

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, July 19, 2011

An open meeting of the Board of Directors of the San Antonio Water Company (SAWCo) was called to order at 5:05 p.m. on the above date at the Upland City Hall Council Chambers, 460 North Euclid Avenue, Upland, California. Directors present were Ken Willis, Dr. Fred Gattas, Tom Thomas, Sue Sundell, and Glenn Bozar. Also in attendance were SAWCo's General Manager Charles Moorrees, and Accounting/Personnel Clerk Joni Ruggles as well as Anthony Herda from Civiltec Engineering. Director Thomas presided.

- Call to Order
 - Salute to the Flag
1. Recognitions & Presentations: Mr. Moorrees announced that Southern California Water Committee (SCWC) is having their quarterly meeting on July 28, 2011 in the City of Industry. If any of the Board members wish to attend they can contact SAWCo's office and staff will sign them up for the event.
 2. Additions-Deletions to the Agenda: Mr. Moorrees added the bid breakdown for Board Item 6C. Bids were received earlier in the day.
 3. Shareholder-Public Testimony: None.
 4. Consent Calendar Items:
 - A. Approval of Board Meeting Minutes
Regular Meeting Minutes of June 21, 2011.
 - B. Planning, Resources, and Operations Committee (PROC) Meeting Minutes
Receive & File Meeting Minutes of February 23, 2011 and April 20, 2011.
 - C. Administration and Finance Committee (AFC) Meeting Minutes
Receive & File minutes of May 31, 2011.
 - D. Financial Statement
Income Statement and Balance Sheet for May 31, 2011 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
 - Letter to Senator Dutton-delivery of bottled water
 - Letter to Senator Emmerson-delivery of bottled water
 - Letter to Assemblyman Morrell-delivery of bottled water
 - Letter to Assemblyman Solorio-delivery of bottled water
 - Citizens Patrol-Letter of Appreciation

Director Dr. Gattas moved and Director Bozar seconded to approve the Consent Calendar Items as presented. Motion carried.

5. Board Committee – Delegate Report:
 - A. **PVPA Representative's Report** – Director Thomas reported at the last meeting that after more than seven years PVPA is closing escrow on approximately 26 acres of property on the north side of Baseline Road just east of the 210 freeway. Escrow closed on June 24, 2011, a week early.

- B. **Six Basins Representative Report** – Mr. Moorrees reported that there was an Advisory Committee meeting on June 22, 2011. Watermaster staff presented a chart for recharge and groundwater levels in four basins and asked members for comments. Three Valleys Municipal Water District (TVMWD) conjunctive use project was added to the agenda for discussion. The concern was that TVMWD was getting a grant to put in a pipeline that would enable them to recharge up to 15,000 acre feet (AF). That amount exceeds the amount of 1,000 AF they have in their Storage & Recovery Agreement. The committee requested more information on the project such as the strategic plan or the study of the basin to see exactly how much water it is able to hold. It was noted that additional water would be pumped out before the end of the year. If additional native recharge exists, TVMWD would lose that because of the priority of water on their storage and recovery agreement. It was noted that 5,000 AF per year flowed out of Six Basins into Chino Basin. There was discussion to develop a strategic plan for Six Basins and the watermaster stated that they will meet with each individual agency to identify what their goals and constraints. Budget goals for 2012 were also discussed.

- C. **Chino Basin Representative Report** – There are three different meetings for the Chino Basin. There is the Appropriative Pool committee which SAWCo is a member of. There are also the overlying Non-Ag committee and the Agricultural Pool committee. These three committees meet separately and then together at the Advisory Committee meeting to make recommendations for the Watermaster Board meeting. On July 14, 2011 there was an Appropriative Pool meeting where they discussed installing extensometers. Wildermuth Environmental, Inc. (WEI) updated the Chino Basin Groundwater Model. A workshop on the model is tentatively set for October 2011. Completion is set for March 2012 at a cost of approximately \$300,000. Regarding the claim they have against the overlying Non-Ag committee, the Watermaster filed a brief and are hoping to facilitate negotiations.

- D. **Administration and Finance Committee (AFC) Chairman’s Report** – Director Dr. Gattas reported that the AFC met last month and continued discussion of the insurance benefit program. The committee requested that the insurance broker attend the next meeting which is scheduled for the following day.

- E. **Planning, Resources, & Operations Committee (PROC) Chairman’s Report** – Director Willis reported that the PROC approved to recommend a Capital Improvement budget for the focus study to connect the Frankish-Stamm Tunnel to SAWCo’s irrigation system. He also stated that the United States Forest Service (USFS) has now agreed to meter all sources of supply within their jurisdiction.

6. General Manager’s Report:

- A. **Resolution to Authorize Signatures for Dec 2010 Storm Event Worker’s** – Mr. Moorrees stated that SAWCo had a resolution with the state in 2005 during the January Storm Event. The resolution authorized the release of the funds that the Federal Government had provided to the states for reimbursement for damages. The resolution has since expired. A new one is required to allow the general manager or the assistant manager to sign off on the release of funds. Once it is submitted to the state the funds will be released to SAWCo.

Director Sundell moved and Director Dr. Gattas seconded to approve the resolution approving the general manager and the assistant manager as the applicant’s agent for all matters pertaining to such state disaster assistance the assurances and agreements required to sign off on state funds. Motion carried.

- B. **San Antonio Canyon Sanitary Survey** - Mr. Moorrees stated that this document is a tool to help the Watershed Committee, which includes SAWCo, City of Pomona, City of Upland, and some of the small water companies up in Mt. Baldy, identify the best management practices for maintaining the water quality in the watershed. It was noted that SAWCo, City of Pomona, and City of Upland provided the funds for the survey. The original Sanitary Survey was compiled in 1995, and updated

in 2000. An environmental engineer, Joe Reichenberger, completed the report after the committee compiled the data. The report provides the monitoring requirement recommendations for the San Antonio Stream for the next five years. They include, monitoring for cryptosporidium and giardia twice every two years.

Director Willis moved and Director Bozar seconded to adopt the San Antonio Canyon Sanitary Survey. Motion carried.

- C. **Reservoir #6 Maintenance-Proposed 100,000 Gallon Reservoir** – Mr. Moorrees recommended the Board defer the awarding of the project and have the PROC discuss it at their next meeting. The engineer estimated the project to be \$173,000 but the low bid came in at \$229,000. Staff only budgeted \$150,000 for the project. Mr. Moorrees requested the PROC recommend an additional \$83,000 but an additional \$127,000 will be needed to complete it. Mr. Moorrees would like to discuss with the PROC whether or not it is more prudent to install a temporary reservoir if the cost is within \$100,000.

Director Thomas suggested staff determine costs for temporary tanks and present them at the next meeting.

The recommendation was that the general manager present to the Board at the August meeting the cost proposals for a temporary tank in lieu of a permanent reservoir tank if the cost is less than \$100,000. If that option is viable then SAWCo will reject the bids for a permanent reservoir.

There was consensus on the Board.

D. **Project Status Report** –

- **Euclid Waterline-SACE to ECW-1,200 LF of 8"** – Project was recently completed. Pictures of the work were shown.
- **Tunnel Pipeline Improvement** – Two companies have looked at SAWCo's Tunnel Pipeline. A recent bid of \$444,000 was received for the improvements from one of the companies. Staff is waiting for receipt of the other bid. SAWCo budgeted \$314,908 for the project. SAWCo wants to line the pipeline due to some water quality issues that are prevalent when flows are above 5 cubic feet per second (cfs). With the more recent diversion to the City of Upland flows that high have been regulated to below 5 cfs.
Director Thomas questioned whether the improvements were necessary if the higher flows were not being reached. Mr. Moorrees is concerned that with concrete pipe that contains joints, roots will grow into the pipeline. Mr. Moorrees is looking into getting a proposal to simply seal the joints to prevent root growth into the pipeline.
- **Well 25A – Drilling** – Mr. Moorrees is still waiting for the agreement for the noise study that is required before drilling operations.
- **Cucamonga Basin** – Desilting project at crosswalls – Mr. Moorrees is meeting with John Holliday from Holliday Rock as well as with a representative from the planning department of City of Upland and representative from the San Bernardino County Flood Control District to walk the haul route. If Mr. Holliday approves of the haul route he will write a letter to the City of Upland giving permission to utilize it.
- **Forebay Improvements** – SAWCo submitted plans for the Miox System and for the main building to the San Bernardino County Building and Safety.
- **Water Rights Investigation** – Activity – Currently waiting for Ridgeway to install the meter to the property. SAWCo is meeting with Odell Tucker the new Forest Ranger from the USFS to help them understand meter installation and will meet again in August without legal counsel. Mr. Moorrees feels SAWCo should file a complaint with the State Water Resources Control Board (SWRCB) regarding the USFS diversion of water to which they have no reserve right.
- **Cucamonga Basin Management Plan** – SAWCo has responded to the groundwater data provided by WEI.

- **Feasibility Study – Edison & Tnl Ponds [Consev. Levee]** - Staff received the draft report from Camp, Dresser, and McKee (CDM) and are currently making comments. They are utilizing some information that the general manager feels is not appropriate to SAWCo's water rights. SAWCo has an opinion letter that provided by Senecal that they should be used for their premise. Mr. Moorrees hopes to receive the document prior to the PROC meeting.

7. Closed Session: None.

8. Director's Comments and Future Agenda Items: Director Thomas reminded the Board about the special AFC meeting on Tuesday, July 20, 2011 at 11:00 a.m.

Adjournment: There being no further business, Director Thomas declared the meeting adjourned at 5:42 p.m.

Assistant Secretary
Charles Moorrees