

MINUTES OF THE SAN ANTONIO WATER COMPANY  
PLANNING, RESOURCES, and OPERATIONS COMMITTEE  
May 27, 2014

An open meeting of the Planning, Resources, and Operations Committee (PROC) of the San Antonio Water Company (SAWCo) was called to order at 3:12 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, Assistant Manager of Administration and Finance Teri Layton 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 March 25, 2014*** - Mr. Gerardi moved and Mr. Thomas seconded to approve the meeting minutes of March 25, 2014. Motion carried.
5. Planning & Operational Issues:
  - A. ***WFA Local Water Supply Agreement*** – Mr. Moorrees stated that in 2010 staff presented the conceptual project with a 'draft' Term Sheet from the WFA to deliver raw surface water from SAWCo to the WFA treatment plant to develop options for its members that are also SAWCo shareholders. Due to certain water quality restrictions on SAWCo's surface water delivery, staff considered alternative plans to deliver water from its adjacent groundwater wells in Six Basins.

The pipeline connection plan to the WFA from SAWCo's wells are completed and incorporated in the agreement and is budgeted for construction this calendar year. The WFA Board conditionally approved the agreement subject to final legal review and is currently being reviewed by SAWCo's legal counsel.

Mr. Moorrees proposed the PROC recommend the board approve the WFA Local Water Supply Agreement to allow water delivery from SAWCo and authorize the Manager to execute the agreement subject to legal review.

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

Ms. Layton stated that in the past SAWCo almost lost the amount of water it had in storage with Six Basins and had to sell it at a reduced rate to prevent losing it altogether. This project gives SAWCo more flexibility in delivering water to shareholders to help prevent the loss of stored water in this basin in the future.

**B. Amended and Restated Water Service Agreement-** Mr. Moorrees informed the committee that in 2010 SAWCo executed a Water Service Agreement with the Monte Vista Water District (MVWD) to deliver their annual entitlement pursuant to their 307.50 shareholdings at the time. Since the original service agreement, MVWD has increased its shareholdings by 9.50 shares for a grand total of 317 shares. Staff has amended and restated the water service agreement with MVWD to reflect the change in its shareholdings.

Mr. Moorrees asked that the PROC recommend the Board approve the “draft” Amended & Restated Water Service Agreement with the MVWD to include the additional 9.50 shares for a total of 317 shares of common stock in SAWCo and to extend the terms another 5 years subject to legal review.

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

**C. Mt. Baldy Ski Lift Agreement -** Mr. Moorrees informed the committee that in October of 1994 a 20-year License Agreement was executed by the SAWCo Board and Mt. Baldy Ski Lift that allowed for Mt. Baldy Ski Lift to construct a reservoir for snowmaking purposes at the Mt. Baldy ski area. The agreement allows the pumping of approximately ten million gallons of water per year from San Antonio Canyon to accomplish this. Since the signing of the agreement, Mt. Baldy Ski Lift has had difficulty moving forward with their project due to institutional issues as well as a halt due to environmental constraints. These constraints have been recently removed and their project is currently being reviewed for permits by the United States Forest Service (USFS).

Mr. Moorrees advised that the only difference between the original agreement and the one presented to the committee is the timeframe. This agreement will commence on January 1, 2015 and end on December 31, 2035.

Mr. Thomas moved and Mr. Gerardi seconded to approve the renewal of the Mt. Baldy Ski Lift Agreement as presented. Motion carried.

6. Planning & Operational Update -

**A. Project Status Report**

- **Well 32 Rehabilitation** –Replace Submersible with Vertical Turbine - The well is now equipped. Pumping amounts have increased to a little over 500 gallons per minute.
- **WFA Pipeline Connection** – Plans are being drawn in-house.
- **Chino Basin Recharge Pipeline** – In the process of obtaining easements with the City of Upland and the Army Corps of Engineers.
- **Frankish Tunnel Pipeline** – Request for Proposals have been sent.
- **Cucamonga Basin – Desilting project at crosswalls** – A meeting is scheduled to possibly get environmental waivers for the project.

7. Basin Issues & Updates

**A. San Antonio Canyon Watershed** – There is a tentative meeting scheduled for Thursday, May 29<sup>th</sup> to collaborate on the response to the State Water Resources

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Control Board that is required by the USFS, Shea and Mt. Baldy Homeowners Association.

B. *Chino Basin* – Nothing to report.

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

8. Committee's Comments and Future Agenda Items – Mr. Moorrees stated he would be putting together a schedule for a tour for the Board; he will present the information on it at the next PROC meeting.

Adjournment – Due to no further business the meeting was adjourned at 3:30 p.m. Motion carried.

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Assistant Secretary  
Charles Moorrees