

MINUTES OF THE SAN ANTONIO WATER COMPANY
PLANNING, RESOURCES, and OPERATIONS COMMITTEE
July 24, 2018

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, Gino Filippi, and Tom Thomas. Also in attendance were SAWCo's General Manager Charles Moorrees, Assistant General Manager Teri Layton, and Senior Administrative Specialist Kelly Mitchell. Mr. Elliott presided.

1. Recognitions and Presentations – None.
2. Additions-Deletions to the Agenda – None.
3. Public Comments – None.
4. Approval of Committee Meeting Minutes:
 - A. **Regular Committee Minutes of May 22, 2018** – Mr. Thomas moved and Mr. Filippi seconded to approve the meeting minutes of May 22, 2018. Motion carried.
5. Planning and Operational Issues:
 - A. **Calmat – Water Service Agreement** - Mr. Moorrees explained that last year Calmat/Vulcan Materials requested transfer of its entitlement from its Chino Basin stored water account. Though not a party in the Appropriative Pool in Chino Basin at that time, Calmat/Vulcan Materials has since successfully intervened into the Appropriative Pool. Recently, SAWCo approved a request to transfer 4.375 acre feet (AF) of water. As such, legal counsel has asked staff to consider a water service agreement with Calmat/Vulcan Materials.

The Committee reiterated policy that requires a minimum of 100 shares in the water company in order to warrant the possibility of a water service agreement. There was consensus on the Committee that a water service agreement with Calmat/Vulcan Materials was not necessary.

The item was received and filed with no action.

- B. **Mt. Baldy Agency Water Use** – Mr. Moorrees advised the Committee that staff monitors San Antonio Canyon Mutual Service Company and Chapman Ranch water usage. Last year staff noticed the entities were using more water than they have rights to use. At that time, staff prepared a letter to both entities but held off sending it because SAWCo staff was meeting with the State Water Resources Control Board regarding water rights issues.

Staff presented the letter to the PROC for discussion and recommendation on the appropriate next steps.

The Committee discussed a few revisions and edits to the letter and advised it be mailed certified, return receipt.

Mr. Thomas moved and Mr. Filippi seconded to recommend the Board approve updating the letter as discussed and sending it certified, return receipt to the recipients. Motion carried.

C. *Water Rights Investigation* – Mr. Moorrees updated the PROC on the status of the water rights investigation. He gave a brief recap of the steps taken thus far in the investigation and asked the Committee to provide their recommendations for the next steps to take.

Mr. Elliott recommended this item be discussed in closed session with special counsel at the next Board meeting.

There was consensus on the Committee to bring this item to the next Board meeting as a closed session with special counsel.

6. Planning and Operational Update -

A. *Project Status Report* –

- ***Cucamonga Crosswalls Repair & Desilt*** – Grubbing began the previous Wednesday. A portion of the haul route has been graded.
- ***Basin 6 Desilting*** – The 401 permit was rejected again. SAWCo was asked if they would like to apply for the permit separate from the San Bernardino County. SAWCo will likely apply for the permit on their own to speed up the approval process.
- ***Santa Rosa Waterline & 24th Street Waterline Installation*** – Work on both projects began earlier in the day. A hydrant will be placed at the end of 24th Street at the completion of the projects which will allow for a water source for the Cucamonga Crosswalls project.
- ***WFA Pipeline Connection*** – SAWCo's engineering consultant, Civiltec Engineering, is still working with WFA to gather all requirements needed to complete the design of the project.
- ***Holly Drive Booster*** – Engineering design is complete. Electrical proposal has been received.
- ***Holly Drive Reservoir*** – Environmental documents and structural forms are being prepared. Ninety percent plans are expected shortly.
- ***SCADA System Upgrade*** – Management approved software submittal. Projected start date is October 4th.
- ***Interstate 10 Corridor Project*** – San Bernardino County Transportation Authority plans to add lanes to the I-10 freeway. They will be appraising the property SAWCo owns that is impacted by the expansion and paying SAWCo for the access to the site.
- ***Edison Pond*** - New Sluice Gate Replacement – Staff is working with South Bay Foundry to design the trash gate.
- ***Forebay Surface Waterline*** – The project is complete sans paving.

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Mr. Moorrees advised the Committee that the Board previously approved an additional operational expense to replace the motor for Well 24 and the air conditioning unit at Well 31. A new motor has been installed in Well 24 and the old motor is being repaired. Staff is waiting on the new air conditioning unit for Well 31.

Mr. Moorrees informed the Committee SAWCo's Truck #5, the pump truck, is having transmission problems. They have found metal shavings in the oil pan. The motor needs to be replaced at a cost of \$10,000.

Mr. Moorrees brought to the attention of the Committee the draft funding strategy for the proposed office relocation. The City of Upland is in the process of obtaining SR Funding for the reservoir they plan to build on the southeast corner of SAWCo's property at Benson Avenue and 17th Street. Mr. Moorrees stated he will inquire with the City of Upland Public Works Director, Rosemary Hoerning, whether they will do an inverse condemnation on the property to allow SAWCo three years to spend the money they receive for the property.

Mr. Thomas felt the funds from the sale of the property could instead go towards a water treatment facility. He questioned whether gaining the efficiency of having both the office and yard facilities at the same location and the convenience for the San Antonio Heights shareholders is worth the money. He thought it may be possible that the money could be better spent building facilities.

7. Basin Issues and Updates

- ***San Antonio Canyon Watershed*** – The Watershed Clean Up Day is scheduled for Saturday, September 8th.
- ***Six Basins*** – The Six Basins Board meeting is scheduled for July 25, 2018.
- ***Cucamonga Basin*** – A meeting is scheduled with Cucamonga Valley Water District, West End Consolidated Water Company, and SAWCo to discuss basin management.
- ***Chino Basin*** – Ms. Layton reported the court hearing for the Annual Report and staying the judgment was moved to August 17th.

Watermaster drafted an agreement that has upset some of the parties in the Appropriative Pool. The item will be discussed at the meeting this week. A Tolling Agreement is also being proposed.

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

Adjournment: – The meeting was adjourned at 3:49 p.m. Motion carried.

Assistant Secretary
Brian Lee