

MINUTES OF THE SAN ANTONIO WATER COMPANY
PLANNING, RESOURCES, and OPERATIONS COMMITTEE
January 27, 2015

An open meeting of the Planning, Resources, and Operations Committee (PROC) of the San Antonio Water Company (SAWCo) was called to order at 3:03 p.m. on the above date at the company office located at 139 N. Euclid Avenue, Upland, California. Committee members present were Will Elliott, John Gerardi, Ken Willis and Tom Thomas. Also in attendance were SAWCo's General Manager Charles Moorrees and Office Assistant Kelly Mitchell. Mr. Willis presided.

1. Recognitions & Presentations – None.
2. Additions-Deletions to the Agenda – None.
3. Public Comments – None.
4. Approval of Committee Meeting Minutes:
 - A. **Regular Committee Minutes of November 25, 2014** - Mr. Gerardi moved and Mr. Elliott seconded to approve the meeting minutes of November 25, 2014. Motion carried.

Ryan Shaw with the City of Ontario entered the meeting.

5. Planning & Operational Issues:
 - A. **Chino Basin – Notice of Available Overlying (Non-Ag)** - Mr. Moorrees reported that at the beginning of the calendar year there is a notice of available Overlying Non-Agriculture water for purchase. The allocation for SAWCo this year is 44.912 acre feet (AF) at a rate of \$500.52/AF which is slightly less than its own tiered rate.

SAWCo's current water supply will not meet demand for the year and water will need to be purchased.

Mr. Elliott moved and Mr. Gerardi seconded to recommend the Board of Directors approve the purchase of 44.912 AF of water in Chino Basin as well as any additional water made available by the Overlying (Non-Agriculture) Pool at a price of \$500.52/AF. Motion carried.

- B. **Disposition of Hydro Facility at 2351 Paloma Curve** – Mr. Moorrees advised this item was presented to the PROC in the past. At that time it was recommended that SAWCo meet with the City of Upland, who leased the hydro from SAWCo to operate at one time, to find out their intentions with the hydro facility and building. The City of Upland has no intentions of utilizing the facility and Monte Vista Water District (MVWD) has no interest in the existing hydro equipment at that location.

Mr. Moorrees then obtained a quote in the amount of \$89,000 from Six Gear Industries to remove the building and its equipment from the site. The amount does not include replacing the existing waterlines that course through the building (approximate cost of \$70,000). He commented that replacing the existing waterlines does not guarantee the low frequency noise will be eliminated.

Mr. Gerardi moved and Mr. Elliott seconded to not recommend the demolition of the facility nor to replace the pipeline to the Board. Motion carried.

- C. *Water Supply Reduction*** – Mr. Moorrees advised the committee that the decline in water supply due to reduced surface water flows in the San Antonio Creek, reduced subterranean flows in the Tunnel; of which SAWCo has to discharge to the City of Upland treatment plant due to water quality issues, reduction of their stored water account by half due to reconciliation with the City of Upland and MVWD’s service agreements, and the production of all its allowable production in Chino Basin, there is no carryover of water into SAWCo’s supplemental account of stored water. The Chino Basin supplemental account is expected to be depleted by next year.

A table providing details of the amount of water supply produced in 2012, 2013 and 2014 was presented to the committee. The table identified that entitlement was not reduced in 2012 or 2013 although production was less than entitlement in those years. With the continued decline in the amount of water produced, in 2014 the Board agreed to reduce entitlement by 18%. The amount that entitlement was reduced was in direct relation to the amount of the decrease in water production. By the end of 2014 water production had decreased another 15%.

Anthony Herda with Civiltec Engineering entered the meeting.

Mr. Moorrees proposed the committee recommend the Board reduce entitlements by 15% beginning March 1, 2015 and implement the High Shortage Stage per Resolution No. 2006-06-03.

Mr. Elliott moved and Mr. Gerardi seconded to recommend the Board reduce entitlement by 15% and implement the High Shortage Stage per Resolution No. 2006-06-03 beginning March 1, 2015. Motion carried.

- D. *Water Service Agreements*** – With water supply reduced, SAWCo inquired how to amend service agreements to impose drought provisions. A stipulation that low water levels override existing agreements that require only “wet” water delivery when available. SAWCo’s legal counsel noted there is an excuse for performance clause included in all service agreements. This allows that if SAWCo does not have the water to deliver they can reimburse any monies collected for water not delivered and equitably allocate any remaining balance in its storage accounts.

A Chino Basin recharge pipeline is budgeted for construction during the calendar year. Although this will allow for water from the creek to be put into Chino Basin, there currently isn’t enough water coming from the creek to do so.

Mr. Moorrees recommended amending the City of Ontario and MVWD Water Service Agreements to include recently acquired shares and leased shares for a total of 295.25 and 329.75 respectively; and to extend the agreements for MVWD and the City of Ontario for another five year term from December 31, 2015 to December 31, 2020.

Mr. Elliott moved and Mr. Gerardi seconded to recommend the Board approve the general manager's recommendation to amend the City of Ontario and MVWD water service agreements to update share totals to 295.25 and 329.75 respectively and to extend the service agreements for MVWD and the City of Ontario for another five year term from December 31, 2015 to December 31, 2020. Motion carried.

- E. *Alternative Energy Generation Feasibility Proposals*** – This item is budgeted for the 2015 calendar year. SAWCo staff is looking into the possibility of utilizing alternative energy at the Well 25A, Well 26, Well 27A and Well 31 site. A feasibility study will allow SAWCo to determine what, if any, alternative energy generation would off-set current energy costs at the site.

Proposals for a Feasibility Analysis for Alternative Energy Generation were received by Pacific Advanced Civil Engineering (PACE), Cannon Engineering and Valued Engineering at \$10,900, \$6,660, and \$11,500 respectively with a budget of \$10,000.

Mr. Gerardi questioned whether a matrix was compiled to show exactly what each company was offering to determine if what SAWCo needed from a feasibility study was being offered and if each company was offering the same services. Mr. Moorrees replied that all services each company was providing is itemized on the agenda item. He felt that PACE and Valued Engineering developed a better scope of work in their proposals.

Mr. Gerardi explained further that the purpose of the proposal is whether or not it is feasible to have alternative energy at this facility site. There may be additional services provided by some of the companies submitting bids that may not be needed. He asked staff to contact Cannon Engineering for more information on the services they are offering and if they are comparable to PACE to award the project to them. If they are not comparable he asked that the item be brought back to the committee for further direction.

Mr. Elliott asked that Mr. Moorrees email the committee his findings for approval to go to the Board.

Mr. Gerardi moved and Mr. Elliott seconded to have staff contact Cannon Engineering for more information on their scope of services in regards to the alternative energy generation feasibility study to determine its comparability with PACE's proposal and to email his findings to the committee for approval to recommend to the Board. Motion carried.

- F. *Water Master Plan and Urban Water Management Plan Update*** – Mr. Moorrees reported that the last Water Master Plan (WMP) Update and Urban Water Management Plan (UWMP) Update took place in 2010. The UWMP is a requirement of the California Urban Water Planning Act and must be updated and submitted to the Department of Water Resources every five years.

On the previous update, SAWCo staff solicited Request for Proposals (RFP) from Carollo Engineers, MWH, Civiltec Engineering, SA Associate and Metcalf & Eddy. Staff then held a panel interview with Stetson Engineers, Civiltec Engineering and Metcalf & Eddy; however, SAWCo staff feels Civiltec Engineering, who previously updated SAWCo’s UWMP, will produce the best products for the update.

There was some concern on the budget for the WMP Update. The project is budgeted for \$250,000 and the bid came in at \$248,810. With not much of a contingency on the project, staff asked Civiltec Engineering to hold firm on the cost of the project to which they agreed. Any change to the scope of the work would first go through Board approval.

The WMP will take first priority and the UWMP will follow. The WMP will take roughly a year to update and the UWMP won’t be started until the guidelines for it are released by the State of California.

Anthony Herda with Civiltec Engineering clearly articulated Civiltec’s approach on developing the WMP.

Eric Hanson from Inland Productivity Solutions entered the meeting.

Staff requested the committee recommend awarding both the UWMP and WMP to Civiltec Engineering.

Mr. Gerardi moved and Mr. Elliott seconded to recommend the Board approve the award of the Water Master Plan Update and the Urban Water Master Plan Update to Civiltec Engineering. Motion carried.

6. Planning & Operational Update -
 - A. ***Project Status Report*** – Nothing was discussed.
7. Basin Issues & Updates
 - A. ***San Antonio Canyon Watershed*** – Nothing was discussed.
 - B. ***Chino Basin*** – Nothing was discussed.
 - C. ***Six Basins*** – Nothing was discussed.

Ryan Shaw and Anthony Herda exited the meeting.

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8. Committee Tablet Training – Inland Productivity – Eric Hanson with Inland Productivity Solutions handed out tablets to the committee member and the general manager and gave instruction on their use.
9. Committee’s Comments and Future Agenda Items – None.

Adjournment – Due to no further business the meeting was adjourned at 3:53 p.m.
Motion carried.

Assistant Secretary
Charles Moorrees