

MINUTES OF THE SAN ANTONIO WATER COMPANY
PLANNING, RESOURCES, and OPERATIONS COMMITTEE
October 27, 2011

An open meeting of the Planning, Resources, and Operations Committee (PROC) of the San Antonio Water Company (SAWCo) was called to order at 3:05 p.m. on the above date at the company office located at 139 N. Euclid Ave., Upland, California. Committee members present were Tom Thomas, and Will Elliott. Also in attendance were General Manager Charles Moorrees, and Assistant Manager of Administration and Finance Teri Layton and Dr. Fred Gattas. Mr. Thomas presided.

1. Recognitions & Presentations – None.
2. Additions-Deletions to the Agenda – Dr. Gattas requested adding Holly Drive water system to the agenda. The Holly Drive water system was added to the agenda as Item 5D.

Director Brian Brandt entered the meeting at 3:06 p.m.

3. Public Comments – None.
4. Approval of Committee Meeting Minutes – Mr. Brandt moved and Mr. Thomas seconded to approve the meeting minutes of August 31, 2011 with the correction of replacing Mr. Thomas as the seconding party for Item 5E. Motion carried.

5. Planning & Operational Issues:

A. Cucamonga Crosswalls – Mr. Moorrees reported that the spreading grounds in the Cucamonga Basin are slowly being eliminated. Originally there were seven basins but now there are only two left. One of which has been greatly reduced. This increased concern with the ability to spread water in the Cucamonga Basin. SAWCo was able to negotiate with the San Bernardino County Flood Control District (SBCFCD) to keep more water behind Basin 6. Along with Cucamonga Valley Water District (CVWD) a feasibility study was done by Wildermuth Environmental, Inc. (WEI) to explore alternative recharge further north. One of the recommendations from WEI was to re-establish the Cucamonga Crosswalls north of the dam. An additional 1,850 acre-feet (AF) could be anticipated if this was done. The project was estimated at \$656,000. A contractor named Mike Grbic with GRB offered to do the work for free on the premise that he can market the material. The SBCFCD had no objections to this and approved the plans by CVWD and provided their assistance in preparing the required environmental “bird study” completed by mid-December and authorized SAWCo to apply for a permit with the Department of Fish and Game. Staff met with the City of Upland Planning staff and SBCFCD regarding the proposed project that includes processing and hauling the materials off-site within a portion of the City’s boundary. Initially, City Staff requested SAWCo to obtain a letter approving the haul route from Holliday Rock. Staff and SBCFCD met with Holliday Rock on July 6, 2011 and received written correspondence agreeing with the proposed haul route provided certain conditions were addressed. Staff and SBCFCD incorporated the conditions suggested by Holliday Rock in the County’s permit.

Recently, the City of Upland added the requirement of applying for a conditional use permit (CUP) for processing the materials and the existing debris including the haul route along 20th Street between New Campus Avenue and the Cucamonga Channel.

Initially, this project would be completed at no cost. In order to proceed with the repair and desilting of the Cucamonga Crosswalls, the City of Upland deemed it necessary to process the project for a CUP. This action requires preparation of an Initial Study, Noise Study and Air Quality Management District (AQMD) Study for City staff presentation the Planning Commission for CUP approval. It will more than likely be January or February before a permit is issued.

Staff engaged Desert Consulting Group for the Initial Study at a cost of \$7,000 and Kunzman Associates for the Noise and AQMD Study for \$8,000. Additionally, Mr. Moorrees requested a contingency of \$10,000 for any other costs incurred as a result of this project.

Mr. Moorrees requested the committee recommend the Board to approve the additional appropriation of \$25,000 from Operating Reserves.

Mr. Brandt inquired as to how much interest CVWD had in this basin. Mr. Moorrees reported 70 percent. It was suggested that SAWCo request CVWD pay 70 percent of the total cost for this project. Mr. Moorrees stated that SAWCo is getting more of a direct benefit from this recharge project than CVWD but will approach them about cost sharing.

Mr. Brandt moved and Mr. Elliott to approach CVWD to contribute 70 percent of the project costs and to approve \$25,000 from Operating Reserves. Motion carried.

- B. Water Rights Investigation – Mt. Baldy – Mr. Moorrees reported that he and Ms. Layton met with the United States Forest Service (USFS) regarding SAWCo’s continuing water rights investigation. USFS is establishing just how many cabins and diversions there are in the Mt. Baldy area and agreed that it was necessary to meter all of them. It was requested that the water company consider a discounted rate for the water. Mr. Moorrees clarified that it is not a commodity rate they are going to be charged it is an ongoing legal claim for the illegal use of SAWCo’s water rights.

The committee discussed the request from USFS for a reduced rate and respectfully declined.

Mr. Elliott moved and Mr. Brandt seconded to approve the declination of a reduced rate for water for Mt. Baldy. Motion carried.

- C. Section 10.02 Classes of Service – Mr. Moorrees brought to the attention of the committee that this section of the Bylaws mentions two classes of service; Domestic and Irrigation. Staff spoke with legal counsel who suggested creating another amendment to the Bylaws and label the two types of water as treated and

not treated. Once legal counsel has submitted a full report staff will bring it back to the PROC for discussion and possible implementation.

- D. Holly Drive Water System – Dr. Gattas expressed his desire that SAWCo not have any liability when it came to this water system. He stated the reservoir is older and may need some updating as well as it being borderline adequate and may need replacement. He is afraid that if SAWCo legally takes over the facilities they may need to update it. Dr. Gattas was requesting verbiage in any agreement that is made with regard to this system to protect SAWCo from any excessive updating costs. He felt that SAWCo is taking care of their responsibility to their shareholders on Holly Drive and can continue to do so by metering the reservoir and providing water.

Mr. Moorrees stated that his main concerns for this water system are fire protection and the fact that the insufficient size of the existing reservoir requires it to be filled up three or four times daily to meet the demand of Holly Drive residents.

Staff found no record in the Board meeting minutes on any discussion or conditions imposed on the Holly Drive development. Generally, SAWCo would have reviewed the plans and made any corrections or conditions for development. SAWCo nor the San Bernardino County have any record of this. Mr. Moorrees spoke with Ron Williams, a former president of the Holly Drive Home Owners Association (HOA), who may have retained some of those documents. Mr. Moorrees also spoke with the current president of the HOA and offered to speak at their next meeting to answer any questions.

The two options are to have the HOA take care of the system or have them transfer ownership over to SAWCo. Precautions for either scenario were discussed. At this time Dr. Gattas advised Mr. Moorrees to put the HOA on notice.

6. Planning & Operational Update -

A. Project Status Report

- **Res 6 - 100,000 Gallon Tank Installation** – Mr. Moorrees brought to the attention of the committee some current pictures of the reservoir construction. It is scheduled to be completed by December 18th.
- **Well 25A – Drilling** – Noise Study was completed and has been submitted to the City of Upland. Construction may not begin until early next year.
- **Forebay Improvements** – Pending the issuance of the building permit. It has been nearly a year that SAWCo has been waiting for word on a building permit for this project.
- **December 2010 - Storm Repairs in SA Canyon** – C.P. Construction has completed the work. SAWCo will advise Army Corps of the work done sans permits. Mr. Moorrees also spoke about possibly creating a check dams to allow the silt material to build up over the domestic Tunnel.
- **Feasibility Study - Edison & Tnl Ponds [Conserv. Levee]** – SAWCo has engaged Camp, Dresser, and McKee (CDM) but was disappointed in their

conclusion. Staff met with special counsel, Fred Fudacz, and CDM to explain further what SAWCo is trying to accomplish and is pending a revised study.

- **WFA Pipeline Connection** – Originally halted do to some water quality issues but is now resurfacing on the possibility of using well water. Staff met with Water Facilities Authority (WFA) management and discussed this idea. WFA’s operation manager requested the well water be delivered through to the treatment plant process. Further discussion is required.
- **Chino Basin Recharge Pipeline** – Kick-off meeting was held. This project will allow SAWCo to take water that would normally be lost and divert it to Chino Basin and receive recharge credit.
- **Frankish Tunnel Pipeline** –SAWCo may be required to obtain easement rights.

7. Basin Issues & Updates

- A. *San Antonio Canyon Watershed* – Meeting scheduled for November 9th with the USFS. Previously, SAWCo discussed with the USFS the cost of metering the diversions. It was determined that they have 14 diversions plus 20 direct diversions to cabins. The forest ranger needed to verify whether or not the diversions are legal.

Ms. Layton has requested on several occasions the information on who the water provider is that they are using to get the right to serve and which ones are under the CUP and which ones are not. She has yet to receive a response.

- B. *Cucamonga Basin* – The report from WEI is expected shortly. A meeting is scheduled with WEI.
- C. *Chino Basin* – A workshop on the 85/15 Rule was scheduled for the previous day but was canceled. Mr. Moorrees feels the rule should be eliminated. The Appropriative Pool (AP) met to discuss active direction to what items are included on the agenda. It was agreed that each AP member needed to communicate better with their representative on the Board.

8. Closed Session – None.

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

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

Assistant Secretary
Charles Moorrees