

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

MINUTES
January 7, 2021

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

Directors Present:

Eunice Ulloa, City of Chino - Chair
Ken McLaughlin, Jurupa Community Services District – Vice Chair
Jim Bowman, City of Ontario
Peter Rogers, City of Chino Hills
Greg Newton, City of Norco
Vicki Rupe, Santa Ana River Water Company
Gracie Torres, Western Municipal Water District

Directors Absent:

Marco Tule, Inland Empire Utilities Agency

Others Present:

Thomas O'Neill, CDA General Manager/CEO
Michael Chung, CDA CFO/Treasurer
Casey Costa, CDA Executive Assistant
Allison Burns, CDA Deputy General Counsel
Dave Crosley, City of Chino
Chris Bonadurer, City of Ontario
Shivaji Deshmukh, Inland Empire Utilities Agency
Ben Armel, Jurupa Community Services District
Chander Letulle, Jurupa Community Services District
John Lopez, Santa Ana River Water Company
Derek Kawaii, Western Municipal Water District
Mike Gardner, Western Municipal Water District
Cindy Miller, Hazen & Sawyer
Bob Bowcock, Integrated Resources Management/SB County Airports

PUBLIC COMMENT ON NON-AGENDA ITEMS

There were no public comments.

ADMINISTER OATH OF OFFICE TO NEW BOARD MEMBERS

The Oath of Office was administered to Ken McLaughlin, Jurupa Community Services District.

CONSENT CALENDAR ITEMS

1. **MINUTES OF NOVEMBER 5, 2020 SPECIAL BOARD MEETING**
2. **TREASURER'S FINANCIAL AFFAIRS REPORT FOR QUARTER ENDED SEPTEMBER 30, 2020**
Report by: Jose Garcia, CDA Principal Accountant
3. **TREASURER'S REPORT ON GENERAL DISBURSEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020**
Report by: Jose Garcia, CDA Principal Accountant
4. **BUDGET VARIANCE REVIEW FOR THE QUARTER ENDED SEPTEMBER 30, 2020**
Report by: Jose Garcia, CDA Principal Accountant
5. **INVESTMENT REPORT FOR THE QUARTER ENDED SEPTEMBER 30, 2020**
Report by: Jose Garcia, CDA Principal Accountant

Motion: It was moved by Director Rogers/City of Chino Hills and seconded by Director Bowman/City of Ontario to approve Consent Items 1-5.

Motion carried:

Ayes: Eunice Ulloa, City of Chino
Peter Rogers, City of Chino Hills
Greg Newton, City of Norco
Jim Bowman, City of Ontario
Vicki Rupe, Santa River Water Company
Gracie Torres, Western Municipal Water District
Ken McLaughlin, Jurupa Community Services District

Noes: None

Absent: None

Abstained: None

ACTION ITEMS

6. **APPROVAL OF ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR 2019/20**
Report by: Jose Garcia, CDA Principal Accountant

Staff Recommendation:

1. Approve the Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2020, as presented, and direct staff to make distribution, as appropriate, to the various federal, state, and local agencies, financial institutions, bond rating agencies and other interested parties.

Treasurer Chung reviewed highlights of the Annual Financial Report for the fiscal year ended June 30, 2020. He reviewed revenues and expenses by category and reserve summary. There were no questions or comments.

Motion: It was moved by Director Bowman/City of Ontario and seconded by Director Rogers/City of Chino Hills to approve Action Item 6.

Motion carried:

Ayes: Eunice Ulloa, City of Chino
Peter Rogers, City of Chino Hills
Greg Newton, City of Norco
Jim Bowman, City of Ontario
Vicki Rupe, Santa River Water Company
Gracie Torres, Western Municipal Water District
Ken McLaughlin, Jurupa Community Services District

Noes: None

Absent: None

Abstained: None

7. SOUTH ARCHIBALD PLUME CLEANUP PROJECT: TEMPORARY CONSTRUCTION EASEMENT FROM LESSO MALL DEVELOPMENT LIMITED FOR PHASE 2 PIPELINE
Report By: Cindy Miller, South Archibald Plume Program Manager

Staff Recommendation:

1. Authorize the General Manager to execute a temporary construction easement agreement with Lesso Mall Development for construction of a portion of the Phase 2 Raw Water Pipeline along Bellegrave Avenue east of the Interstate-15 crossing, subject to non-substantial revisions by CDA's Legal Counsel; and
2. Authorize payment in accordance with the Memorandum of Payment at \$13,525.43 per month through March 31, 2021.

Program Manager Miller reviewed the recommendation to approve a temporary construction easement needed for construction of the Phase 2 Pipeline due to revised alignment. The terms of the temporary easement will be monthly, at \$13,525.43 per month. Agreement is valid through March 31, 2021. The expected construction start date is in January 2021 and expected completion is the end of February or during March 2021. If construction is completed prior to March 31, 2021, payment for the easement will be prorated for a partial month.

Director Newton/Norco questioned whether there is sufficient room for construction access in the right-of-way and asked how the price of the temporary easement was determined. Program Manager Miller replied that transmission poles limit the area on the south side, so construction staging will have to be located to the north. She added that

recent easements have been secured with Lesso and Goodman in the immediate area and the cost of this easement is in line with those transactions. There were no further questions or comments.

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

Motion carried:

Ayes: Eunice Ulloa, City of Chino
Peter Rogers, City of Chino Hills
Greg Newton, City of Norco
Jim Bowman, City of Ontario
Vicki Rupe, Santa River Water Company
Gracie Torres, Western Municipal Water District
Ken McLaughlin, Jurupa Community Services District

Noes: None

Absent: None

Abstained: None

8. SOUTH ARCHIBALD PLUME PROJECT: AMENDMENT 3 TO CIVILTEC'S AGREEMENT FOR DESIGN OF CHINO II DESALTER DECARBONATOR MODIFICATIONS PROJECT

Report By: Cindy Miller, South Archibald Plume Program Manager

1. Approve Amendment 3 to the professional services agreement with CivilTec for engineering design and construction phase services in the not-to-exceed amount of \$46,241; and
2. Authorize the General Manager/CEO to finalize and execute the amendment, with subsequent authorizations up to a not-to-exceed total of \$316,540.

Program Manager Miller reviewed the recommendation to approve an amendment to Civiltec's Agreement for Design of the Chino II Decarbonator Modifications Project. This is due to redesign with Pascal & Ludwig due to space issues, additional submittals and RFI's and additional budget to attend weekly construction meetings due to extension of construction completion schedule to June 2021. There were no questions or comments.

Motion: It was moved by Rogers/City of Chino Hills and seconded by Director Bowman/City of Ontario to approve Action Item 8.

Motion carried:

Ayes: Eunice Ulloa, City of Chino
Peter Rogers, City of Chino Hills
Greg Newton, City of Norco
Jim Bowman, City of Ontario
Vicki Rupe, Santa River Water Company
Gracie Torres, Western Municipal Water District
Ken McLaughlin, Jurupa Community Services District

Noes: None

Absent: None

Abstained: None

9. SOUTH ARCHIBALD PLUME PROJECT: AMENDMENT #1 TO MICHAEL BAKER INTL AGREEMENT FOR ON-CALL CONSTRUCTION SURVEY AND STAKING SERVICES FOR SAP CONSTRUCTION PROJECTS

Report By: Cindy Miller, South Archibald Plume Program Manager

1. Approve Amendment #1 to the on-call professional services agreement with Michael Baker International for construction survey and staking services in the not-to-exceed amount of \$100,000; and
2. Authorize the General Manager/CEO to finalize and execute the amendment, with subsequent authorizations up to a not-to-exceed total of \$200,000.

Program Manager Miller reviewed the recommendation to approve an amendment to the Michael Baker International agreement for survey and staking services for South Archibald Plume Projects. She reported that significantly more surveys are required for the project including continuous monitoring required by CalTrans as boring takes place under the I-15 Freeway, revised alignment due to the coordination with Southern California Edison, and grading limits and coordination with development taking place by the wellsite. Director Ulloa/Chino questioned why the estimate provided by Michael Baker totals only \$41,000. Program Manager Miller replied that she, General Manager O'Neill and the construction management team identified additional survey staking items that added \$30,000 to that estimate, for a total of \$70,000. The spreadsheet will be updated for the contract amendment. There were no further questions.

Motion: It was moved by Newton/City of Norco and seconded by Director Bowman/City of Ontario to approve Action Item 9.

Motion carried:

Ayes: Eunice Ulloa, City of Chino
Peter Rogers, City of Chino Hills
Greg Newton, City of Norco
Jim Bowman, City of Ontario
Vicki Rupe, Santa River Water Company
Gracie Torres, Western Municipal Water District
Ken McLaughlin, Jurupa Community Services District

Noes: None

Absent: None

Abstained: None

10. ELECTION OF OFFICERS OF THE 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 2021.

Motion: It was moved by Ulloa/City of Chino and seconded by Director Rogers/City of Norco to elect Officers as follows:

Chairperson – Ken McLaughlin, Jurupa Community Services District

Vice Chairperson – Jim Bowman, City of Ontario

Motion carried:

Ayes: Eunice Ulloa, City of Chino
Peter Rogers, City of Chino Hills
Greg Newton, City of Norco
Jim Bowman, City of Ontario
Vicki Rupe, Santa River Water Company
Gracie Torres, Western Municipal Water District
Ken McLaughlin, Jurupa Community Services District

Noes: None

Absent: None

Abstained: None

11. CONSIDERATION OF APPOINTMENT OF BOARD SECRETARY

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

Staff Recommendation:

1. Appoint Executive Assistant Casey Costa to the position of Board Secretary.

Motion: It was moved by Rogers/City of Chino Hills and seconded by Director Ulloa/City of Chino to approve Action Item 11.

Motion carried:

Ayes: Eunice Ulloa, City of Chino
Peter Rogers, City of Chino Hills
Greg Newton, City of Norco
Jim Bowman, City of Ontario
Vicki Rupe, Santa River Water Company
Gracie Torres, Western Municipal Water District
Ken McLaughlin, Jurupa Community Services District

Noes: None

Absent: None

Abstained: None

12. 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 the calendar year 2021.

Motion: It was moved by Director Rogers/City of Chino Hills and seconded by Director McLaughlin/Jurupa Community Services District to appoint Directors from the following member agencies to the Finance Committee: City of Chino, City of Chino Hills and Jurupa Community Services District.

Motion carried:

Ayes: Eunice Ulloa, City of Chino
Peter Rogers, City of Chino Hills
Greg Newton, City of Norco
Jim Bowman, City of Ontario
Vicki Rupe, Santa River Water Company
Gracie Torres, Western Municipal Water District
Ken McLaughlin, Jurupa Community Services District

Noes: None

Absent: None

Abstained: None

INFORMATION ITEMS

13. QUARTERLY SOUTH ARCHIBALD PLUME REPORT

Report By: Cindy Miller, South Archibald Plume Program Manager

Program Manager Miller reviewed the progress of project components of the South Archibald Plume Project, expected to be complete June 2021. Production Well II-12 drilling is complete; well equipping is underway and is currently estimated to be complete April 2021. Monitoring Well MW-II-3 is complete, and MW-II-4 and MW-II-5 are expected to be complete in April 2021. Raw Water Pipeline Phases 1 and 3 are complete. Raw Water Pipeline Phase 2 is estimated to be complete in April 2021, which has been delayed because hurricanes have affected the supply of PVC pipe. The Chino II Decarbonator Project is expected to be complete June 2021, which has been extended due to delays associated with supply availability and circumstances caused by COVID-19. She reviewed project costs and grant funding for the project.

Director Ulloa/Chino asked if it can be anticipated when the contamination will be cleaned up in its entirety. Program Manager Miller replied that models have been created by hydrogeologists which show that it will be decades before the plume is cleaned up. A monitoring and reporting plan provides procedures to continually update the models to report the progress of the project. Director Ulloa/Chino questioned whether there are private wells extracting water affected by the plume. Program Manager Miller replied that she is not aware of any, although the City of Ontario has an active program to provide alternative drinking water supplies. Director Bowman/Ontario added that he is unaware of any active private wells that are currently pumping, although he will check with staff. There were no further questions or comments.

14. QUARTERLY OPERATIONS REPORT

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

General Manager O'Neill reviewed product water deliveries at 104% of entitlements. He reviewed plant production, nitrate and TDS levels and Brine Line Discharge. He reported that well I-10 is out of service for rehabilitation. Well II-10 is out of service undergoing repairs under warranty. Director Ulloa/Chino asked if production from the wells and pipeline from the plume will be reported as line items in the quarterly performance report. General Manager O'Neill replied that data will be added to the report at that time.

STAFF COMMENTS

- i. Deputy CDA General Counsel, Allison Burns had no comments.
- ii. CDA CFO/Treasurer, Michael Chung had no comments.
- iii. CDA General Manager/CEO, Thomas O'Neill commended Chino I and Chino II Operations Staff for overcoming a variety of issues while producing water to meet entitlements.

CLOSED SESSION

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

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

The Board did not enter into Closed Session.

DIRECTOR COMMENTS Director Rogers/Chino Hills welcomed new CDA Board Members. Director Ulloa/Chino stated that she is pleased to return to the CDA Board of Directors. Director McLaughlin/JCSD introduced himself and stated that is honored to be on the CDA Board of Directors.

ADJOURNMENT – There being no further business to come before the Board, the meeting was adjourned at 3:05 p.m.



Secretary of the Board of Directors