

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, June 18, 2013

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, Sue Sundell, Glenn Bozar, John Gerardi, and Bob Cable. 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 & Presentations: Mr. Moorrees called the Board's attention to Item 4J; Appreciation letter from Mr. Engle. Field staff assisted Mr. Engle with a leak on his property while he was recovering from open heart surgery. The Board expressed their gratitude for staff's 'good will' in assisting customers above and beyond what is required of them.

Mr. Moorrees reminded the Board that he will be on vacation beginning next week and will not be returning for two weeks. He presented a picture of his new great-granddaughter born earlier in the day, as the reason for his time off.

- 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 May 21, 2013.
- B. Planning, Resources, and Operations Committee (PROC) Meeting Minutes
No meeting to report.
- C. Administrative & Finance Committee (AFC) Meeting Minutes
No meeting to report.
- D. Financial Statement
Comparative Income Statement and Balance Sheet for April 30, 2013 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
 - Appreciation letter from Mr. Engle – Service by Field Operations staff
 - Appreciation letter from San Antonio Hospital for bottled water donation

Director Willis 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 on issues involving the San Antonio Spreading Grounds. He also reported that the irrevocable letter of credit on Pit 6, owned by City of Ontario with mining completed by Vulcan Materials, was released. There is only one more step in the process in Pit 6 being converted to its ultimate use of rain water collection and flood control. Roof repairs for various facilities were

approved. Lastly, a long term Board member and then consultant Cecil McAllister passed away and was recognized at the meeting.

- B. **Six Basins Representative Report** – Mr. Moorrees stated that next week’s Advisory Committee Meeting was cancelled. The Board Meeting took place on May 22nd where the AGL Grant to move forward on groundwater modeling for \$167,000 was approved. It will be 4 to 6 weeks before the contract for groundwater modeling will be received. The question was raised as to whose groundwater model actually belong to. It was determined that the model will belong to Chino Basin. A reciprocal agreement is expected to utilize the groundwater model.
- C. **Chino Basin Representative Report** – Ms. Layton reported that the Appropriative Pool met on May 13th where they approved Section 5 of the MasterPlan which identifies the monitoring, reporting, and accounting practices that will be required to estimate the stormwater recharge and new yield from local stormwater retention projects developed consistent with the 2010 MS4 permit. There is still concern among parties that feel that they constructed and captured the water that they should get credit. This issue will be coming up in the future for discussion. Fontana Water and City of Fontana voted no but the amendment still passes.

At the last meeting there was discussion of updating the Sunding Report which identified hydraulic control as being a useful benefit to Chino Basin. Assumptions were made for this report and now the parties want to revisit to check the assumptions against reality. Not all the parties are in favor of moving forward with this report. There will be a Steering Committee that will be meeting next month to identify the scope of the update.

With regard to the Chino Basin Desalter Authority (CDA) remediation, Mark Wildermuth is working with Regional Water Quality Control Board on numbers to verify if hydraulic control has been achieved. He hopes to have this resolved by the end of July. If hydraulic control is achieved, Watermaster would not have a reason to move forward with litigation on behalf of CDA.

- D. **Administration and Finance Committee (AFC) Chairman’s Report** – Mr. Moorrees reported that the Personnel Committee will meet in closed session on Tuesday, July 9th at 2:00 p.m.
- E. **Planning, Resources, & Operations Committee (PROC) Chairman’s Report** – Mr. Moorrees reported that the PROC meeting that was to be held on Tuesday, June 25th was moved to Tuesday, July 9th at 3:00 p.m.
6. General Manager’s Report:
- A. **Project Status Report** –
- **City Treatment Plant Surface Water Delivery – Dissolved Air Issue** – Monitoring the dissolved air issue will begin the following day.
 - **Well 25A – Site Improvements per City CUP** – Mr. Moorrees met with the consulting engineer to go over the comments from the City of Upland and from there met with the City of Upland to mitigate some of the requirements. Plans will be submitted back to the City of Upland for approval.
 - **Cucamonga Basin – Desilting project at crosswalls** – Staff submitted all the plans and documents to the City of Upland planner. Mr. Moorrees spoke with the County of San Bernardino Flood Control District to have them reissue the permit for the work. Holliday Rock has been contacted and asked to reissue their requirements limiting the notification radius to 300 feet. Three signs will be displayed in various areas to advise of the work being done.
 - **Forebay Improvements {CY2013 Budget \$1,932,798}** – Pictures were shown of the meter vault, service water line, and the bypass line. Director Thomas suggested a ribbon cutting when the project is complete. Mr. Moorrees stated they are looking at a September or October completion.
 - **WFA Pipeline Connection** – Mr. Moorrees review the comments from TKE Engineering with the engineer. The revised plans will be resubmitted to the engineer.

- B. **Workers Comp Insurance** – Mr. Moorrees stated this item is a standard renewal for Workers Compensation Insurance which is due July 1st. Staff submitted the information to Director Thomas as well as the AFC. It was agreed that State Compensation is the best choice for workers compensation insurance with a premium of \$16,650. With the prior year premium [\$24,400] from our existing carrier, State Fund’s premium is \$7,750 less providing a 31% savings.

Mr. Moorrees recommended the Board approves State Compensation Insurance proposal for Workers’ Compensation insurance at an annual premium of \$16,650.

Director Gerardi moved and Director Cable seconded to approve State Compensation Insurance proposal for Workers’ Compensation insurance at an annual premium of \$16,650. Motion carried.

7. Public Hearing:

- A. Proposed Fee Schedule Amendment – Director Thomas announced the Public Hearing in order. Mr. Moorrees stated the item had previously been brought to the Board and approved for a public hearing. None of the items have changed since that time. No public comment was given.
- B. Adopt Resolution 2013-06-01 – Mr. Moorrees presented Resolution No. 2013-06-01 to adopt the new fee schedule to be enacted in September 2013. He reviewed all existing fees and their proposed changes.

Director Thomas inquired if there were any questions on the Resolution presented. Seeing none he called for a vote.

Director Sundell moved and Director Cable seconded to adopt Resolution 2013-06-01. Motion carried.

8. Closed Session:

The scheduled closed session for the General Manager’s Performance Review [subdivision 9b) of Section 54957, CGC] was cancelled and will be rescheduled.

9. Director’s Comments and Future Agenda Items: Director Willis commented on a recent article regarding a University of California Los Angeles study on snow fall. SAWCo is located in the area the study shows to be affected by decrease in snow fall. Director Willis suggested the Board discuss water conservation and steps the water company can take to encourage it. Mr. Moorrees pointed out SAWCo’s efforts in securing their water rights and working with Mt. Baldy Ski lift for creating snow which can help sustain delivery of water to customers in the summer. Mr. Moorrees commented the water company encourages water efficiency. Staff responds quickly to leaks and water wasters.

Adjournment: There being no further business the meeting adjourned at 5:34 p.m.

Future Meetings:

- The next Regular Board Meeting will be held on Tuesday, July 16, 2013 at 5 p.m.

Assistant Secretary
Charles Moorrees