



# Technical Advisory Committee Meeting

February 9, 2021 • 1:30 p.m.

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## TECHNICAL ADVISORY COMMITTEE

CHINO BASIN DESALTER AUTHORITY  
3550 E. Philadelphia Street, Suite 170, Ontario, CA 91761

February 9, 2021 • 1:30 p.m.

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### CALL TO ORDER

### ROLL CALL

### PUBLIC COMMENT

*Members of the public may address the Committee on any item that is within the jurisdiction of the Committee; 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 Committee on any matter, whether or not it appears on the agenda, are requested to submit their request to comment to the Executive Assistant no less than one hour prior to the start of the meeting at (909) 218-3230 or [ccosta@chinodesalter.org](mailto:ccosta@chinodesalter.org). Comments will be limited to five minutes per speaker.*

### ADDITIONS TO THE AGENDA

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

1. **MINUTES OF JANUARY 26, 2021 TECHNICAL ADVISORY COMMITTEE MEETING**
2. **CHINO I OPERATIONS REPORT**  
Report By: Chris Waggener/Inland Empire Utilities Agency
3. **CHINO II OPERATIONS REPORT**  
Report By: Bryan Smith/Jurupa Community Services District
4. **CHINO II CONCENTRATE REDUCTION FACILITY OPERATIONAL UPDATE**  
Report By: Thomas O'Neill, CDA General Manager/CEO
5. **WATER DELIVERIES**  
Report By: Thomas O'Neill, CDA General Manager/CEO
6. **ADOPTION OF CHINO BASIN DESALTER AUTHORITY'S REVISED RESERVE POLICY**  
Report By: Thomas O'Neill, CDA General Manager/CEO
7. **RECONCILIATION OF THE ALLOCATION OF COSTS FOR FISCAL YEAR 2019/20**  
Report By: Thomas O'Neill, CDA General Manager/CEO
8. **UPDATE ON PFAS SAMPLING IN CDA WELLS**  
Report By: Nicole Blute, Ph.D., PE, Hazen & Sawyer
9. **SOUTH ARCHIBALD PLUME UPDATE**  
Report By: Cindy Miller, South Archibald Plume Program Manager

**10. CHINO I GAC UPDATE**

Report By: Cindy Miller, Hazen & Sawyer Program Manager

**11. BOARD MEETING AGENDA ITEMS REVIEW**

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

**12. NEW BUSINESS/FUTURE TECHNICAL ADVISORY AGENDA ITEMS REVIEW**

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

**ADJOURN**

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 Executive Assistant C. 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 Board 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 91761 by February 5, 2021 at 1:30 p.m.

  
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Casey Costa, Executive Assistant



# **Technical Advisory Committee Meeting**

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## **Agenda Item**

### **No. 1**

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**CHINO BASIN DESALTER AUTHORITY  
TECHNICAL ADVISORY COMMITTEE**

**MINUTES**

**January 26, 2021 • 1:30 p.m.**

A meeting of the Chino Basin Desalter Authority Technical Advisory Committee was held via audio/teleconference. CDA General Manager O'Neill called the meeting to order at 1:30 p.m.

**Committee Members Present:**

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Chris Bonadurer, City of Ontario  
Chris Waggener, Inland Empire Utilities Agency  
Todd Minten, Santa Ana River Water Company  
John Lopez, Santa Ana River Water Company (Alternate)  
Derek Kawaii, Western Municipal Water District

**Others Present:**

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Thomas O'Neill, CDA General Manager/CEO  
Casey Costa, CDA Executive Assistant  
Michael Chung, CDA CFO/Treasurer  
Jose Garcia, CDA Principal Accountant  
Bryan Smith, Jurupa Community Services District  
Daniel Cardenas, Jurupa Community Services District  
Brandon Thomas, Jurupa Community Services District  
Courtney Jones, City of Ontario  
Cindy Miller, Hazen & Sawyer  
Bob Bowcock, Integrated Resources Management/SB County Airports

**PUBLIC COMMENT** - There were no public comments.

**ADDITIONS TO THE AGENDA** – There were no additions to the agenda.

**AGENDA ITEMS**

<b>1.</b>	<b>MINUTES OF JANUARY 12, 2021 TECHNICAL ADVISORY COMMITTEE MEETING</b> Minutes were approved as submitted.
<b>2.</b>	<b>CHINO I OPERATIONS REPORT</b> Report By: Chris Waggener/Inland Empire Utilities Agency <ul style="list-style-type: none"><li>• Plant Production Average - 11.99 MGD</li><li>• 1/6 – End user booster #2 field trimmed and balanced after rehab by General Pump</li><li>• 1/11 – New bench screens put on brine saturation tank</li><li>• 1/13 – Well I-20 Level sensor replaced, RO Permeate Turbidimeter replaced</li><li>• Well I-10 Rehab began</li></ul>

	<ul style="list-style-type: none"> <li>2-day shutdown scheduled 3/1 – 3/2 to finish programming of RO PLC's, NRV Brine inlet piping replacement, Decarbonator 2 inspection, Inhibitor flow meter replacement, RO Train 1 inlet valve replacement.</li> </ul>
3.	<p><b>CHINO II OPERATIONS REPORT</b> Report By: Bryan Smith/Jurupa Community Services District</p> <ul style="list-style-type: none"> <li>Plant Production Average – 21.8 MGD</li> <li>Chino 2 removed brine laterals and header for repairs on NRV-6</li> <li>CRF Shut Down 1/13/21 to land wires for Bypass Rotork Actuator. Actuator Programmed and Tested</li> <li>Shutdown on 1/20 for CII and CRF for P&amp;L to install Bypass Rotork, Move concentrate flow meter. Replaced remaining decarbonator valves, made repairs to threshold inhibitor injection point, repaired chlorine leaks at Chino II and repaired leak on pellet reactor caustic injection point at CRF</li> </ul>
4.	<p><b>CHINO II CONCENTRATE REDUCTION FACILITY OPERATIONAL UPDATE</b> Report By: Daniel Cardenas/Jurupa Community Services District</p> <p>Currently down for annual maintenance. Cleaning waste wash basin, clarifiers, pellet reactors, acid washing. Maintenance is going according to schedule.</p> <p>General Manager O'Neill reported that with scheduled shutdowns, production is 16 MGD at Chino II and approximately 10 MGD at Chino I, and expected to be the same for 3-4 weeks.</p>
5.	<p><b>APPOINTMENT OF REPRESENTATIVE ON THE ACWA/JPIA BOARD OF DIRECTORS</b> Report By: Thomas O'Neill, CDA General Manager/CEO</p> <p>General Manager O'Neill reviewed that the Board will appoint a Board Member as ACWA/JPIA Board Member representing CDA at the February Board Meeting.</p>
6.	<p><b>AMENDMENT 2 TO ACCO ENGINEERED SYSTEMS, INC. MAINTENANCE SERVICES AGREEMENT FOR HVAC PREVENTIVE MAINTENANCE AND REPAIR SERVICES</b> Report By: Thomas O'Neill, CDA General Manager/CEO</p> <p>General Manager O'Neill reviewed the recommendation to approve an amendment to ACCO Engineered Systems for HVAC Preventive Maintenance and Repair in the amount of \$100,000, for a total not to exceed \$200,000. He reviewed that expenditures for maintenance and repairs at Chino I and Chino II facilities are \$99,000 to date for the 59 units covered by the agreement. Monthly Preventive Maintenance for the remainder of the contract term, June 30, 2021, amounts to \$20,000 and an potential repairs may be up to \$80,000.</p>
7.	<p><b>SOUTH ARCHIBALD PLUME UPDATE</b> Report By: Cindy Miller, South Archibald Plume Program Manager</p> <p><b>Phase 1 Pipeline</b> – Complete</p> <p><b>Phase 2 Pipeline</b> – Gwinco continuing to make progress on Wineville pipeline and expected to be at Bellegrave shortly.</p> <p><b>Phase 3 Pipeline</b> – Complete</p> <p><b>Well II-12</b> – Cora Constructors is in the construction phase of the project. Walls of the well building have been substantially completed, and roofing is in progress. Site yard improvements are underway.</p>

	<p><b>Decarbonator Modifications</b> – Pascal and Ludwig is pouring foundation for air strippers this week. Coordinating to get final comments to AQMD to secure permit for operation of towers.</p> <p><b>Monitoring Wells</b> – Yellow Jacket has started drilling MWII-5.</p> <p>General Manager O’Neill added that Well II-6 may be tied into the pipeline, as high levels of PFOS are coming from that well. It may be advantageous to go directly into RO and go into final blend.</p>
8.	<p><b>CHINO I GAC UPDATE</b>  Report By: Cindy Miller, Hazen &amp; Sawyer Program Manager  Recently made 90% design submittal.</p>
9.	<p><b>BOARD MEETING AGENDA ITEMS REVIEW</b>  Report By: Thomas O’Neill, CDA General Manager/CEO  General Manager O’Neill reviewed upcoming Board Items.</p>
10.	<p><b>NEW BUSINESS/FUTURE TECHNICAL ADVISORY AGENDA ITEMS REVIEW</b>  Report By: Thomas O’Neill, CDA General Manager/CEO  General Manager O’Neill reviewed upcoming TAC Items.</p>

There being no further business, the meeting was adjourned at 2:05 p.m.

Submitted by Casey Costa, CDA Executive Assistant



# **Technical Advisory Committee Meeting**

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## **Agenda Item**

### **No. 2**

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**Chino I Desalter  
Treatment Plant Operations**

Summary of Activities

January 20th, 2021 to February 2nd, 2021

**Well Field**

Well Name	VFD Speed	Original Design Rate (gpm)	Current Production Rate (gpm)	Percent of Production	Operational (Yes/No)	Production Rate (gpm)	Status (Idle/Run)	Current Operation (gpm)
****I-1	0%	600	0	0%	No	0	Idle	0
****I-2	0%	300	0	0%	No	0	Idle	0
****I-3	0%	600	0	0%	No	0	Idle	0
I-4	0%	300	0	0%	Yes	0	Idle	0
I-5	71%	1,200	930	10%	Yes	930	Run	930
I-6	64%	350	224	2%	Yes	224	Run	224
*I-7	35%	1,200	166	2%	Yes	166	Run	166
I-8	87%	900	730	8%	Yes	730	Run	730
I-9	92%	1,200	968	11%	Yes	968	Run	968
I-10	0%	1,200	0	0%	No	0	Idle	0
I-11	100%	1,200	1,184	13%	Yes	1,184	Run	1,184
**I-13	74%	2,000	685	8%	Yes	685	Run	685
I-14	84%	2,200	1,600	18%	Yes	1,600	Run	1,600
****I-15	88%	2,000	1,879	21%	Yes	1,879	Run	1,879
I-16	100%	250	170	2%	Yes	170	Run	170
I-17	0%	200	0	0%	No	0	Idle	0
I-20	100%	400	360	4%	Yes	360	Run	360
I-21	100%	400	229	3%	Yes	229	Run	229
gpm	Total	16,500	9,125	100%	100%	9,125	100%	9,125
MGD		23.76	13.14			13.14		13.14

**Primary RO Treatment**

Train	Recovery Rate	Production (gpm)	(MGD)
1	79.0%	1,116	1.61
2	79.0%	1,116	1.61
3	79.0%	1,116	1.61
4	79.0%	1,116	1.61
5	79.0%	1,116	1.61
		5,580	8.04

**Ion Exchange Treatment**

Train	(gpm)	(MGD)
1	458	0.66
2	458	0.66
3	458	0.66
4	458	0.66
	1,832	2.64

**VOC Bypass**

Production (gpm)	(MGD)
0	0.00

**Brine Flow**

Production (gpm)	(MGD)
1,458	2.10

**Summary of Activities**

1/21/21-Bleach pump #5 leak fixed, belts replaced on Decarb Tower #2.

1/23/21- Decarb Tower #1 &2 pre-filters changed out.

1/25/21- Lowered production due to SARI flow transfer to Chino II during CRF Shutdown.

1/26/21- System PFAS samples collected.

Chino I Desalter will need to schedule a 2 day shutdown on March 1st-2nd, 2021 to finish programming of RO PLC's, NRV Brine inlet piping replacement, Decarbinator 2 inspection, Inhibitor flow meter replacement, RO Train 1 inlet valve replacement.

**Plant Efficiency**

Flow in Vs. Flow Out	(gpm)	(MGD)
Wells	9,125	13.14
Brine	-1458	-2.10
	7,667	11.04

**Plant Production**

All Treatment Trains	(gpm)	(MGD)
Primary RO	5,580	8.04
Ion Exchange	1,832	2.64
Raw Bypass	0	0.00
	7,412	10.67

\* Air Problem

\*\* Sand Problem

\*\*\*Cooling Problem

\*\*\*\*Out of Service



# **Technical Advisory Committee Meeting**

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## **Agenda Item**

### **No. 3**

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# Chino II Desalter Treatment Plant Operations

Summary of Activities

January 21, 2021 to February 2, 2021

## Well Field

Well Name	VFD Speed	Original Design Rate (gpm)	Current Production Rate (gpm)	Percent of Production	Operational (Yes/No)	Production Rate (gpm)	Status (Idle/Run)	Current Operation (gpm)
II-1	100%	2,000	1,396	8%	Yes	1,396	Run	1,604
II-2	Fixed	2,000	1,435	8%	Yes	1,435	Run	1,603
II-3	Fixed	2,000	1,500	9%	Yes	1,500	Run	1,637
II-4	100%	2,000	1,576	9%	Yes	1,576	Run	1,644
II-6	100%	2,000	1,460	9%	Yes	1,460	Idle	0
II-7	100%	1,200	829	5%	Yes	829	Run	884
II-8	Fixed	1,500	1,045	6%	Yes	1,045	Run	1,138
II-9	Fixed	2,000	1,575	9%	Yes	1,575	Idle	0
II-10	100%	3,700	3,260	19%	No	0	Idle	0
II-11	100%	3,300	3,001	18%	Yes	3,001	Run	3,364
II-12								
gpm	Total	21,700	17,077	100%	81%	13,817	70%	11,874
MGD		31.25	24.59			19.90		17.10

## Primary RO Treatment

Train	Recovery Rate	Production (gpm)	(MGD)
1	83.5%	0	0.00
2	83.5%	1,100	1.58
3	83.5%	1,390	2.00
4	83.5%	2,000	2.88
5	83.5%	1,900	2.74
		6,390	9.20

## Ion Exchange Treatment

NRV	(gpm)	(MGD)	NRV	(gpm)	(MGD)
1	586	0.84	5	0	0.00
2	612	0.88	6	0	0.00
3	624	0.90	7	0	0.00
4	0	0.00	8	620	0.89
			3,300	4.75	

## Raw Bypass

Production (gpm)	(MGD)
1,812	2.61

## Brine Flow

Production (gpm)	(MGD)
1,233	1.78

## Secondary RO Treatment

Train	Recovery Rate	Production (gpm)	(MGD)
1	70.0%	0	0.00
2	70.0%	0	0.00
3	70.0%	0	0.00
		0	0.00

## Plant Efficiency

Flow in Vs. Flow Out (gpm)	(MGD)
Wells	11,874
Brine	-1233
	10,641
	15.32
	89.6%

## Plant Production

All Treatment Trains (gpm)	(MGD)
Primary RO	6,390
Ion Exchange	3,300
Raw Bypass	1,812
Secondary RO	0
	11,502
	16.6

## Summary of Activities

- \* Daily Plant Rounds/Weekly Samples
- \* Weekly Calibrations
- \* P&L/Gwinco onsite for Air Stripper Project
- \* Chino 2 Replaced Contactor on Chlorine Generation Unit
- \* Chino 2 Finished Re-Installing NRV-6 Brine Header
- \* 1/25/21 Flow adjustments made due to CRF annual maintenance shut down
- \* CRF Began Plant CIP to remove Calcium build up
- \* CRF Cleaned out Clarifier # 1, and Gravity Thickener # 1
- \* CRF Flushed out all Chemical Feed Lines
- \* CRF Removed all material from All Reactors for inspections and CIP
- \* CRF Completed CIP of Pellet Reactor # 1



# **Technical Advisory Committee Meeting**

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## **Agenda Item**

### **No. 5**

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## FY 2020/21 CDA (Chino I and Chino II) Water Deliveries (Draft)

Month	Chino	Chino Hills	JCSD	Norco	Ontario	SARWC	Western MWD	Total
Jul-20	427.132	356.844	991.292	87.597	736.790	102.381	301.153	<b>3,003.189</b>
Aug-20	433.651	363.384	973.886	89.228	741.172	102.461	301.748	<b>3,005.530</b>
Sep-20	419.417	350.156	1,121.142	85.116	700.120	105.401	310.405	<b>3,091.757</b>
Oct-20	449.064	394.388	1,120.235	94.402	767.780	111.306	327.796	<b>3,264.971</b>
Nov-20	423.007	352.074	959.791	81.761	674.850	98.135	289.007	<b>2,878.625</b>
Dec-20	390.407	363.313	950.703	93.626	799.230	102.302	301.280	<b>3,000.861</b>
Jan-21	420.162	353.327	926.381	86.178	745.940	99.730	293.706	<b>2,925.424</b>
Feb-21	0.000	0.000	0.000	0.000	0.000	0.000	0.000	<b>0.000</b>
Mar-21	0.000	0.000	0.000	0.000	0.000	0.000	0.000	<b>0.000</b>
Apr-21	0.000	0.000	0.000	0.000	0.000	0.000	0.000	<b>0.000</b>
May-21	0.000	0.000	0.000	0.000	0.000	0.000	0.000	<b>0.000</b>
Jun-21	0.000	0.000	0.000	0.000	0.000	0.000	0.000	<b>0.000</b>
<b>Total FY 20/21 Deliveries</b>	<b>2,962.840</b>	<b>2,533.486</b>	<b>7,043.430</b>	<b>617.908</b>	<b>5,165.882</b>	<b>721.716</b>	<b>2,125.095</b>	<b>21,170.357</b>
<b>Contract Entitlement</b>								
Annual (AF/YR)	5,000.0	4,200.0	11,733.0	1,000.0	8,533.0	1,200.0	3,534.0	35,200
Monthly (AF)	416.7	350.0	977.8	83.3	711.1	100.0	294.5	2,933.3
Delivered through January 2021 (AF)	<b>2,962.8</b>	<b>2,533.5</b>	<b>7,043.4</b>	<b>617.9</b>	<b>5,165.9</b>	<b>721.7</b>	<b>2,125.1</b>	<b>21,170.4</b>
	<b>101.6%</b>	<b>103.4%</b>	<b>102.9%</b>	<b>105.9%</b>	<b>103.8%</b>	<b>103.1%</b>	<b>103.1%</b>	<b>103.1%</b>

**Notes:**

1. Actual deliveries to date are shaded.

Water Deliveries Through

**Jan-21**



# **Technical Advisory Committee Meeting**

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## **Agenda Item**

### **No. 6**

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**SUBJECT: ADOPTION OF CHINO BASIN DESALTER AUTHORITY’S REVISED RESERVE POLICY**

**RECOMMENDATION:**

1. Approve the Chino Basin Desalter Authority’s Reserve Policy as submitted; and
2. Adopt Resolution 2021-03 approving the CDA’s Revised Reserve Policy.

**BACKGROUND:**

The current reserve policy was revised and adopted by the Board on September 6, 2019. According to the policy, staff is to periodically review each reserve item to determine if any modification is necessary.

**ISSUES AND ANALYSIS**

The purpose of having a reserve is to set aside financial resources for unplanned events. It serves as a contingency fund in case of emergency. The last adopted revised policy reflects a significant change in Operating Contingency Reserve where the Authority revised the calculation from 3 months of total operating revenue to two months. Now that the Authority is on track to produce water at the entitlement level, the adopted FY2020/21 adopted budget reflects a higher total operating revenue, resulting in a higher amount of operating reserve contingency amount.

Based on the adopted budget for FY2020/21, the level of reserves should be modified accordingly. The following table denotes the proposed level of each reserve addressed in the policy. Total Operations & Maintenance revenue per the adopted budget for FY2020/21 is \$26.6m. Therefore, the calculated reserve for this line item would be \$4.43 for two months. The overall summary reveals an increase of \$0.61m to the total reserve amount. This increase would be offset by the overage of reserve of \$.63m at the end of June 30, 2020.

(\$ in millions)

Reserve	Current Level	Proposed Level	Change
Infrastructure Maint/Replacement	\$2.38	\$2.38	\$0
Operating Contingency	\$3.82	\$4.43	\$0.61
Rate Stabilization	\$0	\$0	\$0
Membrane Reserve	\$ 0.41	\$0.41	\$0
Capital Construction	Per Project	Per Project	\$0
Total	\$6.61	\$7.22	\$0.61

**Prepared by:** Michael Chung, CDA CFO/Treasurer

**Board of Directors:**     Approved         Continued         Denied

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

The proposed revisions have been reviewed by Finance Directors of CDA member agencies, reviewed/approved by the Technical Advisory Committee on February 9, 2021 and the Finance Committee on February 25, 2021.

**IMPACT ON BUDGET**

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

**ATTACHMENTS:**

- Resolution 2021-03
- Proposed Reserve Policy

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**Prepared by:** Michael Chung, CDA CFO/Treasurer

Page 2 of 2

**Board of Directors:**     Approved         Continued         Denied

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





## **RESERVE POLICY**

Unforeseen events, emergencies, accelerated growth, supplemental budget requirements, are among the factors that can result in unplanned expenses. In addition to unplanned activities, the Authority has extensive investments in public infrastructure, operating plants, and other related facilities and equipment that require ongoing repair, maintenance, replacement, refurbishment, and expansion. The Authority must also be prepared for planning and implementation of new facilities if the need arises. The Authority is moving forward with formalizing past practice with establishment of appropriate reserves and associated target levels.

The establishment of the following reserves will prudently position the Authority to address current and future risks, as well as stabilize its rates. The reserves are categorized according to one of the following:

### **Reserved and Designated Fund Balances:**

*Reserved fund balance:* Reserves that are maintained based on externally-imposed restrictions from federal and state regulatory requirements, or conditions imposed by third parties (e.g., bondholders) through bond indentures or other legal documents.

*Designated fund balance:* Board imposed restrictions on funds for certain Authority purposes, such as infrastructure replacement or rate stabilization.

### **Unreserved and Undesignated Fund Balances:**

Funds available for spending with no legal, regulatory, or Board imposed restrictions.



final year. It can only be accessed with Board approval and is subject to replenishment during the annual budget approval process. This serves as a guiding budgetary constraint, but does not prohibit the Board from approving capital projects which exceed the available contingency budget.

Target Level: The Contingency Reserve will be set at a level equal to two months of operating revenues of the most recently adopted budget

Review Date: Annually during the budget development and review process.

### **Membrane and Resin Reserve**

**\$41m**

Purpose: To ensure adequate reserves in case of a complete failure of all trains in a Desalter facility.

Usage Requirements: The reserve is used to ensure periodic membrane replacement to sustain optimum operations of the desalters.

Target Level: The designated amount is set for total replacement of all four trains.

Review Date: The target level will be set and reviewed annually as part of the budget process.

### **Capital Construction Reserve**

**Per Project Award**

Purpose: This reserve essentially is the encumbrance for all outstanding capital commitments, particularly for major engineering and construction projects.

Usage Requirements: The reserve is depleted as capital projects are completed.

Target Level: The target level will vary from year to year, based on capital project needs as identified in the Authority's Fiscal Budget and annual capital plan.

Review Date: The target level will be set and reviewed annually subsequent to the adoption of the annual budget or as needed based on Board actions.

Funding: Any positive/negative changes of less than \$1.0m of the proposed total reserve will not be distributed/assessed to the members. In case of a need for

funding of a deficiency in excess of \$1.0m, it will be incorporated in the next budget cycle.



# **Technical Advisory Committee Meeting**

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## **Agenda Item**

### **No. 7**

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SUBJECT: RECONCILIATION OF THE ALLOCATION OF COSTS FOR FISCAL YEAR 2019/20

RECOMMENDATION:

Staff recommends that the Board:

- 1. Approve the reconciliation of the allocation of costs for fiscal year 2019/20 per the attached Exhibit A.
2. Approve the analysis of reserve balance at June 30, 2020 per the attached Exhibit B

BACKGROUND:

Per the CDA Water Purchase Agreement, the CDA is to perform an annual reconciliation of the following cost components: 1) Fixed Project Costs; 2) Fixed Operations and Maintenance (O&M) Costs; 3) Variable O&M Costs; and 4) Administration Costs. Additionally, an analysis of reserve balance is to be performed.

ISSUES AND ANALYSIS:

The FY2019/20 budget was prepared using the expected delivery of 35,200 acre feet (af) of water among the CDA member agencies. The actual quantity of water delivered was 30,246.8 af.

The combined total audited costs for the fiscal year were \$25,656,793, detailed as follows:

Table with 5 columns: Fixed Project, Fixed O&M, Variable O&M, Administrative, Total. Values: \$7,032,641, \$7,469,496, \$9,901,426, \$1,253,233, \$25,656,793

Total received assessments of \$30,400,780 result in an overpayment of \$4,743,987.

The reserve analysis revealed a surplus of \$629,366 and the members agreed that no action is necessary for this fiscal year.

This recommendation was reviewed and approved by the TAC on February 9, 2021 and the Finance Committee on February 25, 2021.

IMPACT ON BUDGET:

The distribution of overage on allocated costs will decrease reserve balance.

Prepared by: Michael Chung, CFO/Treasurer

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

CDA GM/CEO Acknowledgement: Date:

	A	B	C	D	E	F	G	H	I	J	L	M	N	O	P	Q	R	U	V
1	<b>CHINO BASIN DESALTER AUTHORITY</b>																		Exhibit A
2	<b>Reconciliation of Allocated Costs</b>																		
3	<b>Fiscal Year 2019/20</b>																		
4																			
5							(G)	(H)	(I)	(J)	(L)			(O)	(P)	(Q)	(O) - (Q)		
6							Actual	Administrative	Fixed Project	Fixed Project	Fixed O&M	Variable O&M		Allocation	Total	Amount			Cost/AF
7							Water	Cost	Cost -	Cost -	Cost	Cost		per	Per Budget	Collected by CDA	Shortage/(over)		b-4 MWD Sub
8		Entitlement	Entitlement	Budgeted	Allocation	Delivered	%							Actual Exp					
9		PER WPA	%	Commitment	%				Debt Service	Capital									
10																			
11	JCSD	11,733.0	33.332%	11,733.0	33.332%	10,206.9	33.745%	417,728	2,070,762	694,438	2,520,610	3,341,236	9,044,774	10,555,204	10,555,204	(1,510,430)			886
12	Chino	5,000.0	14.205%	5,000.0	14.205%	4,340.9	14.352%	178,022	1,262,552	295,947	1,071,992	1,421,053	4,229,565	4,879,188	4,879,192	(649,627)			974
13	Ontario	8,533.0	24.241%	8,533.0	24.241%	7,405.3	24.483%	303,796	-	505,037	1,828,751	2,424,166	5,061,750	6,167,035	6,167,036	(1,105,286)			684
14	Chino Hills	4,200.0	11.932%	4,200.0	11.932%	3,669.3	12.131%	149,536	1,060,623	248,591	906,140	1,201,142	3,566,031	4,098,545	4,098,548	(532,517)			972
15	Santa Ana River Water Co	1,200.0	3.409%	1,200.0	3.409%	1,089.2	3.601%	42,723	302,894	71,023	268,980	356,550	1,042,169	1,170,834	1,170,836	(128,667)			957
16	Norco	1,000.0	2.841%	1,000.0	2.841%	896.4	2.964%	35,604	252,411	59,189	221,367	293,478	862,050	975,738	975,736	(113,686)			962
17	Western MWD	3,534.0	10.040%	3,534.0	10.040%	2,638.8	8.724%	125,824	-	209,173	651,656	863,801	1,850,454	2,554,228	2,554,228	(703,774)			701
18	Total	35,200.0	100.000%	35,200.0	100.000%	30,246.8	100.0%	1,253,233	4,949,242	2,083,399	7,469,496	9,901,426	25,656,793	30,400,772	30,400,780	(4,743,987)			
19	Actual Expenses																		
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(H) Administration Cost - Based on Entitlement (w/ Ph 3 Expansion)	(I) Fixed Project Cost - Debt Service - Based on debt service schedule	(J) Fixed Project Cost - Capital - Based on Entitlement (w/ Ph 3 Expansion)
(2)		
Entitlement	Debt Obligation	Entitlement
Per WPA	%	%
Entitlement	Debt Service	Adopted
%	2016A Bonds	Fixed Proj Cost
Admin Costs		Cost
JCSD 11,733 33.332% 417,728	JCSD 41.84% 2,070,762	JCSD 33.332% 694,438 694,438
Chino 5,000 14.205% 178,022	Chino 25.51% 1,262,552	Chino 14.205% 295,947 295,947
Ontario (a) 8,533 24.241% 303,796	Ontario (1) 0.00% -	Ontario 24.241% 505,037 505,037
Chino Hills 4,200 11.932% 149,536	Chino Hills 21.43% 1,060,623	Chino Hills 11.932% 248,591 248,591
Santa Ana 1,200 3.409% 42,723	Santa Ana 6.12% 302,894	Santa Ana 3.409% 71,023 71,023
Norco 1,000 2.841% 35,604	Norco 5.10% 252,411	Norco 2.841% 59,189 59,189
WMWD 3,534 10.040% 125,825	WMWD 0.00% -	WMWD 10.040% 209,173 209,173
Total 35,200 100.000% 1,253,233	Total 100.00% 4,949,242	Total 100.000% 2,083,398 2,083,398

(1) Ontario prepaid its share of debt in August 2005

  

(L) Fixed O&M - Based on Actual Deliveries		
Entitlement	Fixed O&M	Allocated
Per WPA	%	Fixed O&M
		Expenses
JCSD 10,206.9 33.745% 2,520,610		
Chino 4,340.9 14.352% 1,071,992		
Ontario 7,405.3 24.483% 1,828,751		
Chino Hills 3,669.3 12.131% 906,140		
Santa Ana 1,089.2 3.601% 268,980		
Norco 896.4 2.964% 221,367		
WMWD 2,638.8 8.724% 651,656		
Total 30,246.8 100.000% 7,469,496		

  

<i>Actual expenses per annual financials</i>	
Fixed and Variable O&M	17,370,921
Administration Costs	1,253,233
	<u>18,624,154</u>
<i>Budgeted non-debt related CIPs</i>	
CIP	2,083,398
CIP Special Assessment	-
	<u>2,083,398</u>

(2) For consistency purpose, CDA will round the % of allocation to 3 digits after the decimal under entitlement of 35,200 acre feet

	X	Y	Z	AA	AB	AC	AD
28		<b>Chino Basin Desalter Authority</b>					<b>Exhibit B</b>
29		<b>Analysis of Unrestricted Reserve</b>					
30		<b>FY2019/20</b>					
31							
32		Current Reserve Policy:					
33		Infrastructure		2,380,000			
34		Operating Contingency		3,820,000			
35		Rate Stabilization		-			
36		Membranes/Resin		410,000			
37		Total Required Reserve		<u>6,610,000</u>			
38							
39		Restricted Reserves:					
40		For Capital Projects:					
41		Non-debt related CIPs Commitments		2,722,595			
42		Capital Replacement/Emergency Reserve		250,000			
43							
44				<u>2,972,595</u>			
45							
46							
47		Total Reserve per Audited Financials 6/30/2020		14,955,948			
48		Less: reconciliation costs refund - FY2019/20		(4,743,987)			
49		restricted reserves		<u>(2,972,595)</u>			
50		Adjusted Unrestricted at June 30, 2020		7,239,366			
51		Required Unrestricted Reserve		<u>6,610,000</u>			
52		Unrestricted Reserve Overage		<u><u>629,366</u></u>			
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# **Technical Advisory Committee Meeting**

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## **Agenda Item**

### **No. 11**

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***Chino Basin Desalter Authority***  
**Board Meeting Agenda Items**

<b>March 4, 2021 Board Meeting (Special)</b>		<b>TAC</b>	<b>Finance</b>
Change Order to Pascal & Ludwig for Air Stripper Project	Cindy Miller	2/23/2021	2/25/2021
Reconciliation of the Allocation of Costs for Fiscal Year 2019/20 and Related Reserve Balance Analysis	Jose Garcia	2/9/2021	2/25/2021
General Manager Performance Evaluation (Closed Session Item)	A. Burns	-	2/25/2021
General Manager Employment Agreement	A. Burns	-	-

<b>April 1, 2021 Board Meeting (Regular)</b>		<b>TAC</b>	<b>Finance</b>
Quarterly Financial Reports	Garcia/CDA		3/25/2021
Quarterly Operations Report/Presentation	O'Neill/CDA		3/25/2021
Quarterly South Archibald Plume Report/Presentation	Miller/H&S		3/25/2021



# **Technical Advisory Committee Meeting**

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## **Agenda Item**

### **No. 12**

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# *Chino Basin Desalter Authority*

## TAC Meeting Agenda Items

<b>February 23, 2021</b>
Meeting Minutes
Chino I Operations Report
Chino II Operations Report
Change Order to Pascal & Ludwig for Air Stripper Project
CRF Update
South Archibald Plume Update
Chino I GAC Update

<b>March 9, 2021</b>
Meeting Minutes
Chino I Operations Report
Chino II Operations Report
CRF Update
Water Deliveries
South Archibald Plume Update
Chino I GAC Update