

**SAN ANTONIO WATER COMPANY**  
**MINUTES OF THE SAN ANTONIO WATER COMPANY**  
**Tuesday, October 20, 2015**

An open meeting of the Board of Directors of the San Antonio Water Company (SAWCo) was called to order at 5:05 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, Sue Sundell, John Gerardi, 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: Mr. Moorrees reminded the Board of the Planning Day event taking place on Wednesday and the Facilities Tour taking place on Thursday.

Ms. Layton gave a presentation on the 2015 Safe Yield Recalculation in the Chino Basin.

The Board agreed to monitor the situation closely but take no action at this time. The item will be put on future agendas with possible closed session until the issues are resolved.

Director Sundell suggested staff send out email updates on the topic to keep the Board up to date.

- 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 September 15, 2015.
- B. Planning, Resources, and Operations Committee (PROC) Meeting Minutes  
Meeting minutes of July 28, 2015
- C. Administrative and Finance Committee (AFC) Meeting Minutes  
No meeting to report.
- D. Financial Statement  
Comparative Income Statement and Balance Sheet for August 31, 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
  - September 2015 Drinking Water Quality Notice
  - San Antonio Heights Association invitation to speak

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

- 5. Board Committee – Delegate Report:

- A. **Pomona Valley Protective Association (PVPA) Representative's Report** – Director Thomas reported that the PVPA met to discuss the Operations and Maintenance Plan for the San Antonio

and Thompson Creek areas. Proposals for the project were received and PVPA awarded the project to Wildermuth Environmental, Incorporated (WEI).

After five years of annual audits with one firm, PVPA has chosen to utilize a new auditing firm. Bowen & McBeth Certified Public Accountants has been selected to audit PVPA for at least the next 3 years.

Proper insurance information for the Pomona College's bee keeping project has been received.

- B. Six Basins Representative Report** – Mr. Moorrees reported on the Sustainable Groundwater Act. Six Basins Watermaster responded to the California State Water Resources Control Board with the correct adjudicated boundaries for Six Basins.

The Six Basins Board adopted the best practices, as defined by the fair political practice commission, which amend the rules to include conflict of interest, best practices, and revised language pertaining to the Brown Act.

A Strategic Planning Workshop took place after the Board meeting. The Numerical Groundwater Model is a quarterly report that will be submitted to the Department of Water Resources. It will be used to evaluate Six Basins plan alternative and how water levels will change and how they operate.

- C. Chino Basin Representative Report** – Ms. Layton reported WEI's contract with Chino Basin Watermaster is up for approval. If renewed, the contract will extend WEI's services for 3 ½ years. There are several appropriators that would like to send out request for proposals (RFP) from other companies as the cost to renew the contract is quite high.

SAWCo further discussed the charges for WEI's services and the rising costs in Chino Basin Watermaster.

- 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 included in the General Manager's Report.

6. General Manager's Report on Activities:

- A. Annual Meeting of Pomona Valley Protective Association (PVPA)** – Mr. Moorrees reported the PVPA Annual Meeting is taking place in November. Each year SAWCo authorizes a person to carry its proxy to vote at this meeting.

Mr. Moorrees recommended the Board appoint Director Thomas as proxy to vote all SAWCo shares at the PVPA Annual Meeting on November 4, 2015.

Director Gerardi moved and Director Willis seconded to approve the general managers recommendation. Motion carried with Director Thomas abstaining.

- B. Office Feasibility Study** – Mr. Moorrees advised this item was presented to the Board in September who then recommended it go to the PROC for review. During the PROC meeting it was discussed that the proposal amount was so high because the company had to look at two sites as possibilities for the new office and yard facility. It was determined that a Ad-Hoc committee, comprised of one member from the AFC, one from the PROC, one SAWCo office staff and one SAWCo field staff, would meet to compare and contrast both sites to determine which one is best suited for the new office and yard facilities. Once the site is agreed upon a request for qualifications and RFPs will be sent out.

Director Thomas also noted that it may not be feasible to move, therefore, staying at the current location is also an option. He noted that this item was in the CY2015 Budget but has been pushed to the next year due to the proposal amount being higher than anticipated. Though there is no rush on this item he did advise scheduling the first Ad-Hoc meeting within the next few weeks.

Mr. Moorrees reported that the recommendation for the Ad-Hoc committee is that Director Thomas acts as chair with Director Gerardi, Director Bozar, Ms. Layton, and Mr. Tommy Hudspeth as committee members. Ms. Layton will send out an email to set up the date and time for the first meeting.

**C. Tolle Nursery – Ground Lease Extension –** Mr. Moorrees stated this item is for the renewal of the existing land lease on the 5-acre site located on 20<sup>th</sup> Street.

Mr. Moorrees recommended the Board approve extending the Ground Lease for Tolle Nursery Co. for another term of 12 months beginning November 1, 2015 through October 31, 2016 for the Water Company property site located at 20<sup>th</sup> Street and Campus Avenue.

Director Willis moved and Director Sundell seconded to extend Tolle Nursery Co.'s ground lease for one year. Motion carried.

**D. Edison Pond Expansion Study –** Mr. Moorrees reported this project is budgeted for the current year. The expansion will allow for SAWCo to capture more of its water rights. Proposals were received from three engineering firms; Cannon Engineering, Parson/Brinkerhoff, and TKE Engineering. Bids ranged from \$10,920 to \$45,000. The proposals were brought to the PROC in September for review and recommendation.

Mr. Moorrees has spoken with the City of Pomona who is interested in collaborating with SAWCo on projects such as this that benefit both parties. Pomona is on a fiscal year budget and will need to wait until mid 2016 to add this project to their budget.

Mr. Moorrees proposed the Board agree with the PROC's recommendation to award the study to Cannon Engineering in the amount of \$10,920 and approve the additional \$5,000 budget from the Depreciation and Obsolescence Reserve as appropriate.

Director Gerardi moved and Director Sundell seconded to approve the general manager's recommendation agree with the PROC's recommendation to award the study to Cannon Engineering in the amount of \$10,920 and approve the additional \$5,000 budget from the Depreciation and Obsolescence Reserve as appropriate. Motion carried.

**E. Basin 6 Desilting – The Altum Group –** Mr. Moorrees stated SAWCo is working on this project with the San Bernardino County Flood Control District (SBCFCD) who is acting as lead agency. The Altum Group is handling the environmental portion of the project and SBCFCD asked if they can piggyback their projects to maintain Basins 6, 7, and 8 with SAWCo's environmental work. SAWCo had the impression that the Altum Group was going to utilize SBCFCD's biologist to do a jurisdictional delineation. This is unfortunately not the case and SAWCo will incur an additional expense to have the work completed. The cost for the additional work with the SBCFCD came in at \$31,800. SAWCo requested SBCFCD pay its portion of the bill.

The majority of the costs are from work SBCFCD is doing. Mr. Moorrees advised SBCFCD of this fact. The County has not yet responded to their share of the cost which would be \$23,600 with the remaining \$8,200 cost borne by the Water Company.

Mr. Moorrees recommended the Board approve the request for additional \$31,800 funds for the required environmental work for Basin 6 desilting project as recommended by the PROC so as not

to delay the work any further. Mr. Moorrees believes SBCFCD will pay their portion of the work and SAWCo will continue to pursue reimbursement from them.

Director Willis recommended the Board only approve the \$8,200 of SAWCo's expense.

Director Gerardi moved and Director Bozar seconded to approve the \$8,200 to cover SAWCo's portion of the work with the remaining funds and work to be approved after SBCFCD agrees in writing to reimburse the \$23,600. Motion carried.

**F. Water Use Supply Update** – Mr. Moorrees presented a graph of well levels for the last 6 years. Based on the rain expected during the winter months and the stabilization of the well levels, Mr. Moorrees is hopeful SAWCo will not have to reduce entitlement next year.

**G. Project Status Report -**

- **Water Master Plan** – The Planning Day event is taking place on Wednesday. This event will help map out SAWCo's vision.
- **Urban Water Management Plan** - Guidelines for the Urban Water Management Plan from the State of California have been deferred to early November.
- **Alternative Energy Feasibility Study** – The draft study has been reviewed and commented on. The engineer will review these comments and a final draft will be presented to the PROC in November.
- **City Treatment Plant Surface Water Delivery** – Dissolved Air Issue –The project was awarded to Norstar Plumbing. The stand pipe has been fabricated.
- **Basin 6 Desilting** - Working with San Bernardino County to finish the environmental study.
- **Cucamonga Basin** – Desilting project at crosswalls – A public hearing brought to light a concern from Upland Ford about dust settling on their cars. The car dealership will be moving to a location on 20<sup>th</sup> Street in the future. Staff has drafted and submitted some alternatives to the City of Upland and hopes to have another public hearing to resolve any remaining issues so the project can begin.
- **Water Rights Investigation** – Activity – Mr. Moorrees has still not heard back from Michael Contreras with the State Water Resources Control Board.
- **Chino Basin Recharge Pipeline** – Crews will begin coring into the channel on Wednesday and compaction testing will take place this week. Pictures of the project were shown.
- **Frankish Tunnel Pipeline** – CP Construction will begin potholing the project on Thursday.
- **Office Relocation Feasibility Study** – The Ad-Hoc committee will be setting up a meeting to discuss the possible location of the facility.

Mr. Moorrees spoke to the Board about the status of the Tunnel water quality. Staff is looking into the way they sample or flush the system as well as checking with the laboratory where the samples are processed. SAWCo has engaged with an environmental engineering firm to develop solutions and reports for the State. A kick-off meeting is scheduled for Friday to begin work. SAWCo would like a scientific analysis completed prior to meeting with the Department of Drinking Water.

7. Closed Session: None.

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

Adjournment: Seeing no further business the meeting was adjourned at 6:15 p.m.

Future Meetings:

- The next Board Meeting will be held on Tuesday, October 20, 2015 at 5:00 p.m.

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Assistant Secretary  
Charles Moorrees