

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, April 19, 2016

An open meeting of the Board of Directors of the San Antonio Water Company (SAWCo) was called to order at 5:04 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 Public Works Director Rosemary Hoerning, 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 advised he handed a few of the IEUA Books celebrating 65 years of services at the Ad Hoc Committee meeting. He will hand the remaining books out at subsequent committee meetings.

Director Willis recognized his granddaughter Samantha and wife Jane Willis in the audience.

- 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 March 15, 2016.
- B. Planning, Resources, and Operations Committee (PROC) Meeting Minutes
PROC Meeting minutes of January 26, 2016.
- 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 March 9, 2016.
- E. Approval of Organization Meeting Minutes
Meeting minutes of April 5, 2016.
- F. Financial Statement
Comparative Income Statement and Balance Sheet for February 29, 2016 and year-to-date.
- G. Investment Activity Report
Monthly Report of Investments Activity
- H. Water Production
Bi-Monthly water production [Jan/Feb, Mar/Apr, May/June, July/Aug, Sept/Oct, Nov/Dec]
- I. Prominent Issues Update
Status summaries on certain on-going active issues.
- J. Projects and Operations Update
Status summaries on projects and operations matters.
- K. Groundwater Level patterns [Quarterly in April, July, October & January]
Tracking patterns of groundwater elevations relative to ground surface.
- L. Correspondence of Interest
 - Letter to Holliday Rock regarding use of alternative haul route via Holliday Rock property for Cucamonga Crosswalls
 - Water Education Foundation – Appreciation for contribution for CY2016.

Mr. Moorrees pulled Item 4G for correction.

Director Elliott moved and Director Bozar seconded to approve the consent calendar with Item 4G being removed for correction. Motion carried.

Mr. Moorrees advised that in January there was an error in the investment activity report. The total reported was \$5,923,476 which is corrected now to \$5,468,508.85.

5. Board Committee – Delegate Report:

A. Pomona Valley Protective Association (PVPA) Representative’s Report – Director Thomas reported the PVPA Board meeting took place Wednesday, April 13th. Weed abatement notices have been received primarily for the Claremont side of the property. The League of Women Voters completed and submitted a study of the Thompson Creek area. Wildermuth Environmental, Inc. (WEI) reviewed and considered the study but chose alternative ideas that were less costly and will enhance water recharge.

There is a five acre piece of land adjacent to Thompson Creek sold to an owner that would like to put in a winery. He is attempting to gain easements from multiple entities including PVPA to allow him direct access to the property.

There is the potential to construct a recharge basin in the northwest part of the spreading grounds in Claremont below the powerlines. PVPA is waiting for the master plan to be completed before determining whether this recharge basin is a beneficial project.

B. Six Basins Representative Report – Mr. Moorrees reported on the Six Basins Board meeting held March 23rd. Six Basins staff reported 6.1 inches of recorded rainfall since January 2016. The groundwater level conditions have stabilized. SAWCo’s levels were a bit higher probably due to the inability to pump the water. No budget overruns were reported and the 2015 Annual Report was adopted at the Board meeting.

The president, Darron Paulson, was instructed to sign the statement of support for Chino Basin with regard to basin boundary modifications. A report from University of Santa Cruz shows the State Water Resources Control Board (SWRCB) has a lot of misinformation and inaccuracies in their report. They want staff to authorize the Watermaster to work with other adjudicated basins to ensure the corrections are received by the SWRCB.

A request from Three Valleys Municipal Water District (TVMWD) to increase their storage temporarily by 1,000 acre feet (AF) was approved. On April 7th staff met with Watermaster to discuss the Strategic Plan and what SAWCo’s thoughts were on its priorities.

C. Chino Basin Representative Report – Ms. Layton reported on the Chino Basin Watermaster 2015 Safe Yield Reset Agreement (SYRA). The Judge continued the scheduled hearing on April 8th to May 6th at 1:30 p.m. The court asked for clarification regarding the agreement and the terminology; mainly the concept of desalter, Operating Safe Yield decline and unproduced Agriculture water. Responses were made by the City of Chino, Chino Basin Watermaster, and Jurupa Community Services District on April 1st. If appeals are filed the lawsuit could last a couple of years.

At the Appropriative Pool meeting the previous week the purchase of East Declz Basin was cancelled. The project is strictly a stormwater project with no Inland Empire Utilities Agency (IEUA) cost sharing. The project calculates to be \$1,728/AF of water. Not everyone was comfortable moving forward with a project that would cost so much and yield so little. There was a deposit to purchase the land and a decision needed to be made before May 19th in order not to lose the money.

The budget for 2016-2017 was distributed the previous day and is being reviewed by staff. Two workshops are scheduled to allow for discussion.

The Advisory Committee meeting scheduled for April 21st was cancelled due to a lack of business.

The request for transfer of 1,000AF from SAWCo to the City of Upland was approved by the Appropriative Pool and will go before the Advisory Pool for approval in May.

Director Willis inquired about the costs in Chino Basin Watermaster. A majority of the assessment fees are the engineering costs charged by Wildermuth Environmental, Inc.

D. Administration and Finance Committee (AFC) Chairman's Report – No meeting was held.

E. Planning, Resources, & Operations Committee (PROC) Chairman's Report –Director Elliott reported there were three main items discussed at the PROC meeting; Edison Ponds, Tunnel, and a Project Update. The General Manager's Report covers these topics.

F. Office Feasibility Study Ad Hoc Committee – Ms. Layton reported on the March Ad Hoc committee meeting. The committee discussed the six proposals they received for the office and yard facility relocation. There was concern with a few of the architect's assumption that this relocation was a six million dollar project. In the best interest of its shareholders, the Committee felt it necessary to set a not to exceed budget of \$3.5 million and asked the architects to give their best offer for the first Task on the project which is a needs assessment. The deadline for their responses is April 29th.

The next Ad Hoc Committee meeting is tentatively scheduled for Wednesday, May 11th at 2:00 p.m.

6. General Manager's Report on Activities:

A. Citizen's Patrol Contribution – Mr. Moorrees stated the Water Company received correspondence from the San Antonio Heights Citizen's Patrol regarding the Twentieth Annual George Lee Pancake Breakfast event taking place May 21, 2016. SAWCo has contributed annually to the Citizen's Patrol with last year's contribution being \$1,000.

Mr. Moorrees recommended the Board approve a \$1,000 monetary contribution to the San Antonio Heights Citizen's Patrol.

Director Gerardi moved and Director Elliott seconded to approve the General Manager's recommendation. Motion carried.

B. Conservation Programs Update – Mr. Moorrees updated the Board on the changes that have taken place with SAWCo's conservation programs since the last update was given. Nine, ultra-high efficient toilets were given out which provides a total annual water savings of 124,641 gallons. Total savings due to conservation rebates given and programs utilized for the calendar year through the end of June 2016 are 418,150 gallons.

SAWCo's efforts in meeting the Best Management Practices as of mid-April 2016 include five customers utilizing the Turf Removal Program with \$1,000 paid to each participant. Two customers utilized the Leak Detection Program, one for strictly leak detection and the other for leak detection and repair. Total gallons saved with these programs amounts to an estimated 93,600 gallons.

High Shortage Stage water violations as of March 31, 2016 consist of two excessive water run offs, three leak notices, five incorrect irrigating times, and eight incorrect irrigating days. These violations have amounted to 11 notifications being sent to customers. No fines have been added to customer accounts.

C. Project Status Report –

- **Rate and Fee Study –** Request for Proposals were sent out to three companies. A proposal meeting was held on April 8th. Proposals are due by May 13th.
- **Tunnel Water Quality –** C.P. Construction dropped the overflow by 11.5" which increased flows by 15% and reduced water levels in Shaft 2. Aquality Engineering Consultants (AEC) hired by

SAWCo suggested staff place a bucket of HTC at Shaft 6 to increase chlorine residual to effect removal of the biofilm. Chlorine residuals were at 70 and a follow up sample showed positive for coliform. Subsequent sample results are pending. AEC will revise their Technical Memo accordingly. A meeting is scheduled with the Department of Drinking Water.

- **Water Master Plan** – Management met with Genysys to discuss workforce planning. That report will be presented at the next AFC meeting.
- **Urban Water Management Plan** – Staff will be meeting with the engineering firm to discuss the status of this plan. The scheduled completion date for the UWMP is June.
- **Basin 6 Desilting** – The initial study should be completed by mid-May. Waiting for the environmental documentation to be completed.
- **Cucamonga Basin – Desilting Project at Crosswalls** – Staff submitted an application to amend the adopted Mitigated Negative Declaration to the City of Upland Administrative Committee to approve the alternate haul route via Holliday Rock Property. In addition, staff continues to seek approval of 22nd Street and Campus Avenue as an alternate. Staff has not yet received the letter from Army Corps of Engineers waiving the 404/401 permit as required by the San Bernardino County permit.
- **Water Rights Investigation** – Activity – With 8.6 inches of rainfall since January 2016 SAWCo has only been able to capture 601AF. Last year with rainfall at 213% less than the current year, SAWCo captured 625AF. Staff emailed legal counsel for the State Water Resources Control Board and Michael Contreras with the Water Rights Divisions and advised them of these figures. It is possible there are some illegal diversions preventing SAWCo's water from being captured by SAWCo.

Director Thomas felt a meeting with Michael Gagan may help move things forward.

Director Gerardi asked that Mr. Moorrees compare rainfall and water capture in 2014 to 2015 to better see if absorption or diversion is the reason for higher rainfall and lower water capture in 2016.

- **Edison Pond Expansion Study** – Craig with Cannon Engineering will be finalizing this study.

Mr. Moorrees previously advised the Board of the theft of a payment through SAWCo's payment slot at the office building. Staff attempted to find the customer whose payment was stolen. It wasn't until shut off day that SAWCo was able to determine which one dropped off the payment. All charges applied to the customer's account for nonpayment were rescinded.

7. Closed Session: None.

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

Adjournment: Seeing no further business the meeting was adjourned at 5:37 p.m.

Future Meetings:

- The next Board Meeting will be held on Tuesday, May 17, 2016 at 5:00 p.m.

Assistant Secretary
Charles Moorrees