

MINUTES OF THE SAN ANTONIO WATER COMPANY  
PLANNING, RESOURCES, and OPERATIONS COMMITTEE  
July 24, 2012

An open meeting of the Planning, Resources, and Operations Committee (PROC) of the San Antonio Water Company (SAWCo) was called to order at 3:04 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, Ken Willis, and John Gerardi. Also in attendance were General Manager Charles Moorrees, Assistant Manager of Administration and Finance Teri Layton, Special Counsel Fred Fudacz, and City of Upland Public Works Director Rosemary Hoerning. Mr. Thomas presided.

1. Recognitions & Presentations – Mr. Moorrees stated that Rosemary Hoerning was in attendance to present information on Item 5A and that Fred Fudacz was in attendance for the closed session portion of the meeting.
2. Additions-Deletions to the Agenda – None.
3. Public Comments – None.
4. Approval of Committee Meeting Minutes – Mr. Elliott moved and Mr. Gerardi seconded to approve the meeting minutes of May 30, 2012 as presented. Motion carried with Mr. Thomas abstaining.
5. Planning & Operational Issues:
  - A. Water Recharge Agreement – Mr. Moorrees stated that previously, in order to recharge into the Upland Basin, the Water Company “wheeled” water through the City of Upland’s system that ultimately discharged into the Upland Basin. Given that the Water Company will be constructing a pipeline conveyance for recharging into the San Antonio Channel and ultimately into Upland Basin, the “wheeling” component has been removed.

Included in the report provided was a “Draft” agreement authored by the City of Upland and reviewed and revised by the Water Company’s legal counsel and presented for consideration. This agreement provided the terms of use that included the \$20 per acre foot (AF) charge to cover a portion of the City’s maintenance expense.

Mr. Thomas questioned whether there were any pumping costs, if the water was going to be metered and if it was coming from the same source. Mr. Moorrees replied yes to all of Mr. Thomas’ inquiries, however , no pumping costs would be incurred when recharging canyon water.

Ms. Hoerning pointed out that it cost the City of Upland nearly \$18 million to construct the Upland Basin which would be cause to charge a fee for its use. A capital cost and a maintenance cost would be charged by the City of Upland to recoup costs.

Mr. Moorrees pointed out that if the recharge into Upland Basin meets the City of Uplands share entitlement then fees would be waived. Ms. Hoerning concurred. Mr. Willis wanted to make certain that not only one agency was benefiting from the agreement. Ms. Hoerning commented that more dialogue was needed before implementing an agreement.

Mr. Elliott suggested tabling the item until the next committee meeting since all of the details had not been worked out.

Mr. Elliott moved and Mr. Gerardi seconded to table the Water Recharge Agreement until the next committee meeting. Motion carried.

- B. Mt. Baldy Ski Area (MBSA)-License Agreement – Mr. Moorrees reported that SAWCo entered into an agreement with Mt. Baldy Ski Area (MBSA) in 1994 to divert water from the San Antonio Falls for the purpose of making snow. The snow making project was put on hold due to opposition from the environmental consortium but has since been resolved. MBSA has re-submitted their plan to the United States Forest Service (USFS). It will then be processed in accordance with the National Environmental Protection Agency (NEPA) guidelines. The current agreement is set to expire in 2015.

The committee concurred that the item should be brought back for review once the NEPA has approved MBSA's project.

6. Planning & Operational Update -

A. Project Status Report

- **Well 25A - Drilling** – SAWCo found that it is only able to use the well head from Well #12. Test pumping shows only 700 gallons per minute (gpm) when SAWCo was expecting 1,000 gpm.
- **Cucamonga Basin – Desilting project at crosswalls** – Staff is working with their environmental consultant to develop a site plan. Staff hopes to begin the project in the Fall. Once desilted and repaired SAWCo will see more infiltration into their basin.
- **Forebay Improvements** – Nothing new to update.
- **Water Rights Investigation** – Activity – Michael Gagan is meeting with the Vice Chairman of the State Water Resources Control Board (SWRCB) on August 9<sup>th</sup> to see what can be done.
- **Cucamonga Basin Management Plan** – To be discussed in the closed session.
- **Res 6 Interior & Exterior Recoating** – Sand blasting has begun.

Rosemary Hoerning exited the meeting.

7. Basin Issues & Updates

A. San Antonio Canyon Watershed – Nothing was discussed.

B. Cucamonga Basin – This item was discussed under the project section of the meeting.

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C. *Chino Basin* – Ontario will be transferring 782AF of their entitlement out of Chino Basin shortly.

D. *Six Basins* – The Six Basins Board meeting is scheduled to take place the following day.

8. Closed Session – The committee went into a closed session at 3:45 p.m. Mr. Fudacz reported on the history of the Cucamonga Basin Management Plan and the potential litigation of the Cucamonga Judgment. The closed session ended at 4:20 p.m.
9. Committee's Comments and Future Agenda Items – Mr. Willis inquired about a letter issued to SAWCo from Bob Shower. Mr. Moorrees stated that Boyd Goins and Wade Prater were partners in real estate construction who parted ways. Boyd Goins attorney contacted SAWCo about some shares to which SAWCo responded. Mr. Moorrees e-mailed SAWCo's legal counsel with regard to the situation for direction.

Adjournment – Due to no further business the meeting was adjourned at 4:25 p.m.

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Assistant Secretary  
Charles Moorrees