



SAWCO WATERWORKS

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Policy Update on Rental Property

SAWCo is a share-owned mutual water company. Our bylaws state we are to sell water to shareholders. Over the years we have received requests to put a c/o on the water bill and send it to the residence because the shareholder has rented out the property. To satisfy any legal issues, we asked that shareholders provide a rental agreement. This has proven to be quite an onerous task for our administrative personnel. A recent change in policy states that we will now send the utility bill to the shareholder and to the resident if requested by the shareholder. Since the shareholder is ultimately responsible for the bill and they are receiving the notification, a rental agreement would no longer be needed.



RAINFALL DATA

	2019	2020	2021
Jan	8.63	.17	3.31
Feb	12.02	.24	
Mar.	9.13	4.69	
April	.41	5.71	
May	3.16	.15	
June	.20	.01	
July	.00	.00	
Aug.	*.22	.00	
Sept.	.00	.00	
Oct.	.00	.00	
Nov	3.7	1.15	
Dec	6.38	1.95	
TOTAL	43.85	14.07	3.31

1958-2013 Annual rainfall average: 22.40"
 Rainfall data collected from
 www.usace.army
 *correction

Shareholder's Meeting & Election

Each year, San Antonio Water Company (SAWCo) holds a meeting of the shareholders. At this meeting, there is a recap of the past year's activities and every two years there is an election of directors. SAWCo is governed by a seven-member Board. The next annual shareholder's meeting will be held on April 6, 2021, at which time the following four directors will be up for election:

- Tom Thomas, Jose' Sanchez, Bob Cable, Gino Filippi

Since the City of Upland owns a majority of the stock [appx. 68%]; they would have the majority of votes. The City provides a proxy of directors for election as determined by the City of Upland's elected officials. Since they have the majority of votes, they would ultimately be electing the Board members.



GENERAL MANAGER'S CORNER

General Manager's Message - Winter 2021

I'd like to talk about all the rain we received this winter. I'd really like to... but I can't. In the Year of Our Lord 2020, mother nature once again exposes her fickle attitude in regard to Southern California, highlighting why the term 'average rainfall' holds little comfort to those of us who rely on the wet stuff falling from the sky. We've only had one good rain, which occurred at the end of January 2021. Other than that, bupkis.

In December, your Board of Directors approved the 2021 budget (available at www.sawaterco.com), including a total company yearly entitlement of 13,000 acre-feet. This is unchanged from last year with the hopes that mother nature is a little more generous in March and April this year.

As most of you know, San Antonio Water Company does not import any water. Our shareholders rely on local sources to provide year-round water. The San Antonio Canyon has remained a wonderful provider for the last 148 years. But in years when canyon water is reduced due to limited rainfall the Company relies heavily on our local groundwater sources to meet shareholder needs.

The Company pumps water from three different groundwater sources; Chino Basin, Cucamonga Basin and Six-Basins Basin. Many other companies also draw water from these basins. Because of the multiple demands, each basin is 'adjudicated', meaning a court has determined how much water each company can remove from each basin in any one year. The technical term for how much yearly water can be withdrawn from a basin is called the Operating Safe Yield (OSY). For SAWCo, our yearly OSY for each basin is:

- **Chino Basin** **1,232 Acre Feet per Year (AFY)**
- **Cucamonga Basin**~6,000 AFY, depending on 10-year average spreading (see below)
- **Six-Basin** **932 AFY**
- **TOTAL** **8,164 AFY**

In addition to OSY, the Company may also store additional water in Chino and Six-Basin basins. This storage water typically comes from 'spreading' excess canyon water during years when rainfall exceeds local demand. Storage space is limited and managed by the Watermaster of each basin.

The Company currently operates ten wells scattered over our three shared basins. Obviously, drilling more wells is an expensive undertaking and will not increase our water supply. Given the limited storage available and restrictions on pumping rights, the Company continues to manage its groundwater resources carefully, looking beyond any single year for our groundwater needs. Over the long run, mother nature has provided enough local water for our shareholders, provided we manage it appropriately.

Just like the last 148 years, SAWCo intends to continue successfully managing our groundwater resources for the benefit of our shareholders. And we will continue to pray for rain...



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What's Happening?

Project Update

FRANKISH TUNNEL OUTFALL IMPROVEMENTS

At its December 2020 meeting, the Board approved a \$130k project to improve the Frankish Tunnel outfall, located in Cucamonga Basin. This project will ensure we capture all of the raw water being released from the Frankish Tunnel for storage into various groundwater basins for future use. Project is already completed in time for the 2021 rainy season (Come on rainy season!)

RESERVOIR 9 PIPELINE

At its November 2020 meeting the Board approved an \$890k pipeline replacement project to relocate old leaky pipelines out of backyards along Electric Avenue and Newman Street and install about 2,600 lineal feet of new replacement pipelines within the right-of-way along 25th Street and Burt Street. This project delivers raw canyon water to irrigation customers and excess storm water into storage at various groundwater basins for future use. Construction should be complete by Spring 2021.

SMALL PIPELINE PROJECTS

At its December 2020 meeting, the Board approved a \$740k project to replace various drinking water pipelines within the heights. These old pipelines have reached their end of service life. Streets affected include Primrose Lane, Linda Lane, Lamplighter Lane and Euclid Crescent/N. Cliff Road. This project should be completed by Spring 2021.

HOLLY DRIVE RESERVOIR – PHASE 2

At its September 2020 meeting, the Board approved a \$780k project to install a 100,000-gallon steel tank at the upper end of Holly Drive. This tank will provide additional fire and operations water storage for the Company. This phase of the project should be completed by Summer 2021. The third phase will include replacement of the existing 20,000 gallon with a second 100,000-gallon steel tank, bringing total water storage at our Holly Drive site to 200,000 gallons.

AUTOMATED METER READING (AMR)

At its September 2020 meeting, the Board approved a \$740k project to replace all Company meters with new automated meters. Our old meters required operators to visit once a month and obtain a reading of water consumed during the previous 30 days. This created problems with old customer irrigation pipelines leaking large amounts of water unchecked for weeks at a time, resulting in large water bills, often shockingly large water bills. We are replacing those old meters with new AMR cellular meters. These new meters are basically a cell phone strapped to a water meter that will send out one single text every day, reporting water usage over a 24-hour period. A computer algorithm is used to flag 'high usage' during a single day, allowing a response within days instead of months. Later this year each and every shareholder will have direct online access to their water consumption records, allowing you to track and receive alerts directly. An additional benefit to these new meters is the savings of up to four days of labor it used to take to read the old meters.

Meter replacement began in December of 2020. Full replacement should be completed by April 2021. Once the meters are fully integrated into the system, we will begin notifying customers how to access their online meter records.



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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Gino Filippi—Director
Martha Goss—Director
Rudy Zuniga—Director

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**GENERAL
MANAGER**

Brian Lee

DESIGNER/EDITOR

Roberta Thomas



	2020 Budget	2021 Budget
Revenue	\$ 5,408,000	\$ 5,431,000
Expenses	3,502,000	3,176,800
Profit (loss)	1,906,000	2,254,200
Capital Improvements	2,056,100	3,411,000
Profit (loss) with CIP	(150,100)	(1,156,800)

San Antonio Water Company is in good financial condition and has not raised rates since 2017. Looking at 2021, it appears we will not need to raise rates again this coming year. Our cash reserve is currently a little over 7 million at the end of 2020. The loss shown above with Capital Improvement Projects (CIP) is expected to be deducted from these cash reserves.