

MINUTES OF THE SAN ANTONIO WATER COMPANY
PLANNING, RESOURCES, and OPERATIONS COMMITTEE
February 23, 2011

An open meeting of the Planning, Resources, and Operations Committee (PROC) of the San Antonio Water Company (SAWCo) was called to order at 3:05 p.m. on the above date at the company office located at 139 N. Euclid Ave., Upland, California. Committee members present were Brian Brandt, Will Elliott, and Tom Thomas. Also in attendance were General Manager Charles Moorrees, and Director Dr. Fred Gattas. Mr. Thomas presided.

1. Recognitions & Presentations – None.
2. Additions-Deletions to the Agenda – None.
3. Public Comments – None.
4. Approval of Committee Meeting Minutes – Mr. Elliott moved and Mr. Brandt seconded to approve the meeting minutes of October 27, 2010 as presented. Motion carried.
5. Planning & Operational Issues:
 - A. Cucamonga Basin Reserve Fund – Mr. Moorrees reported that a Settlement Agreement was developed in 2003 as a result of discussions that SAWCo would consider relocating the Company's import water recharge further north relative to Basin 6. SAWCo stood to lose the prospect of spreading in the basin when the basin was going to be a "flow through" basin. On the premise that SAWCo would commit \$500,000 towards this effort, the Colonies would match the fund towards this purpose and the lawsuit was dropped against SAWCo. With the agreement in place in October of 2003, the Board agreed to reserve \$500,000 restricted for the sole purpose of redirecting the Company's import water north on the premise that Basin 6 would no longer be suitable for water recharge.

The agreement was extended a couple of times but was not continued after the SBCFCD settled the lawsuit with the Colonies. There is no current agreement to match SAWCo's commitment to participate in funding future projects to move recharge north of Basin 6. Additionally, working with SBCFCD staff, SAWCo was able to negotiate installation outlet valves at 4 foot and 15 foot elevation with a maximum of 32 feet of dead storage in Basin 6 that makes it a viable basin for recharge.

The current fund is restricted solely for implementing alternative recharge projects in Cucamonga Basin projects north of Basin 6. Mr. Moorrees recommended the committee eliminate this reserve and approve incorporating these funds into Capital Reserves.

Mr. Brandt moved and Mr. Elliott seconded to recommend the Board incorporate the \$500,000 of restricted funds into the Capital Reserves. Motion carried.

- B. Service Agreement water transfers – Mr. Moorrees reported that at a previous Board meeting he brought for approval the transfer of remaining entitlement. At that time Mr. Elliott questioned whether the item needed to be brought up for approval considering the transfer is just executing a prior agreement.

Mr. Thomas mentioned that at Six Basins the transfers are all received and filed.

Mr. Elliott moved and Mr. Brandt seconded to have staff submit end of the year water transfer service agreements to the Board as “receive and file”. Motion carried.

- C. Request for Contributions – California Water Awareness Campaign & American Groundwater Trust – Mr. Moorrees stated that on an annual basis there are three organizations that request donations. SAWCo has contributed in the past to California Water Awareness Campaign, American Groundwater Trust, and Water Education Foundation.

Mr. Moorrees recommended the Advisory Committee authorize SAWCo to continue the contributions they have made in the past as shown in the paperwork for this agenda item.

Mr. Brandt moved and Mr. Elliott seconded to approve the manager’s recommendation. Motion carried.

- D. Easements for Wells 2, 3, and 24 – Mr. Moorrees pointed out the location of Upland Hills Golf Course North and the streets Tanglewood and 16th Street with respect to SAWCo’s Well 2, 3, and 24 and Booster 9 location. He reported that at one time SAWCo owned the property and leased it to a rock company for mining. The lease ended and the property went to the San Antonio Liquidation Trust (SALT) in 1966 who sold it to a developer. It was assumed that the property containing these facilities was carved out in fee. Apparently, only a reservation to access, maintain and improve the existing facility was incorporated into the 1966 Deed; however, description in the 1966 Deed was in error with respect to the reservation of specific easements of the existing facilities. When staff discovered the error in 2010, the Board approved staff to solicit an engineer to prepare a specific instrument and legal easement descriptions for recordation and is attached to this report.

There was consensus on the committee to recommend the Board accept the easements for SAWCo’s Wells 2, 3, 24 and Booster 9 site for recordation from the Matreyek Trust.

- E. Well 4 Site at Country Club Villas – Mr. Moorrees stated that just to the east of the Wells 2, 3, and 24 site at the entrance to the Country Club Villas there is a walled area where SAWCo’s Well 4 was located. Well 4 was destroyed about 11 years ago, however, the underground pipeline on this site is still operational. SAWCo received a letter for the Matreyek Trust requesting SAWCo quit claim the surface rights in which they own the underlying property in fee.

Mr. Moorrees recommended the Advisory Committee consider the Matreyek Trust's request to Quit Claim the Company's surface rights on this site.

There was consensus on the committee to recommend the Board Quit Claim SAWCo's surface rights on the site of their now destroyed Well 4.

- F. Holly Drive Water Systems – Mr. Moorrees informed the committee that he is communicating with SAWCo's legal counsel with regards to the Holly Drive Water System. In 2004 there were damages to the Holly Drive system. Donna Horowitz was the Home Owners Association (HOA) president at the time. After SAWCo completed the repairs on the system, Ms. Horowitz expressed her displeasure with SAWCo repairing the facilities because of the fact that they did not own them. Mr. Moorrees explained that if SAWCo had not made the repairs the reservoir would have been out of service and Holly Drive would have been without water for a week. After looking into it, SAWCo found that the developer did not transfer the assets to the water company after the Holly Drive system of waterlines, boosters, and reservoir was completed. Mr. Moorrees informed the committee that Holly Drive has large homes with only six inch waterlines and a booster station that only boosts 350 gallons per minute (gpm) and a reservoir size of 60,000 gallons. A new home being built in the area is required to have 2,500 gpm which cannot be produced from the equipment supplying this area. Mr. Moorrees has asked the current HOA president, Mr. Deter Dammeier, to put SAWCo on the agenda for the next Holly Drive HOA meeting.

Mr. Moorrees has made an attempt to get information on the project from the developer to no avail. Mr. Thomas inquired as to whether the San Bernardino County Recorder (SBCR) would have record of it. SBCR would have had to give approval for the project and sometimes they require bonds that might show the project cost. If SAWCo can find what year the reservoir was installed they might find information from the planning committee agenda from that time. Staff will follow up on Mr. Thomas' suggestion.

6. Planning & Operational Update -

Project Status Report

- **Forebay Improvements** – The appeal process concluded last week. No appeal was received. Pending the county issuance of a conditional use permit.
- **Urban Water Management Plan** – SAWCo received a legal opinion to opt out of the SB7x7.
- **Cucamonga Basin** – Desilting project at crosswalls – Mr. Moorrees met with Upland earlier in the day. They are concerned with the fact the project will be an ongoing project. The contractor is doing the work for free and will continue to desilt it in the future. Pending permit to use 20th Street access.
- **Water Rights Investigation**-Blake Slater has installed his meter and staff will be checking to see that it is installed and running correctly. Paul Ridgeway was required to complete his response to the discovery and has failed to do so. SAWCo has filed complaint with the court.
- **Cucamonga Basin Management Plan** – The draft proposal should be available by the next PROC meeting.

7. Basin Issues & Updates

- A. *San Antonio Canyon Watershed* – Mr. Moorrees informed the committee that a meeting is forthcoming between the United States Forest Service, all Mt. Baldy agencies and SAWCo. All the data received at the meeting will be compiled by the U.S. Forest Service.
- B. *Cucamonga Basin*- Mr. Moorrees explained that the 1958 decree stipulated a total of 22,721 acre feet (AF) that SAWCo was able to produce out of the Cucamonga Basin 4,500 AF plus 2,000 AF additional provided SAWCo spreads production out over a 10 year period. In revising the judgment, Cucamonga Valley Water District (CVWD) suggested 13,000 AF development yield. Mr. Moorrees pointed out that if 8,000 AF spilled over into Chino Basin the developed yield should be 21,000 AF. The 1958 decree does not require any water be put in Chino Basin. The decree also requires both parties to spread water which CVWD has not been doing since utilizing their treatment plant. SAWCo does not feel the need to update the judgment with the changes currently being presented if there was no benefit to the water company.

Staff still has not heard anything from San Bernardino County after submitting a draft on the Cucamonga Basin Memorandum of Understanding (MOU).

San Bernardino County is still working on Basin 6. Every time the contractor needs to get into the Basin, SAWCo has to release water that it cannot capture. SAWCo advised the San Bernardino County of the estimated loss.

- C. *Six Basins* – Mr. Moorrees reported that the Engineering and Technical Committee is considering Wildermuth Environmental, Inc. (WEI) to provide administrative services because Three Valley's Municipal Water District (TVMWD) became a producer in the basin and can no longer provide administrative services for the watermaster unless the judgment is amended.
- D. *Chino Basin* – Ken Manning left as manager and representatives from all the advisory committees will be involved in the interviewing process for the new chief executive officer in March

8. Closed Session – None.

9. Committee's Comments and Future Agenda Items – None.

Adjournment – Due to no further business, the meeting was adjourned at 3:45 p.m.

Assistant Secretary
Charles Moorrees