

**SAN ANTONIO WATER COMPANY**  
**MINUTES OF THE SAN ANTONIO WATER COMPANY**  
**Tuesday, June 16, 2015**

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, Ken Willis, Will Elliott, Glenn Bozar, Sue Sundell, Bob Cable, and John Gerardi. Also in attendance were 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 Allan Crecelius and Gina Calderon with Reward Strategy Group (RSG) in the audience. They will be participating in the closed session portion of the meeting regarding the Classification and Compensation Study.

Rosemary Hoerning entered the meeting at 5:01 p.m.

- 2. Additions-Deletions to the Agenda: Mr. Moorrees added Worker's Compensation Insurance as Item 6D on the agenda. A copy of the proposal from State Fund was placed on the dais.
- 3. Shareholder-Public Testimony: None.
- 4. Consent Calendar Items:
  - A. Approval of Board Meeting Minutes  
Regular Meeting Minutes May 19, 2015.
  - B. Planning, Resources, and Operations Committee (PROC) Meeting Minutes  
Meeting minutes of March 24, 2015
  - C. Administrative and Finance Committee (AFC) Meeting Minutes  
No meeting to report.
  - D. Financial Statement  
Comparative Income Statement and Balance Sheet for March 31, 2015, April 30, 2015 and year-to-date.
  - E. Investment Activity Report  
Monthly Report of Investments Activity
  - F. Water Production  
Bi-Monthly water production [Jan/Feb, Mar/Apr, May/June, July/Aug, Sept/Oct, Nov/Dec]
  - G. Prominent Issues Update  
Status summaries on certain on-going active issues.
  - H. Projects and Operations Update  
Status summaries on projects and operations matters.
  - I. Groundwater Level patterns [Quarterly in April, July, October & January]  
Tracking patterns of groundwater elevations relative to ground surface.
  - J. Correspondence of Interest
    - Notice of Preparation for Hauled Water Initiative
    - Watershed Committee Response to Hauled Water Initiative
    - Red Hill North Homeowners Association
    - Letter to Chino Basin Watermaster Regarding Budget
    - Letter to Chino Basin Watermaster Regarding Safe Yield Facilitation Process Withdrawal

Director Elliott moved and Director Cable 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 that the bee keeping project in the PVPA spreading grounds in Claremont is coming along. PVPA is currently refining the outline for the Operations Manual. A previous proposal by Wildermuth

Environmental, Inc. (WEI) was quite expansive and expensive. Once the outline for the Operations Manual is complete a request for proposals (RFP) will be send out.

- B. Six Basins Representative Report** –Mr. Moorrees stated that he was unable to attend the most recent meeting but did obtain a summary from Six Basins. The 2014 Annual Report was received and filed. Rosemary Hoerning with City of Upland explained that PVPA is exploring options with a RFP for an Operations Manual.

The Six Basins Board meeting was followed by a Strategic Planning Workshop. The latest modeling result for the storage management program in Pomona Basin to increase yield during dry years was presented.

Director Thomas felt the presentation given about Pomona Basin yield was very informative.

- C. Chino Basin Representative Report** –Ms. Layton reported on three main issues taking place in the Chino Basin Watermaster. First, the Land Subsidence Committee’s recommendation for alternative methods for land subsidence is of concern. Remediation for land subsidence is very costly. Nothing in the Judgment or Peace Agreement states that it is the Watermaster’s job to remediate land subsidence. The responsibility for remediation and abatement are the responsibilities of the pumpers. Pumpers and land owners resolve disputes over subsidence in Superior Court under established law. For these reasons, SAWCo continues to fight remediation. They will be providing language in the motion or Board resolution for when any documents regarding land subsidence is approved.

Second, the use of Non-Agriculture water rights for alternative uses is of concern. The City of Ontario has become a non-agriculture water rights holder as well as an appropriative pool water rights holder. The Peace Agreement allows for non-agriculture water that is stranded to be offered. SAWCo has purchased this type of water in the past through the mechanism of the Peace Agreement. The City of Ontario is attempting to take this water and utilize it themselves for desalter replenishment. Conflicting motions at the recent Appropriative Pool meeting caused the item to be sent back to the committee to see what Watermaster counsel had to say. Monte Vista Water District recently purchased non-agriculture water rights as well.

Third, the Safe Yield Recalculation issue is of concern; SAWCo is not currently part of this facilitation process. The City of Chino currently has a proposal in regards to Safe Yield that addresses the safe storage management.

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

- E. Planning, Resources, & Operations Committee (PROC) Chairman’s Report** – Items discussed at the PROC meeting are covered in the General Manager’s Report.

6. General Manager’s Report on Activities:

- A. Citizens Patrol Contribution** – Mr. Moorrees reported that the AFC approved the request for contribution to the Citizens Patrol at the April 2015 committee meeting. SAWCo has been making a yearly contribution to the Citizens Patrol since 2006.

Mr. Moorrees asked that the Board approve the recommendation by the AFC to provide a \$1,000 monetary contribution to the Citizens Patrol.

Director Elliott moved and Director Bozar seconded to approve the general managers recommendation for a \$1,000 contribution to the Citizens Patrol. Motion carried.

- B. Award Spring Terrace and Wildrose Lane Waterline Project** – Mr. Moorrees reported that both projects have been budgeted for CY2015. One of which is a Master Plan project. SAWCo uses a

selective bid process. Norstar Plumbing & Engineering provided the lowest responsible bid at \$139,780 to complete both projects. There was a variance of \$15,758 when including the contingency.

Mr. Moorrees explained why there was a variance in the price estimated and the prices proposed by the bidders. He stated he would need to provide greater detail when estimating the costs of projects in the future.

Mr. Moorrees recommended the Board 1) award the project to Norstar Plumbing & Engineering in the amount of \$139,780 with a 10% construction contingency of \$13,978 for a total of \$153,758; 2) recommend additional budget appropriation of \$15,758 to cover budget variance and; 3) appropriate funds from Depreciation and Obsolescence Reserves.

Director Gerardi moved and Director Elliott seconded to approve the General Managers recommendation. Motion carried.

Mr. Moorrees advised the Board that he was invited to speak at the June 22<sup>nd</sup> City of Upland Council meeting.

### C. Project Status Report -

- **Water Master Plan** – A Vision Day is scheduled for June 18<sup>th</sup> from 10 a.m. to 2 p.m. at the Carnegie Library with lunch served. A copy of the agenda was placed on the dais. SAWCo's consultant Genysys Group is contacting constituents to advise of the meeting and gather data.
- **Urban Water Management Plan** - Waiting for guidelines for the Urban Water Management plan from the State of California in order to proceed.
- **Alternative Energy Feasibility Study** – Staff is working with Canon Engineering who is reviewing the Southern California Edison incentives and cogeneration energy manufacturers. A meeting is scheduled with SAWCo's account representative for Southern California Edison to discuss some of the points in this study.
- **City Treatment Plant Surface Water Delivery** – Dissolved Air Issue – Staff is still getting quotes for fabrication of the stand pipe.
- **Well 25A-Site Improvements per City CUP – Carry Over CY 2014** – The landscaping is nearing completion.
- **Basin 6 Desilting** – Continued work on the environmental document. Staff has asked the San Bernardino County Flood Control District to open up the bottom drain valve to allow for drying of the basin.
- **Cucamonga Basin** – Desilting project at crosswalls – Staff is working with a new planner at the City of Upland. The public comment period will begin on June 26<sup>th</sup> and an administrative committee hearing will be held on August 11<sup>th</sup>.
- **Water Rights Investigation** – Activity – Staff has not heard back from Michael Laufer the general counsel for the State Water Resources Control Board in regards to protecting water rights.
- **Chino Basin Recharge Pipeline** – Received easement from Army Corps of Engineers. Alternative means to recharge into Chino Basin have been explored.
- **Frankish Tunnel Pipeline** –Final design has been reviewed by management. Field staff to review and comment.

- D. **Workers Compensation Insurance** – Director Thomas explained that the actual rate increase is only 15% which is considered a very modest increase. The only reason for the increase is the higher payroll amounts used.

Director Sundell moved and Director Cable seconded to approve the renewal of the Workers Compensation Insurance through State Fund. Motion carried.

7. Closed Session: The Board recessed at 5:25 p.m. to closed session to consider adopting the Classification and Compensation Study (subdivision (b) of Section 54957, CGC).

The Board reconvened at 6:18 p.m. from closed session.

Director Thomas reported there was consensus on the Board to adopt the Classification and Compensation Study and job descriptions as provided by RSG.

8. Director's Comments and Future Agenda Items:

Adjournment: Seeing no further business the meeting was adjourned at 6:20 p.m.

Future Meetings:

- The next Board Meeting will be held on Tuesday, July 21, 2015 at 5:00 p.m.

---

Assistant Secretary  
Charles Moorrees