

MINUTES OF THE SAN ANTONIO WATER COMPANY
PLANNING, RESOURCES, and OPERATIONS COMMITTEE
March 25, 2014

An open meeting of the Planning, Resources, and Operations Committee (PROC) of the San Antonio Water Company (SAWCo) was called to order at 3:02 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, 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 January 28, 2014 - Mr. Thomas moved and Mr. Gerardi seconded to approve the meeting minutes of January 28, 2014. Motion carried.
5. Planning & Operational Issues:
 - A. **Water Alert Sign** – Mr. Moorrees stated that the Water Company regularly encourages its shareholders to use water wisely. As such, in a year round voluntary water conservation mode, six signs have been placed within the San Antonio Heights state to “Please Conserve”. These signs were developed and have been installed at various locations throughout the Heights since 1988.

On March 1, 2014 implementation of the Moderate Shortage Stage, approved by the Board, became effective with associated water use restrictions. Staff developed appropriate signs to communicate this information to the shareholders within SAWCo's domestic service area. These signs shall replace the regular year round conservation signs currently posted.

Mr. Moorrees requested the committee recommend to the Board endorse the investment and installation of the Water Alert signs to further communicate recent Board action.

Mr. Thomas moved and Mr. Gerardi seconded to approve the general manager's recommendation. Motion carried.

- B. **Well 22 Motor Failure-** Mr. Moorrees informed the committee that on the morning of February 20th, Field Operations staff discovered that the electric motor for Well 22 had shorted out during routine Well checks. Motors currently have a 20-year asset life. This motor was installed in 2003.

Upon inspection, Brithinee Electric found that the failure of the stator and in the windings suggesting that this was a typical motor failure.

During installation of the new motor staff discovered that the transformer and the Edison feed lines had experienced damage; however, it could not be determined if the motor failure caused this problem on the Edison side or if an Edison problem caused the motor to fail. Edison dispatched crews to find the damaged lines coming from their power pole. Underground excavation to the transformer at SAWCo's well site was hand dug and in several areas concrete had to be removed from the adjacent homeowner's driveways.

After Edison made their repairs to the damaged cable and SAWCo reenergized the well they discovered that the soft starter was damaged as well.

The initial cost for the service call; crane services, inspection, new motor and installation was \$22,239.24 and the soft starter cost was \$5,355.28 totaling \$27,594.52.

Mr. Moorrees asked that the PROC recommend the Board ratify the expense as presented for the emergency repair to Well 22 motor and starter.

Mr. Gerardi moved and Mr. Thomas seconded to approve the general manager's recommendation. Motion carried.

- C. Customer Leak Detection Program** - Mr. Moorrees reported that with the implementation of the Moderate Shortage Stage staff offered to take a more proactive approach in its water conservation efforts to assist its customers.

Currently, the Water Company utilizes meters with "data loggers" that have the ability to identify abnormal usage over a 24-hour period of time which may be indicative of a leak. The customer receives a phone call message that they may have a leak in their system. Surprisingly, this does not always initiate any response from the customer to monitor, fix or make any repairs as recommended.

Additionally, SAWCo's current water conservation program offers a free audit that provides a report on issues and fixes; however, it is not enough for the homeowner to take action on any of the recommendations.

Staff met with Tom Gomez from Mitchell's Plumbing to consider "partnering" in detecting and correcting on-site customer leaks and proposes to develop the Customer Leak Detection Program using Mitchell's Plumbing during the Moderate Shortage Stage. Staff proposes to offer Mitchell's Plumbing to perform a site visit to identify the customer's leak on their property. The cost for this service will be borne by the Water Company at about \$85. Thereafter, any leaks found, the Water Company would provide a 50% match to off-set the repair (up to \$500) as monies are available in the program.

The Board increased the water conservation budget to \$10,000 for this calendar year. Staff proposes to set aside \$4,000 to fund this program. Customer applications will be considered on a first come first serve basis until the funds run out or the end of the Moderate Shortage Stage whichever comes first.

Mr. Moorrees requested the PROC offer comments and suggestions to staff and recommend the Board approve the Customer Leak Detection Program as presented with suggestions as advised.

Mr. Thomas moved and Mr. Gerardi seconded to approve the Customer Leak Detection Program as presented. Motion carried.

D. Domestic Reservoir No. 5 Warranty Claim - Mr. Moorrees reported that BlueScope/BH Tank Inc. constructed the bolted tank adjacent to the Company's domestic Reservoir #6 on Mountain Avenue. The contractor completed the work at the end of CY2011 with recorded Notice of Completion on May 21, 2012. The Water Company' specifications required the warranty work for 18 months upon completion and engaged Harper and Associates Engineering (HAE) to inspect and investigate any defects related to the work. HAE prepared a warranty Inspection report on July 2013.

On August 8, 2013, Bluescope/BH Tank was notified of the completed warranty inspection of the bolted tank and enclosed a copy of the report for their review. With no response from BlueScope, staff discovered that ASC Profiles was now handling the work done under BlueScope/BH Tank.

After working with ASC Profiles claims adjuster for the past seven months, staff received their response to arrange for repair of the interior of the water tank. Their review of the items observed for the exterior tank was minor and deemed general maintenance performed by Water Company operations. In exchange for the work, ASC Profiles "requires full release of all present and future claims related to this tank."

Staff is willing to accept ASC Profiles' offer to power clean all damaged coatings on the interior roof/shell and all rusting areas and bolts on the bottom interior floor and apply three coats of epoxy, and wash/chlorinate the interior when the work is complete.

Upon completion, staff will request HAE to provide a proposal to install cathodic protection system to safeguard against future corrosion.

Mr. Gerardi questioned if the release of all present and future claims also applied to materials and not just the work provided by Bluescope/BH Tank. Mr. Moorrees stated that he can respond to ASC Profiles' offer with acceptance as long as SAWCo isn't giving up any rights with regard to product liability.

Mr. Gerardi felt that if ASC Profiles will be repairing items in the tank that any additional work that needs to be done be completed at the same time. The committee agreed that the installation of cathodic protection system be completed concurrently if possible.

Mr. Thomas moved to approve the offer by ASC Profiles to repair the interior of the tank with clarification and/or modification of the release of all present and

future claims wording and that the cathodic protection system be installed at the same time repair work is being done if possible. Mr. Gerardi seconded the motion. Motion carried.

6. Planning & Operational Update -

A. Project Status Report

- **Well 32 Rehabilitation** –Replace Submersible with Vertical Turbine - The deviation study showed a risk of bearings wearing out if a vertical turbine was used. Pumping amounts of over 400 gallons per minute are expected.
- **City Treatment Plant Surface Water Delivery** – Dissolved Air Issue – Staff took a tour of WMI where Mark Williams had created a to-scale model that showed the hydraulic jump creating the dissolved oxygen at the Treatment Plant (TP). At this time the City of Upland states they do not have the man power to run the TP. Mr. Moorrees will have Mr. Williams finish the design to eliminate the dissolved air issue. Once the TP is able to run again SAWCo will look to an even split with the City of Upland to implement Mr. Williams design.
- **Well 25A-Site Improvements per City CUP-Carry Over CY2014** – Currently experiencing permitting problems with the City of Upland.
- **WFA Pipeline Connection** – The project passed through the TAC meeting and will be taken to the WFA Board.
- **Basin 6 Desilting** – SAWCo’s consultant will be presenting this project to regulatory agencies to hopefully waive requirements due to the governor’s declaration of a drought emergency.
- **Cucamonga Basin – Desilting project at crosswalls** – SAWCo’s consultant will be presenting this project to regulatory agencies to hopefully waive requirements due to the governor’s declaration of a drought emergency.
- **Water Rights Investigation-Activity-Staff** spoke with the forest supervisor to schedule a meeting with John Thorton without legal counsel.
- **Forebay Improvements [CY2014 Budget \$283,433]** – Staff inquired with Civiltech if they would like to provide a plaque for the project. More photo books of the Forebay Improvement Project have been ordered to distribute to staff and contractors that worked on the project.

7. Basin Issues & Updates

A. **San Antonio Canyon Watershed** – San Antonio Canyon Watershed Committee Meeting scheduled for April 9th.

B. **Chino Basin** – There was discussion about the Fontana motion to capture storm water for credit.

C. **Six Basins** – A Six Basins board meeting is scheduled for the following day.

8. Committee’s Comments and Future Agenda Items – Mr. Gerardi commented that another Board Tour would be beneficial. Mr. Moorrees felt a tour of SAWCo’s facility sites might be beneficial.

Mr. Elliott commended staff on the Annual Report and how well it was put together.

March 25, 2014

Adjournment – Due to no further business a motion was made by Mr. Gerardi, seconded by Mr. Thomas, to adjourn the meeting at 4:03 p.m. Motion carried.

Assistant Secretary
Charles Moorrees