

MINUTES OF THE SAN ANTONIO WATER COMPANY
PLANNING, RESOURCES, and OPERATIONS COMMITTEE
May 23, 2017

An open meeting of the Planning, Resources, and Operations Committee (PROC) of the San Antonio Water Company (SAWCo) was called to order at 3:01 p.m. on the above date at the company office located at 139 N. Euclid Avenue, Upland, California. Committee members present were John Gerardi, Jose Sanchez, and Tom Thomas. Also in attendance were Greg Ripperger with Civiltec Engineering, Inc., and SAWCo's General Manager Charles Moorrees, Assistant General Manager Teri Layton, and Senior Administrative Specialist Kelly Mitchell. Mr. Thomas presided.

1. Recognitions and Presentations – Mr. Moorrees recognized Greg Ripperger with Civiltec Engineering, Inc. who provided a presentation on SAWCo's Water Master Plan. A workshop will be scheduled to review the information and receive input from some of SAWCo's shareholders.

Mr. Ripperger presented the Executive Summary portion of the Water Master Plan with the committee.

Staff will present the idea of a Water Master Plan Workshop to the Board for scheduling.

2. Additions-Deletions to the Agenda – None.
3. Public Comments – None.
4. Approval of Committee Meeting Minutes:
 - A. **Regular Committee Minutes of March 28, 2017** – Mr. Gerardi moved and Mr. Thomas seconded to approve the meeting minutes of March 28, 2017. Motion carried.

Mr. Ripperger exited the meeting at 4:05 p.m.

5. Planning and Operational Issues:
 - A. **Water Service Agreements** – Mr. Moorrees compared the previous water service agreement to the current agreement being offered. He then went over the changes the City of Upland requested to the current agreement being offered and advised of reasons for acceptance and/or rejection of said changes.
 - B. **BMark Energy – Direct Access** – Mr. Moorrees explained to the committee that SAWCo has been approved to be on a wait list for an energy saving program that can save the water company 15% to 20% on energy costs.

There was consensus on the committee for the Water company to be placed on the waitlist and if SAWCo is chosen the committee will look into the specifics of the plan.

- C. *Engineering Proposals for Res 7 Rehabilitation vs Replacement*** – Mr. Moorrees reported he requested proposals from three engineering firms to evaluate Reservoir 7 and recommend for rehabilitation or replacement. Two proposals were received; one from TKE Engineering at a cost of \$117,800, and one from Harper & Associates Engineering, Inc. at a cost of \$51,230.

The reservoir is a partially buried trapezoidal concrete reservoir that holds 500,000 gallons of water and was built in 1950. Based on an evaluation report completed in 2000 the reservoir is in need of seismic and structural related safety items as well as improvements to address health and sanitation regulations.

Harper & Associates Engineering, Inc. attended the pre-proposal meeting and seems to have a better understanding of the Water Company's needs regarding this reservoir. Their proposal also includes bidding and construction assistance as well as construction inspection. In review of both proposals, staff recommends the PROC approve Harper & Associates Engineering, Inc. proposal for Board approval.

There was consensus on the committee to recommend utilizing Harper & Associates Engineering, Inc.'s Reservoir 7 proposal to the Board.

- D. *Water Supply Projection*** – Mr. Moorrees stated that the Water Rates & Fees Study completed earlier in the year was based off annual entitlement totaling 12,000 acre feet (AF). Current annual entitlement is 10,086AF.

Previously, staff and the Board agreed to review annual water supply projections in October of each year. Staff is requesting the adjustment of water supply entitlements to be effective July 1, 2017 due to factors such as the increase in precipitation received beginning December 2016; increase in surface water supply and tunnel flows; and the implementation of the new commodity rates beginning July 1, 2017 which are based on 12,000AF annual entitlement.

Mr. Moorrees requested the committee recommend the Board approve a 31.9% increase in annual entitlement equaling 13,304AF.

Mr. Sanchez was concerned that groundwater levels have not yet recovered and raising the entitlement too high might give the appearance that the drought is over when it is not. Since the Water Rates & Fees Study based its figures on 12,000AF annual entitlement there is a methodology for raising entitlement to that amount.

There was consensus on the committee to recommend to the Board raising annual entitlement to 12,000AF beginning July 1, 2017 and re-evaluate entitlement in October for possible changes beginning 2018.

6. Planning and Operational Update -

A. *Project Status Report* –

- ***Cucamonga Crosswalls Project*** – The gnatcatcher study is currently taking place.

- **Water Rights Investigation** – Staff is expecting to hear back from the State by the end of the month with respect to undocumented diversions.
- **Office Relocation Feasibility Study** – Staff is awaiting a land appraisal from the City of Upland.
- **Well 31 Biological Treatment** – A conference call with the State in regards to the ability to utilize the Evoqua back end treatment system is scheduled.
- **Well 19** – The well is ready for test pumping.
- **Well 24** – Awaiting the bowl assembly. Once received they will install the new equipment.
- **WFA Pipeline Connection** – Possible September or October project start time. Staff has asked that the item be put on the agenda with the other agencies involved so that the project is approved and ready to begin once the BIN 2 classification is removed.
- **Holly Drive Reservoir Design** – Staff has asked that TKE Engineering increase the capacity of the reservoir to 110,000. The committee requested staff inquire with the engineers to find out what capacity is best for this reservoir.
- **Basin 6 Desilting** – The County has provided comments on the environmental document but it still needs to be released for public comment.

Mr. Moorrees also advised that staff is recalibrating the mag meter at the V-Screen that was installed in 2009.

7. Basin Issues and Updates

A. **San Antonio Canyon Watershed** – Nothing reported.

B. **Chino Basin** – Ms. Layton reported the carryover transfers for the next fiscal year may be held due to the Agricultural Pool filing a contest. SAWCo will not be pumping all of its water rights by the end of June so they inquired with the City of Upland, City of Ontario, and Monte Vista Water District on whether or not they wanted to purchase the water. All three parties are interested in purchasing the water. Ms. Layton will complete the necessary paperwork for transfer. Ms. Layton offered Rosemary Hoerning the option to utilize a portion of the liability money SAWCo owes the City of Upland as payment for the water transfer. Ms. Hoerning would consider the suggestion.

Mr. Moorrees stated SAWCo's application to recharge an additional 1,500AF will be approved on Thursday by the Chino Basin Board.

C. **Six Basins** – Mr. Moorrees reported SAWCo is limited to 1,000AF spread per year and has already reached that amount this year. Staff will request a waiver allowing an additional 200AF be spread in the basin.

8. Committee's Comments and Future Agenda Items: – None.

Adjournment: –The meeting was adjourned at 4:55 p.m. Motion carried.

Assistant Secretary
Charles Moorrees