

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, February 16, 2016

An open meeting of the Board of Directors of the San Antonio Water Company (SAWCo) was called to order at 5:02 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, Bob Cable, Sue Sundell, Glenn Bozar and John Gerardi. Also in attendance were Laurie Reinhart of The Genysys Group, Greg Ripperger with Civiltec Engineering, City of Upland's Public Works Director Rosemary Hoerning, and SAWCo's General Manager Charles Moorrees and Assistant Manager of Administration and Finance Teri Layton. Director Thomas presided.

- Salute to the Flag
- 1. Recognitions and Presentations: Mr. Moorrees recognized Mr. Greg Ripperger with Civiltec Engineering and Ms. Laurie Reinhart with The Genysys Group.
- 2. Additions-Deletions to the Agenda: None.
- 3. Shareholder-Public Testimony: Local resident Ms. Rosa Durst spoke in opposition to the Cucamonga Crosswalls project. Her home is located along Campus Avenue and she has attended many meetings with Mr. Moorrees regarding the vehicle access points for dump trucks, equipment, and employees. She understands the vehicles will now be utilizing 24th Street and 22nd Street. She is concerned about 85 to 100 dump truck loads carrying a total of 285 tons of aggregate material up and down Campus Avenue affecting the health of the residents from 21st Street to 24th Street. Ms. Durst inquired about a 24 hour emergency contact number and urged expanding the area beyond 300 feet for the Notice to Residents about the project. Ms. Durst is also concerned about liability in regards to property damage from the dump trucks traveling behind the houses and questioned whether or not a fund to handle property damages was going to be set up and whether or not there are any other alternate routes to minimize the impact on the residents.

Director Thomas advised that he, Mr. Moorrees, and John Holliday with Holliday Rock met to discuss an alternate route. The route discussed may not be available at all the times but would travel south through the Holliday property and exit at 20th Street and the 210 Freeway. Another idea being considered is having empty dump trucks enter from Campus Avenue at 22nd Street and have full trucks exit through Holliday's property. These ideas are being studied by the Environmental Consultant who will then go through the Administrative Committee with the City of Upland. SAWCo is trying to make as minimal impact as possible on residents and businesses.

Ms. Durst expressed concern about the traffic and the possibility of accidents at 20th Street and Campus Avenue. She also inquired if the start date in 2 weeks is still in effect. Mr. Moorrees stated SAWCo is still finalizing the permit with the San Bernardino County. He believes the start time will be the beginning of March.

Other concerns Ms. Durst expressed were that of the possibility of mosquitos in areas where the water is pooling and the value of the real estate in the area. Mr. Moorrees stated he has the list of concerns and will be addressing and responding to the issues. Ms. Durst asked Mr. Moorrees if he would expand the area for the Notice to Residents. Mr. Moorrees advised he is looking into expanding the notice area.

- 4. Consent Calendar Items:
 - A. Approval of Board Meeting Minutes
Regular Meeting Minutes January 19, 2016.
 - B. Planning, Resources, and Operations Committee (PROC) Meeting Minutes
Approval of PROC Meeting Minutes of November 24, 2015.
 - C. Administrative and Finance Committee (AFC) Meeting Minutes

No meeting to report.

- D. Ad Hoc Committee Office/Yard Relocation Meeting Minutes
Approval of Ad Hoc Meeting Minutes of January 6, 2016.
- E. Financial Statement
Comparative Income Statement and Balance Sheet for December 31, 2015 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
 - American Ground Water Trust donation acknowledgement

Director Elliott moved and Director Bozar 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 the PVPA met the previous Wednesday. He advised that Ms. Hoerning along with Wildermuth Environmental, Inc. (WEI) are working on the Operations and Maintenance Plan for the San Antonio Spreading Grounds and Thompsons Creek. PVPA is working with Holliday Rock in regards to a conveyor belt that needs to be enclosed and made earthquake safe on property located at the 210 freeway and Baseline. The preliminary audit from PVPA’s auditors has been received and will be reviewed at the upcoming Finance Committee meeting. Also, there is a piece of land adjacent to Thompson Creek where the property is landlocked. The owner wants to build on the property and has requested an easement from PVPA. PVPA advised the owner to resolve the land lock issues before making a formal request.
- B. Six Basins Representative Report** – Mr. Moorrees reported the WEI contract was approved and officers were elected for 2016. Darren Paulson was elected President, Dan Keesey or Jerry Mesa was elected Vice President, Mr. Moorrees was elected Secretary, and Ben Lewis was elected Treasurer. Facilitation meetings for the Strategic Plan will begin after the next Advisory Meeting on February 24th.
- C. Chino Basin Representative Report** – Ms. Layton reported the court hearing for the 2015 Safe Yield Reset Agreement has been rescheduled for April 8th at 1:30 p.m. to allow the court ample time to review the numerous motions made in the case. The City of Pomona’s attorney filed an opposition to discovery representing SAWCo and numerous others named in the City of Chino’s motion. SAWCo and the City of Ontario did not file a joinder in the fight against the City of Chino.

At the Appropriative Pool meeting last week, SAWCo’s application for recharge was approved for up to 200 acre feet (AF) to be recharged into Montclair 2, 3, and 4, and Brooks Recharge Basin. Closed session strategic planning discussions are continuing.

Mr. Moorrees commented that SAWCo is now able to recharge up to 2,200 AF in Chino Basin as result of new pipeline installation and recharge applications.

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

E. Planning, Resources, & Operations Committee (PROC) Chairman's Report – Mr. Moorrees advised the only item discussed at the PROC that is not in the General Manager's Report was the disposition of the City of Upland's entitlement. The item will be presented to the AFC the following week.

F. Office Feasibility Study Ad Hoc Committee – Ms. Layton stated the committee toured some local water facilities in January and developed a pros and cons list for each site. Utilizing information provided by Monte Vista Water District (MVWD), there is a request for proposal to be considered under agenda item 6B.

Ms. Layton reported that during the February Ad-Hoc meeting staff was instructed to contact the architects from a list provided to the committee. All of the architects on the list have expressed interest and have experience doing this type of project. MVWD also provided SAWCo with their public communication plan and outreach strategies which Ms. Layton will share at the March Ad-Hoc meeting. A brief PowerPoint presentation explaining the project and providing justifications for proceeding with the project will be given at the March Ad-Hoc meeting as well. Staff is currently searching for ballpark figures for selling the yard facility and office property. In addition, they will be looking at other possible land to sell to provide funding for this project. The March Ad-Hoc meeting is scheduled for March 9th at 2:00 p.m.

6. General Manager's Report on Activities:

A. Strategic Plan – Vision and Planning Day Report – Mr. Moorrees reviewed the basics of what took place at the Vision Day held June 18th and Planning Day held October 21st events.

Ms. Reinhart gave a brief overview of the report provided in the Board packet. The Board of Directors, shareholders, management and employees were invited to participate in the Vision Day. The purpose was to develop a cohesive overall vision for the future direction of SAWCo. Preparation involved organizational assessments to pinpoint areas to take a deeper look at. Working through the vision gave areas of focus which were discussed more in depth at the Planning Day event.

The vision statement for the company was refined and adopted. The new vision statement for SAWCo is as follows: "The San Antonio Water Company will be an organization that defines excellence and reliably providing high quality water in a cost effective and equitable manner. We will do this by maximizing water supply, facilities, and technologies through strategic partnerships and with excellent customer service and dedicated employees." This statement provides clarity for the organization going forward and ties to the main strategic initiatives looked at on Planning Day.

Ms. Reinhart stated that from this point forward the focus will be on workforce development and deciding what types of competencies SAWCo needs to build into its employees. She will work with management to build a comprehensive workforce development plan to achieve this. Ms. Reinhart will also work with management to achieve implementation of the strategic plan.

Director Thomas thanked Ms. Reinhart for her work.

Director Gerardi moved and Director Sundell seconded to receive and file the final Vision Day and Planning Day reports with minor corrections. Motion carried.

B. Office-Yard Relocation – Architects Listing and Request for Approval (RFP) – Mr. Moorrees advised that the intent of this item is to seek approval to take the next step. SAWCo has been at its current office location since 1928 and its yard facility for over 100 years. There have been previous discussions on the need to expand the Company's current office and to consolidate its field operations. Additionally, most of the work by field operations is north of 16th Street.

Mr. Moorrees reviewed some of the reasons SAWCo is looking to move and consolidate their office and yard facilities. The next step in pursuing a move is to obtain proposals from architects. The Architects listing was provided by MVWD and Chino Basin Water Conservation District. Both water entities have done recent renovations or are in the process. The work of vetting the architects has been done by MVWD and staff has also contacted the various companies to seek their interest. Staff feels confident they have a good listing of architects.

The Committee is also concerned as to how this project is communicated to the shareholders. A communication strategy will be discussed in the upcoming Ad-Hoc meetings.

Mr. Moorrees asked that the Board provide feedback and approve the Architects Listing and RFP as presented for seeking proposals.

Director Thomas commented that the 17th Street and Benson Avenue site is very promising with just over 4 acres to work with. It is located near Water Facilities Authority which some of SAWCo's shareholders are members of and it is much closer to the domestic service area and provides space for better parking. Director Gerardi echoed those sentiments.

Director Gerardi moved and Director Bozar seconded to approve the Architects Listing and RFP as presented. Motion carried.

C. Cucamonga Crosswalls – Additional Budget Appropriation – Mr. Moorrees advised this project is going to require some additional funds. The current CY2016 budgeted expenditures for this project is \$30,000. However, there are now added costs for consultant services. A sub-consultant for noise monitoring and reporting will cost \$50,040. Environmental services to include additional biological surveys, an addendum to the approved Mitigated Negative Declaration to include the alternative haul route at 22nd Street and Campus Avenue and management of continuing environmental requirements by Department of Fish and Wildlife will cost \$26,920. The requirement to have an Archaeologist available in the event any cultural resources are identified as a result of the desilting of the crosswalls will cost \$22,000. If no findings are encountered, then only a letter report is required at a fixed cost of \$500.

Mr. Moorrees asked that the Board review the additional consultant services as presented and associated cost and make recommendations to appropriate additional \$80,000 from Operations for a total project budget of \$110,000.

Director Willis asked about reimbursement from Cucamonga Valley Water District (CVWD) on this project. Mr. Moorrees had asked CVWD to participate in the cost of Basin 6. CVWD's involvement with this project has been in the engineering design portion.

Director Willis moved and Director Elliott seconded to approve an additional \$80,000 from Operations for consultant services for the Cucamonga Crosswalls project. Motion carried.

D. Project Status Report -

- **Cucamonga Crosswalls** – Staff is working with the administrative committee and citizens to move forward with the project and hope to begin in March once the contractual arrangements are completed and the county permit is received. The San Bernardino County Flood Control District (SBCFD) is requiring a letter from Army Corps of Engineers and the Regional Water Quality Control Board to waive the 404 and 401 permit. A preconstruction meeting has already taken place. An additional preconstruction meeting will be held on-site with the inspector from SBCFCD.
- **Water Master Plan** – Civiltec Engineering will be taking information from this plan to form the Urban Water Management Plan (UWMP). The deadline for completing the UWMP is July 2016. The Genysys Group will be working on developing more components to the Strategic Plan.

- **Water Rights Investigation** – Activity – Mr. Moorrees contacts the water rights division of the State Water Resources Control Board via phone and email each week and has yet to receive a response back.
- **Edison Pond Expansion Study** – Currently awaiting a draft to submit to the City of Pomona as they work on their fiscal year budget so they can help participate in the costs associated with this study.

7. Closed Session: None.

8. Director's Comments and Future Agenda Items: Director Bozar thanked the Durst family and Denise for showing what was happening and impacting them with regards to the Cucamonga Crosswalls project.

Adjournment: Seeing no further business the meeting was adjourned at 5:40 p.m.

Future Meetings:

- The next Board Meeting will be held on Tuesday, March 15, 2016 at 5:00 p.m.

Assistant Secretary
Charles Moorrees