

MINUTES OF THE SAN ANTONIO WATER COMPANY  
PLANNING, RESOURCES, and OPERATIONS COMMITTEE  
March 27, 2012

An open meeting of the Planning, Resources, and Operations Committee (PROC) of the San Antonio Water Company (SAWCo) was called to order at 3:10 p.m. on the above date at the company office located at 139 N. Euclid Avenue, Upland, California. Committee members present were Tom Thomas, Will Elliott, and Brian Brandt. Also in attendance were General Manager Charles Moorrees, and Assistant Manager of Administration and Finance Teri Layton. 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. Moorrees commented that the meeting minutes needing to be amended to include the descriptions of the contributions SAWCo makes annually to the Association of California Water Agencies, the American Ground Water Trust, and the Water Education Foundation; \$300, \$250, and \$250 respectively. Mr. Elliott moved and Mr. Brandt seconded to approve the meeting minutes of January 31, 2012 as amended. Motion carried.
5. Planning & Operational Issues:
  - A. Benson Avenue Right of Way – Mr. Moorrees reported that one of the requirements of the Conditional Use Permit (CUP) is that the Water Company offer 20 feet of its easterly property for dedication of right of way to the City of Upland. The area will be used for sidewalks, landscaping, streetlights, etc.

Mr. Elliott moved and Mr. Brandt seconded to recommend the Board approve the 20-foot Offer of Dedication for right of way on Benson Avenue as presented. Motion carried.

- B. SAWCo's pipeline casing at San Antonio Avenue & I-10 Freeway – Mr. Moorrees reported that he met with Scott Burton with the City of Ontario and Rosemary Hoerning with the City of Upland to discuss this item. Ontario is not interested in making any negotiations to sell Pit 6; they are only interested in purchasing the pipeline casing outright. Mr. Moorrees received an estimate of \$90,000 for the cost of a new casing. City of Ontario offered \$50,000 to purchase SAWCo's casing.

Ken Willis entered the meeting at 3:15 p.m.

Mr. Brandt moved and Mr. Elliott seconded to recommend the Board approve the \$50,000 offer from the City of Ontario to purchase SAWCo' pipeline casing at San Antonio Avenue and the I-10 Freeway. Motion carried with Mr. Thomas abstaining.

- C. Request to Quitclaim blanket easement APN#1044-241-39 & 40 – Mr. Moorrees stated that SAWCo received a request from the Keto Family Trust to quitclaim their blanket easement on the property located at the end of 18<sup>th</sup> Street, west of Campus Avenue. Mr. Moorrees explained that at one time the property was owned by SAWCo and then transferred over to San Antonio Liquidation Trust (SALT) who sold the land. SAWCo reserved easement rights to allow unrestricted use as needed in the future; however, staff determined that there are no plans to utilize said easements for any pipeline or facilities in the future and therefore would have no problem with abandoning the easement on this property.

Mr. Elliott moved and Mr. Brandt seconded to recommend the Board approve the quitclaim of SAWCo's blanket easement on the property subject to legal review for correctness. Motion carried with Mr. Thomas abstaining.

- D. City of Ontario – “Draft” Amended & Restated Water Service Agreement – Mr. Moorrees reported that in 2009 the Water Company executed a Water Service Agreement to deliver the City of Ontario's annual entitlement pursuant to their shareholdings. This was accomplished by transferring water out of SAWCo's Chino Basin stored water account. Since the time of the original agreement there have been changes with SAWCo's ability to deliver water to the City of Ontario. Some options included in the amended agreement are the possibility of a connection through the City of Upland that would allow “wheeling” water to the City of Ontario. Also, an option that will be available once Well 25A is completed is delivery via the Water Facilities Authority (WFA) Treatment Plant. The inclusion of leased shares will increase Ontario's annual entitlement delivery. Also, charging monthly for their entitlement as with Upland and Monte Vista Water District once wet water delivery options are available. Currently, a payment is made to the Water Company upon Chino Basin Watermaster approval of the annual transfer of water in accordance with the City's annual entitlement.

Mr. Brandt moved and Mr. Elliott seconded to recommend the Board approve the “draft” Amended & Restated Water Service Agreement with the City of Ontario subject to final legal review. Motion carried with Mr. Thomas abstaining.

- E. Proposed Wheeling & Exchange Agreement with City of Upland – Mr. Moorrees stated that by working with the City of Upland, through its interconnection, the Water Company has been able to deliver water to Monte Vista Water District pursuant to their entitlement as well as have the ability to recharge into Upland Basin. Wheeling is terminology used to move water through interagency connections to enable water delivery to customers that have no direct connections with the Water Company.

City staff is in the process of drafting a “Wheeling & Exchange Agreement” that would provide a fee of \$85 an acre foot (AF) to “wheel” water to the City of Ontario and Monte Vista Water District. These wheeling charges would be picked up by the receiving party. This fee would also apply when the Water Company “wheels” water through Upland's facility to recharge into Upland Basin for credit in Chino Basin. These charges would apply unless the water recharged is credited

to the City of Upland in the process of reconciliation of their end of the year entitlement.

Mr. Elliott stated he felt the fee of \$85/AF was a bit high. Mr. Thomas suggested the fees be more comparable with WFA's fees. The committee concurred. Mr. Moorrees is to take this information back to Upland for negotiation.

- F. *SB918 – Staggered Term for Directors* – Mr. Moorrees stated that this bill would provide that a mutual water company incorporated as a general corporation *may elect directors to staggered 4-year terms* and allow the initially elected directors to determine by lot which of them shall instead serve a 2-year term, as specified. The bill would require the mutual water company to notify its shareholders, prior to the election, that the directors shall determine their terms by lot.

Mr. Elliott requested the item be presented to the Administrative and Finance Committee (AFC) for their comments. The committee agreed.

Mr. Brandt exited the meeting at 3:55 p.m.

6. Planning & Operational Update -

A. Project Status Report

- **Well 25A - Drilling** – A pilot hole was dug to about 70 feet but they are having problems getting the conductor casing in. Once it is in place they will most likely be able to drill about 60 feet per day. There have been no noise complaints thus far.
- **Cucamonga Basin – Desilting project at crosswalls** – Received confirmation from Kevin Blakeslee with the San Bernardino County Flood Control District (SBCFCD) that they are able to help SAWCo out on the project. Under the City of Upland's CUP process the City of Upland Planning Commission has to approve the plans before the project can begin.
- **Forebay Improvements** – SAWCo hopes to have permits by the end of March.
- **Water Rights Investigation** – Activity – There will be a closed session during the Organizational Meeting on April 3<sup>rd</sup> to discuss a different strategy on how to handle the water rights issue.
- **Cucamonga Basin Management Plan** – The Final Report was received and the committee agreed to have Wildermuth Environmental, Inc. (WEI) attend the next Board meeting to briefly review the Final Report and answer some questions. The committee and staff then briefly went through the report and discussed some concerns they had with it.
- **Res 6 Interior & Exterior Recoating** – Technical specs and structural evaluations have been received from Harper and Associates. A cost spreadsheet will be prepared. The project will then be put out to bid. The reservoir is expected to be out of service for roughly three months.
- **Chino Basin Recharge Pipeline** – Currently in design. Applied for a permit with Los Angeles County Flood Control District who advised the water company to contact Army Corps.
- **Website Update** – Should be up and running shortly. There are a couple of meetings scheduled for content before that happens.

- **Document Imaging** – Phase 2, scanning maps, is underway.

7. Basin Issues & Updates

- A. *San Antonio Canyon Watershed* – The water rights investigation will be discussed in closed session during the Organizational Meeting on April 3rd.
- B. *Cucamonga Basin* – This item was discussed under the project section of the meeting.
- C. *Chino Basin* – There will also be discussion with regards to the Chino Basin Watermaster Settlement Agreement with the Overlying Non-Agriculture Pool in closed session during the April 3<sup>rd</sup> Organizational Meeting. Mr. Moorrees had a closed session conference call with the chair the previous day where he provided preliminary approval to sign the agreement subject to Board approval.
- D. *Six Basins* – The watermaster will meet the following day. Some items of discussion will be the repair of the San Antonio Spreading Grounds berms south of the dam. Mr. Thomas stated that it is contingent on what the bids for the project come in at as to what repairs they agree to make. Six Basins and PVPA are splitting the cost of the project.

Mr. Moorrees also brought up the rules and regulations as it relates to accounting for how water is transferred and stored in the basin. This was discussed at the previous budget committee meeting. Mr. Moorrees did not have any issues with how the water was accounted for but did request some flexibility when it came to additional waters being available that do not meet certain regulations. There will also be an amendment to the WEI contract to include a 1.9% increase in fees from the previous year.

8. Closed Session – None.

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

Adjournment – Due to no further business, Mr. Willis moved and Mr. Elliott seconded to adjourn the meeting at 4:30 p.m.

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Assistant Secretary  
Charles Moorrees