

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, January 17, 2017

An open meeting of the Board of Directors of the San Antonio Water Company (SAWCo) was called to order at 5:01 p.m. on the above date at the Upland City Hall Council Chambers, 460 North Euclid Avenue, Upland, California. Directors present were Tom Thomas, Will Elliott, Ken Willis, John Gerardi, Bob Cable, Glenn Bozar and Sue Sundell. Also in attendance were resident Jane Willis, Justin Scott-Coe with Monte Vista Water District (MVWD), and SAWCo's General Manager Charles Moorrees, Assistant General Manager Teri Layton and Senior Administrative Specialist Kelly Mitchell. Director Thomas presided.

- Salute to the Flag

- 1. Recognitions and Presentations: Mr. Moorrees acknowledged Dr. Justin Scott-Coe from MVWD in the audience. He also reported 6.77 inches of rainfall thus far in the month of January and 6 inches of rainfall for the month of December. SAWCo is diverting roughly 8,000 gallons per minute (gpm) of water coming out of San Antonio Creek.

- 2. Additions-Deletions to the Agenda: None.

- 3. Shareholder-Public Testimony: None.

- 4. Consent Calendar Items:
 - A. Approval of Board Meeting Minutes
Regular Meeting Minutes December 20, 2016.
 - B. Planning, Resources, and Operations Committee (PROC) Meeting Minutes
No meeting to report.
 - C. Administrative and Finance Committee (AFC) Meeting Minutes
No meeting minutes to report.
 - D. Ad Hoc Committee Office/Yard Relocation Meeting Minutes
No meeting to report.
 - E. Financial Statement
Comparative Income Statement and Balance Sheet for November 30, 2016 and year-to-date.
 - F. Investment Activity Report
Monthly Report of Investments Activity
 - G. Water Production
Bi-Monthly water production [Jan/Feb, Mar/Apr, May/June, July/Aug, Sept/Oct, Nov/Dec]
 - H. Prominent Issues Update
Status summaries on certain on-going active issues.
 - I. Projects and Operations Update
Status summaries on projects and operations matters.
 - J. Groundwater Level patterns [Quarterly in April, July, October & January]
Tracking patterns of groundwater elevations relative to ground surface.
 - K. Correspondence of Interest

Director Elliott moved and Director Willis seconded to approve the consent calendar as presented. Motion carried.

- 5. Board Committee – Delegate Report:
 - A. Pomona Valley Protective Association (PVPA) Representative's Report** – Director Thomas reported on the PVPA meeting held the previous week. The recent elections brought in a couple of new board members for PVPA; Tim Sandoval, City of Pomona Mayor, and Rubio Gonzalez, City of Pomona District 1 council member. The total rainfall at San Antonio Dam for 2016 was reported at 17½ inches. This amount is still below the historic average by roughly 5 inches. There is a 5 acre piece of landlocked property at Thompson's Creek Spreading Grounds. PVPA is drafting an

easement agreement for a 30 to 40 foot piece of land they own to allow the owner of the landlocked property access to his land.

- B. Six Basins Representative Report** – Mr. Moorrees reported the next Six Basins meeting will be held January 24, 2017. The 1,000 acre feet (AF) water transfer from SAWCo's stored water account to the City of Pomona is on the agenda for the meeting. SAWCo was able to produce only 66% of its operating safe yield (OSY) in Six Basins during 2016. Parties are only allowed to carry over 25% of their OSY meaning SAWCo will not be able to carryover all of its water into 2017. Director Thomas commented that most parties in the basin were losing water due to not being able to carry it over to the new year.
- C. Chino Basin Representative Report** – Ms. Layton reported on the Chino Basin Watermaster 2015 Safe Yield Reset Agreement (SYRA). The Court was to issue a briefing schedule by January 6, 2017 but has pushed the date back to February 17, 2017.

The Appropriative Pool met on January 12th and carried out their annual elections. The Pool Chair is Todd Corbin with Jurupa Community Services District and Pool Vice-Chair is Justin Scott-Coe with MVWD. The Advisory Minor Representatives are SAWCo and Monte Vista Irrigation Company. Advisory Second Vice-Chair is Darron Poulsen with the City of Pomona and Fontana Water Company is the new Pool Board member with Robert DiPrimio as primary and Josh Swift as the alternate.

Information on the water storage agreements was given. Water held in storage accounts on behalf of parties requires valid agreements with Watermaster. Excess carry-over and post-2000 local supplemental water is presently being held in storage without valid storage agreements. To establish valid agreements for storage accounts, refresh expired agreements, and to fully recognize the investments made in the stored water supplies, Watermaster prepared proposed standard agreements for each account that requires a valid agreement for the parties review.

Ms. Layton reported that pursuant to the Restated Judgment, Exhibit "G", by December 31st of each year the members of the Overlying Non-Agricultural Pool shall notify Watermaster of the amount of water each party shall make available in its individual discretion for purchase by the appropriators. Watermaster is required to provide a Notice of Availability of each appropriator's pro-rata share of such water by January 31st of each year. There is 1,000 AF available for purchase this year. SAWCo's pro-rata share available for purchase is 19.473 AF for \$11,099.82, which is at a cost of \$570/AF. If other agencies do not purchase their pro-rata share of available water it is divided among the remaining parties that do wish to purchase the available water.

Mr. Moorrees stated SAWCo submitted an application to recharge water into Chino Basin. This is water from recent storms that is dynamic and not static which means it needs to be recharged quickly. After submitting the applications Mr. Moorrees was advised that the Watermaster may need to bring the request to the Appropriative Pool for recommendation to the board in February. Mr. Moorrees stated he would not have the water to recharge at that time. Staff is attempting to get the request fast tracked using a 2012 application. Roughly 280 AF to 300 AF recharge is possible in Chino Basin. This will help SAWCo deliver entitlement to the City of Ontario and MVWD as well as add to SAWCo's desalter replenishment obligation so they will not have to buy water at \$570/AF.

Ms. Layton made mention that the AdHoc meeting originally scheduled for the following day has been cancelled. The chairman would like to reschedule the meeting. Ms. Layton suggested meeting the following Monday at 2:00 p.m. The committee members agreed to the new date and time.

- D. Administration and Finance Committee (AFC) Chairman's Report** – No meeting to report.

E. **Planning, Resources, & Operations Committee (PROC) Chairman's Report** – No meeting to report.

F. **Office Feasibility Study Ad Hoc Committee** – No meeting to report.

6. General Manager's Report on Activities:

A. **Annual Shareholder's Meeting** – Mr. Moorrees stated the time has come for the annual appointment of the Inspectors of Election. He recommended reappointment of the inspectors from the previous Annual Shareholders meeting; Peter Cherbak, Betty Garrison, and Donna Hawthorne.

Director Elliott moved and Director Cable seconded the general manager's recommendation to reappoint Peter Cherbak, Betty Garrison and Donna Hawthorne as Inspectors of Election for the upcoming Annual Shareholders meeting. Motion carried.

B. **Conservation Programs Update** – Mr. Moorrees provided an update on SAWCos existing water conservation programs. Highlights included a 2016 calendar year total water savings of 2,247,154 gallons. Mr. Moorrees also advised of his intent to bring to the next PROC meeting a request to end membership in the California Urban Water Conservation Counsel and have SAWCo begin providing their own Best Management Practices (BMPs).

There was consensus on the Board to receive and file the item.

C. **Rate and Fee Analysis** – Mr. Moorrees notified the Board of the upcoming workshop in regards to the rate and fee analysis tentatively scheduled for Monday, January 30th at the Chino Basin Water Conservation District. An invitation will be emailed solidifying the date and time.

Mr. Moorrees also advised the Rate and Fee Analysis was accidentally omitted from the budget for the 2017 calendar year. He requested the Board appropriate a carry over budget of \$51,000 from Operations to complete the analysis by Carollo Engineers.

Director Elliott moved and Director Bozar seconded to appropriate \$51,000 from Operations to complete the Rate and Fee Analysis by Carollo Engineers. Motion carried.

D. **Project Status Report** –

- **WFA Pipeline Connection** – The design is complete. SAWCo is utilizing the City of Upland's water quality sampling to meet the State Water Resources Control Board's requirement of an additional year of sampling to remove the Bin 2 classification.
- **Holly Drive Reservoir Design** – Request for additional environmental work per AB52. An archeologist is now needed. Additional appropriation of funds will be needed.
- **Water Master Plan** – Staff met with the consultant about the capital improvement projects. The consultant will be making a presentation at the next PROC meeting.
- **Basin 6 Desilting** – The County has not completed their review of the environmental report.
- **Cucamonga Basin-Desilting Project at Crosswalls** – Payment was issued to the Regional Water Quality Control Board for the 401 permit. The permit has not been received. Staff is still awaiting a permit from the Army Corps of Engineers who has asked for a baseline maintenance plan. SAWCo's environmental consultant is in the process of preparing one. The electrical box on Baseline Road will need to be relocated prior to agreement with the rock company and GRB Equipment.
- **Water Rights Investigation** – Activity – There is a meeting scheduled for February 3rd with the State Water Resources Control Board, Division of Water Rights. SAWCo staff has asked the City of Upland, City of Ontario and MVWD to attend the meeting as they are beneficiaries of the water from the creek.

Ms. Layton stated she would send the invitation to the Board to attend the February 3rd meeting.

- **Office Relocations Feasibility Study** – The City of Upland agreed to have their boring contractor consultant do the geophysical for the northern portion of the property. General Pump will take a look at the sight to determine the amount of space SAWCo will need to have the ability to pull the well on the site. Rosemary Hoerning is working on the appraisal of the property.
- **Well 31 Biological Treatment** – The DDW is delaying on approving the treatment. Staff would like the approval of the use of methanol as an electron donor which will reduce the cost of treatment. DDW has yet to approve it stating it adds another toxin. They are requiring a back end system and disinfection before distribution. Proposition 1 funding is being sought but the State may refer the project to the State Revolving Fund. Staff feels rehabilitating Well 19 would be a better option.

7. Closed Session: None.

8. Director's Comments and Future Agenda Items: None.

Adjournment: Seeing no further business the meeting was adjourned at 5:30 p.m.

Future Meetings:

The next Board Meeting will be held on Tuesday, February 21, 2017 at 5:00 p.m.

Assistant Secretary
Charles Moorrees