

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, January 20, 2015

An open meeting of the Board of Directors of the San Antonio Water Company (SAWCo) was called to order at 5:06 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, Glenn Bozar, Bob Cable, and John Gerardi. Also in attendance were City of Upland's Public Works Director Rosemary Hoerning, SAWCo's General Manager Charles Moorrees and Office Assistant Kelly Mitchell. Director Thomas presided.

- Salute to the Flag

1. Recognitions and Presentations: Mr. Moorrees advised the Board that the Accounting and Personnel Clerk, Joni Ruggles, returned to work today after being out sick for three weeks.

Condolences were given to Director Willis for the passing of his mother and to SAWCo's Assistant Manager of Administration and Finance, Ms. Teri Layton, for the passing of her mother.

Mr. Moorrees placed a letter from SAWCo's auditor on the dais. This is a standard letter issued prior to the yearly audit.

2. Additions-Deletions to the Agenda: Item 4E is unavailable due to the extended absence of the Accounting and Personnel Clerk.

Item 6D, the Santa Ana Sucker Draft Recovery Plan, was added to the agenda.

3. Shareholder-Public Testimony: None.

4. Consent Calendar Items:

- A. Approval of Board Meeting Minutes
Regular Meeting Minutes December 16, 2014.
- B. Approval of Board Budget workshop Minutes
Meeting Minutes of December 3, 2014
- C. Planning, Resources, and Operations Committee (PROC) Meeting Minutes
No meeting minutes to report.
- D. Administrative & Finance Committee (AFC) Meeting Minutes
No meeting to report.
- E. Financial Statement
Comparative Income Statement and Balance Sheet for November 30, 2014 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
 - Customer letter to SAWCo Board regarding hydro station at Paloma Curve

Director Gerardi moved and Director Elliott seconded to approve the consent calendar items sans Item 4E. Motion carried.

5. Board Committee – Delegate Report:

A. Pomona Valley Protective Association (PVPA) Representative’s Report – Director Thomas reported the PVPA met the previous week and discussed the easement across the PVPA land to facilitate spreading water into Chino Basin. The item was approved.

There was discussion at the PVPA meeting about the Santa Ana Sucker and the potential reintroduction of it with one of the possible locations being the San Antonio Canyon.

Also mentioned at the meeting was the weed abatement and widening of roads in the San Antonio Spreading Grounds.

B. Six Basins Representative Report –There were no meetings held in December 2014 for Six Basins.

C. Chino Basin Representative Report – Mr. Moorrees reported that the Annual Appropriative Pool meeting was held on December 8th. Rosemary Hoerning, Public Works Director for the City of Upland, was elected as Chair of the Appropriative Pool for 2015. Darren Paulson with the City of Pomona was elected as Vice-Chair of the Appropriative Pool and Todd Corbin with Jurupa Community Services District was elected as Vice-Chair representing the Appropriative Pool for the Advisory Committee. SAWCo and Monte Vista Irrigation Company will serve again as minor representatives. Appropriative Pool representation on the Watermaster Board is Mark Kinsey with Monte Vista Water District (MVWD) and the City of Ontario representative is to be determined. Arnold Rodriguez with San Ana River was elected as the minor representative.

The notice of Overlying (Non-Agriculture) Pool having water that is available to purchase per the judgment was discussed. SAWCo is eligible to purchase 44.912 acre feet (AF) at \$500.52/AF. This item is being presented to the PROC at next week’s meeting. Confirmation of purchase needs to be relayed before March 1st.

At the Safe Yield Recalculation and Reset Facilitation meeting held January 9th, SAWCo’s Chief Operator Tommy Hudspeth attended on behalf of SAWCo. Scott Slater, legal counsel for Chino Basin Watermaster, facilitated the meeting. Goals, objects, rules and guidelines were discussed as well as accounting issues and the need for focusing on making the basin work better for all parties.

A confidential memorandum of facilitation and disclosure agreement was prepared by a special Ad-Hoc committee of legal counsels, including SAWCo’s legal counsel, for Board consideration at a special meeting held on Thursday, January 15th.

Due to disagreements on whether or not Board members should be allowed to attend the Safe Yield Reset meetings, the January 16th Reset meeting was cancelled. Some members of the Appropriative Pool chose to meet in an informal setting to discuss the topic.

There is a special closed session meeting with the Appropriative Pool scheduled for Thursday, January 22nd at 9:30 a.m. prior to the Chino Basin Watermaster Board meeting.

D. Administration and Finance Committee (AFC) Chairman’s Report – No meeting to report on.

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

6. General Manager’s Report on Activities:

A. Service Agreements – End of the year 2014 water transfers – Mr. Moorrees reported on the end of the year water transfers per signed service agreements. Service agreements were established with the City of Upland, the City of Ontario and MVWD to deliver their respective entitlements either

by “wet” water delivery or via transfer from one of SAWCo’s water storage accounts in shared groundwater basins.

SAWCo delivered 2,515.520 AF less to the City of Upland than its entitlement and 387.23 AF less to MVWD than its entitlement. SAWCo has sufficient water stored in Chino Basin and Six Basins and has unused production allowance to accommodate remaining entitlement delivery for CY2014 via water transfers from its storage accounts.

SAWCo is working with the agencies to determine what basins the water transfers will come from. There is 4,400 AF left in storage in Chino Basin with no way to add to it. SAWCo would be left with less than half of its storage if both water transfers are taken out of Chino Basin. There is little more than 2,000 AF in Six Basins, however, the City of Upland will not take transfer out of Six Basins.

Director Willis moved and Director Elliott seconded to receive and file the General Manager’s report on the transfer of water from storage accounts to reconcile service agreements with the City of Upland and MVWD.

- B. Annual Shareholder’s Meeting** – Mr. Moorrees advised the Board that he contacted last year’s Inspectors of Election to inquire about their interest in revisiting their roles at this year’s Annual Shareholder’s Meeting. Pete Cherbak, Betty Garrison, and Donna Hawthorne have all agreed to once again participate as Inspectors of Election at SAWCo’s Annual Shareholders Meeting taking place on April 14, 2015.

Director Cable moved and Director Willis seconded to approve the Inspectors of Election for the upcoming Annual Shareholder’s Meeting. Motion carried.

C. Project Status Report –

- **City Treatment Plant Surface Water Delivery – Dissolved Air Issue** – Finalizing the plan details with WMI. The contract and specification documents are being generated so the project can be advertised.
- **Well 25A-Site Improvements per City CUP – Carry Over CY 2014** – The wall has been completed. RC Construction will finish installing the gate. The revised landscape plan has been approved by the City of Upland. Once permits are issued the landscaping will be installed. Southern California Edison has put in the conduit and transformer pole but has not installed the lights.
- **WFA Pipeline Connection** – Connection is complete. Awaiting deadhead protection installation and well delivery will begin.
- **Basin 6 Desilting** – SAWCo’s environmental consultant was able to convince San Bernardino County to allow SAWCo to tier off the Department of Fish and Wildlife (DFW) permit. There is no need for a 404 permit. An initial study and environmental documents are still needed.
- **Cucamonga Basin** – Desilting project at crosswalls – The final study is being finalized by the City of Upland. It will then be submitted to the regulatory agencies. A letter from Jeff Burum with the City of Rancho Cucamonga was submitted to the City of Upland allowing the use of the proposed haul route.
- **Chino Basin Recharge Pipeline** – Final draft is being completed.
- **Frankish Tunnel Pipeline** – Still in the design phase.

Mr. Moorrees advised that the Board tablets have been received. There will be a short training session for the PROC at the meeting being held the following week.

- D. Santa Ana Sucker** – Mr. Moorrees was approached by the City of Pomona at the most recent Chino Basin Watermaster meeting about a draft study by the DFW about the re-introduction of the Santa Ana sucker fish. The fish would be re-introduced into the San Antonio Creek. SAWCo is opposed to this re-introduction of the sucker fish in the San Antonio Creek. It is believed it will compromise existing agreements SAWCo has that allow for diversion of water down San Antonio

Creek for use by Southern California Edison that recovers water out of the streambed. The water would be lost to percolation and/or evaporation otherwise. It would also hinder routine maintenance on check dams. Mr. Moorrees will send a straight forward response to the DFW. City of Upland and the City of Pomona are sending letters in opposition and Six Basins Watermaster has already sent a letter asking for a delay in finalizing the report.

Director Bozar suggested looking into whether or not the Santa Ana sucker fish was ever actually established in the San Antonio Creek.

Mr. Moorrees stated he would look into what representative's can help the local water companies with regards to the possible re-introduction of the sucker fish. He stated that the San Antonio Creek is also a recreational area and wouldn't be conducive to establishing or re-introducing a species of fish.

7. Closed Session: None.

8. Director's Comments and Future Agenda Items:

Adjournment: There being no further business the meeting adjourned at 5:28 p.m.

Future Meetings:

- The next Regular Board Meeting will be held on Tuesday, February 17, 2014 at 5:00 p.m.

Assistant Secretary
Charles Moorrees