

MINUTES OF THE SAN ANTONIO WATER COMPANY  
PLANNING, RESOURCES, and OPERATIONS COMMITTEE  
August 31, 2011

An open meeting of the Planning, Resources, and Operations Committee (PROC) of the San Antonio Water Company (SAWCo) was called to order at 2:04 p.m. on the above date at the company office located at 139 N. Euclid Ave., Upland, California. Committee members present were Tom Thomas, Ken Willis, and Brian Brandt. Also in attendance were General Manager Charles Moorrees, and Assistant Manager of Administration and Finance Teri Layton. Mr. Willis presided.

1. Recognitions & Presentations – None.
2. Additions-Deletions to the Agenda – None.
3. Public Comments – None.
4. Approval of Committee Meeting Minutes – Mr. Brandt moved and Mr. Thomas seconded to approve the meeting minutes of June 29, 2011 as presented. Motion carried.
5. Planning & Operational Issues:
  - A. Six Basins-Sale of Stored Water – Mr. Moorrees reported that SAWCo has a stored water account in Six Basins but its groundwater recharge is limited to a rate of 1,000 acre-feet (AF) per year with a 2,000AF limitation on accumulation. So as to not lose the available water, SAWCo traditionally transfers the remaining balance of stored water to a shareholder with water rights in the basin at the end of each year. Three Valley Municipal Water District (TVMWD) is a shareholder with rights in the basin who is interested in purchasing water in October of this year that would be in excess of their entitlement. Normally stored water sold in excess of entitlement is sold at a tiered rate of \$466/AF; however, considering that Metropolitan Water District (MWD) currently has supplemental water for sale at a rate of \$409/AF, the Company offered to sell TVMWD between 500AF – 1,000AF of water at an adjusted competitive rate of \$400/AF [\$200,000 – \$400,000].

Will Elliott entered the meeting at 2:05 p.m.

Mr. Moorrees recommended the committee recommend the Board approve the sale of stored water out of SAWCo's Six Basins Stored Water Account to TVMWD at a rate of \$400/AF.

Mr. Willis moved and Mr. Brandt seconded to approve the manager's recommendation. Motion carried with Mr. Thomas abstaining.

- B. Easement Vacation Request [APN# 1044-051-07] – Mr. Moorrees stated that SAWCo received a request from a consultant on behalf of their client to vacate a "blanket" easement on property located on the south side of 20<sup>th</sup> Street, west of Euclid for proposed Tract#16989 development, APN#1044-051-07. Mr.

Moorrees explained that SAWCo's did operate an old irrigation line on that property but it has since been abandoned. Furthermore, the water company has no future need for facilities on this property.

Mr. Elliott moved and Mr. Brandt seconded to approve the abandonment of the "blanket" easement located on the south side of 20<sup>th</sup> Street, west of Euclid Ave. Motion carried.

C. Conservation Levee & Facility Expansion Study – Mr. Moorrees brought to the attention of the committee the "draft" Camp, Dresser, and McKee (CDM) study of SAWCo's existing facilities within the San Antonio Creek included in the meeting packet. Mr. Moorrees reported that most of staff's comments on the report were correcting things that were already known. The main portion of the report was information SAWCo already had. The remaining information dealt with what can be done to improve. Improvements that were mentioned were that of raising the wall at the mainbox to increase the head, modernizing the Edison Box, and using different flow meters. Mr. Moorrees did advise CDM that the water rights information given is confidential. He will meet with CDM to review the comments and hopes to have a final draft by the next PROC meeting. No action taken as this item was brought up for discussion only.

D. Section 10.02 Classes of Service – Ms. Layton reported finding a Bylaw amendment on Section 10.02 in the minutes that was approved by the Board on April 18, 1995. The amendment identified four different classifications; however, the Bylaws were never changed and this practice was never implemented. Staff researched further to see if there was any change after this action and did not find anything else in the minutes on the matter. There was no recollection as to why it was not implemented and legal counsel advised that he never saw this amendment nor agrees to this amendment. Although the Bylaw amendment was adopted, legal counsel suggested to not recognize the amendment but to amend the Section 10.02 to something more meaningful. Ms. Layton pointed out that currently Section 10.02 identifies two classes of service as being "domestic" and "irrigation." It further states; "Any share or fractional share receiving one service shall not be entitled to the other." The City of Upland currently utilizes both domestic and irrigation water, but are recognized as an irrigation customer. Stock issued by the Company never stated whether it is "irrigation" or "domestic" stock.

Ms. Layton read aloud the six recommendations for consideration by the committee. Mr. Thomas suggested eliminating the sentence in the bylaws that specifies domestic or irrigation water.

Mr. Elliott moved and Mr. Brandt seconded to recommend the Board approve the removal of the sentence in the bylaws that states that any share or fractional share receiving one service shall not be entitled to the other. Motion carried.

E. Holly Drive Water System Assets & Easements – Mr. Moorrees explained that in and around 2004 staff was made aware that the Holly Drive facilities may not have been transferred to SAWCo. Further research showed that the facilities were not recorded in SAWCo's asset book for depreciation. Mr. Moorrees contacted

the San Bernardino County who stated that the documents pertaining to the Holly Drive development were no longer available. An easement was found for SAWCo's reservoir in that area but there was error in the description. Additionally, a 20 foot easement was also discovered for the access road from Holly Drive north to the reservoir.

Mr. Moorrees contacted TKE to get a proposal for plotting out the site and determine whether SAWCo has proper easements for the reservoir and existing pipeline and booster station.

Mr. Thomas questioned whether the Holly Drive system was inadequate and wondered if the Holly Drive Association currently owns it if they should be responsible for bringing it up to standard before SAWCo takes it over.

Ms. Layton stated that SAWCo assumed the responsibility of this system since it was built not knowing that the assets were not transferred over.

Mr. Moorrees stated that SAWCo did identify the 26<sup>th</sup> Street zone in their Master Plan. If a development does occur, the builder will be required to put in a large reservoir which will connect to the Holly Drive system which will no longer be a closed system.

Mr. Moorrees recommend the committee authorize staff to seek engineering services to rectify the assets and easements issue with the Holly Drive System in the amount of \$7,000.

Mr. Brandt moved and Mr. Hill seconded to approve the manager's recommendation. Motion carried.

F. Bottled Water – Mr. Moorrees presented a video titled “Bottled Water is an Environmental Disaster”. Discussion followed.

6. Planning & Operational Update -

A. Project Status Report

- **Tunnel Pipeline Improvement** – Staff is anticipating a proposal from Sancon Engineering for HDPE installation.
- **Well 25A – Drilling** – Notice to proceed was issued to URS Consultants. Pre job walk is scheduled for September 12, 2011.
- **Cucamonga Basin-Desilting project at crosswalls**-The Notice of Exemption for environmental was filed. Stipulations for approval of the haul route from John Holliday have been received. Pending conditional use permit from the City of Upland. It was suggested that Mr. Willis and Mr. Moorrees to meeting with Stephen Dunn, the city manager.
- **Forebay Improvements** – Pending the issuance of the building permit.
- **Water Rights Investigation-Activity** – Staff met with Paul Ridgeway to determine where his meter will be placed and his stream diversion was located. Construction on another house was discovered at Mt. Baldy Road and Ice House Canyon.

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- **WFA Pipeline Connection** – Staff met with WFA about making a surface waterline connection to WFA. SAWCo is looking at using water from the Frankish Stamm Tunnel. Pending engineering plans.
  - **Chino Basin Recharge Pipeline** – Received and reviewed the proposal from TKE. Pending the Professional Services Agreement.
7. Basin Issues & Updates
- A. *San Antonio Canyon Watershed* – Nothing was discussed.
  - B. *Cucamonga Basin*- Nothing was discussed.
8. Closed Session – None.
9. Committee’s Comments and Future Agenda Items – None.

Adjournment – Due to no further business, the meeting was adjourned at 3:20 p.m.

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Assistant Secretary  
Charles Moorrees