

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, March 21, 2017

An open meeting of the Board of Directors of the San Antonio Water Company (SAWCo) was called to order at 5:00 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 Erik Peterson and Sean Silos with Claremont Environmental Design Group (CEDG), Resident Ann Thomas, City of Upland Public Works Director Rosemary Hoerning, 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 lead by Director Willis
- 1. Recognitions and Presentations: Mr. Moorrees announced Erik Peterson and Sean Silos with CEDG will be making a presentation on Item 6A. Director Thomas recognized his 20 years of service on the SAWCo Board of Directors.
- 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 February 21, 2017.
 - B. Planning, Resources, and Operations Committee (PROC) Meeting Minutes
No meeting to report.
 - C. Administrative and Finance Committee (AFC) Meeting Minutes
AFC Minutes of October 25, 2016.
 - D. Ad Hoc Committee Office/Yard Relocation Meeting Minutes
Ad Hoc Committee meeting minutes of January 23, 2017.
 - E. Financial Statement
Comparative Income Statement and Balance Sheet for January 31, 2017 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
None.

Director Bozar moved and Director Elliott 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. There has been some spreading of water. For the first time in years there is a little bit of water flowing below the dam. The Operations and Maintenance Plan is nearing completion. The first draft for spreading protocol was provided by Three Valleys Municipal Water District (TVMWD). PVPA is working with the property owner with regard to an easement at Thompson Creek. A long-term license agreement with the City of Claremont for the Thompson Creek bike path is set to expire in June but will be renewed.

- B. Six Basins Representative Report** – Mr. Moorrees reported on the meeting held on February 22nd. Presented to staff was an opportunity to obtain an abandoned well on an individual's property. Watermaster cannot own property but TVMWD was willing to take ownership of the property. The well would make a good monitoring well. The expenditure of \$12,000 to conduct a video log of the well to determine the condition and any need for redevelopment was approved.

There was a status update on the Proposition 1 groundwater grant application. The board expressed willingness to move forward in pursuing grant opportunities for projects that benefit the basin. They agreed to apply for round two of the Proposition 1 groundwater grant program for increasing groundwater production and treatment capacity.

The 2016 draft annual report was presented for which staff asked the members to provide comments. It will be presented at the next watermaster meeting for approval.

An update of the Sustainable Groundwater Management Act was provided; specifically how the State will take the unmanaged areas. The board directed staff to continue to communicate with the State and Los Angeles County and neighboring agencies whose basins may be affected and keep the board apprised.

Watermaster legal counsel informed the board that, based on information provided by PVPA's legal counsel, the California Fair Political Practice Commission determined the watermaster is not a public agency.

The Strategic Plan workshop was held immediately after the Six Basins Board meeting. The main focus was the project description of utilizing temporary surplus. At tomorrow's workshop the focus will be on the conjunctive water management project description.

Mr. Moorrees stated that to date SAWCo has spread over 520 AF of water in Six Basins; double what was spread in 2016. Also, 634 AF have been spread in Cucamonga Basin and 342 AF in Chino Basin. SAWCo has also been able to capture 9,000 gallons per minute out of the San Antonio Creek. Rainfall to date is 18.63 inches.

- C. Chino Basin Representative Report** – Ms. Layton reported on the Chino Basin Watermaster 2015 Safe Yield Reset Agreement (SYRA). On February 22, 2017 the Court issued a revised proposed order. Additionally, the Court set a hearing on the revised proposed order for April 28, 2017 at 1:30 p.m. The Court ordered initial briefs due on March 10, 2017, opposition briefs due on March 24, 2017 and reply briefs due on April 7, 2017. By March 10th the Notice of Filings were received from Chino Basin Watermaster, City of Chino, and Monte Vista Water District, Cucamonga Valley Water district, the City of Pomona, and the City of Upland. The Judge separated the Safe Yield and reset it at 135,000 AFY. The Court allowed further briefing on how desalter-induced recharge relates to the 135,000 AFY Safe Yield. Further discussion on the issue will be done in closed session to the Board following the Organization meeting in April.

During the Appropriative Pool meeting on March 9th no business items were brought forward. Andy with Wildermuth Environmental, Inc. reported they are working on evaporation losses proof of concept which will affect the amount of water SAWCo recharges in the basin. He also reported they have the results regarding the transfers and the effect on the basin. A workshop is being planned for the April and May timeframe to present the results and provide clarifications. It was reported the Watermaster is drafting a proposed Storage Management Plan.

- D. Administration and Finance Committee (AFC) Chairman's Report** – Nothing to report.

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

F. Office Feasibility Study Ad Hoc Committee – Ms. Layton stated the committee met on March 1st to discuss pre-concept sketches and provide input. This concluded Task 2 – Pre-Design Services. Ms. Layton provided a short PowerPoint presentation describing the tasks completed thus far along with the budget for the project. Before continuing into Task 3, the committee is pausing due to the need for an appraisal for the south side of the property, a change in directors and committee member, and the City of Upland’s desire to finish their reservoir prior to SAWCo building their new office.

6. General Manager’s Report on Activities:

A. Proposed Office Relocation – Mr. Peterson gave a PowerPoint presentation on the work CEDG has provided SAWCo to date. He spoke about the needs assessment and budget for the project. The concept design CEDG provided had an office building with just under 5,000 square feet (sqft) of space and a 3,000 sqft maintenance/storage building area. The concept site design/plot plan and floorplan were also shown.

Mr. Silos presented the three different schemes for the new office building. These included a bird’s eye view and entry level view for each scheme.

Mr. Peterson explained the timeframe for the next two phases. The next phase would take approximately 18 weeks including City of Upland planning review time. Another 42 weeks to complete construction documents with City approval. With bidding on the project expected to take 4 to 6 weeks, there would be roughly over 1 year of work before completion. If the project keeps moving forward at this time it would be June or July of 2018 before they would receive approval from the City of Upland to begin building.

Director Thomas explained SAWCo will need to wait until the City of Upland completes the appraisal for the south side of the property before proceeding any further with the project.

B. General Liability and Cyber Liability Insurance Renewal – Director Thomas reported SAWCo switched to CalMutuals the previous year. SAWCo signed up for a 3 year plan which allowed for an exit if rates raised over 20%. The first renewal rates have dropped from the previous year.

Director Gerardi moved and Director Willis seconded to approve renewal of CalMutuals JPRIMA’s proposal for General Liability insurance at an annual premium of \$24,746 and Cyber Liability insurance at an annual premium of \$3,508 as presented. Motion carried.

C. FY2016 Audit Report and Management Letter – Mr. Moorrees presented the FY2016 Audit Report and Management Letter for Board approval. He recommended the Board review, comment, and receive and file the report and letter as prepared and submitted by the firm of Bowen, McBeth, Inc.

Director Willis moved and Director Gerardi seconded to receive and file the FY2016 Audit Report and Management Letter as prepared and submitted by the firm of Bowen, McBeth, Inc. Motion carried.

D. Salary Range Adjustment – Mr. Moorrees reported that in 2013 the Board approved consideration of the annual cost of living adjustments for determining salary range adjustments. The amount of adjustment is to be determined by the Consumer Price Index (CPI) as calculated by the Bureau of Labor Statistics. Based on the agreed upon timeframe of December to December, there has been a 2 percent increase in the CPI in the last year.

Mr. Moorrees recommended the Board increase the existing job position wage range 2% based on the Bureau of Labor Statistics as presented.

Director Willis moved and Director Bozar seconded to approve the general manager’s recommendation to increase the existing job position wage range 2%. Motion carried.

E. Part-Time Administrative Assistant – Mr. Moorrees stated that over the past two years there have been cost savings with the Accounting and Personnel Specialist working a reduced schedule. This has left the company with reduced staff in the office on Fridays.

Mr. Moorrees recommended the Board agree with the AFC in approving the proposed Part-Time Administrative Assistant position description and authorize staff to start the process of hiring for the additional help utilizing Kelly Services.

Director Sundell moved and Director Cable seconded to approve the Part-Time Administrative Assistant position description and authorize staff to start the process of hiring for the additional help through Kelly Services. Motion carried.

F. Nominees for position of Directors of the Company – Director Thomas stated the City of Upland controls roughly 70% of the stock in SAWCo. The City of Upland mayor recommended the Upland City Council approve a slate of directors.

Mr. Moorrees read the nominees for the slate of officers approved and submitted by the Upland City Council. Director Thomas and Director Cable were nominated once again and Jose R. Sanchez and City of Upland Councilmember Gino Filippi to replace Directors Ken Willis and Glenn Bozar.

Director Gerardi moved and Director Willis seconded to approve the nominees for position of Directors of the Company. Motion carried.

G. Project Status Report –

- **Water Rate and Fee Study** – A public hearing will be held at the April Board meeting.
- **Water Master Plan** – Staff met with Civiltec Engineering and is reviewing the proposed projects.
- **Cucamonga Basin-Desilting Project at Crosswalls** – The Army Corps of Engineers is reviewing SAWCo's baseline operating management plan and working with the Regional Water Quality Control Board for the 401 permit. The revised haul route has been submitted by Holliday Rock to the San Bernardino County. GRB Equipment is reviewing the new contract.
- **Edison Pond Desilting** – Heavy rainfall brought down a lot of silt into the Edison Ponds. The City of Pomona has agreed to cover 40% of the cost to desilt.
- **Wood Gate Replacement** – Heavy rainfall and silt have ruined the wood gate at the Edison Ponds. Staff is looking at replacing the gate. C.P. Construction has submitted a quote and staff is working with the City of Pomona to design a new gate.

7. Closed Session: None.

8. Director's Comments and Future Agenda Items: Director Thomas stated that this will be the last regular Board meeting for outgoing Board members Ken Willis and Glenn Bozar. A special luncheon will be held in their honor on March 30, 2017.

Adjournment: Director Willis moved and Director Bozar seconded to adjourn the meeting at 5:45 p.m. Motion carried.

Future Meetings:

The next Board Meeting will be held on Tuesday, April 18, 2017 at 5:00 p.m.

Assistant Secretary
Charles Moorrees