

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, August 19, 2014

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, Ken Willis, Will Elliott, Glenn Bozar, Sue Sundell, Bob Cable, and John Gerardi. Also in attendance were the City of Upland's Public Works Director Rosemary Hoerning, SAWCo's General Manager Charles Moorrees and Accounting and Personnel Clerk Joni Ruggles. Director Thomas presided.

- Salute to the Flag
- 1. Recognitions & Presentations: None.
- 2. Additions-Deletions to the Agenda: None.
- 3. Shareholder-Public Testimony: None.

Director Glenn Bozar entered the meeting at 5:04 p.m.

- 4. Consent Calendar Items:
 - A. Approval of Board Meeting Minutes
Regular Meeting Minutes July 15, 2014.
 - B. Planning, Resources, and Operations Committee (PROC) Meeting Minutes
Approve May 27, 2014 meeting minutes.
 - C. Administrative & Finance Committee (AFC) Meeting Minutes
Approve April 29, 2014 meeting minutes.
 - D. Financial Statement
Comparative Income Statement and Balance Sheet for May 31, 2014 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
 - Water Boards – Mandatory Water Conservation
 - San Antonio Hospital Foundation Letter

Item 4D was pulled to discuss depreciation of assets. Mr. Moorrees pointed out that the June depreciation is based on May's depreciation figures due to a current fixed asset software issue.

Director Cable moved and Director Gerardi seconded to approve the consent calendar including Item 4D as presented. Motion carried.

- 5. Board Committee – Delegate Report:
 - A. **Pomona Valley Protective Association (PVPA) Representative's Report** – Director Thomas reported the PVPA has finalized their agreement for beekeeping with Harvey Mudd College which will be located in a remote part of their property in the San Antonio Spreading Grounds.

Weed abatement activities on PVPA property has been completed by the City of Pomona

The Budget Committee has a meeting scheduled for August 27th to review and discuss the September 1, 2014 to September 1, 2015 Fiscal Year.

B. Six Basins Representative Report – No meeting was held.

C. Chino Basin Representative Report – Mr. Moorrees reported that a meeting of the Appropriative Pool on August 7th was held to discuss remaining issues that needed to be addressed with respect to the Safe Yield.

On August 14th the Appropriative Pool met and approved collaborative recharge projects. SAWCo's concern was the \$8 million spent on soft costs for the 2013 Recharge Master Plan Update Amended Yield Enhancements Projects. SAWCo's financial commitment is estimated at \$47,503, \$69,064, \$112,462, \$109,185 respectively for the next four fiscal years.

D. Administration and Finance Committee (AFC) Chairman's Report – No meeting to report on.

E. Planning, Resources, & Operations Committee (PROC) Chairman's Report – Important items from the recent PROC meeting are covered in the General Manager's Report on Activities.

6. General Manager's Report on Activities:

A. Award Irrigation Pipeline replacement through Upland Hills Golf Course – Mr. Moorrees reported that a portion of the Water Company's booster pipeline between the source of wells on Upland Hills Golf Course North and the irrigation reservoir on 20th Street and Campus Avenue has been budgeted for replacement in this year.

Plans were developed to replace approximately 1,362 LF of existing 16" steel waterline with 12" Ductile Iron Pipe from Scenic View in Upland, east to Country Club Villas. Staff solicited selective bids from C.P. Construction, Norstar Plumbing & Engineering, Trautwein Construction, and E&R Construction.

On August 8, 2014, staff received and opened sealed bids from C.P. Construction, Norstar Plumbing and Engineering, Trautwein Construction with the bid breakdown shown on the spreadsheet included in the meeting packet. Due to timing issues, staff did not present this project for award to the PROC for recommendations. Apparent low bid is from C.P. Construction at \$119,749. Staff reviewed the bid to be responsive and recommends award with a 10% construction totaling \$131,723.90. Additional budget appropriation of \$8,200 is required to cover the construction contingency.

Mr. Moorrees recommended the Board 1) award the bid to C.P. Construction in the amount of \$119,749 with a 10% contingency for a total of \$131,724 and appropriates funds; and 2) approve an additional \$8,200 appropriation from Depreciation and Obsolescence Reserves to cover project contingency above approved CY2014 budget.

Director Elliott moved and Director Sundell seconded to award the bid to C.P. Construction for \$119,749 with a 10% contingency for a total of \$131,724, appropriate funds and approve an additional \$8,200 appropriation from Depreciation and Obsolescence Reserves to cover project contingency above approved CY2014 budget. Motion carried.

B. Proposed Tour of Water Company Domestic & Irrigation Facilities– Mr. Moorrees reported that a draft itinerary for a tour of the Water Company's domestic and irrigation facilities was proposed to the PROC meeting in July as it relates to operations, issues, and projects. A date for the proposed tour is set for Thursday, October 30th.

The Board concurred with the proposed date and itinerary for the tour of SAWCo's domestic and irrigation facilities.

- C. Well 25A Site Improvements – Change order for wall installation** - Mr. Moorrees reported that With respect to the City of Upland “Conditional Use Permit” for the recent Well 25 A development project, the Water Company is required to construct a wall along the perimeter of the property adjacent to 17th Street and along Benson Avenue in Upland.

Artisan Precast was awarded the project to install the wall at a cost of \$75,992.40. This product was specifically selected due to the flexibility of the pre-engineered post and panel construction whereby postholes are bored and sleeved with the piers set into concrete providing the framework for sliding various wall panel designs between the posts. Staff was advised that the rocky soil conditions on the site make it impossible for the contractor to bore the holes. The change order is to utilize a contractor to drill the holes for the piers.

Mr. Moorrees recommended the Board review and comment on the proposed solution and approve the change order for Artisan Precast in the amount of \$24,165 and appropriate the funds from Depreciation and Obsolescence Reserves.

Director Gerardi moved and Director Bozar seconded to approve the change order in the amount of \$24,165 from the Depreciation and Obsolescence Reserves. Motion carried.

- D. Cucamonga Crosswalls – Additional tasks required** - Mr. Moorrees advised the Board that when this project work was initially planned to be at no cost to the Company. However, ongoing issues with this project during the Conditional Use Permit process have resulted in unanticipated costs. Due to a portion of the project lying within the boundaries of the City of Rancho Cucamonga (RC), their Planning Department requires submittal of the Crosswall project for their staff review and comment. As such, staff engaged TKE Engineering for managing this project through the process as well as the Basin 6 desilting which has been combined with this project. Additionally, inclusion of the haul route and submitting the report to RC requires the existing Air Quality report to be updated.

Mr. Moorrees the Board approve the additional cost for processing the Cucamonga Crosswall and Basin 6 desilting project in the amount of \$15,000 and appropriate the funds from Operations.

Director Elliott moved and Director Willis seconded to approve the additional cost for processing the Cucamonga Crosswall and Basin 6 desilting project in the amount of \$15,000 and appropriate the funds from Operations. Motion carried.

- E. Report on the August 3 Storm Event –** Mr. Moorrees reported over 4 inches of rain fell in Mt. Baldy on Sunday August 3rd. Storm flows in the San Antonio Creek plugged the Water Company’s inlet to the Edison Spread Ponds located south of Shinn Road. The water was too turbid to take into SAWCo’s system. Additionally, mud and debris overflowed the berm on Mountain Avenue and found their way into two of the Water Company’s Tunnel spread ponds.

Staff managed to clear the debris from the Wood Gate by Monday afternoon and by Tuesday morning, water cleared up sufficiently to bring back into the system. C.P. Construction was brought in to clean out the spread ponds and will not charge SAWCo for the work.

The Board expressed appreciation to C.P. Construction.

- F. Report on trespass and theft of service –** Mr. Moorrees advised the Board that the Water Company diverts a portion of surface water flows from the San Antonio Creek easterly to an area on the west side of the Cucamonga Wash between 22nd and 23rd Street in Upland within the Southern California Edison (SCE) easement for overhead transmission lines for recharge into Basin 3.

On July 30, 2014, field personnel discovered that a portion of water delivered for recharge into Cucamonga Basin 3 was being illegally diverted. Further inspection discovered a citrus grove and vegetable garden within the SCE easement on the west side of the Cucamonga Wash fed by this illegal diversion. Staff filed an incident report of theft and trespassing with the Upland Police Department.

- G. Development Project Update** – Mr. Moorrees gave a brief update on the Meritage Home development located on 19th Street. He stated the 18” irrigation pipeline by C.P. Construction is complete pending a final job walk and Notice of Completion. The agreement to quitclaim assets is pending execution by Meritage Homes and the quitclaim of SAWCo’s existing pipeline abandoned in place and the easement was recently signed off.

Mr. Moorrees also gave an update on the Hidden Lane Estates development involving 9 residential lots. The water mains were installed over 20 years ago by C.P. Construction. Staff has processed 7 Will Serve Letters and 5 homes are framed and nearing completion. Research of assets indicated the pipeline assets were never transferred to SAWCo.

H. Project Status Report –

- **Mountain Drive – ECW – 1,500 LF 8” Waterline** – Pre-Construction meeting with Norstar Plumbing on August 21, 2014.
- **Vista Waterline – 900 LF of 8” Waterline** – Pre-Construction meeting with Norstar Plumbing on August 21, 2014.
- **City Treatment Plant Surface Water Delivery** – Pending alternate design from WMI.
- **Well 25A-Site Improvements per City CUP – Carry Over CY 2014** –
- **WFA Pipeline Connection** – Pre-Construction meeting with Norstar Plumbing on August 21, 2014.
- **Basin 6 Desilting** – Pending regulatory waivers.
- **Cucamonga Basin** – Desilting project at crosswalls – Pending revised Initial Study and Air Quality Study.
- **Water Rights Investigation – Activity** – Pending Division response.
- **Chino Basin Recharge Pipeline** – Pending easements
- **Frankish Tunnel Pipeline** – Pending Professional Services Agreement with consultant engineer.

- I. Tunnel Water Quality** – Mr. Moorrees reported on the issues of the water quality in the Tunnel and the potential impacts.

7. Closed Session: None.

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

Adjournment: There being no further business the meeting adjourned at 5:58 p.m.

Future Meetings:

- The next Regular Board Meeting will be held on Tuesday, September 16, 2014 at 5:00 p.m.

Assistant Secretary
Charles Moorrees