

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, July 20, 2010

An open meeting of the Board of Directors of the San Antonio Water Company (SAWCo) was called to order at 5:01 p.m. on the above date at the Upland City Hall Council Chambers, 460 North Euclid Avenue, Upland, California. Directors present were Dr. Fred Gattas, Will Elliott, Ken Willis, Tom Thomas, Robb Quincey, Brian Brandt, and Mark Hill. Also in attendance were SAWCo's General Manager Charles Moorrees, and 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: Paul Ridgeway spoke about the status of his water as well as Blake Slater's water in the Mount Baldy area. Mr. Ridgeway distributed a map and a document that was generated by SAWCo on August 6, 1947. The document stated that when a sufficient number of lots in that area were sold in that subdivision to warrant it, a piped water domestic system would be installed and a share of stock would be given in the San Antonio Canyon Mutual Service Company (SACMSC) which will provide the right to use 1,800 gallons per month. Mr. Ridgeway believes that he and Mr. Slater are members of the SACMSC. A water system was never built because no more properties in the subdivision were sold. In 1939 SAWCo completed the re-subdivision of the properties up in that area and took them out of the subdivision leaving only Mr. Ridgeway's and Mr. Slater's properties in the original subdivision. Mr. Ridgeway repaired the water system that was on the property prior to him purchasing the lots and had the San Bernardino County inspect it. The county inspected and certified the water system. No domestic system would need to be installed. The only thing needed would be the issuing of SACMSC shares.

4. Consent Calendar Items:

- A. Approval of Board Meeting Minutes
Regular Meeting Minutes of June 15, 2010.
- B. Planning, Resources, and Operations Committee (PROC) Meeting Minutes
Receive & File minutes of April 28, 2010.
- C. Administration and Finance Committee (AFC) Meeting Minutes
No meeting minutes to report.
- D. Financial Statement
Income Statement and Balance Sheet for May 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

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

5. Board Committee – Delegate Report:

- A. **PVPA Representative's Report** – Mr. Thomas stated that after Cecil McAlister's retirement West End Water Company (WEWC) has taken over much of the management functions. With that being the case, staff will be moving out of their facility in Claremont and moving to the Public Works Department of the City of Upland where WEWC operates.

Mr. Thomas also reported that PVPA's financial audit has been completed and an Audit Committee meeting is scheduled for later in the week to review the draft report.

- B. **Six Basins Representative Report** – Mr. Moorrees reported that the Engineering and Technical Committee met in June. The agenda included the designation or priority of water rights once it is transferred to another party. It was agreed that the designation would stay the same unless the sale was to the Six Basins Watermaster for replenishment use.

The committee also looked at SAWCo's Storage and Recovery Agreement. Water that is spread in Six Basins is deemed as import water making it of lower priority. The committee and Watermaster staff will look into meeting minutes and discuss what occurred at the time the agreement was made to see if it is still valid and will bring their information back to the committee.

The committee also considered whether or not it would be beneficial to incorporate the Administrative Committee and the Engineering and Technical Committee and have one committee. It was deemed a beneficial solution and both committees will meet as one.

- C. **Administration and Finance Committee (AFC) Chairman's Report** – No meeting was held in June.
- D. **Planning, Resources, and Operations Committee (PROC) Chairman's Report** – Mr. Quincey commented that the items discussed at the PROC meeting are listed as items on the agenda.

6. Administrative & Financial Issues:

- A. **San Antonio Creek – Wild & Scenic Designation** – Mr. Moorrees stated that the Friends of the River, the Sierra Club, and the Wilderness Forever Group proposed the upper reaches of the San Antonio Creek be designated as wild and scenic. The area proposed is from the source water of the stream to the falls. At one time SAWCo thought this may prohibit some of the diversions they were planning but no diversions north of the falls are planned. Steve Evans from Friends of the River approached SAWCo to support their campaign to designate the area as wild and scenic and the areas to the west as wilderness area. SAWCo in turn asked that Friends of the River support efforts to divert water from the San Antonio Falls to make snow. All parties were in agreement.

Mr. Moorrees recommended the Board approve the draft resolution presented in support of the proposed designation that the San Antonio Creek is wild and scenic and respective Wilderness designations within the San Antonio Creek watershed.

Mr. Willis moved and Mr. Elliott seconded to approve the manager's recommendation. Motion carried.

- B. **Adopt Resolution No. 2010-7-03 for Leasing of Shares** – Mr. Moorrees stated that this item was approved by the advisory committee. In 1998 a resolution was adopted for the leasing of water shares. This resolution amends the previously adopted one by making it clear that water shares can only be leased to other shareholders in the company. It also alleviates the need for Board approval on a lease spanning more than two years. The water company's Master Plan trends a minimum of five year water availability which can be used to determine water availability for a lease of more than two years.

Mr. Quincey moved and Dr. Gattas seconded to adopt Resolution No. 2010-7-03. Motion carried.

- C. **Mr. Charles Pfister – Extended Lease Request** – Mr. Moorrees brought a five year lease for Charles Pfister before the Board for approval. Under the previous resolution leases for a period of more than two years needed to be approved by the Board.

Mr. Thomas moved to approve the lease and Mr. Quincey seconded. Motion carried.

D. **Project Status Report** –

- **Booster Line Relocation-1,000 LF of 14"** – The booster line is located in close proximity to structures and in imminent danger of causing problems if there is a significant leak. Currently being designed in house. Replacing it with 16" ductile iron pipe.
- **26th Street Pipeline-1,840 LF of 12" Waterline** – Domestic pipeline being designed in house.
- **Tunnel Pipeline Improvement** – Request for a proposal from the City of Upland to connect tunnel discharge piping to the city system. Also looking at coating a portion of the tunnel.
- **Well 25A Drilling** – Joint effort between WEWC and SAWCo a reservoir and booster station.
- **Urban Water Management Plan** – Civiltech Engineering is reviewing the current data and will be establishing a kick off meeting.
- **Cucamonga Basin-Desilting Project at Crosswalls** – Submitted an application for emergency work with the Department of Fish and Game but it was denied. An environmental determination by the San Bernardino County is needed prior to filing another application.
- **Forebay Improvements** – A new San Bernardino County planner has been assigned to the project and needs to be brought up to speed.
- **Water Rights Investigation** – A meeting with the United States Forest Service and other Mount Baldy agencies will be established once the data compiled has been reviewed.
- **Cucamonga Basin Management Plan** – A meeting is planned with Wildermuth Environmental Incorporated and Cucamonga Valley Water District for July 29th.

E. Closed Session – None

- F. Director's Comments and Future Agenda Items – Dr. Gattas questioned if the overflow pipeline that is being connected to the City of Upland will be metered. Mr. Moorrees assured Dr. Gattas that it would be metered as well as chlorinated.

Mr. Hill inquired about who attended the Water Rights meeting held on June 10th. Mr. Moorrees stated that only two private owners attended, Snow Crest Heights Improvement Association had Board members attend, a representative from Barrett Canyon Water and from Mount Baldy Home

Owners Association, U.S. Forest Service legal counsel, the District Ranger and some staff from the U.S. Forest Service.

Mr. Thomas mentioned that the Watershed Clean Up Day held on July 10th had a good turn out with employees from the City of Upland, City of Pomona, and SAWCo as well as the general public. He also asked that Mr. La explain about the water quality issues that were mentioned in the Daily Bulletin newspaper.

Mr. La reported that the City of Upland is regulated differently than SAWCo due to a larger customer base. When the City of Upland has a sampling error or a contamination found at the sampling site they are required by Department of Public Health to issue a legal notice. They advised the public that some of the sampling sites, due to old equipment, showed some bad samples. All the old sampling sites have been replaced.

Mr. Moorrees also commented on the ease of which a sample can be contaminated. Dust or rust from the pipeline can cause a bad sample result.

Adjournment: Mr. Thomas announced that since there was no further business, the meeting was declared adjourned at 5:30 p.m.

Assistant Secretary
Charles Moorrees