

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, March 16, 2010

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 on the above date at the Upland City Hall Council Chambers, 460 North Euclid Avenue, Upland, California. Directors present were Tom Thomas, Dr. Fred Gattas, Mark Hill, Will Elliott, Brian Brandt, and Bob Bowcock. Also in attendance were SAWCo's General Manager Charles Moorrees, Assistant Manager of Administration and Finance Teri Layton, and City of Upland Public Works Director Anthony La. Director Thomas presided.

- Call to Order
- Salute to the Flag

1. Recognitions & Presentations: None

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 of February 16, 2010
- B. Planning, Resources, and Operations Committee (PROC) Meeting Minutes
Receive & File minutes from October 28, 2009
- C. Administration and Finance Committee (AFC) Meeting Minutes
No meeting minutes to report
- D. Financial Statement
Income Statement and Balance Sheet for January 2010 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 ongoing 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 response to Cucamonga Valley and San Gabriel Water District

Mr. Elliott moved and Mr. Brandt seconded to approve the Consent Calendar Items as presented. Motion carried.

5. Board Committee – Delegate Report:

PVPA Representative's Report – Mr. Thomas reported that PVPA will be having a 100 year anniversary party at Red Hill Country Club on May 15, 2010.

Six Basins Representative Report – Mr. Moorrees reported that there was nothing new to report and the next Watermaster Board meeting will be on March 24, 2010.

Administration and Finance Committee (AFC) Chairman's Report – Mr. Thomas stated the AFC did not have a meeting and there was nothing to report.

Planning, Resources, and Operations Committee (PROC) Chairman's Report – Mr. Bowcock stated the General Manager will be addressing the PROC's issues in his report.

6. Administrative & Financial Issues:

Nominees for the position of Director of the Company – Mr. Moorrees requested the Board take action as it relates to giving notice and preparation for the Annual Meeting by providing a list of nominees for the position of director for the Company. Mr. Moorrees provided the following slate as provided and approved by the City's council:

Brian Brandt	Will Elliott	Fred Gattas	Mark Hill	Tom Thomas
Robb Quincey	Ken Willis			

Mr. Elliott moved and Mr. Hill seconded to approve the slate of nominees for the position of director as provided by the City of Upland. Motion carried.

FY2009 Audit Report and Management Letter – Dr. Gattas moved and Mr. Elliott seconded to receive and file the FY2009 Audit Report and Management Letter as prepared and submitted by the firm Bowen McBeth. Motion carried. Mr. Thomas noted we had a loss at the end of the year but commented that the January financials is reflecting a positive.

Cooperative & Reciprocal Services Agreement – As parties to the adjudicated Chino, Cucamonga & Six Basins, SAWCo, City of Upland, and West End Consolidated Water Company share mutual interest in managing its water resources in the way water is captured, diverted and recharged and delivered. A Cooperative & Reciprocal Services Agreement was formed in order to exchange services and resources for mutual benefit. This agreement would allow either party to attend meetings on each other’s behalf when necessary.

Legal counsel reviewed the document and included certain language of which the City of Upland accepted wording changes with the exception of written approval under section 3(i). City’s staff comments were that the purpose of utilizing this agreement was to make it easy to execute and if approval was to be in writing, the process would become cumbersome. SAWCo’s management did not have a problem with the change and City’s public works committee agrees with this agreement. Mr. Thomas stated that if the agreement is approved at the City’s Public Works Committee, the City’s Council will act to approve the agreement at their next council meeting. Mr. Hill moved and Mr. Brandt seconded to approve the Cooperative & Reciprocal Services Agreement with the City of Upland/West End Consolidated Water Company to pool and exchange resources. Motion carried

Country Club Villas - At the December 2009 Board meeting the Manager advised the Board that the Company’s existing easement reservation on the Country Club Villas for its Wells 2, 3, 24 and Booster 9 facilities located north of 16th Street and west of Tanglewood does not encompass the actual facilities. This property is owned by the Matreyek Trust who has agreed to accommodate staff’s request to re-establish and record the proper easement documents for SAWCo’s existing facilities.

Matreyek’s engineers of record, Andreasen Engineering, Inc. provided a proposal to survey the well site areas and prepare the necessary legal descriptions easement deeds for recordation in the amount of \$7,500. This was not budgeted and the cost would need to come out of savings. Mr. Hill asked if \$220 an hour for surveying was normal. Mr. Bowcock replied it was average. Mr. Elliott moved and Dr. Gattas seconded to authorize the Manager to engage Andreasen Engineering to survey and develop easement deeds for recordation of its Well & Booster facilities at Country Club Villas, and appropriate \$8,000 from Savings. Motion carried.

Office Electrical-Award Contract to re-wire office - In and around 1929 the Water Company separated from the Ontario Power Company located Ontario. Subsequently, the Water Company constructed the existing office building located at 139 N. Euclid Avenue.

The existing wiring in the building is outdated and may not meet today’s code. Additionally, development of new technology and increased electrical components used at this office exceeds the current capacity of the existing electrical system and have caused circuits to overload and trip.

Staff solicited proposals from three local electrical contractors to replace the existing 100 amp service with a 200 amp service, separating work stations and utilities with individual circuits, rewiring existing substandard wiring and adding convenience circuits as follows:

R & R Electrical and General Contractors, Inc.	\$ 9,825
Cooney Electric, Inc.	\$11,600
DAP Electric, Inc.	\$15,750

Mr. Moorrees reported that he initially met with DAP Electric to determine the needs and then prepared proposals for other bids. The PROC recommended to contract with R & R Electrical and approved a budget of \$11,000 from savings since this project was not budgeted for this year. Management was directed to check into the bidder’s references. Utilizing the League of California Homeowners Association [Director Willis is the President], Mr. Moorrees observed that DAP Electric had the highest score and lowest risk. In discussing the profiles with Mr. Willis, it was suggested that because of the high scores attributed to DAP, that the Company consider DAP Electric.

Dr. Gattas stated the difference between the low and high bid is substantial and asked if there is a reason or justification. Mr. Moorrees reported that DAP Electric provided the original proposal and the other contractors were instructed to provide a quote on the same services. There is the assumption that no shortcuts would be made and the quotes are equal. Mr. Moorrees reported the Company using DAP Electric before and was satisfied with their work, but have not used any of the other two contractors. Mr. Elliott moved and Dr. Gattas seconded to accept PROC’s recommendation to contract with R & R Electrical and General Contractors, Inc. to replace the Water Company’s electrical systems as required and appropriate up to \$11,000 from Savings. Motion carried.

Project Status Report –

- **Chronological History Documentation** - Mr. Moorrees reported we should have some cost estimates for the chronological history documentation from Rauch by the next AFC meeting.
- **Well 27A Profile Analysis** – Mr. Moorrees stated we tried to get a profile on Well 26 since it was an adjacent well but we were unable to get the dye tracer down in the well. We are currently waiting on the analysis for Well 27A.

- **Cucamonga Wash Crosswalls** – This project was segmented into two phases. The first phase would be to rebuild and desilt the basins and the second phase to process the materials south of the dam and transport it out of the area. Mr. Moorrees reported he is still working with the County on the responsibility for the second segment.
- **Forebay Improvements** – Pending completion of the environmental study for the Mariposa Lily in May of this year. Mr. Moorrees authorized the consultant to use an environmental consultant to complete this process.

In communicating the improvements that the Company was planning at the Forebay Facility, Mr. Moorrees presented an artist rendition of the proposed improvements that would be printed in the upcoming newsletter and used at future meetings with adjacent property owners during the planning & design phase.

Mr. Thomas asked if the Forebay will have wrought iron security fencing or blockwall. Mr. Moorrees stated it would probably be wrought iron because a blockwall would be subject to graffiti. He added that the site would also be equipped with video surveillance. Wrought iron fencing proposed would be anticipated up to eight feet tall if the planning department allows. Mr. Hill asked if a skylight was proposed in the picture. Mr. Moorrees stated yes, that this would allow removal of booster pumps with a crane when necessary. Mr. Hill asked if there was enough room for a garage area for the field to store equipment. Mr. Moorrees stated that we are limited stay within the existing easement considering we do not own the property.

- **Master Plan Update** – At the last PROC meeting the advisory committee received a disk of our final draft Master Plan. The next PROC meeting in April the committee will be reviewing and making comments.
- **Water Rights Investigation** – More information is forthcoming at the closed session of the Organizational Meeting on April 6, 2010.
- **Cucamonga Basin Management Plan** – Management had a kick-off meeting with Cucamonga Valley Water District's (CVWD) and Wildermuth's staff. SAWCo's staff is in the process of gathering data dating back to 1950. This information will be submitted by the end of this week. Individual meetings with the consultant will be scheduled to go over issue that staff believes is pertinent. The next meeting with CVWD and Wildermuth is scheduled for April 5, 2010.

7. Closed Session – None

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

Adjournment: Mr. Thomas announced that since there was no further business, the meeting was declared adjourned at 5:35 p.m.

Assistant Secretary