

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, August 15, 2017

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, Bob Cable, John Gerardi, Jose Sanchez, 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
- 1. Recognitions and Presentations: Director Thomas gave a PowerPoint presentation on the history of Pomona Valley Protective Association.
- 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 of July 18, 2017.
 - B. Administrative and Finance Committee (AFC) Meeting Minutes
No meeting minutes to report.
 - C. Planning, Resources and Operations Committee (PROC) Meeting Minutes
PROC minutes of May 23, 2017.
 - D. Financial Statement
Comparative Income Statement and Balance Sheet for June 30, 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
 - Letter of Support for Prop 1 Grant funding for CVWD

Director Elliott moved and Director Gerardi seconded to approve the consent calendar as presented. Motion carried with Director Sanchez abstaining.

- 5. Board Committee – Delegate Report:
 - A. Pomona Valley Protective Association (PVPA) Representative's Report** – Director Thomas reported on the August PVPA meeting. Again there is not much spreading of water as there was only a fraction of rain the previous month. PVPA is moving forward with Holliday Rock, Six Basins, and the City of Claremont on the idea of developing a recharge basin in the northwest portion of the San Antonio Spreading Grounds.
 - B. Six Basins Representative Report** – Mr. Moorrees reported on the Six Basins meeting held on July 26th. With the Cyclic Storage Program, Metropolitan Water District (MWD) is looking to partner individually with local water agencies to put 200,000 acre feet (AF) of water in the basin. MWD

would like to execute these storage agreements immediately, however, parties in the basin are unable to take the water until the pump and treat projects in Pomona are completed. The item was deferred and the option will be available into the future.

The board approved to receive and file the planning proposal for Strategic Planning implementation and authorized Wildermuth Environmental, Inc. to move forward with the plan. Staff presented informational item on the evaluation of the potential for substantial injury associated with the proposed Three Valleys Municipal Water District (TVMWD) Grand Avenue Well.

A brief oral update was given by the chairman on the MS4 permits and the Watershed Management Group.

- C. Chino Basin Representative Report** – Ms. Layton reported at the most recent Watermaster Advisory committee meeting the desalter replenishment assessments for the production year 2013-2014 were approved. However, at the Board meeting Watermaster believed it to be inconsistent with the Peace II agreement and the item received a ‘non-unanimous’ decision. The item went back to the Advisory committee which held a special meeting via teleconference on August 3rd. The matter is going back to the Pool for consideration. There is a lot of conflicting verbiage in different reports. The Advisory committee made the decision on replenishment assessments using verbiage from a resolution which bases it off 50/50. The Peace II agreement bases the assessment off of prorata share.

Ms. Rosemary Hoerning addressed the Board. The latest court rulings involving the Safe Yield Reset Agreement made some dramatic shifts in how the parties in the adjudicated basin receive their water rights; including the use of unused Agriculture Pool water. The court decided recently that land use conversion agencies have priority over the general appropriators when previously land use conversion and appropriate pool had more of an equal share. The court also set the safe yield at 135,000 AF but did not decide on any other issues presented. The desalter replenishment obligation is an obligation that all member agencies have to meet until 2030 with the possibility of extension if agreed upon.

Ms. Layton advised of an approved additional Pool expense of \$15,757 of which SAWCo’s portion was \$297.49. There was no August Watermaster meeting and Mr. Justin Scott-Coe with MVWD has resigned in order to take a position at Riverside Public Utilities.

There have been several court filings within the last two months. CVWD, City of Pomona, and MVWD are filing the appeal to have the land use conversion and the early transfers be equal priority. The next scheduled court hearing to determine whether or not to stay the courts order pending appeal is being held September 12th. If there is a stay, Watermaster will need to calculate assessments based on 140,000 AF for Safe Yield.

- D. Cucamonga Basin Report** – Mr. Moorrees advised that staff spoke with legal counsel in regards to moving forward with modernizing the Cucamonga Judgment. A draft agenda will be put together with the needs and wants of the company. Once that is completed staff will meet with the City of Upland to receive their input on the topic and then bring it to the PROC for comments.

Mr. Moorrees spoke with Randall Reed, a director on CVWD’s board, and found him to be receptive to moving forward with a new judgment.

- E. Administration and Finance Committee (AFC) Chairman’s Report** – No meeting to report.
- F. Planning, Resources, & Operations Committee (PROC) Chairman’s Report** – All items discussed at the meeting are in the General Manager’s Report on Activities.
- G. Office Feasibility Study Ad Hoc Committee** – No meeting to report.

6. General Manager's Report on Activities:

A. Proposal to Clean and Line Irrigation Reservoir 4 – Mr. Moorrees reported that staff presented the proposal to clean out and line Reservoir 4 to the PROC who recommended the item to the Board for approval. The reservoir receives surface flows from the San Antonio Creek and is then delivered to irrigation customers as well as to spread in Chino Basin and Six Basins. Significant water flows received earlier this year carried with it suspended solids that were deposited to the reservoir. Additionally, aquatic plant growth have become excessive with increase in accumulation of organic sediments.

Staff has also been monitoring external wall seepage of the reservoir looking for signs of visible rust stains. Rust is an indicator of corrosion of steel reinforcement due to water penetration and can affect the structural integrity of the reservoir. Visible inspection of the reservoir once drained may provide a better opportunity to analyze the seepage. In addition to protecting the reservoir from further deterioration by waterproofing the interior walls, the liability and impacts of its failure greatly exceeds the cost to do the work.

Director Filippi exited the meeting at 5:32 p.m.

Proposals were received and submitted to the PROC by C.P. Construction to clean the reservoir and by National Coatings & Linings to line the reservoir.

Mr. Moorrees recommend the Board agree with the PROC recommendation to approve the cleaning by C.P. Construction in the amount of \$20,700 and lining of the reservoir by National Coatings & Linings in the amount of \$72,650 for a total of \$93,350 including a 15% contingency and appropriate \$107,350 from Depreciation & Obsolescence Reserves. Although budgeted, final inspection will determine if all walls need lining.

Director Gerardi moved and Director Sanchez seconded to approve the General Manager's recommendation. Motion carried.

B. Proposal to Replace Existing V-Screen Meter – Mr. Moorrees stated that production report variances of surface flows caused staff to investigate meter accuracies at the V-screen. Operations staff working with the meter consultant indicated the meter is off by 14% and beyond the acceptable variance. Using the existing J-Stick and weir at the upstream Main Box, this variance was confirmed.

In conjunction with the manufacturer's representative, staff determined it would be best to replace the existing meter. Staff recommends replacing it with a 24" meter which will be sufficient to convey maximum flows. Staff also recommends the meter be placed in a utility vault instead of direct bury as with the existing meter and be placed north of its existing location. Downstream appurtenances that could affect accurate reads will also be removed in the process.

Mr. Moorrees recommended the Board approve the replacement of the V-Screen meter at a cost of \$37,800.57 with a \$6,000 contingency and appropriate \$43,800.57 budget from Depreciation & Obsolescence Reserves.

Director Cable moved and Director Sanchez seconded to approve the general manager's recommendation. Motion carried.

C. Award Contract for the Basin 6 Infiltration Restoration Project – Mr. Moorrees reported on changes to this project that has been in the works for roughly two years. The most recent delay in starting the project was the environmental document which is scheduled for adoption by the San Bernardino County on September 12th. However, staff received information that the Regional Water Quality Control Board (RWQCB) is requiring SAWCo purchase a \$50,000 401 permit. The

reasoning behind the need for the permit is the determination that there is a significant nexus to the Santa Ana River due to its connection to the Cucamonga Flood Control Channel.

It took eight months to receive the 401 permit for the Cucamonga Crosswalls Project and it is projected to take roughly four to five months to receive one for this project. Therefore this project will need to be carried over to 2018. There's likelihood of needing to rebid the project at that time. Since there was only one bid submitted, requests for bids will go out to the one responder and a different set of contractors.

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. Thirty-percent plans were promised by August 3rd but have not been received.
- **Well 15/16 Tracer Study** – Staff received a quote from BESST, Inc. for \$15,075 which is more than double the budgeted amount. BESST, Inc. will perform the study with calculations to obtain a 4-log inactivation credit for approval by the Department of Drinking Water.
- **Holly Drive Reservoir Design** – Instead of one 122,000 gallon reservoir as previously proposed, two 120,000 gallon reservoirs, 15 feet in height and 37 feet in diameter, will be designed.
- **WFA Pipeline Connection** – At the water delivery coordination meeting earlier in the month it was decided that this project will be put on hold until the Bin classification of the water is changed.
- **Reservoir 7 Rehabilitation** – Harper & Associates Engineering are putting together specifications and contract documents for processing.
- **Holly Drive Reservoir – Interior Coating** – Project cancelled due to the change in reservoir design.
- **Water Master Plan** – Individual meetings will be held with the agency shareholders to collaborate on project items.
- **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 RWQCB issued the 401 permit. The San Bernardino County is bringing the memorandum of understanding to their board for approval for waiving the extraction fees for the project.
- **Water Rights Investigation – Activity** – A meeting is scheduled with the United States Forest Service to review the list of diversions they have located thus far and submitted to State Water Resource Control Board.
- **Well 31 Biological Treatment [On Hold]** – The DDW was pleased with the system and should be issuing approval of certification shortly. The site will be dismantled before the end of the month.

7. Closed Session – None.

8. Director's Comments and Future Agenda Items: None.

Adjournment: Seeing no further business, the meeting was adjourned at 5:48 p.m.

The next Board Meeting will be held on Tuesday, September 19, 2017 at 5:00 p.m.

Assistant Secretary
Charles Moorrees