

MINUTES OF THE SAN ANTONIO WATER COMPANY
PLANNING, RESOURCES, and OPERATIONS COMMITTEE
May 26, 2015

An open meeting of the Planning, Resources, and Operations Committee (PROC) of the San Antonio Water Company (SAWCo) was called to order at 3:13 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 Assistant Manager of Administration and Finance Teri Layton, Lead Operator Tommy Hudspeth and Office Assistant Kelly Mitchell. Mr. Elliott 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 27, 2015*** – Mr. Gerardi moved and Mr. Thomas seconded to approve the meeting minutes of March 24, 2015. Motion carried.
5. Planning & Operational Issues:
 - A. ***Spring Terrace and Wildrose Lane Waterline Project*** – Ms. Layton reported that these waterline projects were budgeted for CY2015. The budget for replacing the undersized 2 inch waterline with a 6 inch and 4 inch waterline in Spring Terrace is \$76,000. The low bid for the project came in at \$65,980. The budget for waterline replacement in Wildrose Lane is \$62,000. The low bid for the project came in at \$73,800.

Mr. Gerardi inquired about the variance with the Wildrose Lane estimate and the actual bid amount. Ms. Layton asked the same question of the General Manager who advised the original project didn't involve connecting the entire waterline all the way up the street. The additional amount of waterline being replaced increased the cost.

Mr. Hudspeth confirmed the original project description didn't include replacing the entire waterline. SAWCo will abandon an old waterline at the top of the street that comes between two houses and utilize a 6 inch waterline in the street. That 6 inch waterline will connect to the 4 inch waterlines that are replacing the current undersized 2 inch waterlines in the street.

Ms. Layton proposed the Committee recommend 1) awarding the project to Norstar Plumbing & Engineering in the amount of \$139,780 with a 10% construction contingency of \$13,978 for a total of \$153,758, and 2) recommend additional budget appropriation of \$15,758 to cover budget variance and, 3) appropriate funds from Depreciation and Obsolescence Reserves.

Mr. Gerardi questioned the great price differences in the bids by the construction companies. Mr. Hudspeth replied that Norstar Plumbing & Engineering was anxious to get their employees working. Ms. Layton stated that Trautwein Construction is a bigger company that usually handles bigger jobs; they seem to have given SAWCo a courtesy bid.

Mr. Gerardi moved and Mr. Thomas seconded to recommend the Board of Directors 1) award the project to Norstar Plumbing & Engineering in the amount of \$139,780 with a 10% construction contingency of \$13,978 for a total of \$153,758, and 2) recommend additional budget appropriation of \$15,758 to cover budget variance and, 3) appropriate funds from Depreciation and Obsolescence Reserves. Motion carried.

Mr. Hudspeth exited the meeting.

B. Classification and Compensation Study – Ms. Layton presented a list of the questions asked thus far by the committees with regard to the Classification and Compensation Study. The consultants for this study, RSG, will be attending the next Board meeting to answer any questions in closed session.

Mr. Thomas inquired about the requirements of the new job position ‘Assistant General Manager’. The position requires a high level of water certification to be earned within 18 months of beginning employment. He felt that there may be some individuals that could fill that position but may have a masters in business rather than water certifications.

It was recommended that a longer timeframe be given to require the higher water certification or possibly list water certification as ‘desirable’ in the job description. It was also mentioned that if the Water Utility Superintendent and General Manager are required to have higher level water certification there may be some leeway for the level of certification the Assistant General Manager needs.

Mr. Gerardi felt a person in the Assistant General Manager’s position should have a certain level of knowledge in the water industry.

Mr. Elliott stated he wanted clarification from RSG about the requirements for the Water Utility Worker III position.

Ms. Layton stated she sent the questions to RSG and if there are any additional questions please email them to her. She will forward them on to RSG and they will also be available at the next Board meeting closed session for any questions.

6. Planning and Operational Update -

A. **Project Status Report** –

- **Tunnel Pipeline Cleaning** – Crews have been cleaning the tunnel. More sand has come down the pipeline. It is not known whether or not this is the cause of

the water quality issue. Water quality sample test have been taken by BESST and by SAWCo staff. The results will be reviewed shortly.

7. Basin Issues and Updates

- A. ***San Antonio Canyon Watershed*** – There is currently an initiative by the County of Los Angeles to permit water being hauled in to facilitate new building in unincorporated areas. The committee instructed Joe Reichenburg to compose a letter to Los Angeles County addressing the issues such as sprinkler requirements for building and the addition of new septic systems that can affect the stream bed.
- B. ***Chino Basin*** – The Appropriative Pool (AP) presented a budget they are trying to pass that includes over \$500,000 for an MZ-1 Pomona project dealing with land subsidence. Ms. Layton advised the AP of the issues and concerns with this budget item but the budget passed regardless.

During the Advisory Committee meeting Ms. Layton spoke out and advised the committee that the budget provision for land subsidence is not valid, that the AP must make a finding of benefit first, and that approval of the plan needs to be sought out specifically and separately from a budget proposal.

Also being reviewed in Chino Basin is the City of Ontario’s plan to use Non-Agriculture water rights for medians and other areas in Ontario. This would prevent this type of water being available for purchase by other Chino Basin water right owners.

- C. ***Six Basins*** – The Six Basins meeting is scheduled for the following day.

8. Committee’s Comments and Future Agenda Items – None.

Adjournment –The meeting was adjourned at 3:50 p.m. Motion carried.

Assistant Secretary
Charles Moorrees