

SAN ANTONIO WATER COMPANY  
ADMINISTRATION and FINANCE COMMITTEE (AFC)  
MINUTES

April 28, 2015

An open meeting of the Administration and Finance Committee (AFC) of the San Antonio Water Company (SAWCo) was called to order at 3:02 p.m. on the above date at the Company office located at 139 N. Euclid Ave., Upland, California. Committee Members present were Sue Sundell, Bob Cable, Glenn Bozar and Tom Thomas. Also in attendance were Ryan Shaw from the City of Ontario, SAWCo's General Manager Charles Moorrees, Assistant Manager of Administration and Finance Teri Layton and Office Assistant Kelly Mitchell. Ms. Sundell presided.

1. Recognitions and Presentations: None.
2. Additions-Deletions to the Agenda: Mr. Moorrees added Depreciation and Obsolescence Reserve Checking Account as Item 5E.
3. Public Comments: None.
4. Approval of Committee Meeting Minutes: Mr. Bozar moved and Mr. Cable seconded to approve the meeting minutes of February 24, 2015 as presented. Motion carried.

Justin Scott-Coe from Monte Vista Water District (MVWD) entered the meeting at 3:05 p.m.

5. Administrative and Financial Issues:

- A. ***Classification and Compensation Study*** – Mr. Moorrees advised this item was presented to the committee at the February AFC meeting. More information was requested by the committee at that time including a comparison of current position pay scales with the Classification and Compensation Study proposed ones. That information was sent to the committee members shortly after it was requested. The addition of requirements such as being able to lift a certain amount of weight and other physical requirements will be added to the job descriptions as well.

Mr. Bozar inquired if the scope and volume of work tasks came into the picture when this study was done. Mr. Moorrees answered the consultants based their comparisons on the skill set required and what the job duties for the position were.

There was consensus on the committee to bring the item to the Board for approval.

- B. ***Citizens Patrol Contribution*** – Ms. Layton reported that in addition to monitoring daily activity in the San Antonio Heights, the Citizen's Patrol also assists SAWCo in reporting any witnessed water leaks or water waste. Additionally, because their patrols include the Mt. Baldy area, they also "partner" with the San Antonio Canyon Watershed Committee in monitoring issues affecting water quality within the watershed area and provide quarterly reports.

Mr. Moorrees proposed the committee recommend the Board approve a \$1,000 monetary contribution this year to the Citizens Patrol.

Mr. Bozar moved and Mr. Thomas seconded to recommend the Board approve a \$1,000 monetary contribution to the Citizens Patrol this year. Motion carried with Mr. Cable abstaining.

- C. *Water Service Agreements – Ontario, MVWD, Upland*** – Mr. Moorrees advised that currently SAWCo has water service agreements with the City of Upland, MVWD, and the City of Upland. The City of Upland and the MVWD agreements are scheduled to end on December 31<sup>st</sup> of this year. The City of Ontario agreement is not set to expire until the end of 2018. In accordance with these agreements, SAWCo invoices each entity their monthly entitlements irrespective of actual water delivered. The account is reconciled at the end of the year with transfers of water from SAWCo’s respective storage accounts in Chino Basin or in Six Basins.

In the past SAWCo was able to maintain a sufficient storage account in Chino Basin for respective transfers of water not delivered. Due to reduced Tunnel flows SAWCo now fully utilizes its production allowance with no excess carryover into its storage account.

With reduced supplies and water recharge to supplement storage accounts due to the drought, staff anticipates that reconciliation of these agreements would fully deplete its storage accounts in Chino Basin and Six Basins.

Mr. Moorrees suggested the Committee recommend the Water Service Agreements with MVWD and the City of Upland be allowed to expire without renegotiation until such time sufficient supplies are available with respective storage reserves. Staff has spoken with the General Manager for the City of Ontario, Scott Burton, who seems willing to let their agreement expire at the end of the year. Letters will be sent to all three entities advising the non renewal or early termination of the agreements.

Discussion in regards to sources of water followed. Both Mr. Shaw from the City of Ontario and Mr. Scott-Coe from MVWD appreciated SAWCo’s efforts in procuring all water available.

Mr. Cable moved and Mr. Thomas seconded to recommend the Board agree to allow the Water Service Agreements with MVWD and the City of Upland to expire without renegotiation until such time sufficient supplies are available with respective storage reserves. Motion carried.

- D. *General Liability Insurance Renewal and Cyber Liability*** – Mr. Moorrees reported that Arch Insurance is SAWCo’s current provider of liability insurance. A quote was received from them as well as Allied World Insurance-Alteris Water Program. Although the Alteris Water Program quote came in at a lower dollar amount the Arch Insurance policy provided more coverage.

Mr. Shaw and Mr. Scott-Coe exited the meeting at 4:01 p.m.

There was consensus on the committee to have Mr. Thomas review the specifics of the policy quotes and bring the information and recommendation to the next Board meeting.

- E. *Depreciation and Obsolescence Reserve Checking Account*** – Mr. Moorrees brought this item to the committee for discussion and acknowledgment. He explained that SAWCo does not have a savings account anymore to cover expenses. The savings account was

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incorporated into the Depreciation and Obsolescence (D & O) reserve fund. Instead of transferring funds allocated to D & O each time they are needed SAWCo will be setting up a D & O checking account. This will allow for fewer transfers of funds and make more clear what funds are being utilized.

6. Closed Session: None.
7. Committee Comments and Future Agenda Items: None.

Adjournment: The committee determined there was no further business and adjourned the meeting at 4:09 p.m.

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Assistant Secretary  
Charles Moorrees