

**SAN ANTONIO WATER COMPANY**  
**MINUTES OF THE SAN ANTONIO WATER COMPANY**  
**Tuesday, July 18, 2017**

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, Sue Sundell, Bob Cable, John Gerardi, and Gino Filippi. Also in attendance were SAWCo's General Manager Charles Moorrees, Assistant General Manager Teri Layton, and Senior Administrative Specialist Kelly Mitchell. Director Thomas presided.

- Salute to the Flag led by Director Filippi
- 1. Recognitions and Presentations: Mr. Moorrees recognized the Public Works Director for the City of Upland, Rosemary Hoerning and resident Dennis Tolle. A picture from the July 8<sup>th</sup> Watershed Clean-Up Day was shown.
- 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 June 20, 2017.
  - B. Administrative and Finance Committee (AFC) Meeting Minutes  
AFC minutes of April 25, 2017.
  - C. Planning, Resources and Operations Committee (PROC) Meeting Minutes  
No minutes to report.
  - D. Financial Statement  
Comparative Income Statement and Balance Sheet for May 31, 2017 and year-to-date.
  - E. 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
    - Appropriative Pool Letter to Chino Basin Watermaster

Director Elliott moved and Director Gerardi 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 July 12<sup>th</sup> PVPA meeting. The spreading of water has been completed for the year. The City of Pomona is completing weed abatement. The operations manual to be used in the field is nearing completion. PVPA is attempting to finalize the sale or lease of a roughly 1-acre portion of land to a property owner off of Pomello Drive in Thompsons Creek.
  - B. Six Basins Representative Report** – Mr. Moorrees reported on the Six Basins meeting held on June 28<sup>th</sup>. The Watermaster provided a report on the Metropolitan Water District's (MWDSC) Cyclic Storage Program whereby during wet years, the MWDSC has surplus imported water available for

groundwater storage. MWDSC is looking to execute cyclic storage accounts in amounts up to 200,000 AF with individual member agencies depending on local conditions. It was recommended that this item be placed on the July board agenda for consideration.

The board approved Three Valleys Municipal Water District request for a temporary waiver for limits on annual spreading and storage account for CY2017. The board also directed watermaster staff in May to draft a letter to the City of Claremont regarding concerns for the proposed dry well concept at Pomona College. The letter expressed concerns of the potential adverse impacts to groundwater quality at nearby wells as well as the contribution to high groundwater conditions during wet periods. The draft letter was presented to the board for approval.

The Strategic Planning Workshop was held immediately after the Six Basins board meeting where the costs for the approved Strategic Plan objectives for the pump and treat projects for the City of Pomona. The proposal for implementation in CY2018 was \$644,340 and \$498,900. These cost will double annual assessments; however, the PVPA may be able to contribute monetarily as in previous years which would reduce the annual assessment.

- C. Chino Basin Representative Report** – Ms. Layton reported on the most recent Watermaster board meeting. Discussed at the meeting was the Storage Workshop #2 on the Storage Management Plan. At the workshop, some parties expressed concerns with scope defined by staff/consultants rather than the Appropriative Pool, while some expressed open support for the scope. SAWCo, City of Chino, City of Ontario, and Monte Vista Water District (MVWD) signed a letter which was included in the Board packet under correspondence. SAWCo's desire is to get a scope of work that all parties can agree on before spending money on consultant work only to have it over turned in court.

Since the April 28<sup>th</sup> court ruling Cucamonga Valley Water District, the City of Pomona, and MVWD have all filed appeals. The appeals do not go into the reason but it is believed they are in opposition to the reset of the Safe Yield.

Reported out of closed session during the Appropriative Pool meeting held on July 13<sup>th</sup> was a vote on the desalter replenishment obligation. The current vote was to determine replenishment on a 50/50 formula with physical production. This decision will be followed up in writing to Watermaster with illustrated examples. Cities of Ontario and Chino voted no.

- D. Administration and Finance Committee (AFC) Chairman's Report** – All items discussed at the meeting are in the General Manager's Report on Activities.
- E. Planning, Resources, & Operations Committee (PROC) Chairman's Report** – No meeting to report.
- F. Office Feasibility Study Ad Hoc Committee** – Director Thomas stated that at the most recent Ad Hoc meeting it was decided that the committee would not meet again until next year. More certainty on the City of Upland purchasing the south half of the property is needed in order to move forward.

6. General Manager's Report on Activities:

- A. Conservation – Customer Leak Detection Program** – Mr. Moorrees reported this program was initiated in 2014 as a partnership with Mitchell's Plumbing to assist shareholders in the domestic service area identify and repair water leaks on their property. The program offered to have Mitchell's Plumbing perform a site visit to identify the leak on the customer's property. The cost of this service was paid for by SAWCo at a maximum of \$85 for the first half hour which is the normal amount of time it takes to identify the source of a leak. Additionally, SAWCo offered to provide a 50% match to off-set the repair of the leak up to \$500 as monies are available in the program. Since that time the conservation budget has increased to provide more of this service, however, Mitchell's Plumbing contacted SAWCo to advise they no longer provide leak detection.

In response, staff presented to the AFC the request to utilize a different plumber. Discussion at the meeting led to the agreement of utilizing multiple vetted plumbers for customers to choose from.

Mr. Moorrees recommended the Board approve the change from Mitchell's Plumbing to utilize various approved available local plumbers as service providers for the Customer Leak Detection Program as presented.

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

Director Thomas inquired whether all domestic water meters have been replaced with ones that offer alerting of possible water leaks. Mr. Moorrees responded that not all of the meters that do not have the ability to alert of possible leaks have reached their asset life, therefore they have not been replaced. Those that have broken or reached their asset life have been replaced with meters that can alert of possible water leaks.

**B. Conservation Programs Update** – Ms. Layton reported that Roberta Thomas provides a quarterly update on the conservation programs SAWCo provides. Ms. Thomas attends bi-monthly meeting hosted by Inland Empire Utilities Agency through which SAWCo receives their Metropolitan Water District rebates. All of the different programs SAWCo offers is presented in the update including how many shareholders have participated in each program and the estimated amount of water savings. Water audits are also provided by SAWCo through Chino Basin Water Conservation District (CBWCD).

Director Thomas questioned whether or not there is still funding for turf removal. Ms. Layton answered there are no rebates for turf removal at this time but a drip irrigation instruction workshop is being offered through CBWCD to help reduce irrigation water usage.

**C. Appraisal for Portion of Company's Property at 17<sup>th</sup> St. & Benson Ave.** – Ms. Layton reported the City of Upland desires to purchase the south half of SAWCo's property located at 17<sup>th</sup> Street and Benson Avenue in Upland for the construction of their new reservoir. The City of Upland provided an appraisal value of the south portion of the property for SAWCo's consideration. Funds for the purchase will not be available until next year because the City of Upland has applied for a funding loan from the State Revolving Fund. As such, the City of Upland has requested locking in the appraised value until an agreed upon date.

The General Manager's recommendation is that the Board provide comments or feedback and recommend approval of the appraisal report with a guaranteed sale price of \$1,720,000 up to August 1, 2018 with any extensions determined by the Board.

Ms. Rosemary Hoerning thanked the Ad Hoc committee and staff. Subsequent to the Ad Hoc meeting Ms. Hoerning spoke with the City of Upland manager, Marty Thouvenhall, concerning the acquisition of the property. The State will not act on what the City of Upland submits unless it is complete. With so many items required to complete the submittal, Ms. Hoerning requested extending the timeline to the end of 2018.

Director Elliott advised there is not much change over this period of time in the value of the type of property being sold.

Director Elliott moved and Director Cable seconded to approve the appraisal of the southern portion of the property SAWCo owns at the corner of 17<sup>th</sup> Street and Benson Avenue as received until the end of 2018. Motion carried with Director Filippi abstaining.

**D. Project Status Report –**

- **Edison Pond – Sluice Gate** – The City of Pomona’s engineers are currently developing the plans to build the gate and head walls.
- **Well 24 Rehabilitation** – The equipment is in and operational.
- **Holly Drive Reservoir Design** – Staff recently received 30% plans from TKE Engineering and will be reviewing and commenting on them.
- **WFA Pipeline Connection** –SAWCo has requested this item be placed on the agenda for WFA’s next meeting to approve the connection so that the project will be constructed and ready to begin once the Bin classification is changed.
- **Reservoir 7 Rehabilitation** – A kick-off meeting was held on July 5<sup>th</sup> with Harper & Associates Engineering. They will be diving the tank the following week.
- **Holly Drive Reservoir – Interior Coating** - Harper & Associates Engineering are putting together specifications and contract documents for processing. The item will need to go to the PROC in September for award in October.
- **Water Master Plan** – Staff is developing the agenda for the workshop. The draft Water Master Plan is expected by the end of the week. The workshop is scheduled for August 8<sup>th</sup>.
- **Basin 6 Desilting** – Staff solicited bids from six contractors but the bid opening was non-responsive. Staff is re-bidding the project with a bid opening of August 9<sup>th</sup> and it will be taken to the Board on August 15<sup>th</sup> for approval. San Bernardino County will not approve the environmental document until September 12<sup>th</sup>. This approval is needed in order to begin the work therefore a waiver from San Bernardino County will be needed in order to work past the October 15<sup>th</sup> deadline.
- **Cucamonga Basin-Desilting Project at Crosswalls** – The Army Corps of Engineers is reviewing SAWCo’s third gnatcatcher bird study as a component of the Base Operating Plan. The Regional Water Quality Control Board is currently reviewing the 401 permit application. The San Bernardino County is working on a memorandum of understanding for waiving the extraction fee for the project. The revised contract for the haul route was also submitted to San Bernardino County for review.
- **Water Rights Investigation** – Activity – The United States Forest Service submitted a list of diversions they have located thus far. The remaining diversions in Mt. Baldy are forthcoming. SAWCo has requested a copy of the full list of diversions.
- **Well 31 Biological Treatment [On Hold]** – Staff met with MIH and advised that unless MIH can meet SAWCo’s base rate the treatment facility will not be economically beneficial. If in the future the cost is economically feasible, SAWCo will reconsider using this type of biological treatment. Evoqua has provided the back-end filtration/disinfection system which is required from the DDW. The written protocol has been approved by DDW and the State will be reviewing the site later in the week for certification. An invitation for a planning grant utilizing Proposition 1 Funding has been received. Cucamonga Valley Water District will take the lead with applying and utilizing Proposition 1 Funding.

7. Closed Session – The Board and General Manager entered closed session at 5:31 p.m. for the General Manager’s Performance Review [subdivision 9b) of Section 54957, CGC].

The Board and General Manager returned from closed session at 6:08 p.m. Director Thomas announced that Mr. Moorrees’ contract will remain unchanged until it expires on June 30, 2018 at which time they will bring in a new General Manager.

8. Director’s Comments and Future Agenda Items: Director Thomas inquired about the San Bernardino County Water Conference taking place August 11<sup>th</sup>. Mr. Moorrees stated that if anyone on the Board wished to attend the conference to please contact Ms. Mitchell. Both Director Cable and Director Thomas requested to attend.

Adjournment: Seeing no further business, the meeting was adjourned at 6:09 p.m.

Future Meetings:

July 18, 2017

The next Board Meeting will be held on Tuesday, August 15, 2017 at 5:00 p.m.

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Assistant Secretary  
Charles Moorrees