

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

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, Will Elliott, Ken Willis, Glenn Bozar, Sue Sundell, Bob Cable, and John Gerardi. Also in attendance were the City of Upland's Public Works Director Rosemary Hoerning and Utility Operations Manager Kevin Watson, and SAWCo's General Manager Charles Moorrees, Assistant General Manager Teri Layton, and Administrative Specialist Kelly Mitchell. Director Thomas presided.

- Salute to the Flag
- 1. Recognitions and Presentations: Ms. Hoerning introduced Mr. Watson the newly hired Utility Operations Manager for the City of Upland. Mr. Watson introduced himself and spoke a few words about his history in the water industry.
- 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 21, 2016.
 - B. Planning, Resources, and Operations Committee (PROC) Meeting Minutes
PROC Meeting minutes of March 22, 2016.
 - C. Administrative and Finance Committee (AFC) Meeting Minutes
No meeting minutes to report.
 - D. Ad Hoc Committee Office/Yard Relocation Meeting Minutes
No meeting minutes to report.
 - E. Financial Statement
Comparative Income Statement and Balance Sheet for May 31, 2016 and year-to-date.
 - F. 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 – None.
 - Letters to RFC and Black & Veatch – Rate Study award

Director Elliott moved and Director Sundell 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 most recent meeting where an update was given by Ms. Hoerning about the Operations Manual being prepared for the San Antonio/Thomas Creek Spreading Grounds. The easement for the landlocked property in Thompson Creek is an ongoing issue. More discussion took place on the Vulcan/Holliday Rock development of a recharge basin in the northwest portion of the San Antonio Spreading Grounds, west of the channel and below the power lines.

- B. Six Basins Representative Report** – Mr. Moorrees reported on the Six Basins Watermaster Advisory Committee Meeting held on June 22, 2016. Topics of discussion included the review of the draft memo from staff regarding the initial recommendation for substantial injury analysis. Three Valleys Municipal Water District’s (TVMWD) Well 3 will be the first test using this analysis. Concern was raised over the lack of threshold and the fiscal meaning of substantial injury.

TVMWD is looking at drilling a well as early as September and has inquired whether an analysis can be performed more rapidly than using the Six Basins Groundwater model. TVMWD suggested the Board approve them getting their own consultant and using the aquifer stress test. Watermaster stated the aquifer stress test did not provide all of the information necessary and it’s important to have consistency in how the analyses are done. A Special Board Conference Call on June 30th approved the TVMWD well project.

The draft pre-application for Proposition 1 grant funding was also discussed. This is to support the planning effort basin wide conjunctive use project by Watermaster. The parties have been requested by Watermaster to review the application by the end of June before presenting the application. Rowland Water District informed the committee that Puente Basin Water Agency’s (PBWA) legal counsel wants to coordinate with Watermaster to have a Memorandum of Understanding (MOU) to allow interested non Six Basin Watermaster parties to be involved in the grant application process. PBWA will provide a draft MOU at the July 27th Board meeting.

Director Thomas commented on the new protocol to determine substantial injury. There is more review to make certain the drilling of a new well doesn’t impact another well. TVMWD is completing the first analysis which may be more costly than ones completed in the future.

- 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 from July 29, 2016 to September 23, 2016.

There were no business items on the agenda for the July 14th Appropriative Pool meeting. An Engineering Report given advised Wildermuth Environmental, Inc. (WEI) is working with Watermaster regarding a procedure for supplemental water recharge. They are using SAWCo’s recent delivery as an example. They are looking to have better coordination, measurement in reaching the basin. New forms will come through the Pool process.

During Closed Session the Pool continued to work together on strategy. The Budget Committee presented their recent review of WEI’s budget and possible questions. Discussions will continue on Thursday.

- D. Administration and Finance Committee (AFC) Chairman’s Report** – Nothing to report.
- E. Planning, Resources, & Operations Committee (PROC) Chairman’s Report** – Nothing to report.
- F. Office Feasibility Study Ad Hoc Committee** – Nothing to report.

6. General Manager’s Report on Activities:

- A. Revision to Assistant General Manager’s Job Description** – Mr. Moorrees reported the current Assistant General Manager’s job description requires the position holder to possess a Grade 3 Water Distribution Certification. There has been a lot of changes with respect to requirements for certification and it has become increasingly more difficult if not impossible for those in upper management positions to obtain higher certifications unless they move up from a Water Operators position.

Mr. Moorrees asked the Board to approve the change in the requirements of the current Assistant General Manager's job description from "required" to "desired" possession of a Grade 3 Water Distribution Certification.

Director Gerardi moved and Director Cable seconded to approve changing the Assistant General Manager's job description from a "required" to "desired" possession of a Grade 3 Water Distribution Certification. Motion carried.

- B. San Bernardino County Sheriff – Fontana Station** – Mr. Moorrees stated SAWCo owns and operates two domestic reservoirs on the north side of Mountain Avenue along with roughly 50 acres on the adjacent land. Due to recent vandalism and the creation of a motocross track, "No Trespassing" signs have been installed.

On February 1, 2016, the San Bernardino County Code Enforcement submitted a Notice of Violation to cease and desist from operating the "motocross dirt track". Staff engaged C.P. Construction to remove the track at a cost of \$4,020 which satisfied the condition of the violation and closed the case.

Although the trespassing signs installed are up to penal code standards they require staff's presence in response to sheriff calls to the property. In June, staff was approached by Deputy Richard Farrow with the San Bernardino County Sheriff, Fontana Station to discuss authorizing a Trespass Agreement. The agreement would authorize San Bernardino County Sheriff to "act as an agent to arrest, remove, or advise any persons on the property without lawful business, and/or permission to be present on the premises."

Mr. Moorrees recommended the Board approve staff entering into the Trespass Agreement with the San Bernardino County Sheriff, Fontana Station.

Director Thomas inquired whether other facilities are included in the agreement. Mr. Moorrees advised a separate agreement would need to be signed for each site.

Director Elliott moved and Director Bozar seconded to authorize staff entering into the Trespass Agreement with the San Bernardino County Sheriff, Fontana Station for all sites located in county territory. Motion carried.

Director Bozar inquired about coating for the reservoirs to make it easier to clean off graffiti. Mr. Moorrees advised it is less expensive and easier to simply paint over the graffiti.

Director Bozar also questioned whether there are security cameras at the Forebay. Mr. Moorrees replied there are cameras at the Forebay. Additional cameras for the site will be looked into and the item will be put on the next PROC agenda.

- C. Conservation Programs Update** – Mr. Moorrees reviewed the more recent changes to SAWCo's conservation programs. It was questioned what the benefits are for SAWCo in being associated with California Urban Water Conservation Council (CUWCC). Mr. Moorrees explained that SAWCo originally engaged with CUWCC when they began their Urban Water Management Plan (UWMP) because they could refer to the Best Management Practices (BMPs) already set up by CUWCC. SAWCo now feels they are able to develop their own BMPs. The fees for CUWCC were previously covered by the Inland Empire Utilities Agency and Metropolitan Water District, however, now that SAWCo is classified as a wholesaler they are required to pay for membership.

This item will be brought to the PROC in the future to discuss and determine what action to take.

Mr. Moorrees submitted an article to be posted in the San Antonio Heights Gazette about the continued water restrictions. The governor's original executive order was to make water

conservation a way of life in California. However, El Nino brought rain to Northern California and those agencies that buy import water have requested relaxed conservation standards. The governor recently announced that agencies are allowed to come up with their own conservation standards. As such, many agencies that buy import water have relaxed their conservation standards due to the ability to purchase this water. SAWCo will not be relaxing its water conservation restriction because it does not receive import water.

Mr. Moorrees described the current issues regarding the Tunnel which is SAWCo's biggest water supply to their domestic system. Water quality samples over the last month have come back absent for bacteria, however, SAWCo is still moving the MIOX system to Shaft 6 to get this water supply back into the domestic system. Wells 15 and 16 are pumping continuously to cover the water that would normally be supplied by the Tunnel. The water levels are only 25 feet above the bowl on these wells and will eventually be sucking air if they remain running constantly.

D. Project Status Report –

- **22nd Street Booster** – Nearing completion.
- **Shaft 6 Disinfection Building** – HK Construction is currently building the block wall. KSM Electric is working with Southern California Edison to get electricity to the site. TKE is preparing the easement document to put in the electrical conduit and water service. Staff is expecting a quote from Superior Technologies for the injection system. Currently looking into a post disinfection for the Forebay.
- **WFA Pipeline Connection** – WFA responded that the current entity shareholders are not receptive to making the connection at this time. The project is on hold but should it be reconsidered in the future all the plans are ready to go. Director Thomas requested staff obtain a copy of the meeting minutes where this decision was made.
- **Cucamonga Basin – Desilting Project at Crosswalls** – Staff submitted the application for the regional permit with Army Corps of Engineers. A response can take up to 60 days. The haul route through Holliday Rock was approved by the City of Upland Administrative Committee with the requirement of a notarized signature from Mr. Moorrees and the San Bernardino County Flood Control District. With the receipt of the regional permit by August the project will hopefully begin by September.
- **Water Master Plan** – No documentation has been presented by the consultant as to where they are at with the WMP.
- **Basin 6 Desilting** – The Noise Plan has been approved by the City of Upland. Once the environmental study is up for its 60 days comment period the project will go out to bid.

7. Closed Session: None.

8. Director's Comments and Future Agenda Items: Director Bozar inquired as to whether flow rates are taken from the San Antonio Falls. Mr. Moorrees replied that SAWCo does not take flow rates from the San Antonio Falls but from the V-Screen. Director Bozar then questioned whether flows are better this year than in the previous year. Mr. Moorrees responded he believes the flows are slightly better than at this time last year.

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, August 16, 2016 at 5:00 p.m.

Assistant Secretary
Charles Moorrees