

MINUTES OF THE SAN ANTONIO WATER COMPANY  
PLANNING, RESOURCES, and OPERATIONS COMMITTEE  
November 24, 2015

An open meeting of the Planning, Resources, and Operations Committee (PROC) of the San Antonio Water Company (SAWCo) was called to order at 3:01 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, Ken Willis, and Tom Thomas. Also in attendance were Craig Parker with Cannon Engineering, Ryan Shaw with the City of Ontario, SAWCo's General Manager Charles Moorrees, Assistant Manager of Administration and Finance Teri Layton, and Administrative Specialist Kelly Mitchell. Mr. Willis presided.

1. Recognitions and Presentations – Ryan Shaw with the City of Ontario was introduced. Craig Parker with Cannon Engineering was introduced to present Item 5A.
2. Additions-Deletions to the Agenda – None.
3. Public Comments – None.
4. Approval of Committee Meeting Minutes:
  - A. ***Regular Committee Minutes of September 22, 2015*** – Mr. Gerardi moved and Mr. Thomas seconded to approve the meeting minutes of September 22, 2015. Motion carried.
5. Planning and Operational Issues:
  - A. ***Alternative Energy Generation Feasibility Study***– Mr. Moorrees stated Craig Parker with Cannon Engineering prepared the study. Mr. Parker then explained the study's findings.

Mr. Parker reported that Cannon Engineering was looking at solar power, natural gas, and internal combustion engines for Wells 25A, 26, and 27A. Of the three well sites, only Well 25A appeared to be a viable facility for alternative energy. South Coast Air Quality Management District, a regulatory agency, allows natural gas and internal combustion engines but they are so cost prohibitive due to emissions that it is not advisable to use them. Because of this, natural gas micro turbines were explored.

Rebates from Southern California Edison (SCE) were looked into. The program RES-BCT was a good option but only offered to companies SCE considered public entities. The Net Energy Metering (NEM) program SCE offers, however, will work for SAWCo. NEM allows for each site to be independent so if a company produces power or uses power they simply subtract the difference for each separate site. Southern California Gas Company offers the Self-Generation Incentive Program that gives a 44 cent per watt rebate for generating power with a micro turbine.

Because RES-BCT is not available to SAWCo, solar was looked at for only Well 25A which requires roughly .77 acres of solar panels to operate. For natural gas micro turbines, a smaller area is needed to operate. Case evaluation, which takes current dollars spent and projects future dollars, was used to determine which option was best for SAWCo. The three options involved were; doing nothing, building solar power or using a power purchase agreement, or building a natural gas micro turbine. Solar power is very favorable for Well 25A and natural gas micro turbines are not favorable due to having to buy the fuel and operate and maintain the turbines.

Mr. Gerardi questioned whether SAWCo would begin a solar project at Well 25A now or wait for the possibility of moving the company office and yard facilities to the location to start the project. It was mentioned that solar panels could be installed once a site plan is created with the locations of the office and yard buildings. Mr. Parker also noted that the cost of solar is becoming more economical by the day and it may be more cost effective to wait a couple of years to begin the project.

The possibility of continuing solar to wells near the Well 25A property was discussed. Mr. Parker advised SCE has a tariff that doesn't allow for generating power and then crossing property lines to bring that power to another facility. SAWCo would need to purchase the land they currently have an easement on in order to bring solar power to it from the Well 25A property.

Mr. Gerardi moved and Mr. Thomas seconded to recommend the Board receive and file the Alternative Energy Feasibility Study provided by Cannon Engineering. Motion carried.

Mr. Parker exited the meeting.

- B. *Crown Castle –Cell Tower*** – Mr. Moorrees reported Crown Castle currently has a cell tower ground lease with SAWCo at a different location. In October, Crown Castle proposed leasing a cell tower site on SAWCo's Reservoir 6 site. Crown Castle was advised that it is a hillside development and there is no electricity. Currently, Crown Castle is offering \$2,200 per month to lease a portion of this site for a cell tower. Mr. Moorrees advised the cell tower lease SAWCo already has with Crown Castle is \$2,500 per month. If the committee agrees to look into the possibility of a ground lease at this location, Mr. Moorrees will have a field review completed, negotiate the price, and bring the results to the Board of Directors.

Mr. Gerardi moved and Mr. Thomas seconded to approve the General Manager to explore the possibility of a ground lease with Crown Castle at the Reservoir 6 site and bring the information obtained to the Board for recommendation. Motion carried.

- C. *Basin 3 Spread Line*** – Mr. Moorrees advised that with the need to seek out an alternative route for the current Cucamonga Crosswall Project, staff presented a plan to develop a roadway connection between the processing area south of the dam, westerly to the SCE access road. This access route requires a portion of the

existing flows from the San Antonio Creek into Cucamonga Basin be piped for the road crossing.

C.P. Construction is currently finishing their work on the Frankish Tunnel Pipeline connection in the area of the proposed alternative route. With equipment in place, staff requested C.P. Construction provide a proposal to pipe these flows. Due to the urgent need to complete the route, staff engaged with C.P. Construction to pipe the flows.

Mr. Thomas moved and Mr. Gerardi seconded to recommend the Board ratify the expense to route SAWCo's spread water line in a pipeline at a cost of \$29,850 and appropriate funds from Depreciation and Obsolescence Reserves. Motion carried.

*D. Draft CY2016 Capital Improvements/Outlay Budget* – Mr. Moorrees reviewed the Draft CY2016 Capital Improvement Budget with the committee.

6. Planning and Operational Update -

A. *Project Status Report* –

- **Frankish Tunnel Pipeline** – Work will be finished shortly. A change order is needed due to the City of Upland requiring SAWCo slurry half of the street.
- **Water Master Plan/Urban Water Management Plan** – Mr. Moorrees advised that Anthony Herda was no longer with Civiltech Engineering. A new engineer will be assigned to the project.
- **Cucamonga Basin – Desilting project at the crosswalls** – Public Hearing scheduled for December 8<sup>th</sup>. Staff will meet with local residents prior to on December 2<sup>nd</sup>.

7. Basin Issues and Updates

A. *San Antonio Canyon Watershed* – The next meeting is scheduled for December 2<sup>nd</sup>.

B. *Chino Basin* – Ms. Layton reported at the last meeting a motion passed by 51% to reappoint the watermaster nine member board for a 3-year term as opposed to a 5-year term. Watermaster staff was also directed to initiate an evaluation of watermaster business operations including stakeholder input with the intent of looking for opportunities to maximize effective implementation of the judgment or best management practices.

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

8. Closed Session: None.

9. Committee's Comments and Future Agenda Items: – None.

Adjournment: –The meeting was adjourned at 4:27 p.m. Motion carried.

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Assistant Secretary  
Charles Moorrees