg Newton, City of Norco
Ken McLaughlin, Jurupa Community Services District (Alternate)
Jim Bowman, City of Ontario
Mike Gardner, Western Municipal Water District

Noes: None

Abstain: None

Absent: None

7. ADOPTION OF LOCAL AGENCY INVESTMENT FUND, DEPOSITORY AGREEMENT INVESTMENT AND SIGNATORY RESOLUTIONS

Report By: Christine Convento, Interim CDA CFO/Treasurer

Staff Recommendation:

1. Adopt Resolution No. 2025-09, authorizing investment of monies in the Local Agency Investment Fund (LAIF);
2. Adopt Resolution No. 2025-10, authorizing and designating signatories of depository agreement, depository cards, deposits, transfers, checks, and withdrawal of funds; and
3. Adopt Resolution No. 2025-11, authorizing and designating signatories of transfer documents for the movement of funds and investment securities to safekeeping with a third-party custodian.

Christine Convento, Interim CDA CFO/Treasurer, reviewed the recommendation to adopt Resolutions No. 2025-09, 2025-10, and 2025-11, noting the resolutions were updated solely to reflect recent changes in CDA signatories, with no other material changes to authorized signers. There were no questions or comments.

Motion: It was moved by Director Rogers/City of Chino Hills and seconded by Director Burton/City of Chino, to approve Action Item 7.

Motion carried:

Ayes: Curtis Burton, City of Chino
Peter Rogers, City of Chino Hills
Frank Abacherli, Santa Ana River Water Company
Greg Newton, City of Norco
Ken McLaughlin, Jurupa Community Services District (Alternate)
Jim Bowman, City of Ontario
Mike Gardner, Western Municipal Water District

Noes: None

Abstain: None

Absent: None

8. ADJUSTMENT OF BOARD MEMBER STIPEND AMOUNTS

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

Staff Recommendation:

1. Discuss and provide direction regarding stipend amounts for the members of the CDA Board of Directors.

General Manager O'Neill noted that the stipend increase has been under discussion for some time and was reviewed by the Finance Committee, which recommended increasing the stipend to \$225 per meeting, subject to Board discussion. He reported that CDA's stipend was established in 2002 at \$150 per meeting and has not been adjusted since that time. **Nearby agencies that were polled** currently provide stipends ranging from \$134 to \$312 per meeting.

Director Newton asked whether there is any Government Code governing stipend amounts. Allison Burns, CDA Deputy General Counsel responded that there are no statutory limits applicable to JPAs; however, cities are subject to statutory limitations and formulas that govern maximum increases.

Motion: It was moved by Director Bowman/City of Ontario and seconded by Director Burton/City of Chino, to increase the stipend to \$225 per meeting and to approve Resolution No. 2025-12 establishing the compensation amount effective January 2026.

Motion carried:

Ayes: Curtis Burton, City of Chino
Peter Rogers, City of Chino Hills
Frank Abacherli, Santa Ana River Water Company
Greg Newton, City of Norco
Ken McLaughlin, Jurupa Community Services District (Alternate)
Jim Bowman, City of Ontario
Mike Gardner, Western Municipal Water District

Noes: None

Abstain: None

Absent: None

9. RESCHEDULING OF JANUARY 2026 BOARD OF DIRECTORS MEETING

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

Staff Recommendation:

1. Reschedule the CDA Board of Directors Meeting currently scheduled for January 1, 2026.

The Board discussed the January 2026 meeting is scheduled for January 1, 2026 and due to the holiday, it was recommended rescheduling the Board of Directors meeting to January 8, 2026, at 2:00 p.m.

Motion: It was moved by Director Gardner/WMWD and seconded by Director Burton/City of Chino, to reschedule the January 2026 Board Meeting to January 8, 2026 at 2:00pm.

Motion carried:

Ayes: Curtis Burton, City of Chino
Peter Rogers, City of Chino Hills
Frank Abacherli, Santa Ana River Water Company
Greg Newton, City of Norco
Ken McLaughlin, Jurupa Community Services District (Alternate)
Jim Bowman, City of Ontario
Mike Gardner, Western Municipal Water District

Noes: None

Abstain: None

Absent: None

INFORMATION ITEMS

10. QUARTERLY OPERATIONS REPORT

Report by: Thomas O’Neill, CDA General Manager/CEO

General Manager O’Neill reported that water deliveries totaled 9,428 AF, representing 107.1% of entitlements through September 2025. He provided an update on plant performance at Chino I and Chino II, noting that product water quality remains within goals, with nitrate and TDS below target levels. He also reported **on Well II-12 VOC baseline monitoring**. Product water is non-detect for TCE. Well I-20 **was** returned to service following repairs **and** Well II-1 **was** removed from service for rehabilitation **and** Well II-10 returned to service following rehabilitation.

On November 18, 2025, there were power outages in the area. When operations resumed, a 44-inch pipeline split, which was unprecedented and cause is unknown. TE Roberts completed the necessary repairs. General Manager O’Neil displayed photographs documenting the leak and subsequent repair.

STAFF COMMENTS

CDA Deputy General Counsel, Allison Burns - Legislative Update

CDA Deputy Counsel Burns reviewed recent legislative updates affecting the Brown Act and related governance requirements. Most provisions become effective January 1, 2026. New provisions allow Board members to participate remotely as a reasonable accommodation for disability under the ADA, subject to audio/video participation (unless disability precludes video), disclosure of other adults present, quorum counting, and documentation in the minutes. Remote participation under “just cause” consolidates prior emergency and just-cause categories and may be used up to twice per year per member, with notice requirements, in-person quorum, roll-call voting, protection of public participation rights, and suspension of meetings during technical disruptions.

Permanent changes authorize limited use of social media by individual members to share or solicit information or respond to public inquiries, while prohibiting discussion or debate among members on the same post. Agencies must now provide all members a hard copy of the Brown Act, the public may record meetings using any device, and presiding officers may remove disruptive participants, whether attending in person or remotely.

Additional teleconferencing options were discussed, including requirements that a quorum attend from public, in-jurisdiction locations, remote sites be at least 20 miles away, and limitations on use per member per year; compensated members must attend from locations open to the public. Amendments under AB 370 and AB 343 clarify standards for records-request extensions during emergencies, add cybersecurity incidents as a basis for extension, and reinforce timely public access. Amendments under AB 1286 expand Form 700 disclosure requirements, extend ethics training to senior administrative officers and department heads, and create a new recurring fiscal and financial training requirements.

Staff also noted future requirements effective July 1, 2026, applicable to certain large agencies (not applicable to CDA), including expanded remote public access, technical disruption policies, language interpretation services, and enhanced public meeting webpage requirements.

Board Recognition and Farewell

The Board recognized and bid farewell to Michael Chung, CFO/Treasurer. Mr. Chung thanked the Board and staff for their support over the years, expressed that he will miss working at the Authority, and extended holiday well wishes. The Board presented Mr. Chung with a Proclamation of Appreciation in recognition of his years of dedicated service.

General Manager O'Neill thanked Mr. Chung and expressed appreciation for his many years of dedicated service.

CLOSED SESSION

11. CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(1): Chino Basin Desalter Authority v. Leatherwood Construction et al.

12. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: CONSIDERATION OF INITIATION OF LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(D)(4) (ONE POTENTIAL CASE)

13. CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(1): IN RE: AQUEOUS FILM-FORMING FOAMS PRODUCTS LIABILITY LITIGATION; MDL No.: 2:18-mn-2873-RMG

The Board did not enter into Closed Session.

COMMITTEE MEMBER COMMENTS

Board Members thanked Michael Chung for his service and wished Board Members and staff happy holiday and new year.

ADJOURN

The Board of Directors Meeting adjourned at 2:50 p.m.



Agenda Item No. 2



Agenda Report
January 8, 2026
SECTION: CONSENT ITEM

SUBJECT: BUDGET VARIANCE ANALYSIS FOR THE QUARTER ENDED SEPTEMBER 30, 2025

RECOMMENDATION:

This is an informational item for the Board of Directors to review and file.

BACKGROUND:

This variance report presents CDA’s financial results for the three-month period ended September 30, 2025. It includes four schedules: (1) a consolidated summary covering Administration, Chino I, and Chino II; (2) Administration; (3) Chino I; and (4) Chino II.

ISSUES/ANALYSIS:

REVENUES

Under the FY2025/26 budget of \$43.6M, billed assessments for the first three months of the fiscal year reached \$10.9M, representing 25% of the annual budget. As of September 30, 2025, the collected assessments mirrored the billed amount of \$10.9M. The total recorded revenue of \$11.1M comprises: (1) Members’ assessment of \$10.9M and (2) Interest earned on investments totaling \$148K.

EXPENSES

Total actual expenditure was \$9.9 million, with the following breakdown in thousands:

| Category | Actual (,000) | Budget (,000) | % of Use |
|---|-----------------|------------------|--------------|
| Administration* | \$ 587 | \$ 2,127 | 27.6% |
| Chino I O&M** | \$ 3,106 | \$ 13,373 | 23.2% |
| Chino II O&M | \$ 5,269 | \$ 21,180 | 24.9% |
| Total O&M | \$ 8,962 | \$ 36,680 | 24.4% |
| Debt Service | \$ - | \$ 4,956 | 0.0% |
| Total O&M/Debt Service | \$ 8,962 | \$ 41,636 | 21.5% |
| CDA Capital Spending *** | \$ 891 | \$ 1,981 | 45.0% |
| (A) Total Adopted Budget | \$ 9,853 | \$ 43,617 | 22.6% |
| Phase III Expansion Project | \$ - | \$ 978 | 0.0% |
| S. Archibald Plume Project | \$ 75 | \$ 2,500 | 3.0% |
| (B) Total Contributed Capital Spending | \$ 75 | \$ 3,478 | 2.2% |
| Total Expenditure (A + B) | \$ 9,928 | \$ 47,095 | 21.1% |

* (Excludes bond interest exp)

** Chino I IEUA labor costs are estimated, as invoices for the quarter had not yet been received as of December 9, 2025.

***Capital Budget does not include carryover budget. CDA FY2025/26 Adopted Budget is \$43.6M.

The following presentation provides a comprehensive overview of CDA’s financial performance and operational expenditures for the three months ended September 30, 2025 (FY 2025/2026).

Prepared by: Christine Convento, CPA / CFO

Board of Directors: Approved Continued Denied

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

I. CDA Administration

For the first quarter of FY2025/26, CDA Administration Expenses totaled \$587K, representing approximately 27% of the annual budget. The slight variance from the target 25% is primarily due to the annual property insurance, a one-time payment billed at the beginning of the fiscal year, which increased expenditures during the quarter.

II. Chino I Plant Operations

In the first quarter of FY 2025/26, Chino I produced 3,299 acre-feet (26% of the annual target). O&M expenses totaled \$3.1 million (23% of the budget), which is below the 25% benchmark. Variances primarily reflect one-time or timing-related costs, including higher Supplies (32%) due to equipment replacements such as the Ion Exchange valve; increased Laboratory Fees (30%) associated with additional sampling following the Ion Exchange vessel rehabilitation and the Chemical Optimization Study aimed at reducing sulfuric acid use; and higher Professional Services (63%) for additional engineering support. Chemical costs also increased, particularly for sodium hydroxide (32%) and sodium hypochlorite (91%), driven by the Chemical Room rehabilitation project. Labor costs were estimated based on budgeted monthly amounts, as invoices for the quarter had not yet been received as of December 9, 2025.

II. Chino II Plant Operations

As of the first quarter of FY 2025/26, Chino II produced 6,129 acre-feet (27% of the annual target). O&M expenses totaled \$5.3 million (25% of the budget), generally in line with the quarterly benchmark. Variances in certain categories reflect one-time or structural adjustments, including higher Supplies – General (33.2%) due to equipment replacements and maintenance activities such as sodium hydroxide pump replacements, pellet reactor nozzle servicing, and isolation valve repairs. Computer/Network System Maintenance (35.8%) also exceeded the benchmark, primarily due to cybersecurity system enhancements and preparatory work for Chino II network security integration.

IV. Debt Service Bond Payments

The first bond payment of \$708K, covering interest only, was made in November 2025. The second payment of \$4.2 million, which includes both principal and interest, is scheduled for June 2026.

V. Capital Expenditure

Total capital expenditures for the period amounted to \$891K under the General category, consisting of \$593K for Chino I projects, \$298K for Chino II projects, and \$75K for South Archibald Plume Project.

The item was reviewed by the Finance Committee on December 18, 2025

IMPACT ON BUDGET:

There is no impact on the current fiscal year's budget.

ATTACHMENT:

Budget-to-Actual Report as of September 30, 2025.

Prepared by: Christine Convento, CPA / CFO

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Board of Directors: Approved Continued Denied

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



BUDGET VARIANCE REPORT - CONSOLIDATED
SEPTEMBER 30, 2025

| Particulars | Actual | Annual Budget | Variance | % of Use |
|--|-------------------|-------------------|-------------------|------------|
| Revenues | | | | |
| 4005 Administration Cost Assessment to Members | 531,662 | 2,126,644 | 2,658,306 | 25% |
| 4010 Fixed O&M Assessment to Members | 3,714,416 | 14,857,658 | 18,572,074 | 25% |
| 4020 Variable O&M Assessment to Members | 4,923,759 | 19,695,035 | 24,618,794 | 25% |
| 4031 Fixed Project Costs Debt Srvc Assessment | 1,239,003 | 4,956,013 | 6,195,016 | 25% |
| 4032 Fixed Project Costs Capital Assessments | 495,341 | 1,981,367 | 2,476,708 | 25% |
| 4100 Interest Income | 147,581 | - | 147,581 | 0% |
| 4900 Other Revenue | 87 | - | 87 | 0% |
| Total Revenues | 11,051,849 | 43,616,717 | 54,668,566 | 25% |
| Expenses | | | | |
| Operations & Maintenance | | | | |
| Outside Labor | | | | |
| 5000 O&M South GAC Reimbursement | 22,924.81 | 0.00 | (22,924.81) | 0.00 |
| 5001 19-678 County Project Reimbursement | 64,389.50 | 0.00 | (64,389.50) | 0.00 |
| <i>5020 Contract Labor IEUA*</i> | 521,430.00 | 2,100,000.00 | 2,100,000.00 | 25% |
| 5021 Contract Labor JCSD | 744,779.70 | 3,000,000.00 | 2,255,220.30 | 25% |
| 5022 Contract Labor Member Agencies | 0.00 | 15,750.00 | 15,750.00 | 0.00 |
| 5034 Contract Labor Admin IEUA | 0.00 | 44,100.00 | 44,100.00 | 0.00 |
| 5039 Contract Labor Admin JCSD | 0.00 | 31,550.00 | 31,550.00 | 0.00 |
| Total Outside Labor | 1,353,524 | 5,191,400 | 3,837,876 | 26% |
| Materials & Supplies | | | | |
| 5110 Supplies General | 226,186 | 690,500 | 464,314 | 33% |
| 5175 Equip Lease/Rental | - | 12,500 | 12,500 | 0% |
| 5185 Resin Replacements | - | 150,000 | 150,000 | 0% |
| Total Materials & Supplies | 226,186 | 853,000 | 626,814 | 27% |
| Professional & Maintenance Services | | | | |
| 5210 Contract Services Labor & Material | 113,398 | 569,300 | 455,902 | 20% |
| 5211 Contract Srvcs SCADA and Instrmntn Supprt | 89,683 | 400,000 | 310,317 | 22% |
| 5230 Professional Services Other | 52,914 | 350,000 | 297,086 | 15% |
| 5240 Laboratory | 188,885 | 700,000 | 511,115 | 27% |
| 5250 Computer/Network System Maintenance | 25,036 | 80,000 | 54,964 | 31% |
| 5260 Security Services | 10,579 | 53,420 | 42,841 | 20% |
| 5261 Janitorial Services | 4,565 | 31,200 | 26,635 | 15% |
| 5262 Landscaping/Weed and Pest Control | 10,286 | 28,000 | 17,714 | 37% |
| 5291 Pump Motor Well Repair & Maintenance | 272,819 | 2,000,000 | 1,727,181 | 14% |
| 5295 JCSD Transportation Fees | 39,112 | 39,617 | 505 | 99% |
| Total Professional & Maintenance Services | 807,276 | 4,251,537 | 3,444,261 | 19% |



BUDGET VARIANCE REPORT - CONSOLIDATED
SEPTEMBER 30, 2025

| Particulars | Actual | Annual Budget | Variance | % of Use |
|--|------------------|-------------------|-------------------|------------|
| Chemicals | | | | |
| 5310 Salt | 352,004 | 1,800,000 | 1,447,996 | 20% |
| 5315 Lime | 151,179 | 520,000 | 368,821 | 29% |
| 5320 Threshold Inhibitor - Anti Scalant | 82,365 | 415,300 | 332,935 | 20% |
| 5325 Soda Ash | 62,092 | 300,000 | 237,908 | 21% |
| 5330 Sodium Hydroxide (Caustic) | 776,048 | 2,460,000 | 1,683,952 | 32% |
| 5331 Sodium Hypochlorite | 18,214 | 30,000 | 11,786 | 61% |
| 5335 Polymer | 24,473 | 200,000 | 175,527 | 12% |
| 5340 Sulfuric Acid | 127,825 | 575,000 | 447,175 | 22% |
| 5344 Magnesium Chloride | - | 10,000 | 10,000 | 0% |
| 5350 Ammonia | 2,056 | 12,000 | 9,944 | 17% |
| 5355 Seed | 9,990 | 40,000 | 30,010 | 25% |
| 5356 GAC Media | 73,080 | 600,000 | 526,920 | 12% |
| 5357 Clean in Place Chemicals | 18,265 | 150,000 | 131,735 | 12% |
| 5358 Biocide | 16,368 | 60,000 | 43,632 | 27% |
| 5390 Other Chemicals | 1,912 | 25,000 | 23,088 | 8% |
| Total Chemicals | 1,715,872 | 7,197,300 | 5,481,428 | 24% |
| Operating Fees | | | | |
| 5410 Permits and Licenses | 12,305 | 74,000 | 61,695 | 14% |
| 5420 Volumetric Fees Wastewater | 342,275 | 1,641,024 | 1,298,749 | 17% |
| 5430 Strength Charges BOD/COD | 2,175 | 10,400 | 8,225 | 17% |
| 5435 Strength Charges TSS | 3,761 | 80,000 | 76,239 | 4% |
| 5445 Capacity Fees - Capital | 213,164 | 885,912 | 672,748 | 20% |
| Total Operating Fees | 573,679 | 2,691,336 | 2,117,657 | 21% |
| Utilities | | | | |
| 5500 Electricity | 3,451,927 | 13,506,000 | 10,054,073 | 26% |
| 5510 Telephone/Network Communication Srvcs | 11,105 | 76,400 | 65,295 | 15% |
| 5511 Cell Phone | 698 | 5,300 | 4,602 | 13% |
| 5520 Water | 3,109 | 14,000 | 10,891 | 22% |
| 5530 Disposal Fees | 1,114 | 12,540 | 11,426 | 9% |
| 5531 Clarifier Solids Disposal (Filter Cake) | 197,578 | 700,000 | 502,423 | 28% |
| 5590 Other Utilities | 1,478 | 6,200 | 4,722 | 24% |
| Total Utilities | 3,667,008 | 14,320,440 | 10,653,432 | 26% |
| Other Expenses | | | | |
| 5900 Equip Lease/Rental | 653 | - | (653) | 0% |
| 5910 Property Tax Mello Roos | 638 | 2,500 | 1,862 | 26% |
| 5915 Computer S/W Subscrip and Lic Fees | 18,663 | 73,000 | 54,337 | 26% |
| Total Operations & Maintenance | 8,363,499 | 34,580,513 | 26,217,014 | 24% |
| Administration & General | | | | |
| - | | | | |
| Non Employee Compensation | | | | |
| 6001 Directors' Fees | 2,550 | 18,000 | 15,450 | 14% |
| Total Non Employee Compensation | 2,550 | 18,000 | 15,450 | 14% |



BUDGET VARIANCE REPORT - CONSOLIDATED
SEPTEMBER 30, 2025

| Particulars | Actual | Annual Budget | Variance | % of Use |
|--|----------------|----------------|----------------|------------|
| Compensation | | | | |
| 6010 Regular Wages | 173,259 | 959,507 | 786,248 | 18% |
| 6020 Holiday Pay | 7,017 | - | (7,017) | 0% |
| 6030 Vacation Pay | 4,082 | - | (4,082) | 0% |
| 6040 Sick Pay | 1,607 | - | (1,607) | 0% |
| 6046 Paid Executive Leave | 6,542 | - | (6,542) | 0% |
| Total Compensation | 192,507 | 959,507 | 767,000 | 20% |
| Benefits | | | | |
| 6200 Auto Allowance | 1,749 | 7,000 | 5,251 | 25% |
| 6210 Payroll Tax - Employer's Portion of FICA Medicare | 3,049 | 13,913 | 10,864 | 22% |
| 6211 Payroll Tax - State Other/SUI | - | 1,008 | 1,008 | 0% |
| 6220 Insurance Costs - Health and Accidental | 17,050 | 100,800 | 83,750 | 17% |
| 6222 Insurance - Life to \$50K | 106 | 609 | 503 | 17% |
| 6223 Insurance - Life > \$50K | 439 | 2,400 | 1,961 | 18% |
| 6225 Workers' Compensation Insurance Premium | 974 | 5,500 | 4,526 | 18% |
| 6227 Retirement Benefits Paid by Employer | 39,748 | 205,686 | 165,938 | 19% |
| Total Benefits | 63,115 | 336,916 | 273,801 | 19% |
| Recruitment | | | | |
| Administration Exp | | | | |
| 6700 Office Supplies - General | 1,648 | 17,500 | 15,852 | 9% |
| 6705 Printing/Copying | - | 5,200 | 5,200 | 0% |
| 6706 Office Equipment Lease | 172 | 11,270 | 11,098 | 2% |
| 6707 Computer Equipment | 2,407 | 8,000 | 5,593 | 30% |
| 6708 IT Support | 9,429 | 20,000 | 10,571 | 47% |
| 6710 Postage and Delivery Charges | 85 | 1,000 | 915 | 9% |
| 6715 Computer S/W Subscrp and Lic Fees | 35,396 | 93,700 | 58,304 | 38% |
| 6720 Meeting Expenses | - | 2,500 | 2,500 | 0% |
| 6721 Mileage Reimbursement | - | 1,000 | 1,000 | 0% |
| 6725 Registration Fees | 359 | 6,000 | 5,641 | 6% |
| 6726 Travel Costs | - | 3,600 | 3,600 | 0% |
| 6730 Professional Membership - Employees | 120 | 2,600 | 2,480 | 5% |
| 6731 Professional Membership - Agency Wide | 5,774 | 20,000 | 14,226 | 29% |
| 6735 Subscriptions and Publications | - | 500 | 500 | 0% |
| 6736 Advertising - Public Postings | - | 1,300 | 1,300 | 0% |
| 6737 Interagency Agreements/Shared Services | 14,455 | - | (14,455) | 0% |
| 6741 Main Office Lease | 8,422 | 36,000 | 27,578 | 23% |
| 6780 Insurance - Liability | 1,009 | 35,000 | 33,991 | 3% |
| 6781 Insurance - Casualty and Property | 250,558 | 330,000 | 79,442 | 76% |
| 6799 Other Admin Expenses | 148 | - | (148) | 0% |
| Total Admin Exp | 329,983 | 595,170 | 265,187 | 55% |
| Professional Fees | | | | |
| 7100 External Audit Expense | - | 20,475 | 20,475 | 0% |
| 7110 Legal Expenses - General | 5,452 | 150,000 | 144,548 | 4% |
| Total Professional Fees | 5,452 | 170,475 | 165,023 | 3% |



**BUDGET VARIANCE REPORT - CONSOLIDATED
 SEPTEMBER 30, 2025**

| Particulars | Actual | Annual Budget | Variance | % of Use |
|---|------------------|-------------------|-------------------|------------|
| Finance | | | | |
| 7200 Bond Interest Expenses | - | 1,416,012 | 1,416,012 | 0% |
| 7210 Bond Admin Fees | 3,300 | 6,200 | 2,900 | 53% |
| 7211 Financial Services | 500 | 6,000 | 5,500 | 8% |
| 7220 Interest Expense - Other | 206 | - | (206) | 0% |
| 7221 Bank Service Charges | 958 | 3,000 | 2,042 | 32% |
| 7240 Office Lease Interest Expense | - | 1,885 | 1,885 | 0% |
| 7250 Subscription Interest Expense | - | 1,672 | 1,672 | 0% |
| Total Finance | 4,964 | 1,434,769 | 1,429,805 | 0% |
| Total Administration & General | 598,571 | 3,514,837 | 2,916,266 | 17% |
| Total Expenses | 8,962,070 | 38,095,350 | 29,133,280 | 24% |

** Estimated IEUA labor costs due to no invoices received at 12-9-25*



**BUDGET VARIANCE REPORT - ADMINISTRATION
 SEPTEMBER 30, 2025**

| Particulars | Actual | Annual Budget | Variance | % of Use |
|--|----------------------|------------------------|----------------------|------------|
| Revenues | | | | |
| 4005 Administration Cost Assessment to Members | \$ 531,662 | \$ (2,126,644) | \$ 2,658,306 | 25% |
| 4010 Fixed O&M Assessment to Members | 3,714,416 | (14,857,658) | 18,572,074 | 25% |
| 4020 Variable O&M Assessment to Members | 4,923,759 | (19,695,035) | 24,618,794 | 25% |
| 4031 Fixed Project Costs Debt Srvc Assessment | 1,239,003 | (4,956,013) | 6,195,016 | 25% |
| 4032 Fixed Project Costs Capital Assessments | 495,341 | (1,981,367) | 2,476,708 | 25% |
| 4100 Interest Income | 147,581 | 0 | 147,581 | 0% |
| 4900 Other Revenue | 87 | 0 | 87 | 0% |
| Total Revenues | \$ 11,051,849 | \$ (43,616,717) | \$ 54,668,566 | 25% |
| Expenses | | | | |
| Operations & Maintenance | | | | |
| Professional & Maintenance Services | | | | |
| 5230 Professional Services Other | \$ 5,076 | \$ 25,000 | \$ 19,924 | 20% |
| 5260 Security Services | 310 | 420 | 110 | 74% |
| 5261 Janitorial Services | 1,300 | 8,820 | 7,520 | 15% |
| Total Professional & Maintenance Services | 6,686 | 34,240 | 23,934 | 22% |
| Utilities | | | | |
| 5500 Electricity | 1,566 | 6,000 | 4,434 | 26% |
| 5510 Telephone/Network Communication Srvc | 4,516 | 21,000 | 16,484 | 22% |
| 5511 Cell Phone | 200 | 1,200 | 1,000 | 17% |
| Total Utilities | 6,282 | 28,200 | 21,918 | 22% |
| Other Expenses | | | | |
| Total Operations & Maintenance | 12,968 | 62,440 | 49,472 | 21% |
| Administration & General | | | | |
| Non Employee Compensation | | | | |
| 6001 Directors' Fees | 2,550 | 18,000 | 15,450 | 14% |
| Total Non Employee Compensation | 2,550 | 18,000 | 15,450 | 14% |
| Compensation | | | | |
| 6010 Regular Wages | 173,259 | 959,507 | 786,248 | 18% |
| 6020 Holiday Pay | 7,017 | - | (7,017) | 0% |
| 6030 Vacation Pay | 4,082 | - | (4,082) | 0% |
| 6040 Sick Pay | 1,607 | - | (1,607) | 0% |
| 6046 Paid Executive Leave | 6,542 | - | (6,542) | 0% |
| Total Compensation | 192,507 | 959,507 | 767,000 | 20% |
| Benefits | | | | |
| 6200 Auto Allowance | 1,749 | 7,000 | 5,251 | 25% |
| 6210 Payroll Tax - Employer's Portion of FICA Medicare | 3,049 | 13,913 | 10,864 | 22% |
| 6211 Payroll Tax - State Other/SUI | - | 1,008 | 1,008 | 0% |
| 6220 Insurance Costs - Health and Accidental | 17,050 | 100,800 | 83,750 | 17% |
| 6222 Insurance - Life to \$50K | 106 | 609 | 503 | 17% |
| 6223 Insurance - Life > \$50K | 439 | 2,400 | 1,961 | 18% |
| 6225 Workers' Compensation Insurance Premium | 974 | 5,500 | 4,526 | 18% |
| 6227 Retirement Benefits Paid by Employer | 39,748 | 205,686 | 165,938 | 19% |
| Total Benefits | 63,115 | 336,916 | 273,801 | 19% |



**BUDGET VARIANCE REPORT - ADMINISTRATION
 SEPTEMBER 30, 2025**

| Particulars | Actual | Annual Budget | Variance | % of Use |
|--|----------------|------------------|------------------|------------|
| Administration Exp | | | | |
| 6700 Office Supplies - General | 862 | 11,500 | 10,638 | 7% |
| 6705 Printing/Copying | - | 3,200 | 3,200 | 0% |
| 6706 Office Equipment Lease | 172 | 6,270 | 6,098 | 3% |
| 6707 Computer Equipment | 2,407 | 5,000 | 2,593 | 48% |
| 6708 IT Support | 9,429 | 20,000 | 10,571 | 47% |
| 6710 Postage and Delivery Charges | 85 | 1,000 | 915 | 9% |
| 6715 Computer S/W Subscrp and Lic Fees | 12,019 | 78,700 | 66,681 | 15% |
| 6720 Meeting Expenses | - | 2,500 | 2,500 | 0% |
| 6721 Mileage Reimbursement | - | 1,000 | 1,000 | 0% |
| 6725 Registration Fees | 359 | 6,000 | 5,641 | 6% |
| 6726 Travel Costs | - | 3,600 | 3,600 | 0% |
| 6730 Professional Membership - Employees | 120 | 2,600 | 2,480 | 5% |
| 6731 Professional Membership - Agency Wide | 5,774 | 20,000 | 14,226 | 29% |
| 6735 Subscriptions and Publications | - | 500 | 500 | 0% |
| 6736 Advertising - Public Postings | - | 1,300 | 1,300 | 0% |
| 6737 Interagency Agreements/Shared Services | 14,455 | - | (14,455) | 0% |
| 6741 Main Office Lease | 8,422 | 36,000 | 27,578 | 23% |
| 6780 Insurance - Liability | 1,009 | 35,000 | 33,991 | 3% |
| 6781 Insurance - Casualty and Property | 250,558 | 330,000 | 79,442 | 76% |
| 6799 Other Admin Expenses | 148 | - | (148) | 0% |
| Total Admin Exp | 305,820 | 564,170 | 258,350 | 54% |
| Professional Fees | | | | |
| 7100 External Audit Expense | - | 20,475 | 20,475 | 0% |
| 7110 Legal Expenses - General | 5,452 | 150,000 | 144,548 | 4% |
| Total Professional Fees | 5,452 | 170,475 | 165,023 | 3% |
| Finance | | | | |
| 7200 Bond Interest Expenses | - | 1,416,012 | 1,416,012 | 0% |
| 7210 Bond Admin Fees | 3,300 | 6,200 | 2,900 | 53% |
| 7211 Financial Services | 500 | 6,000 | 5,500 | 8% |
| 7220 Interest Expense - Other | 206 | - | (206) | 0% |
| 7221 Bank Service Charges | 958 | 3,000 | 2,042 | 32% |
| 7240 Office Lease Interest Expense | - | 1,885 | 1,885 | 0% |
| 7250 Subscription Interest Expense | - | 1,672 | 1,672 | 0% |
| Total Finance | 4,964 | 1,434,769 | 1,429,805 | 0% |
| Total Administration & General | 6,695 | 3,483,837 | 2,909,429 | 16% |
| Total Administration Expenses Net of Debt Service | 587,375 | 2,126,645 | 1,539,270 | 28% |
| Total Expenses | 587,375 | 3,542,657 | 2,955,282 | 17% |



**BUDGET VARIANCE REPORT - CHINO I
 SEPTEMBER 30, 2025**

| Particulars | Actual | Annual Budget | Variance | % of Use |
|--|----------------|------------------|------------------|------------|
| Expenses | | | | |
| Operations & Maintenance | | | | |
| 5000 O&M South GAC Reimbursement | 22,925 | - | (22,925) | 0% |
| 5001 19-678 County Reimbursement Project | 64,390 | - | (64,390) | 0% |
| <i>5020 Contract Labor IEUA*</i> | 521,430 | 2,100,000 | 2,100,000 | 25% |
| 5022 Contract Labor Member Agencies | - | 15,750 | 15,750 | 0% |
| 5034 Contract Labor Admin IEUA | - | 44,100 | 44,100 | 0% |
| Total Outside Labor | 608,744 | 2,159,850 | 1,551,106 | 28% |
| Materials & Supplies | | | | |
| 5110 Supplies General | 92,398 | 290,500 | 198,102 | 32% |
| 5175 Equip Lease/Rental | - | 2,500 | 2,500 | 0% |
| 5185 Resin Replacements | - | 50,000 | 50,000 | 0% |
| Total Materials & Supplies | 92,398 | 343,000 | 250,602 | 27% |
| Professional & Maintenance Services | | | | |
| 5210 Contract Services Labor & Material | 41,972 | 223,300 | 181,328 | 19% |
| 5211 Contract Srvcs SCADA and Instrmntn Supprt | 21,628 | 150,000 | 128,372 | 14% |
| 5230 Professional Services Other | 31,389 | 50,000 | 18,611 | 63% |
| 5240 Laboratory | 135,367 | 450,000 | 314,633 | 30% |
| 5250 Computer/Network System Maintenance | - | 10,000 | 10,000 | 0% |
| 5260 Security Services | 5,913 | 23,000 | 17,087 | 26% |
| 5261 Janitorial Services | 1,845 | 8,000 | 6,155 | 23% |
| 5262 Landscaping/Weed and Pest Control | 7,986 | 20,000 | 12,014 | 40% |
| 5291 Pump Motor Well Repair & Maintenance | 52,649 | 1,000,000 | 947,351 | 5% |
| Total Professional & Maintenance Services | 298,748 | 1,934,300 | 1,635,552 | 15% |
| Chemicals | | | | |
| 5310 Salt | 210,598 | 1,000,000 | 789,402 | 21% |
| 5320 Threshold Inhibitor - Anti Scalant | 60,619 | 270,000 | 209,381 | 22% |
| 5330 Sodium Hydroxide (Caustic) | 51,234 | 160,000 | 108,766 | 32% |
| 5331 Sodium Hypochlorite | 18,214 | 20,000 | 1,786 | 91% |
| 5340 Sulfuric Acid | 12,701 | 125,000 | 112,299 | 10% |
| 5350 Ammonia | 2,056 | 12,000 | 9,944 | 17% |
| 5356 GAC Media | 73,080 | 600,000 | 526,920 | 12% |
| 5357 Clean in Place Chemicals | - | 50,000 | 50,000 | 0% |
| 5390 Other Chemicals | - | 15,000 | 15,000 | 0% |
| Total Chemicals | 428,503 | 2,252,000 | 1,823,497 | 19% |
| Operating Fees | | | | |
| 5410 Permits and Licenses | 8,102 | 35,000 | 26,898 | 23% |
| 5420 Volumetric Fees Wastewater | 222,105 | 987,840 | 765,735 | 22% |
| 5430 Strength Charges BOD/COD | 1,286 | 7,500 | 6,214 | 17% |
| 5435 Strength Charges TSS | 426 | 65,000 | 64,574 | 1% |
| 5445 Capacity Fees - Capital | 126,456 | 495,912 | 369,456 | 26% |
| Total Operating Fees | 358,376 | 1,591,252 | 1,232,876 | 23% |



**BUDGET VARIANCE REPORT - CHINO I
 SEPTEMBER 30, 2025**

| Particulars | Actual | Annual Budget | Variance | % of Use |
|---|------------------|-------------------|-------------------|------------|
| Utilities | | | | |
| 5500 Electricity | 1,298,424 | 5,000,000 | 3,701,576 | 26% |
| 5510 Telephone/Network Communication Svcs | 4,828 | 18,400 | 13,572 | 26% |
| 5511 Cell Phone | - | 100 | 100 | 0% |
| 5520 Water | 681 | 5,000 | 4,319 | 14% |
| 5530 Disposal Fees | 1,114 | 6,000 | 4,886 | 19% |
| 5590 Other Utilities | 1,478 | 6,200 | 4,722 | 24% |
| Total Utilities | 1,306,525 | 5,035,700 | 3,729,175 | 26% |
| Other Expenses | | | | |
| 5910 Property Tax Mello Roos | 638 | 2,500 | 1,862 | 26% |
| 5915 Computer S/W Subscrip and Lic Fees | - | 33,000 | 33,000 | 0% |
| Total Operations & Maintenance | 3,093,931 | 13,351,602 | 10,257,671 | 23% |
| Administration & General | | | | |
| Administration Exp | | | | |
| 6700 Office Supplies - General | 40 | 3,000 | 2,960 | 1% |
| 6705 Printing/Copying | - | 1,000 | 1,000 | 0% |
| 6706 Office Equipment Lease | - | 2,500 | 2,500 | 0% |
| 6715 Computer S/W Subscrip and Lic Fees | 11,500 | 15,000 | 3,500 | 77% |
| Total Admin Exp | 11,540 | 21,500 | 9,960 | 54% |
| Total Administration & General | 11,540 | 21,500 | 9,960 | 54% |
| Total Expenses | 3,105,471 | 13,373,102 | 10,267,631 | 23% |

** Estimated IEUA labor costs due to no invoices received at 12-9-25*



**BUDGET VARIANCE REPORT - CHINO II
 SEPTEMBER 30, 2025**

| Particulars | Actual | Annual Budget | Variance | % of Use |
|--|------------------|------------------|------------------|------------|
| Revenues | | | | |
| 4215 Grants & Subsidies - State | - | - | - | 0% |
| Total Revenues | - | - | - | 0% |
| Expenses | | | | |
| 5021 Contract Labor JCSD | 744,780 | 3,000,000 | 2,255,220 | 25% |
| 5039 Contract Labor Admin JCSD | - | 31,550 | 31,550 | 0% |
| Total Outside Labor | 744,780 | 3,031,550 | 2,286,770 | 25% |
| Materials & Supplies | | | | |
| 5110 Supplies General | 133,788 | 400,000 | 266,212 | 33% |
| 5175 Equip Lease/Rental | - | 10,000 | 10,000 | 0% |
| 5185 Resin Replacements | - | 100,000 | 100,000 | 0% |
| Total Materials & Supplies | 133,788 | 510,000 | 376,212 | 26% |
| Professional & Maintenance Services | | | | |
| 5210 Contract Services Labor & Material | 71,426 | 346,000 | 274,574 | 21% |
| 5211 Contract Svcs SCADA and Instrmntn Supprt | 68,055 | 250,000 | 181,945 | 27% |
| 5230 Professional Services Other | 16,449 | 275,000 | 258,551 | 6% |
| 5240 Laboratory | 53,519 | 250,000 | 196,481 | 21% |
| 5250 Computer/Network System Maintenance | 25,036 | 70,000 | 44,964 | 36% |
| 5260 Security Services | 4,356 | 30,000 | 25,644 | 15% |
| 5261 Janitorial Services | 1,420 | 18,000 | 16,580 | 8% |
| 5262 Landscaping/Weed and Pest Control | 2,300 | 8,000 | 5,700 | 29% |
| 5291 Pump Motor Well Repair & Maintenance | 220,169 | 1,000,000 | 779,831 | 22% |
| 5295 JCSD Transportation Fees | 39,112 | 39,617 | 505 | 99% |
| Total Professional & Maintenance Services | 501,842 | 2,286,617 | 1,784,775 | 22% |
| Chemicals | | | | |
| 5310 Salt | 141,406 | 800,000 | 658,594 | 18% |
| 5315 Lime | 151,179 | 520,000 | 368,821 | 29% |
| 5320 Threshold Inhibitor - Anti Scalant | 21,747 | 145,300 | 123,554 | 15% |
| 5325 Soda Ash | 62,092 | 300,000 | 237,908 | 21% |
| 5330 Sodium Hydroxide (Caustic) | 724,814 | 2,300,000 | 1,575,186 | 32% |
| 5331 Sodium Hypochlorite | - | 10,000 | 10,000 | 0% |
| 5335 Polymer | 24,473 | 200,000 | 175,527 | 12% |
| 5340 Sulfuric Acid | 115,124 | 450,000 | 334,876 | 26% |
| 5344 Magnesium Chloride | - | 10,000 | 10,000 | 0% |
| 5355 Seed | 9,990 | 40,000 | 30,010 | 25% |
| 5357 Clean in Place Chemicals | 18,265 | 100,000 | 81,735 | 18% |
| 5358 Biocide | 16,368 | 60,000 | 43,632 | 27% |
| 5390 Other Chemicals | 1,912 | 10,000 | 8,088 | 19% |
| Total Chemicals | 1,287,370 | 4,945,300 | 3,657,930 | 26% |



**BUDGET VARIANCE REPORT - CHINO II
 SEPTEMBER 30, 2025**

| Particulars | Actual | Annual Budget | Variance | % of Use |
|--|------------------|-------------------|-------------------|-------------|
| Operating Fees | | | | |
| 5410 Permits and Licenses | 4,203 | 39,000 | 34,797 | 11% |
| 5420 Volumetric Fees Wastewater | 120,170 | 653,184 | 533,014 | 18% |
| 5430 Strength Charges BOD/COD | 888 | 2,900 | 2,012 | 31% |
| 5435 Strength Charges TSS | 3,335 | 15,000 | 11,665 | 22% |
| 5445 Capacity Fees - Capital | 86,707 | 390,000 | 303,293 | 22% |
| Total Operating Fees | 215,303 | 1,100,084 | 884,781 | 20% |
| Utilities | | | | |
| 5500 Electricity | 2,151,937 | 8,500,000 | 6,348,063 | 25% |
| 5510 Telephone/Network Communication Srvc | 1,761 | 37,000 | 35,239 | 5% |
| 5511 Cell Phone | 498 | 4,000 | 3,502 | 12% |
| 5520 Water | 2,428 | 9,000 | 6,572 | 27% |
| 5530 Disposal Fees | - | 6,540 | 6,540 | 0% |
| 5531 Clarifier Solids Disposal (Filter Cake) | 197,578 | 700,000 | 502,423 | 28% |
| Total Utilities | 2,354,202 | 9,256,540 | 6,902,338 | 25% |
| Other Expenses | | | | |
| 5900 Equip Lease/Rental | 653 | - | (653) | 0% |
| 5915 Computer S/W Subscrip and Lic Fees | 18,663 | 40,000 | 21,337 | 47% |
| Total Operations & Maintenance | 5,256,600 | 21,170,091 | 15,913,491 | 25% |
| Administration & General | | | | |
| Administration Exp | | | | |
| 6700 Office Supplies - General | 747 | 3,000 | 2,253 | 25% |
| 6705 Printing/Copying | - | 1,000 | 1,000 | 0% |
| 6706 Office Equipment Lease | - | 2,500 | 2,500 | 0% |
| 6707 Computer Equipment | - | 3,000 | 3,000 | 0% |
| 6715 Computer S/W Subscrip and Lic Fees | 11,877 | - | (11,877) | 0% |
| Total Admin Exp | 12,624 | 9,500 | (3,124) | 133% |
| Total Administration & General | 12,624 | 9,500 | (3,124) | 133% |
| Total Expenses | 5,269,224 | 21,179,591 | 15,910,367 | 25% |



**Agenda Item
No. 3**



SUBJECT: AWARD OF CONSTRUCTION CONTRACT - CHINO I AND CHINO II DESALTERS WATER SOFTENERS PROJECT

RECOMMENDATION:

Staff recommends that the Board:

1. Award a construction contract to SCW Contracting Corporation, for the Chino I and II Desalters Water Softeners Replacement Project in the amount of \$2,162,698; and
2. Authorize the General Manager/CEO to execute the contract and approve authorized change orders up to \$2,270,833 of the contract amount; and
3. Approve use of available funds from the Water Softener CIP Reserve and Infrastructure Maintenance/Replacement Reserve.

BACKGROUND:

The Chino I and Chino II Desalters’ ion exchange (IX) water softening systems are nearing the end of their service life, with several components exhibiting corrosion, scaling, and reduced capacity. Replacement is necessary to maintain treatment efficiency, extend asset life, and ensure continued compliance with water quality standards.

The Water Softeners Replacement Project bid package was publicly advertised on September 29, 2025, and four (4) bids were received on November 10, 2025. All bids were reviewed for completeness and compliance with CDA’s bid requirements. SCW Contracting Corporation submitted the lowest responsive and responsible bid in the amount of \$2,162,698, as summarized below:

| Firm | Total Bid | Rank |
|-----------------------------|------------------|-------------|
| SCW Contracting Corporation | \$2,162,698 | 1 |
| Vicon Enterprises | \$2,171,500 | 2 |
| Metro Builders & Engineers | \$2,510,534 | 3 |
| GSE Construction Co Inc. | \$2,707,300 | 4 |

The bid amount includes demolition of the existing softener systems, supply and installation of new softener system (chino I), storage tanks, concrete repair, plumbing, electrical and instrumentation work, and start-up testing. The Engineer’s Estimate for the project was \$1.3 million.

The difference between the engineer’s estimate and the received bids is primarily attributed to increased material, fabrication, and electrical costs, as well as limited contractor availability for specialized water treatment work. Despite the higher-than-estimated pricing, the bids received were close in value, confirming that the market pricing is reasonable and reflective of current construction conditions for this type of specialized facility upgrade.

IMPACT ON BUDGET:

The project was previously budgeted under the Water Softener Replacement CIP Reserve, which currently has a balance of approximately \$978K. The remaining \$1.3 million, including contingency, will be funded from the Infrastructure Maintenance/Replacement Reserve, which has a current balance of approximately \$2.4 million.

Portion of the funds drawn from the Infrastructure Maintenance/Replacement Reserve will be reimbursed to the reserve during the FY 2024/25 annual cost reconciliation.

ATTACHMENT:

1. SCW Contracting Corporation Bid Proposal

Prepared by: Thomas O’Neill, CDA General Manager/CEO

Board of Directors:

Approved
 Denied

Page 2 of 2
 Continued

CDA GM/CEO Acknowledgement: _____ Date: _____

Chino Basin Desalter Authority
Projected Chino I & Chino II Water Softener Project Cost
As of December 9, 2025

| Construction Expense | |
|--|------------------------|
| Chino I Desalter Mobilization/ Demobilization, Bonding, Insurance and Cleanup | \$ 85,619 |
| Chino I Desalter Demolition of Existing Water Softener Systems and Piping | 35,306 |
| Chino I Desalter Furnish and Install of a New High-Efficiency Softening System | 1,103,015 |
| Chino I Desalter Concrete Repair and Resurfacing | 116,189 |
| Chino I Desalter Electrical and Instrumentation | 61,578 |
| Chino I Total | \$ 1,401,707 |
| Chino II Desalter Mobilization/ Demobilization, Bonding, Insurance and Cleanup | \$ 85,619.00 |
| Chino II Desalter Demolition of Existing Water Softener Systems and Piping | 45,915 |
| Chino II Desalter Furnish and Install of New Permeate Water Tanks | 412,951 |
| Chino II Desalter Furnish and Install of New Softwater Feed Pumps | 91,780 |
| Chino II Desalter Electrical and Instrumentation | 124,726 |
| Chino II Total | \$ 760,991.00 |
| Contingency (5%) | \$ 108,134.90 |
| Total Bid Amount & Contingency | \$ 2,270,832.90 |
| Other Professional Services | |
| Design & Engineering Services | \$ 183,500.00 |
| Construction Management | In-House |
| Inspection | 100,000 |
| Projected Project Cost | 2,554,333 |
| Less: Total CIP Remaining | (977,600) |
| Estimated Additional Cost Needed | \$ 1,576,733 |

SECTION B – BID FORMS

(Place this form as the first page of the proposal)

NAME OF BIDDER: SCW Contracting Corporation

The undersigned, hereby declare that we have carefully examined the location of the proposed work, and have read and examined the Contract Documents, including all plans, specifications, and all Addenda, if any, for the following Project:

CHINO I AND II DESALTERS WATER SOFTENERS REPLACEMENT PROJECT

We hereby propose to furnish all labor, materials, equipment, tools, transportation, and services, and to discharge all duties and obligations necessary and required to perform and complete the Project for the following TOTAL BID PRICE.

BID SCHEDULE

BID SCHEDULE I – CHINO I DESALTER

| Item No. | Description | Qty ⁽¹⁾ | Unit | Amount* |
|----------|--|--------------------|------|------------------------|
| 101 | Chino I Desalter Mobilization/ Demobilization, Bonding, Insurance and Cleanup ⁽²⁾ | 1 | LS | \$ <u>85,619.00</u> |
| 102 | Chino I Desalter Demolition of Existing Water Softener Systems and Piping | 1 | LS | \$ <u>35,306.00</u> |
| 103 | Chino I Desalter Furnish and Install of a New High-Efficiency Softening System | 1 | LS | \$ <u>1,103,015.00</u> |
| 104 | Chino I Desalter Concrete Repair and Resurfacing | 1 | LS | \$ <u>116,189.00</u> |
| 105 | Chino I Desalter Electrical and Instrumentation | 1 | LS | \$ <u>61,578.00</u> |

⁽¹⁾ Quantities when called out are estimated and are for the purpose of comparing Bid only. Payment will be based upon actual quantities furnished, installed or constructed in accordance with the Contract Documents.

⁽²⁾ For payment purposes, Bid Item 101 will be split 75% for mobilization and 25% for demobilization. If the Bid Extension exceeds 10% of the total Bid, this may be grounds for rejection of the bid as non-responsive.

* The above prices include any amount payable by the Authority for taxes by reason of this contract. Payment shall not exceed 5% of the total.

CHINO I AND II DESALTERS WATER SOFTENERS REPLACEMENT PROJECT

BID SCHEDULE II – CHINO II DESALTER

| Item No. | Description | Qty ⁽¹⁾ | Unit | Amount* |
|----------|---|--------------------|------|----------------------|
| 201 | Chino II Desalter Mobilization/ Demobilization, Bonding, Insurance and Cleanup ⁽²⁾ | 1 | LS | \$ <u>85,619.00</u> |
| 202 | Chino II Desalter Demolition of Existing Water Softener Systems and Piping | 1 | LS | \$ <u>45,915.00</u> |
| 203 | Chino II Desalter Furnish and Install of New Permeate Water Tanks | 1 | LS | \$ <u>412,951.00</u> |
| 204 | Chino II Desalter Furnish and Install of New Softwater Feed Pumps | 1 | LS | \$ <u>91,780.00</u> |
| 205 | Chino II Desalter Electrical and Instrumentation | 1 | LS | \$ <u>124,726.00</u> |

TOTAL BID PRICE (BID SCHEDULE I + BID SCHEDULE II):

Total Bid Price in Numbers \$ 2,162,698.00 *
 (Sum of Extension Nos. 101 thru 105 and 201 thru 205) (Figures)

Two Million, One Hundred Sixty-Two Thousand, Six Hundred Ninety-Eight Dollars
 Total Bid Price in Written Form

In case of discrepancy between the written price and the numerical price, the written price shall prevail. The undersigned agrees that this Bid Form constitutes a firm offer to the Authority which cannot be withdrawn for the number of calendar days indicated in the Notice Inviting Bids from and after the Bid opening, or until a Contract for the Work is fully executed by the Authority and a third party, whichever is earlier.

The Contract duration shall commence on the date stated in the Authority's Notice to Proceed, and shall be completed by the Contractor in the time specified in the Contract Documents. In no case shall the Contractor commence construction prior to the date stated in the Authority's Notice to Proceed.

⁽¹⁾ Quantities when called out are estimated and are for the purpose of comparing Bid only. Payment will be based upon actual quantities furnished, installed or constructed in accordance with the Contract Documents.

* The above prices include any amount payable by the Owner for taxes by reason of this contract. Payment shall not exceed 5% of the total.

⁽²⁾ For payment purposes, Bid Item 101 will be split 75% for mobilization and 25% for demobilization. If the Bid Extension exceeds 10% of the total Bid, this may be grounds for rejection of the bid as non-responsive.

* The above prices include any amount payable by the Authority for taxes by reason of this contract. Payment shall not exceed 5% of the total.

CHINO I AND II DESALTERS WATER SOFTENERS REPLACEMENT PROJECT

Bidder certifies that it is licensed in accordance with the law providing for the registration of Contractors, License No. 630435, Expiration Date 10/31/2027, class of license A, C51, C60. If the Bidder is a joint venture, each member of the joint venture must include the above information.

The undersigned acknowledges complete review, understanding, and full consideration of the specifications and drawings that are incorporated into these Contract Documents.

The undersigned affirms that a representative of the Bidder inspected the site of the proposed work under the Contract Documents.

The undersigned acknowledges receipt, understanding and full consideration of the following Addenda to the Contract Documents. (Attached signed copies of each addenda)

Addenda No. 1

Addenda No. 2

Addenda No. 3

Addenda No. 4

- A. Attached is the required Bid security in the amount of not less than ten percent (10%) of the Total Bid Price.
- B. Attached is the fully executed Non-Collusion Affidavit form.
- C. Attached is the completed Designation of Subcontractors form.
- D. Attached is the completed Bidder Information Form.
- E. Attached is the completed Contractor's Certificate Regarding Workers' Compensation form.
- F. Bidder acknowledges and understands that, pursuant to Public Contract Code Section 20676, sellers of "mined material" must be on an approved list of sellers published pursuant to Public Resources Code Section 2717(b) in order to supply mined material for this Contract.

I hereby certify under penalty of perjury under the laws of the State of California that all of the information submitted in connection with this Bid and all of the representations made herein are true and correct.

Name of Bidder SCW Contracting Corporation
Signature 
Name Andrew Serape
Title President

Dated 11/07/2025

BID ITEM ADJUSTMENTS

The Bidder may utilize this form to effect last minute adjustments to the prices listed for a Bid item or group of Bid items in its Bid. **By using this form, the Bidder will not need to recompute Bid item totals or the total Bid amount due to last minute changes in materials, quotations or subcontractor Bids.** The Authority will not provide to the Bidder(s) the use of Authority's telephones.

The Authority will apply the Bid item adjustments shown below to the prices listed in the base bid and re-total the Bid prior to summarizing the Bids. The Bid summary will then list adjusted Bid item totals and adjusted total Bid amounts.

The adjustments indicated will be applied to the prices Bid, the unit prices recomputed (prorated if change is for more than one Bid item) and the proposal re-totaled by the Authority prior to evaluation of the Bids. The Bid analysis will show the prices as modified.

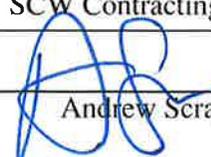
If this form is to be utilized, it shall be considered a binding portion of the Bid and, as such, shall be fully executed.

BASE BID SCHEDULE

| Bid Item No. or Group of Bid Item Nos. to be Adjusted | (Decrease Price) | Increase Price |
|--|------------------|----------------|
| _____ | (_____) | _____ |
| _____ | (_____) | _____ |
| _____ | (_____) | _____ |
| _____ | (_____) | _____ |
| _____ | (_____) | _____ |
| _____ | (_____) | _____ |
| _____ | (_____) | _____ |
| _____ | (_____) | _____ |
| _____ | (_____) | _____ |
| Subtotals | (_____) | _____ |
| Net Bid Item Adjustment | _____ | |
| Total Price from Bid Schedule | _____ | |
| ADJUSTED TOTAL PRICE | _____ | |

n/a

BIDDER SCW Contracting Corporation

AUTHORIZED SIGNATURE/TITLE  Andrew Scrape - President 11/07/2025



Agenda Item No. 4



**Agenda Report
January 8, 2026
SECTION: ACTION ITEM**

SUBJECT: PROFESSIONAL SERVICES AGREEMENT WITH BUTIER ENGINEERING, INC. FOR INSPECTION SERVICES FOR CHINO I AND CHINO II DESALTERS WATER SOFTENER PROJECT

RECOMMENDATION:

Staff recommend that the Board:

1. Approve a professional services agreement with Butier Engineering, Inc. for inspection services for the Chino I and Chino II Desalters Water Softener Project in the not-to-exceed amount of \$122,800.
2. Authorize the General Manager/CEO to finalize and execute the agreement, with subsequent authorizations up to a not-to-exceed total of \$122,800.

BACKGROUND:

With the contract award to SCW Contracting Corporation for the Chino I and Chino II Desalter Water Softener Project in the not-to-exceed amount of \$2,270,833, inspection services will be required to ensure proper construction oversight and compliance with project specifications. Construction is anticipated to commence in March and is expected to be completed within 180 calendar days.

Staff recommends utilizing the services of Butier Engineering, Inc. to provide construction inspection for this project. Butier has successfully provided similar services for multiple CDA projects, including the Phase 3 Expansion Project, the Chino I Desalter VOC Treatment Facilities Project, the Well I-11 Booster Pump Station, and, most recently, the Chino II Desalter and Archibald Pump Station Roof Replacement Project.

Butier's attached proposal outlines the detailed scope of work and deliverables for this project, with a proposed fee of \$122,800.

This item was reviewed and recommended for approval by the Technical Advisory Committee on December 16, 2025, and by the Finance Committee on December 18, 2025.

IMPACT ON BUDGET:

The project will be funded from the Infrastructure Maintenance/Replacement Reserve, which currently has a balance of approximately \$2.4 million. The additional \$1.3 million required for construction of the Water Softener Project (referenced in a separate agenda item) will also be drawn from this reserve. A portion of the funds utilized for both projects will be reimbursed to the Infrastructure Maintenance/Replacement Reserve during FY 2024/25 annual cost reconciliation.

ATTACHMENTS: Butier Proposal dated 12.09.2025.

Prepared By: Thomas O'Neill, CDA General Manager/CEO Page 1 of 1

Board of Directors: [] Approved [] Continued [] Denied

CDA GM/CEO Acknowledgement: _____ Date: _____

December 11, 2025

Mr. Tom O'Neil
General Manager
Chino Basin Desalter Authority (CDA)
3550 E. Philadelphia Street
Ontario, CA 91761

**Subject: Chino I IX Replacement Project
Proposal for Field Inspection Services**

Dear Mr. O'Neil,

Butier Engineering, Inc., is pleased to submit this proposal to provide CM&I services for the Chino II Desalter IX Replacement Project. Our proposal is based on discussions with CDA management staff and internal discussions with qualified Butier personnel. It is our understanding that the construction will begin at the end of February 2026 with a 4–6-month construction duration.

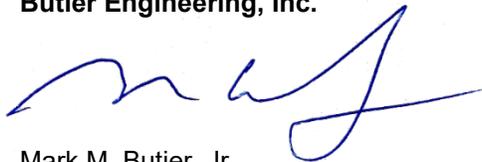
Butier will assign either Mr. Keith Stiles or Mr. Robert Burford as the Field Inspector. The assigned inspector will be the primary point of contact for the General Contractor and DOR. Butier will coordinate with CDA and IEUA staff to perform inspections, generate daily reports, review pay requests, assist with the review of schedules, and change requests, and perform other tasks associated with the construction management of the project. Mr. Billy Stewart will assist with any inspection support on an as-needed basis.

Based on our internal review, Butier will provide an average of 32 hours per week beginning February 1, 2026, and ending June 30, 2026. Butier will provide services on a time and materials basis. Based on our internal review of the contract documents our proposed fee is \$122,800.00. This assumes an average of 32 hours per week for the full 20 weeks at \$170.00/hour for Field Inspection. We are assuming 4 hours per week at \$175.00 for Field Engineering/Document Control.

We can further refine our final budget after receipt of the proposed baseline schedule from the Contractor. Thank you for the opportunity.

Respectfully Yours,

Butier Engineering, Inc.



Mark M. Butier, Jr.
President /CFO

17822 E. 17th St.
Suite 404
Tustin, CA 92780
Tel (714) 832-7222
Fax (714) 832-7211



**Agenda Item
No. 5**



SUBJECT: PURCHASE OF ANTISCALANT PUMP SKIDS FOR THE CHINO II DESALTER

RECOMMENDATION:

Staff recommends that the Board:

1. Approve the sole source purchase from D&H Water Systems for two Antiscalant Inhibitor Pump Skids for the Chino II desalter in the amount of \$62,700.

BACKGROUND:

The existing antiscalant pumps at the Chino II Desalter have reached the end of their useful life and require replacement. The current pump and piping configuration for both the primary and secondary reverse osmosis (RO) systems is complex, making a consolidated skid-mounted design the preferred solution to improve reliability and maintenance efficiency.

The proposed antiscalant pump skids—one serving the primary RO system and the other serving the secondary RO system—will each include two pumps (duty and standby) along with the associated piping, valves, and controls necessary to ensure continuous and consistent delivery of antiscalant to the RO systems.

This purchase is being procured on a sole-source basis to maintain standardization of pumping equipment across both desalter facilities, thereby reducing spare parts inventory and ensuring operational consistency.

This item was reviewed and recommended for approval by the Technical Advisory Committee on December 16, 2025, and by the Finance Committee on December 18, 2025.

IMPACT ON BUDGET:

Adequate funding for this purchase is available in FY 2025/26 Capital Improvement Program (CIP) budget under Project No. 7259.

ATTACHMENT:

DH Water Proposal, Existing Antiscalant Pump

PROPOSAL

Date: December 4, 2025
Project: Dual Chemical Feed Skids
Owner: Chino Basin Desalter Authority
Contact: Sal Ayala

Thank you for your interest in products offered by D&H Water Systems, Inc. We are pleased to provide the following proposal for your consideration.

| Qty | Description | Price | Ext. Price |
|-----|---|-------|------------|
| 2 | <p>DUAL CHEMICAL FEED SKID <i>Skid is constructed of UV- resistant polyethylene, utilizing true unions and socket weld connections for ease of maintenance and includes the following ½" PVC Components:</i></p> <ul style="list-style-type: none"> - Prominent Gamma XL Pump - Model: GXLAUS1608PVT2N100UDC130EN00 Capacity: <ul style="list-style-type: none"> o * 2.06 GPH o * 232 PSI Selected Options: <ul style="list-style-type: none"> o * Version: 2.06 GPH , 232 PSI o * Liquid end materials: PVDF/PVDF o * Diaphragm/seals: st.diaphragm/PTFE seal o * Liquid end version: w. bleed.v., w/o. valvespr. o * Hydraulic connections: connection 3/8" x ¼" o * Diaphragm rupt indicator: diaphragm break indicator o * Electrical connection: universal 100-240V o * Cable and plug: USA 115V, 2m o * Relay, pre-set: Fault relay 24V, 1A + 4-20 mA o * Accessories: dos.v.+f.v.2m tube,5m PE-tube o * Control variant: manual+cont.w.PulseCont.+anal. o * Communication interface: w/o. - 7745881 TERMINAL BOX KIT, 2 PUMP, GFI RECEPTACLE - Qty [1] Calibration Column, 250mL - Qty [2] Pressure Relief Valve - Qty [2] Back Pressure Valve - Qty [2] Pulsation Dampener - Qty [2] Check Valve - Qty [1] Pressure Gauge | | |

| Qty | Description | Price | Ext. Price |
|-----|---|------------------------|------------------------------|
| | <ul style="list-style-type: none"> - Qty [1] Pressure Switch - Qty [1] Wye Strainer - Qty [2] Blue-White MS-6 Flow meter - Skid to include clear acrylic doors w/ piano hinge and latch handles | | |
| 1 | Chemical Feed Skid Pedestal <ul style="list-style-type: none"> - DIMS: 97”(L) x 31”(D) x 14”(H) - Constructed of UV- resistant polyethylene | | |
| 1 | Startup & Training | | Included |
| 1 | Freight (FOB shipping point) | | Included |
| | | Sales Tax | To be charged upon invoicing |
| | | Total Lot Price | \$62,700.00 |

This proposal is valid for 60 days.

All resulting purchase orders should be sent to **D&H Water Systems, Inc., 603 Seagaze Dr, #241, Oceanside, CA 92054**. We look forward to working with you on this project. If I can be of any further assistance, please do not hesitate to contact me.

Best,

Tommy Hartwig
tom@dandhwatersystems.com
 760-468-8006

Standard Terms and Conditions of Sale

A D&H Water Systems, Inc., proposal forms the basis of an offer under our standard terms and conditions and shall be effective upon receipt of the client's written order confirmation.

Payment terms (upon approved credit) are **net 30** days.

If client fails to fulfill the net 30-day payment terms, D&H Water Systems, Inc., may defer further shipments and/or cancel the balance of any order at its option.

All credit card transactions will incur a 4% pass-through service charge.

D&H Water Systems' standard insurance package covers general liability, automotive, worker's compensation, and umbrella liability. We do not provide professional liability. Any cost associated with additional insurance requirements will be passed on to buyer.

D&H Water Systems, Inc., is serving as an equipment supplier and will not approve retainage.

Submittals provided **[2-4] weeks** after purchase order is fully executed by both parties.

Delivery will be made in approximately **[10-12] weeks** after submittal approval. (Subject to change based on component availability.)

Lead times given represent the best available estimate at the time of the proposal. D&H Water Systems, Inc., will endeavor to deliver on the anticipated date but assumes no obligation for any unforeseen circumstances and reserves the right to adjust lead times. D&H Water Systems, Inc., will not be held liable for any liquidated damage incurred during a project.

Unless otherwise agreed to in writing, all deliveries will be made FOB shipping point, and title and risk of loss shall be passed to the buyer at the point.

Immediately following receipt, the customer shall examine the delivery for completeness and functionality for use. D&H Water Systems, Inc., shall be informed of any defects within 7 days following arrival at destination.

Any shipment shortages shall be reported in writing within 48 hours following arrival at destination.

Products that are manufactured specific to the client's order requirements are considered custom and are not returnable.

Return of non-custom products requires prior approval and may be subject to restocking fees. Any returned product must contain a D&H Water Systems RMA number.

No terms or conditions contained within a client's purchase order or contract shall be binding unless specifically agreed to in writing by both parties.

The proposal does not include any applicable taxes or fees.

This quotation is limited to the products and services listed and excludes any item or service that is not specifically listed. Other items, such as but not limited to insurance premiums, transit fees, permit fees, license fees, bond fees, inspection fees, seismic calculations, equipment tags, labels, etc., are excluded.

Purchaser shall defend and hold harmless Seller, their officers, agents, employees, and members from all claims, suits, actions, or liens of any nature resulting from or arising out of the activities of Purchaser or its subcontractors, agents, or employees under this contract.

This quotation **EXCLUDES** any field wiring. Field wiring and any other installation service not listed shall be performed by others.

Should any term or clause on these terms and conditions in whole or in part be found unenforceable or void, all other provisions shall remain in force and effect.

Notwithstanding any other provision in this Proposal, in the event of any new or modified import taxes, duties, tariffs, preliminary determinations, or similar charges affecting the hardware cost after acceptance of the Purchase Order, D&H Water Systems may increase any price that includes a hardware component up to the amount of such costs. D&H Water Systems shall provide at least thirty (30) days' written notice of any such price increase, which shall not exceed the actual costs incurred by D&H Water Systems as a result of such new or modified taxes, duties, tariffs, preliminary determinations or similar charges.

Existing



Chino I Inhibitor Pump





**Agenda Item
No. 6**



**SUBJECT: REJECT ALL BIDS FOR THE CHINO I & CHINO II COATING PROJECTS
2025**

RECOMMENDATION:

Staff recommends that the Board:

1. Reject all bids received on November 25, 2025, for the Chino I and Chino II Coating Projects 2025, and direct staff to revise and rebid the project.

BACKGROUND:

The subject project was advertised for bids on October 28, 2025. Four bids were received on November 25, 2025, which are as follows:

| <u>Vendor</u> | <u>Amount</u> |
|------------------------------|---------------|
| Mariscal | \$ 166,985.00 |
| Advanced Industrial Services | \$ 421,000.00 |
| Harbor Coating & Restoration | \$ 510,000.00 |
| Capital Industrial | \$ 572,100.00 |

The Notice Inviting Bids specified that each bid must be accompanied by cash, a certified or cashier’s check, or a Bid Bond in favor of the Authority in an amount not less than ten percent (10%) of the submitted Total Bid Price. All bid securities were required to be delivered to the CDA office at 3550 E. Philadelphia Street, Ontario, by the bid submission deadline of November 25, 2025, at 2:00 p.m. PDT.

Bidders were reminded of this requirement during the pre-bid meeting and again through Addendum No. 2. Despite these reminders, all four bidders failed to provide the required bid bond as stipulated in the Notice Inviting Bids. Consequently, staff recommends rejection of all bids received.

This item was reviewed and recommended for approval by the Technical Advisory Committee on December 16, 2025, and by the Finance Committee on December 18, 2025.

IMPACT ON BUDGET: No fiscal impact.



**Agenda Item
No. 7**



**Agenda Report
JANUARY 8, 2026
SECTION: ACTION ITEM**

SUBJECT: AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT WITH TOM DODSON & ASSOCIATES FOR ENVIRONMENTAL CONSULTING SERVICES FOR CDA MONITORING WELLS AND EXTRACTION WELLS

RECOMMENDATION:

Staff recommends that the Board:

1. Approve an amendment to the professional services agreement with Tom Dodson & Associates for environmental consulting services in the not-to-exceed amount of \$11,805; and
2. Authorize the General Manager/CEO to finalize and execute the agreement, with subsequent authorizations up to a not-to-exceed total of \$75,000.

BACKGROUND:

CDA entered into an agreement with Tom Dodson & Associates (TDA) on July 17, 2024, for environmental consulting services to prepare the necessary CEQA documentation for the construction of new extraction wells for the Chino II Desalter and monitoring wells for the South Archibald Plume Project. CEQA documentation for both the extraction and monitoring wells was completed, and a Notice of Determination and Finding of Consistency was filed with the State on June 9, 2025.

In October 2025, CDA submitted a grant application to the U.S. Environmental Protection Agency (EPA) under the Midsize and Large Drinking Water System Infrastructure Resilience and Sustainability Program. If awarded, the grant would provide \$2,120,000 in federal funding toward equipping Extraction Well II-13. Utilization of these funds requires compliance with the National Environmental Policy Act (NEPA), representing an additional level of environmental review beyond the completed CEQA process.

To facilitate this, staff requested a proposal from TDA to amend their existing agreement to include preparation of the required NEPA documentation for Extraction Well II-13. The proposed scope of work includes preparation of the Environmental Assessment (EA) package, coordination with the EPA, and completion of Section 106 Tribal consultations.

In accordance with the grant requirements, NEPA compliance must be completed prior to any groundbreaking or construction activities, including well drilling. Design for the well drilling is currently underway, with construction anticipated to begin in March 2026. Grant award notifications are expected in May 2026. To avoid delays in completing Well II-13, critical to maintaining adequate water supply capacity for the Chino II Desalter, staff recommends proceeding with the NEPA compliance effort at this time.

The proposed amendment amount is \$11,805, bringing the total contract value to \$70,305. With this amendment, the total authorization limit for the contract will be \$75,000.

This item was reviewed and recommended for approval by the Technical Advisory Committee on December 16, 2025, and by the Finance Committee on December 18, 2025.

Prepared By: Thomas O'Neill, CDA General Manager/CEO Page 1 of 2

Board of Directors: [] Approved [] Continued [] Denied

CDA GM/CEO Acknowledgement: _____ Date: _____

IMPACT ON BUDGET:

The project will use funds available in the General Account set aside for the new Chino II Desalter extraction wells.

ATTACHMENT:

Tom Dodson & Associates Proposal

Prepared by: Thomas O'Neill, CDA General Manager/CEO

Board of Directors:

Approved
 Denied

Page 2 of 2
 Continued

CDA GM/CEO Acknowledgement: _____ Date: _____

TOM DODSON & ASSOCIATES



Mailing Address: PO Box 2307, San Bernardino, CA 92406
Physical Address: 2150 N. Arrowhead Avenue, San Bernardino, CA 92405
Tel: (909) 882-3612 ♦ **Email:** tda@tdaenv.com ♦ **Web:** tdaenvironmental.com

October 29, 2025

From: Tom Dodson & Kaitlyn Dodson-Hamilton, Tom Dodson & Associates

To: Chino Desalter Authority and Hazen Sawyer

Subject: Budget Amendment for Environmental Consulting Services for National Environmental Policy Act (NEPA) Compliance for the CDA Well II-13 Project.

Thank you for the opportunity to provide you with a proposal to complete the necessary NEPA Documentation for the new Well II-13. Based on Mary Hambel's email dated October 27, 2025.

TASK 1: NEPA COMPLIANCE

TDA proposes to prepare the Environmental Package for the project. For the past 10+ years TDA has been supporting various agencies, including IEUA, MSWD, and other area water agencies by compiling information to support Environmental Protection Agency (EPA) applications for NEPA Compliance. TDA has become proficient at assembling these environmental packages on behalf of public agencies, private water companies, and small water companies, including mutual water companies.

Typically, TDA can prepare an EPA Environmental Assessment (EA) or Preliminary Environmental Assessment (PEA) package within a month. We believe that we already have sufficient technical studies prepared to address the biological resources and cultural resources issues, and TDA can convert the air quality data from CEQA Standards to NEPA Standards. We assume two rounds of review of the draft EA Package for EPA. Up to 40 hours will be allocated to this task. Modification to the scope of work, budget, and time frame may be necessary if additional reviews are required.

TASK 2: SECTION 106 TRIBAL CONSULTATION ASSISTANCE

TDA proposes to have CRM TECH aid in the Tribal Consultation. This effort is being included as a separate fee to ensure compliance with NEPA and the required Section 106 Consultation.

SCOPE OF WORK FEE

The following are the fees for implementing the above tasks:

| Tasks | Task Description | Initial Study |
|-----------|---|---------------|
| Task 1 | Project Management and Administration (for CE and IS/MND) | \$8,805 |
| Task 2 | Section 106 Consultation | \$3,000 |
| Total Fee | | \$11,805 |

The final fee of \$11,805 above is considered the "not to exceed" amount of this proposal/budget amendment.



**Agenda Item
No. 8**



SUBJECT: PURCHASE OF SPARE RO INTERSTAGE PUMP AND MOTOR FOR THE CHINO II DESALTER

RECOMMENDATION:

Staff recommends that the Board:

1. Approve the sole source purchase from Afton Pumps Inc. for a spare RO interstage Pump and motor for the Chino II desalter in the amount of \$96,875.00.

BACKGROUND:

RO Trains No. 4 and No. 5 at the Chino II Desalter are equipped with interstage pumps that balance flux (flow) between the first and second stages of the reverse osmosis (RO) process. These pumps help maintain stable membrane performance, achieve higher recovery rates, and reduce overall energy consumption.

The interstage pump serving Train No. 5 at the Chino I Desalter has recently failed and has been out of service for several months pending repair. The interstage pumps are specialized, custom-designed units requiring proprietary components from the original manufacturer, which are not readily available.

This purchase is being procured on a sole-source basis, as the existing interstage pump is an Afton Pump, and replacement parts and assemblies must be purchased directly from the manufacturer to ensure compatibility and operational reliability. Delivery is estimated at approximately 37 to 39 weeks following issuance of the purchase order.

This item was reviewed and recommended for approval by the Technical Advisory Committee on December 16, 2025, and by the Finance Committee on December 18, 2025.

IMPACT ON BUDGET:

Adequate funding for the purchase of the RO interstage pump and motor is available in the FY 2025/26 Operations and Maintenance (O&M) Budget under the Well Rehabilitation category.

ATTACHMENT:

Afton Pumps Inc. proposal



afton pumps. inc.
HOUSTON, TEXAS, USA

7335 Avenue N.
Houston, TX 77011
P. (713) 923-9731
F. (713) 923-3902
www.aftonpumps.com

December 8, 2025

Bill To: Chino Basin Desalter Authority
3550 E. Philadelphia St Suite 170
Ontario, CA 91761

Ship to: Chino II Desalter
11251 Harrel St
Mira Loma, CA 91752

Customer: Chino Basin Desalter Authority
Project: Chino II Desalter -Inter-Stage Booster Pump

Afton Quotation No. RS-25-1187-RT Rev 12.08.25

Thank you for considering our proposal. Following you will find our scope of supply. We welcome the opportunity to discuss it further and address any questions or concerns you may have. Please feel free to contact me at 713-923-9731 or rolandt@aftonpumps.com

Prices valid: **60 days**

Freight: Allowed

Payment terms: Progress for Orders over 150K
15% Contract execution
25% commencement of manufacturing confirmed by release documentation
30% receipt of Motors
25% readiness to ship
5% Start up of pumps -not to exceed 6 months

Delivery 34-36 weeks after approval drawings

We look forward to the possibility of collaborating with you on this project and contributing to its success.

Regards,

Roland Torres
Sales Manager-
713-923-9731



afton pumps. inc.
HOUSTON, TEXAS, USA

7335 Avenue N., Houston, Texas 77001-1709
P. O. Box 9426, Houston, Texas 77261-9426
713.923.9731
FAX 713.923.3902
E-mail: rolandt@aftonpumps.com

12/08/25

Bill to: Chino Basin Desalter Authority
3550 E. Philadelphia St Suite 170
Ontario, CA 91761

Ship to: Chino II Desalter
11251 Harrel St
Mira Loma, CA 91752

Ref: Chino II Desalter - SN 48151

Afton Proposal Number RS-25-1187-RT REV 12.08.25

Afton Pumps is pleased to provide the following proposal for Chino II Desalter for your consideration.

Inter-Stage Booster Pump

Afton 6X8-13 ILVS

Materials will be fabricated 316SS case and cover 6"-300# discharge and 8" -300# suction, 316ss impeller, wear rings, and 316ss shaft

Mechanical seal will be John Crane type 8B1 seal with 316 SS gland, sleeve and drive collar.

Pickle and passivate

Nickle Plated spacer coupling

Motor will be Baldor 75 HP 1800 RPM TEFC 3/60/460

Pump Price Each \$96,875.00

Pump Prices include the following;

- Freight to site
- Engineering Data Submittals and O&M Manuals

Submittals will be available in 4-5 weeks after acceptance of an order.

Delivery will be approximately **32-34 weeks** after the release to manufacture.



Agenda Item No. 9



**SUBJECT: ELECTION OF OFFICERS OF CHINO BASIN DESALTER AUTHORITY
BOARD OF DIRECTORS**

RECOMMENDATION:

Staff recommends that the Board:

1. Elect a Chairperson and Vice-Chairperson of the Board of Directors of the Chino Basin Desalter Authority for the calendar year 2026.

BACKGROUND:

Section 2.11 of the Joint Exercise of Powers Agreement provides for the Chairperson and Vice-Chairperson to hold office for a period of one year commencing January of each year.

In 2023, Director Rogers (City of Chino Hills) served as Chairperson, with Director Newton (City of Norco) serving as Vice-Chairperson. Both individuals continued in their respective roles for 2024 and 2025. Historically, these positions have rotated among the member agencies.

If the Authority resumes the established rotation, the Chairperson position would next be filled by the Director from the City of Norco, with the Vice-Chairperson role transitioning to the Director from Western Municipal Water District.

Rotation order:

- City of Norco
- Western Municipal Water District
- City of Chino
- Jurupa Community Services District
- City of Ontario
- Santa Ana River Water Company
- City of Chino Hills

IMPACT ON BUDGET: No fiscal impact.



**Agenda Item
No. 10**



**SUBJECT: CHINO BASIN DESALTER AUTHORITY BOARD OF DIRECTORS
COMMITTEE APPOINTMENTS**

RECOMMENDATION:

Staff recommends that the Board:

1. Appoint members of the Board of Directors of the Chino Basin Desalter Authority to the Finance Committee for calendar year 2026.

BACKGROUND:

The standard practice of the CDA Board of Directors is to review Committee appointments on an annual basis. This item is being presented to the Board to enable the Board to change and/or affirm appointments to the CDA Finance Committee.

The members of the Finance Committee during 2025 consisted of the Directors from the following member agencies: City of Chino, City of Chino Hills, and Jurupa Community Services District. The Finance Committee is currently the only standing committee of the CDA Board.

IMPACT ON BUDGET: No fiscal impact.



**Agenda Item
No. 11**



**Agenda Report
January 8, 2026
SECTION: ACTION ITEM**

SUBJECT: APPOINTMENT OF REPRESENTATIVE ON THE ACWA/JPIA BOARD OF DIRECTORS

RECOMMENDATION:

Staff recommends that the Board:

1. Appoint a Representative on the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA) Board of Directors.

BACKGROUND:

In January 2017 the Board approved CDA's membership in ACWA/JPIA to enable participation in various insurance programs they offer, including Health, Liability, Property, and Workers' Compensation. The ACWA/JPIA Board of Directors is comprised of one representative from each member, who must be a Director of the member's governing board, and an alternate, who may be a Director or an employee of CDA.

The ACWA/JPIA Board of Directors meets twice per year: once at the ACWA/JPIA Spring Conference and once at the ACWA/JPIA Fall Conference. The ACWA/JPIA Conferences are held at the same locations and immediately prior to the ACWA Spring and Fall Conferences.

IMPACT ON BUDGET: No fiscal impact.