



SAWCO WATERWORKS

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2016 Shareholder Assessment & Water Rate & Fee Analysis

Reduced water supply and back to back entitlement reductions impacts the Water Company’s revenue. One of the reasons why utilities rates are a double edged sword is that their rates subsidizes fixed expenses. Therefore, you may observe rate increases or a “loss of revenue” charge when water delivery is reduced due to drought or water conservation.

Optimally, if a standard Water Availability Charge covers the Company’s fixed expenses, then the rate need only to cover the cost to produce and deliver the water. Any remaining positive income should then be transferred to reserves for capital improvements. So theoretically, if no water was delivered, the Company’s expenses are fully funded. Be advised that the Water Company will seek to prepare a Rate & Fee study to include exploring possible Shareholders Assessments and increase in water rates.



RAINFALL DATA

	2014	2015	2016
Jan	.43	.82	5.44
Feb	2.39	1.61	.62
Mar.	.57	.32	
April	1.05	.41	
May	.01	1.59	
June	.00	.01	
July	.00	.79	
Aug.	.79	.00	
Sept.	.01	1.20	
Oct.	.07	1.07	
Nov	1.18	.41	
Dec	4.65	1.30	
TOTAL	11.15	9.53	6.06

1958-2013 Annual rainfall average: 22.40 inches
 rainfall data collected from
www.sbcounty.gov. & www.usace.army

Water Supply

Although, the Water Company may have abundant water rights on paper, below is a spreadsheet of the amount of water it produced since the beginning of the drought. Note the reduction in water supply in CY2013 that caused the 18% reduction in entitlements in March 2014 and the reduced production in CY2014 that caused the 15% reduction in March of 2015. It is also important to note that during this time our shareholders reduced their water consumption based on the Governors emergency water use restrictions which, by the way, has been **extended** into this calendar year.

Water Production, Transfer and Delivery Profiles (acre-feet)

Source Pumped	2015	2014	2013	2012
Chino Basin	1,144	1,548	1,086	1,092
Six Basins	738	936	1,163	1,472
Cucamonga Basin	4,428	6,210	8,818	7,630
Subtotal:	6,310	8,694	11,067	10,194

Total Canyon Flows	2,211	1,659	1,433	2,271
Domestic Tunnel	727	1,230	1,082	2,341
Purchased Water	0	0	0	0
Subtotal:	2,938	2,889	2,515	4,612
Total Water in System:	9,248	11,583	13,582	14,806

We are still in a High WATER SHORTAGE Alert Stage. Please continue to conserve!

MANAGER'S MESSAGE

Where is El Nino?

What happened to the Godzilla El Nino? We know it's caused severe weather across the US and around the globe, but in Southern California, it's "hasta luego".

Doesn't it seem that the more you talk about it, the less of a reality it becomes or does it become an unrealized expectation?

I do not recall any forewarning about the back to back 30-year storm event in January/February 2005 that produced a substantial amount of water in a short period of time causing substantial damage to the Water Company's facilities along the San Antonio Creek. We were surprised again in December 2010 with a deluge that also damaged some of our facilities in the San Antonio Creek.

We were forewarned about the coming El Nino and have made necessary preparations for when it comes. Will it be the saving grace from the four years of drought? Probably not, but it will be a reprieve. The good thing that came about the struggle with water supply during the drought is that it has caused water entities to begin working together towards a more sustainable solution as well as finding creative ways for water efficiency. Reduced water supplies will certainly punctuate the value of water as rates rise accordingly and that also is a reality.

So we still look forward to El Nino whether it comes today, next week, next month, or next year.

Charles Moorrees

WE ARE STILL IN A DROUGHT!



Water Alert
High Shortage Stage

- Watering Schedule 6pm-6am only
- ✓ Even address: Wednesday & Sunday
- ✓ Odd Address: Tuesday & Saturday
- Excessive run off prohibited

Water is in short supply....Please follow the watering schedule above, or you may be fined!

Water Efficiency Corner

Pressure Regulators

Pressure regulators are very common in homes built after 1978. They are normally found on the main water valve at the home near the hose bib just before the water enters the home.

These regulators control the amount of water pressure entering the home for their indoor uses. Typically, pressure regulators are set for 60 PSI (pounds per square inch), depending on homeowners preference. The higher the PSI the more pressure thru the pipes which can be very damaging to your system. Also, high PSI will push more water through the pipes at one time which could also be a waste of water if it's not used or captured as quickly as it comes through. One third (1/3) less water is used at 60 PSI then 100 PSI. So for overall water savings and wear and tear on your pipes, it's best to adjust your regulator to 60 - 80 PSI.



If you experience any changes in your water pressure in the home, it most likely is an indication that the pressure regulator is failing. Test the regulator by purchasing a pressure gauge from a local hardware store for around \$15.00 and follow the simple instructions. If it has failed, a new pressure regulator will cost you \$30.00 - \$100.00 from the local hardware store. It can be installed by either the homeowner or a local plumber.

Projects in Motion

1. Cucamonga Cross Walls Desilting & Repair - prepare to mobilize in March
2. Basin 6 Desilting - Pending Environmental Document - completion in April
3. Water Master Plan (WMP) - Document Preparation
4. Urban Water Management Plan - Pending Preparation-completion in July
5. Office Relocation Feasibility Study - AdHoc Committee to submit RFP for design services
6. Edison Pond Expansion Study - Cannon Engineering to conduct
7. Tunnel conveyance microbial analysis - Engaged with Environmental Engineering firm to analyze and prepare appropriate response and resolution by April 2016
8. Forebay - Tunnel UV system (placeholder alternative for microbial issues)

Kick the Habit Campaign

In conjunction with Inland Empire Utilities Agency and our partnering agencies, the **Kick The Habit** campaign is a public awareness campaign to **increase awareness** about the drought. It promotes changes in water use that will ensure the **sustainability of our water** supply for future generations. You may have seen our company trucks with the **Kick The Habit** signs, as well as commuter buses and you should continue to see advertisements in our local newspapers, movie theaters and banners throughout the local areas. To get more information and to sign up for the latest news, go to <http://kickwaterwaste.com>.



Projects Completed

1. WFA Pipeline Connection
2. Well 25A Site Improvements
3. Spring Terrace Waterline
4. Wildrose Lane Waterline
5. Chino Basin Recharge Pipeline
6. Air Separation Vault to TP
7. Alternative Energy Feasibility Study
8. Frankish Tunnel Pipeline Connection

SAWCo Waterworks

is produced quarterly to keep San Antonio Water Company shareholders informed about water-related issues and upcoming events. If you have any questions or comments, please call the office at 909-982-4107.



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**Kick the Habit
don't waste water**



**GENERAL
MANAGER**

Charles Moorrees

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What is Entitlement?

Many questions have been received regarding water bills received in January 2016. Most common question...."I used the same amount of water on the last bill (September and October) and this bill (November and December) is more, why?" In March 2015, entitlement decreased by 18% based on the amount of water available. The Summer months entitlement is more than the Winter months. By looking at the schedule below, the entitlement for a 1/4 share for Sept/Oct is 4200 and Nov/Dec is 2423 which simply means that you receive less water at the lower rate for your Nov/Dec. usage. The example below does not include The Readiness to Serve Charge. Here's how it works:

Sept/October 8000 CF with 1/4 share

*4200 CF at \$0.51 HCF = \$21.42
3800 CF at \$1.33 HCF = \$50.54
Total for water \$ 71.96

Nov/December 8000 CF with 1/4 share

**2423 CF at \$0.51 HCF = \$12.36
5577 CF at \$1.33 HCF = \$74.17
Total for water \$ 86.53

There is a \$14.57 difference between the two bills. The schedule below is printed on the back of your water bill. The number of shares is also included on the front of the bill and as you can see the more shares you own entitles you to more water at the lower rate.
(CF=1 cubic ft. of water HCF = 100 cubic feet of water)

DOMESTIC BI-MONTHLY BILLING SCHEDULE				
METER RECORDING IN CUBIC FEET (CF) UNITS (1CF=7.805 Gallons)				
Months	1 Share	3/4 Share	1/2 share	1/4 share
Jan - Feb	8,504	6,378	4,252	2,126
Mar - Apr	10,316	7,737	5,158	2,579
May - Jun	14,916	11,187	7,458	3,729
Jul - Aug	18,540	13,905	9,270	4,635
*Sept - Oct	16,798	12,599	8,399	4,200
**Nov - Dec	9,688	7,267	4,844	2,423