

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, August 20, 2013

An open meeting of the Board of Directors of the San Antonio Water Company (SAWCo) was called to order at 5:04 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, Glenn Bozar, John Gerardi, and Bob Cable. Also in attendance were SAWCo's General Manager Charles Moorrees and Accounting and Personnel Clerk Joni Ruggles. Director Thomas presided.

- Salute to the Flag
- 1. Recognitions & Presentations: Mr. Moorrees reminded the Board of the upcoming San Bernardino County Water Conference taking place Friday, August 23rd.
- 2. Additions-Deletions to the Agenda: Mr. Moorrees brought the Boards attention to the dais where the joiner for Chino Basin was placed. It will be further discussed during the Chino Basin report.
- 3. Shareholder-Public Testimony: None.
- 4. Consent Calendar Items:
 - A. Approval of Board Meeting Minutes
Regular Meeting Minutes July 16, 2013.
 - B. Planning, Resources, and Operations Committee (PROC) Meeting Minutes
No meeting to report.
 - C. Administrative & Finance Committee (AFC) Meeting Minutes
Approve May 14, 2013 meeting minutes.
 - D. Financial Statement
Comparative Income Statement and Balance Sheet for June 30, 2013 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 CVWD – Proposed water interconnection.

Director Willis moved and Director Elliott 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 Wednesday, August 14th meeting. The budget for the upcoming fiscal year was recommended by the Finance Committee to the Board for approval and was approved. An auditor has been engaged for the fifth year in a row to audit the books for the 2013 calendar year.
 - B. **Six Basins Representative Report** – Mr. Moorrees stated that on July 24th the Six Basins Board met and approved the revised scope of work for the LGA Grant which was approved in the amount of \$167,000 but was originally requested at an amount of \$250,000. Three Valleys Municipal Water District (TVMWD) contributed \$100,000 to offset the reduced grant funding received. The Board clarified ownership of the groundwater model.

There was a brief discussion of the MS4 Permit compliance in Los Angeles County where each entity must implement a storm water program to capture run-offs locally. A group was formed to elaborate on that permit compliance and it was mentioned that some of the permits were not even within the boundaries of the watershed. Mr. Moorrees pointed out that this is a big issue in Chino Basin and before it became one in Six Basins he wanted to clarify that he did not have a problem with incentivizing recharge projects in dealing with the MS4 Permit but on-going credit for the storm water, which they have no dominion, for the benefit of all the parties. TVMWD had made a similar request for storm water a few years back and it was denied at that time.

The Strategic Planning Workshop was held after the Board meeting; the Advisory Committee is scheduled to meet on Wednesday, August 28th if needed and the next Board meeting is on Wednesday, September 25th.

- C. **Chino Basin Representative Report** – Mr. Moorrees reported on Chino Basin in Ms. Teri Layton's, the Assistant Manager of Administration and Finance, absence. The Appropriative Pool held a special meeting on July 18th to discuss the Sunding Report. Due to changes that have occurred since the first report was given the Pool is requesting another study.

An Annotated Judgment Workshop was held on July 17th. Legal counsel is working on an Annotated Judgment that that would allow parties to reference one document. Currently, due to the history and various agreements, parties need to go through several documents in order to find answers.

On July 30th a Safe Yield Calculations Workshop was held and it was presented that the operating safe yield decrease would be from 140,000 acre feet (AF) to 130,000 AF annually; which is a 7% drop. For SAWCo it translates to about a 107 AF/year loss. Additional workshops will take place to determine the actual Operating Safe Yield.

The Appropriative Pool met on August 8th to discuss the Storm Water Task 8, evaluating the recharge projects, ranks and recommendations. The Steering Committee will continue to vet these issues. The Prado Basin Habitat Sustainability Program Cost-Sharing Agreement Amendment was amended to extend the term to fiscal year 2022/23 and amounts increased for all parties. A meeting is being planned for September to discuss with Appropriators a way to incentivize parties to capture storm water as part of the Cost and Benefit Allocation of Yield Enhancing Project.

The Steering Committee met on August 1st to discuss the Recharge Master Plan Update Amendment (RMPU) – Task 8. This task is broken down into two types of projects; In Lieu Projects and Yield Enhancement Projects. The Yield Enhancement Projects will take priority. The concerns are that the committee knows what needs to be fix, what the goal is, will fixing one problem create others, who is paying and who is benefiting.

Mr. Moorrees spoke with the general manager of Chino Basin Desalter Authority (CDA), Curtis Paxton, and advised him that the SAWCo Board is interested in taking a tour of the CDA facility. Mr. Paxton recommended touring Jurupa and would facilitate the tour himself. Mr. Moorrees stated that if the Board was interested he would send out an email to set up a date and time.

Director Gerardi questioned whether the recalculation of the Operating Safe Yield just affected the Appropriative Pool. Mr. Moorrees answered that it affected the Agriculture Pool as well.

Mr. Moorrees brought the Board's attention to the dais where the joinder in opposition to Chino Basin Watermaster was located. Mr. Moorrees explained the circumstances behind the suit.

- D. **Administration and Finance Committee (AFC) Chairman's Report** – Mr. Moorrees stated that the items discussed at the most recent AFC meeting are included in the General Manager's Report. However, the Personnel Committee met prior to the AFC meeting.

Director Sundell reported that there were three recommendations made at the Personnel meeting. The committee requested Mr. Moorrees provide three critical areas of measurable objectives and needs over the next year and that he identify any road blocks that the committee may assist with. An update from the general manager to the Personnel Committee will be scheduled at the six month mark.

E. **Planning, Resources, & Operations Committee (PROC) Chairman's Report** – No meeting to report.

6. General Manager's Report:

A. **Uniform Policy Change – Steel-Toed Boots** – Mr. Moorrees informed the Board that the Uniform Policy change regarding steel-toed boots was presented to the AFC recently. Staff felt that steel-toed boots in some instances may cause even greater harm in an accident and are asking if they can use as alternate approved composite. The AFC recommended to approve the change provided the boots are American National Standards Institute (ANSI) and American Society for Testing and Materials (ASTM) approved.

Director Elliott moved and Director Sundell seconded to approve the change in uniform policy allowing metal free ANSI/ASTM approved composite reinforced toed work boots. Motion carried.

Director Thomas clarified that if staff wishes to continue to wear steel-toed boots they are allowed to. Mr. Moorrees concurred.

B. **Company History and Facility Video** – Mr. Moorrees reported that staff thought it would be a benefit to have a videotaped tour and history of the water company for the board and staff as well as a separate video to possibly post to the company website. Putting a video together would benefit the company by saving time and money if used as an alternate to a physical tour, provide security of the Company's key facilities with respect to the physical location, reduce the Company's exposure to liability with respect to a physical tour, serve as a convenient media to refresh one's knowledge of the Company, and incorporate a video, omitting security sensitive information of the Company, on its website for customers to view.

The cost to provide this type of service has ranged from \$7,000 to \$20,000. The AFC suggested staff consider utilizing local educational facilities such as Chaffey College as a "project" that may be a little to no cost approach. It appears that a physical tour for new Board members is still desirable, but the video would provide convenient access for those not able to attend. A separate video was also discussed for the Company's website that did not include any security sensitive details.

Mr. Moorrees recommended the Board provide comments and discussion on the AFC's recommendation for staff with respect to producing videos of the Company's history and facilities and provide direction as appropriate.

Director Willis inquired as to whom was contacted at Chaffey College about this project. Director Sundell stated that she made contact with one of the Assistant Superintendents and is waiting for a reply back from the video production department.

Director Thomas also commented that it was mentioned that a PowerPoint presentation with photos and video might be a possibility to reduce costs. Two different versions would aid in keeping sensitive information private.

C. **Disposal of Records** – Mr. Moorrees stated that this is a routine item. One item needs approval for files to be disposed and one to ratify the disposal of files previously destroyed.

Director Bozar moved and Director Elliott seconded to approve the disposal of files as presented and to ratify staff's disposal of existing records scheduled for destruction as presented pursuant to the adopted retention schedule and Record Management Policy. Motion carried.

D. **Project Status Report –**

- **Forebay Improvements [CY2013 Budget \$1,932,798]** – Mr. Moorrees shared a PowerPoint Presentation of pictures taken of the Forebay work. The tunnel box will be poured the following day and the footings will be poured the following week. A ribbon cutting has been discussed as a grand opening. Staff believes the project will be complete by the end October.
- **PRV – Cliff Road & Euclid Crescent East** – CP Construction will be installing the pressure relief valve once the ordered materials are received. This is a Master Plan Project.
- **ADA Ramp – SAWCo Office** – Andreasen Engineering is currently designing this ramp. Right of way issues forced the ramp to be moved from beginning at the parking lot to beginning at the front sidewalk.
- **Basin 6 Desilting** – Mr. Moorrees received a report back from San Bernardino County stating they will have their environmental management division take a look at the project. There may be a separate environmental approval necessary.
- **Cucamonga Basin – Desilting project at crosswalls** – The permit has been revised by San Bernardino County (SBC) and sent for signature. The habitat assessment is being reviewed by the environmental management department of SBC. There is still concern about permission for the haul route from the City of Upland. A temporary agreement was submitted to Phil Burum to request approval from the Colonies to utilize 20th Street as part of the haul route.
- **Well 25A – Site Improvements per City CUP** – Staff has addressed all of the City of Upland's comments and will be submitting the information back to them.
- **System Map Update** – Staff is reviewing the latest revision.
- **Water Rights Investigation – Activity** – A letter was sent to the City of Pomona urging their support in SAWCo's actions with the United States Forest Service. A letter was also sent to Congresswoman Judy Chu and the State Water Resources Control Board.
- **WFA Pipeline Connection** – Staff has addressed all of the consulting engineer's comments and submitted them for final review.

7. Closed Session: None.

8. Director's Comments and Future Agenda Items:

Adjournment: There being no further business the meeting adjourned at 5:36 p.m.

Future Meetings:

- The next Regular Board Meeting will be held on Tuesday, September 17, 2013 at 5 p.m.

Assistant Secretary
Charles Moorrees