

# SAN ANTONIO WATER COMPANY

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## MINUTES OF THE SAN ANTONIO WATER COMPANY

### Tuesday, August 16, 2011

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, Dr. Fred Gattas, Will Elliott, Brian Brandt, Sue Sundell, and Glenn Bozar. Also in attendance were SAWCo's General Manager Charles Moorrees, and Accounting/Personnel Clerk Joni Ruggles. Director Thomas presided.

- Call to Order
  - Salute to the Flag
1. Recognitions & Presentations: Mr. Moorrees recognized SAWCo employee Scott Weiland for 35 years of service. A luncheon will be held on August 25<sup>th</sup> at 11:30 a.m. and a Board member is requested to attend and present a token of recognition to Mr. Weiland. As President, Director Thomas agreed to make the presentation.

Mr. Moorrees presented copies of correspondence to the Board as follows:

- Mr. Moorrees also referred to copies of correspondence provided from the State Water Resources Control Board regarding the Paul Ridgeway complaint dismissal.
- Also presented by Mr. Moorrees was a letter to Blake Slater recognizing the fact that SAWCo had agreed to a reduction in fees for meter installation for Paul Ridgeway and extended the same credit to his meter installation.
- A letter to Red Hill Country Club regarding the inability to deliver water on the weekend of August 6<sup>th</sup> due to mechanical problems that have since been corrected was also presented.

Mr. Moorrees brought to the attention of the Board two forthcoming seminars. The first was the San Bernardino County Water Conference on August 26<sup>th</sup>, and the second was the Edison breakfast on September 20<sup>th</sup> and advised if any Board member was interested in attending to call the office so that it can be arranged.

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 19, 2011.
  - B. Planning, Resources, and Operations Committee (PROC) Meeting Minutes  
No meeting minutes to report.
  - C. Administration and Finance Committee (AFC) Meeting Minutes  
Receive & File minutes of June 28, 2011.
  - D. Financial Statement  
Income Statement and Balance Sheet for June 30, 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 Holly Drive Association regarding existing system assets

Director Elliott moved and Director Sundell seconded to approve the Consent Calendar Items as presented. Motion carried.

5. Board Committee – Delegate Report:

- A. **PVPA Representative’s Report** – Director Thomas reported on the meeting held August 10, 2011. The Engineering Committee is looking at long term capital and maintenance needs since the proceeds from the sale of land to Allied Partners have been received. A compact disc (CD) of the workshop held the previous fall by the Army Corps of Engineers was received. There is a short period of time for comments to be made on the information contained on the CD.
- B. **Six Basins Representative Report** – Mr. Moorrees reported that the next meeting is scheduled for the following Wednesday. There was some discussion as to whether or not a Master Plan should be prepared.
- C. **Chino Basin Representative Report** – Mr. Moorrees reported on the Advisory Committee meeting on July 21, 2011. The restated Watermaster judgment is posted on the Chino Basin Watermaster website and was discussed at the meeting. There is a court date scheduled for September 30, 2011. An approval for pre-purchase of replenishment water is still pending. The committee also reviewed the 85/15 Rule which allows for a reduced rate for replenishment water if it is transferred between appropriators. The next Advisory Committee meeting is scheduled for August 18, 2011 where the resolution for tax deferral paid for by the members will be discussed and a Board meeting scheduled for August 25, 2011. The loan agreement with Chino Basin Water Conservation District went to the Appropriative Pool committee and is now going back to the Advisory Committee.
- D. **Administration and Finance Committee (AFC) Chairman’s Report** – Director Dr. Gattas reported that the AFC met and had the insurance broker give a presentation on SAWCo’s current benefit program. It was decided that prior to accepting of the next year’s figures, a meeting will be held with the committee and the broker to review the information.
- E. **Planning, Resources, & Operations Committee (PROC) Chairman’s Report** – No PROC meeting was held.

6. General Manager’s Report:

- A. **Cucamonga Basin Reserve Fund** – Mr. Moorrees stated that this reserve fund was established when there were issues with Basin A or Basin 6 located by 19<sup>th</sup> Street and Campus Avenue. Problems caused by water being recharged in that basin and the San Bernardino County Flood Control District (SBCFCD) using it for flood control resulted in the Colonies filing a lawsuit against SBCFCD, Cucamonga Valley Water District (CVWD) and SAWCo. As a settlement agreement each entity set aside \$500,000 aside to relocate water for recharge further north of the basin. The agreement was not renewed when the Colonies lawsuit against the SBCFCD was settled. Mr. Moorrees recommended the Board agree to remove the Cucamonga Recharge Project Fund and incorporate these funds into Capital Reserves.

Director Dr. Gattas moved and Director Bozar seconded to approve the manager’s recommendation. Motion carried.

- B. **Legislative Monitoring and Advocacy Services** - Mr. Moorrees stated that recent Assembly Bills affecting water companies that passed without sufficient opportunity to respond. The Board created an AdHoc Committee comprised of Tom Thomas, Ken Willis, and Charles Moorrees to watch for any legislation SAWCo may wish to take a pro-active approach on. Mr. Moorrees was directed to get a

proposal from SAWCo's special counsel to provide monitoring and advocacy services. Their proposal was included in the report. The proposal from special counsel Nossaman LLP required \$2,000 per month based on a month to month basis during legislative session.

Director Thomas suggested tabling the item for now due to Ken Willis' absence as well as SAWCo's new, more proactive approach.

Director Dr. Gattas requested that six or seven surrounding water companies should be contacted to gauge their interest in participating in this service. He stated that he had a list of companies for staff to contact.

Director Thomas moved and Director Brandt seconded to table the item until the next AFC meeting. Motion carried.

- C. **Reservoir #6 Maintenance-Proposed 100,000 Gallon Reservoir** – Mr. Moorrees reported that this item was presented to the Board at the previous month's Board meeting. Due to the high low bid amount, Mr. Moorrees asked that the Board defer the item so that staff could look into the cost of utilizing a temporary reservoir instead. Staff researched installing a temporary storage tank at a cost of \$94,000 but the amount does not include initial clear and grub. It was found that the temporary tank does not have the height necessary to provide sufficient system pressure nor size to provide fire flows needed. Mr. Moorrees recommended the Board award the project to BH Tank Inc. in the amount of \$229,000 with a contingency of \$23,000 for a total of \$252,000 and appropriate an additional \$150,316 from Capital Reserves to construct the 100,000 gallon permanent reservoir as originally bid.

Director Thomas questioned whether the bids were still valid and if it might be beneficial to put the job out to bid again. Mr. Moorrees replied that the bids are still valid and that he felt if it was put out to bid again companies would drop out rather than lower their bid amounts.

Director Brandt moved and Director Bozar seconded the manager's recommendation. Motion carried.

D. **Project Status Report** –

- **Tunnel Pipeline Improvement** – Pending a proposal from Sancon Engineering to install HDPE pipeline.
- **Well 25A – Drilling** – The Professional Service Agreement has been signed. Site improvement plans and preliminary plans should be received next week.
- **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 SBCFCD the following Thursday to discuss the conditions for the permit and Holliday Rock's requests. Mr. Moorrees hopes to start the project in September.
- **Forebay Improvements** – Checks are being sent to San Bernardino County Building and Safety. Pending final permit review. Staff hopes the project will begin by the Fall.
- **Water Rights Investigation** – Activity – Received the GPS coordinates for the spring that supplies Paul Ridgeway's home. Staff located the spring and observed another feed for a third cabin. Mr. Moorrees will contact the United States (U.S.) Forest Service to determine who the third cabin owner is that is illegally taking water from the spring. A discussion with Mr. Ridgeway about the placement of his new water meter is scheduled for the coming Friday. Staff met with the U.S. Forest Service on August 9, 2011 and will meet again on September 20, 2011 to continue to resolve the issues with the different cabins with water service and making certain they are metered. SAWCo will offer to install the meters at the cost of the U.S. Forest Service.
- **Cucamonga Basin Management Plan** – Another meeting will be scheduled to go over the responses 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). Mr. Moorrees will present it with comments at the next PROC meeting.

7. Closed Session: None.

8. Director's Comments and Future Agenda Items: Director Thomas stated the next Board meeting is scheduled for Tuesday, September 20, 2011 at 5:00 p.m.

Adjournment: There being no further business, Director Thomas declared the meeting adjourned at 5:37 p.m.

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Assistant Secretary  
Charles Moorrees