

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, August 18, 2015

An open meeting of the Board of Directors of the San Antonio Water Company (SAWCo) was called to order at 5:03 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, Sue Sundell, Bob Cable, and Glenn Bozar. Also in attendance were SAWCo's General Manager Charles Moorrees and Assistant Manager of Administration and Finance Teri Layton. Director Thomas presided.

- Salute to the Flag
- 1. Recognitions and Presentations: None.
- 2. Additions-Deletions to the Agenda: Mr. Moorrees added a Facility Tour as Item 6E and Office Vandals as Item 6F.
- 3. Shareholder-Public Testimony: None.
- 4. Consent Calendar Items:
 - A. Approval of Board Meeting Minutes
Regular Meeting Minutes July 21, 2015.
 - B. Planning, Resources, and Operations Committee (PROC) Meeting Minutes
Meeting minutes of May 26, 2015.
 - C. Administrative and Finance Committee (AFC) Meeting Minutes
No meeting to report.
 - D. Financial Statement
Comparative Income Statement and Balance Sheet for June 30, 2015 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

Director Elliott moved and Director Willis seconded to approve the consent calendar as presented. Motion carried with Director John Gerardi absent.

- 5. Board Committee – Delegate Report:
 - A. Pomona Valley Protective Association (PVPA) Representative's Report** – Director Thomas reported that the PVPA met the previous week. The budget was approved with a \$655,000 surplus.

PVPA's finance committee decided to go out to bid for a new auditing firm. Director Thomas recommended the same firm SAWCo uses, Bowen McBeth, Inc. If the newly appointed firm does well they will guarantee a minimum of a 3 year contract and a maximum of a 5 year contract.
 - B. Six Basins Representative Report** – Mr. Moorrees reported the Six Basins Board meeting was held on Thursday, July 23rd. The transfer of 1,000 acre feet (AF) water from SAWCo to Three Valleys Municipal Water District (TVMWD) from the Storage and Recovery Agreement was approved for \$222/AF at that meeting.

SAWCo spread 144.7AF to date in Six Basins. Precipitation total for the year thus far is 4.7 inches which is 11 inches less than 2014. Water levels are 8 feet lower than June 2014. Index level, or surface water level, is set at 1,473 feet but is currently measuring 1,406 feet.

Recently, vandalism was discovered at one of Six Basin's monitoring well sites in Pomona. The transducer was stolen. The monitoring well will be abandoned and Six Basins will discontinue monitoring it.

Efforts are still being made on the boundary revisions for the Sustainable Groundwater Act. The draft Strategic Plan was postponed to be completed by September 2015. Currently there are no budget overruns. The LGA grant, DWR released \$100,135 as of June this year. The Strategic Plan workshop was postponed until later in August.

The Advisory Committee had a confidential session discussing the response to the State of California Fair Political Practices Commission in characterizing the watermaster board and reviewed the ramifications with the authorized attorney letter that was sent.

C. Chino Basin Representative Report – Discussed in closed session.

D. Administration and Finance Committee (AFC) Chairman's Report – Nothing to report.

E. Planning, Resources, & Operations Committee (PROC) Chairman's Report – Items discussed at the PROC meeting are covered in the General Manager's Report.

6. General Manager's Report on Activities:

A. Tunnel Water Quality – Domestic Delivery Status – Mr. Moorrees reminded the Board of SAWCo's water quality issues with the Tunnel water before chlorination. A blockage was removed and the tunnel pipeline was cleaned. The bacteria problem was determined to be located between Shaft 2 and the Forebay. That area of the Tunnel had never been cleaned before.

After cleaning that portion of the Tunnel, water quality results have been coming back clean. Results were sent to the State Water Resources Control Board (SWRCB), Division of Drinking Water (DDW) and a meeting was held with the sanitary engineer.

SAWCo was given permission to put the Tunnel water back into the domestic system with some stipulations. SAWCo will continue to take certain water quality samples while utilizing the Tunnel water for domestic use until November 1, 2015. After that, SAWCo will stop utilizing the Tunnel in the domestic system and will begin spreading utilizing the Spread Ponds and all the while, continue to take water quality samples. In April of 2016 those water quality samples from now until mid March 2016 will be submitted to DDW for review and final decision.

B. Personnel Update – Mr. Moorrees gave a status report on changes happening with SAWCo staff. Brandon Minor, one of SAWCo's Water Utility Worker II field staff, submitted his resignation effective July 30, 2015. Jeff Barker has since been promoted to Water Utility Worker II and Tommy Hudspeth has been promoted to the position of Water Utility Superintendent.

SAWCo has advertised the vacant position of Water Utility Trainee and will be accepting applications through August 21, 2015. Also, since SAWCo's Accounting/Personnel Specialist is now working a reduced schedule there is an opportunity to hire a temporary office worker. This person would report to work on Fridays and assist the office in some short term projects.

C. Chino Basin Safe Yield Reset – Mr. Moorrees stated the Board received a copy of his letter that was sent to Chino Basin Watermaster. At the most recent PROC meeting there was discussion about the Chino Basin Safe Yield Reset, the key principles that have been established and the non-binding agreement that most parties have signed off on.

SAWCo was involved in the process at the beginning and proposed three items. The 1st proposal in essence stated that the “power to set safe yield is vested in the Court” and that the orders are “prospective and not reactive.” The proposal also stated that determinations of safe yield should not be based on variances below 5% of the hydraulic model. The 2nd proposal provided that no changes in Safe Yield is due if variation is less than 5% change and would not be sufficient to “cause an undesirable result”. Any model used to indicate safe yield shall be approved by the Appropriate Pool and safe yield shall be continuously studied (peer review) and considered for change every 5 years starting in 2020. The 3rd proposal recommended the facilitation process be divided into 2 segments; One segment to deal only with the Safe Yield issues and proposals, the second segment to deal with all the “other issues.” Once the first segment is concluded the result should be implemented. SAWCo eventually withdrew from the committee.

During closed session at the PROC meeting the committee recommended three things: not file anything with respect to the status report for the hearing on August 21st, state intent to sign the Final Agreement, and not participate in the Second Phase, the drafting phase of the agreement

SAWCo has advised Chino Basin Watermaster’s legal counsel of their intent to sign the final agreement.

Mr. Moorrees asked the Board to ratify the action of the General Manager as set forth in the letter to Chino Basin Watermaster legal counsel dated August 3, 2015 as recommended by the PROC.

Director Elliott moved and Director Cable seconded to ratify that 1) the Water Company not file anything with respect to the Status Report for the hearing on August 21st, 2) state SAWCo’s intent to sign the Final Agreement, and 3) not participate in the Second Phase, the drafting phase. Motion carried.

D. Project Status Report -

- **Office Feasibility Study** – Request for Proposals (RFP) were sent out. Proposals are due August 31st.
- **Water Master Plan** – A Planning Day event is being scheduled. This event will help map out the plan.
- **Urban Water Management Plan** - Guidelines for the Urban Water Management plan from the State of California are in draft form and still have yet to be approved.
- **Alternative Energy Feasibility Study** –Southern California Edison stated SAWCo is not eligible for their incentive programs due to its status as a private company. Mr. Moorrees sent a list of the items that SAWCo has done that would make them eligible (i.e. eligibility for CalPERS, following Brown Act, etc.).
- **City Treatment Plant Surface Water Delivery** – Dissolved Air Issue – Staff recently found a company in Rancho Cucamonga to fabricate the stand pipe and has begun the work.
- **Basin 6 Desilting** – Working with the San Bernardino County Flood Control District and SAWCo’s consultant to complete the environmental document.
- **Cucamonga Basin** – Desilting project at crosswalls –An administrative public hearing was held on August 11th. There were a few problems brought up by neighbors that SAWCo believes they can mitigate. The haul route, dust, and noise were the main concerns.
- **Water Rights Investigation** – Activity – Mr. Moorrees spoke with Michael Contreras from the SWRCB. Mr. Contreras admitted they were busy with the current drought impact but stated a meeting with staff or their board was possible. Mr. Moorrees will follow up on scheduling a meeting.
- **Chino Basin Recharge Pipeline** – Advertised for bid on August 14th with a mandatory pre-bid meeting on August 28th and the bid opening on September 11th.
- **Frankish Tunnel Pipeline** – Advertised for bid on August 14th with a mandatory pre-bid meeting on August 28th and the bid opening on September 11th.

- **Spring Terrace Waterline** – Project was recently completed. Waiting for final notice of completion.
- **Wildrose Lane Waterline** – Project was recently completed. Waiting for final notice of completion.

Director Elliott asked that the month and year a project was started be added to the Project Status report. Mr. Moorrees replied he would gladly add those details to the report.

E. Facility Tour – Mr. Moorrees stated that he received a request to give the new City of Upland manager a tour of SAWCo facilities. He will email some available dates; either late September or early October.

F. Office Vandals – Mr. Moorrees describe three events of vandalism SAWCo has experienced at their office in recent months. Jumping of the fence and moving the picnic table, disconnecting electrical and phone wires at the building, and removing a strip of artificial turf from the front lawn.

Staff had the fence raised at the point of entry, expanded the fence area to cover the electrical box and is in the process of updating its security cameras.

7. Closed Session: The Board recessed at 5:30 p.m. to closed session to confer with legal counsel (GC§549566.9[a]) Case Number RCV 51010, CBMWD v. City of Chino et al.

The Board reconvened at 6:09 p.m. from closed session with no reportable action.

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

Adjournment: Seeing no further business the meeting was adjourned at 6:10 p.m.

Future Meetings:

- The next Board Meeting will be held on Tuesday, September 15, 2015 at 5:00 p.m.

Assistant Secretary
Charles Moorrees