

**SAN ANTONIO WATER COMPANY**  
**MINUTES OF THE SAN ANTONIO WATER COMPANY**  
**Tuesday, December 16, 2014**

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, Will Elliott, Ken Willis, Glenn Bozar, Bob Cable, and John Gerardi. Also in attendance were Upland resident Jane Willis, SAWCo's General Manager Charles Moorrees and Assistant Manager of Administration and Finance Teri Layton. Director Thomas presided.

- Salute to the Flag
- 1. Recognitions & Presentations: Mr. Moorrees brought the Board's attention to the dais where a copy of a letter he had written to the Chino Basin Watermaster was placed. The letter appoints Ms. Layton as the primary and Mr. Moorrees as the secondary. It was listed at the Annual Shareholder's meeting that Mr. Moorrees would be the primary and Ms. Layton the secondary.
- 2. Additions-Deletions to the Agenda: Director Elliott asked that the information provided on the dais be added to the consent calendar as Item K.

Mr. Moorrees pointed out that the financial statement under the Consent Calendar Item D contains the old statement and the newly created one from SAWCo's new accounting software program. Subsequent reports will be in the new format.

- 3. Shareholder-Public Testimony: None.
- 4. Consent Calendar Items:
  - A. Approval of Board Meeting Minutes  
Regular Meeting Minutes November 18, 2014.
  - B. Planning, Resources, and Operations Committee (PROC) Meeting Minutes  
Approve September 30, 2014 meeting minutes.
  - C. Administrative & Finance Committee (AFC) Meeting Minutes  
No meeting to report.
  - D. Financial Statement  
Comparative Income Statement and Balance Sheet for September 30, 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
    - Letter of appreciation to C.P. Construction
    - Response letter to observed water waste 12-4-14
  - K. Chino Basin Watermaster  
Alter primary and alternate representative

Director Elliott moved and Director Bozar seconded to approve the consent calendar items with the addition of Item K. Motion carried.

5. Board Committee – Delegate Report:

**A. Pomona Valley Protective Association (PVPA) Representative’s Report** – Director Thomas reported the PVPA met and discussed the National Monument designation that recently went into effect. PVPA determined they would not be affected by this government designation. Also discussed was the management plan that would allow West End Consolidated Water staff to manage the San Antonio Spreading Grounds. The request from SAWCo to cross the easement was tabled due to minor wording changes required by PVPA’s legal counsel.

**B. Six Basins Representative Report** – Mr. Moorrees stated there was nothing new to report.

Director Thomas reported the Safe Yield was lowered to 16,500 acre feet (AF) to 16,000 AF. The assessment was lowered from \$22 to \$20 upon a motion from PVPA that if the item was approved they would donate \$150,000 donation towards completing the master plan. The item was approved.

Mr. Moorrees reported on the Strategic Planning Workshop. Wildermuth Environmental, Inc. (WEI) presented an update on the plan with two baselines. One baseline began with a dry period, the other began with a wet period and ended with a dry period. The plan will provide a realistic hydrology in pumping with baseline scenarios. A technical memorandum will be provided at the January 2015 meeting.

**C. Chino Basin Representative Report** – Ms. Layton reported that at the Advisory Committee meeting on November 20<sup>th</sup> it was moved to approve striking the pleading to the court at this time. Chino Basin Watermaster shall immediately start a facilitated process to identify and resolve all issues related to the successful completion of the Safe Yield reset by April 1, 2015 for all committees and the Board action in May 2015. The Safe Yield shall be filed with the court no later than May 29, 2015. Chino Basin Watermaster shall start a mediation selection process and the mediator shall be selected no later than December 12, 2014. In the event the parties cannot reach an agreement on the Safe Yield reset, Chino Basin Watermaster shall implement the reset consistent with the agreements and that process would start in April 2015 and will go through all committees and the Board for approval to be submitted to the court in May 2015.

Ms. Layton stated that SAWCo did not agree with the last sentence and asked that it be left out but that was not agreed to. Therefore, a vote of no was issued by SAWCo. The concern is that in the amount of time given there will not be an agreement made and the members of the basin will be forced to revert to the old agreement which involves giving back water already consumed.

Following legal counsels advisement, SAWCo reserved its right to legal challenge by abstaining from the motion that stayed consistent with the Appropriator’s letter that the watermaster begins the facilitation process by agreeing to use Scott Slater. Chino Basin Watermaster is to initiate the process by gathering goals and objectives from the parties to begin productive meetings in January 2015. Lastly, working with the Overlying Pool they work to identify one or more potential mediators by the end of January 2015.

Director Gerardi commented that Mr. Moorrees wrote a letter to the members of the Appropriative Pool. He questioned whether Mr. Moorrees had received any response in trying to get the Appropriative Pool to come together in regards to the judgment. Mr. Moorrees replied that he has spoken with several of the people in the Pool and although many agree with his outlook on the topic none were willing to unite to oppose it.

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

**E. Planning, Resources, & Operations Committee (PROC) Chairman’s Report** – Mr. Moorrees commented that there was an offer from Lease Advisors to purchase the Sprint Lease at SAWCo’s Well 26 location. Lease Advisors are willing to pay \$350,000 for the lease, however, the PROC felt keeping a steady income on the property best served the company.

6. General Manager's Report on Activities:

- A. "Draft" CY2014 Revenues, Administration and Operations Budget** – Director Thomas stated that this item along with the following agenda item were presented and fully discussed at the Board Budget Workshop held earlier in the month. He asked if any Board members had any questions. None being asked he requested a motion to approve.

Director Willis moved and Director Elliott seconded to approve the "Draft" CY2015 Revenues, Administration and Operations Budget as presented. Motion carried.

It is noted that the agenda item lists the CY2014 however the title and figures given in the actual report are for the CY2015.

- B. "Draft" CY2014 Capital Improvement and Capital Outlay Budget** – Director Thomas again asked if there were any questions on the current agenda item. Seeing none he asked for a motion.

Director Gerardi moved and Director Bozar seconded to approve the "Draft" CY2015 Capital Improvement and Capital Outlay Budget. Motion carried.

It is noted that the agenda item lists the CY2014 however the title and figures given in the actual report are for the CY2015.

**C. Project Status Report –**

- **Mountain Drive – [\$170,000]** – Complete. Final retention and pay requests have been received.
- **Vista Drive - [\$120,000 + \$12,300 = \$132,300]** – Complete. Final retention and pay requests have been received.
- **Well 25A-Site Improvements per City CUP – Carry Over CY 2014** – Mr. Moorrees was advised that the wall would be completed before Christmas. Edison is completing their work on the property. The revised landscape plan is being reviewed by the City of Upland.
- **WFA Pipeline Connection** – SAWCo signed off on the agreement today. The release of retention from the contractor is still pending. SCADA electrical will be determined within the next week.
- **Cucamonga Basin** – Desilting project at crosswalls – Staff met with the Department of Fish and Wildlife (DFW) the previous week. They identified some endangered species as well as an invasive mustard plant. Once the work is complete they request that SAWCo maintain the area to clear it of the mustard plant. DFW also request information on how SAWCo proposes to fix the crosswalls. SAWCo replied that they would not know until digging out the area to find where repair work is needed. DFW is therefore allowing SAWCo to do the project in two phases; desilting and then repairing. San Bernardino County Flood Control District (SBCFCD) is willing to issue a notice to proceed. In February of 2015 SAWCo will set up a meeting with DFW, the City of Upland, and the SBCFCD to see how to move forward with the project.
- **Basin 6 Desilting** – San Bernardino County is unable to give SAWCo a categorical exemption therefore SAWCo has to go through all of the regulatory and environmental processes to get the project going. Gil Rodriguez, a previous member on the advisory Board for the SBCFCD, is issuing a letter to the Governor of California to get a reprieve.
- **Chino Basin Recharge Pipeline** – As mentioned by Director Thomas in his PVPA report, SAWCo is working on the language of the easement request to bring it in line with PVPA's legal counsel request. Staff reviewed and approved the new language with PVPA's legal counsel previously in the day.
- **Frankish Tunnel Pipeline** – Still in the design phase.

7. Closed Session: None.

8. Director's Comments and Future Agenda Items:

Adjournment: There being no further business the meeting adjourned at 5:29 p.m.

Future Meetings:

- The next Regular Board Meeting will be held on Tuesday, January 20, 2014 at 5:00 p.m.

---

Assistant Secretary  
Charles Moorrees