



SAWCO WATERWORKS

INSIDE THIS

<i>General Manager's Corner</i>	2
<i>Focus of the Day</i>	3
<i>SAHA meeting</i>	3
<i>What's under the lid?</i>	3
<i>Water Alert—Year Round Stage</i>	3
<i>Project Update</i>	4



RAINFALL DATA

	2017	2018	2019
Jan	14.74	3.38	8.63
Feb	3.89	.57	12.02
Mar.	.74	6.26	9.13
April	.09	.02	.41
May	.39	.83	3.16
June	.00	.00	.20
July	.07	.01	.00
Aug.	.02	.00	*.22
Sept.	.28	.00	.00
Oct.	.09	.98	.00
Nov	.00	3.21	3.7
Dec	.00	2.54	
TOTAL	20.31	17.80	37.47

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

Online Payment Convenience Charges

Effective 3/1/2020, Convenience charges will be implemented on all online payments thru our website.

- \$1.25 municipal online fee—paid directly to our software company Tyler Tech.
- 1% of transaction amount - to cover cost from the online merchant account.



SAWCo President Tom Thomas presents a hydrant recognition to Chad Herron

Congratulations to Chad for 30 Years of Service!

Chad Herron celebrated working 30 years at San Antonio Water Company (SAWCo). He was honored at a company sponsored lunch where he was recognized for his service. His journey started in 1989 as a water utility maintenance worker. He currently holds the position of Water Utility Worker III. His leadership guidance will help to bring the next generation into a career in water service.

GENERAL MANAGER'S CORNER

All of us at the Company hope you have enjoyed a safe and wonderful holiday season. I am excited to report that we begin the year in a healthy financial position with the fiscal resources available to continue providing high quality service, replace a significant number of pipes, pumps and tanks, while maintaining emergency reserves. Given the current financial health of the Company, no rate increases are projected for the foreseeable future.

Water entitlement has been increased to 13,000 acre-feet thanks to surface water capture projects completed in 2018-19. Completion of these projects allowed the Company to increase surface water capture during the above-average rainy season of 2019, contributing to increased surface water delivery and also a localized increase in groundwater levels around select wellheads.

As a result of the Company's increased surface water capture and expected availability to deliver full entitlement in 2020, your Board has also reduced the water alert from 'Moderate Shortage Stage' to 'Conservation Program - Year-Round Stage'. With this change restrictions on outdoor watering days have been lifted, allowing shareholders to irrigate on any day of the week they choose, while still restricting irrigation between 10am to 6pm. A smaller positive impact is the removal of time restrictions for washing of vehicles, while still requiring a shut-off nozzle.

In mid-December, your Board approved the Company's 2020 Fiscal Year Budget. Operating revenue is expected to increase 7% from prior year, for a total of \$5.4M. The Water Company's anticipated operating (non-capital) expenses total \$3.5M, a 1% increase over the previous year's budget. Our 2019 year-end review shows an approximately \$6M balance in the Company's capital and operating reserves.

The Company's anticipated capital expenses for 2020 total \$2.1M. We are planning to begin construction on many of the remaining 2017 Master Plan capital projects this upcoming budget year. An additional and major expense planned for this upcoming year will be completion of the 2020 Master Plan and Asset Management Program. With this master plan we intend to chart the Company's asset management program for the next ten years, including a source-water loss-risk review to help prepare the Company for catastrophic impacts to our source water and system.

A big thank you goes to the Administration Department for their incredible effort put forth in creating this year's budget. It was time well spent and very much appreciated. To see the 2020 budget in full, please go to our web site (www.sawaterco.com).

I remain thankful to the community for their input, both Company Committees for their efforts, and the full Board for providing both the vision and guidance necessary as we respond to the ever-changing challenges facing this Company.

Allons-Y!



What's Happening?

SAHA Meeting

Company representatives attended the annual meeting of the San Antonio Heights Association (SAHA) on November 14. It was an excellent opportunity to share with Height's residents. We provided residents with conservation bags containing informative pamphlets, hose nozzles and soil moisture gauges. We shared information on the Company's capital projects in 2019 and discussed how the Company is prepared for wildfires and electricity outages. It is always an enjoyable opportunity to meet with a large number of shareholders and we look forward to attending next year.



It is always an enjoyable opportunity to meet with a large number of shareholders and we look forward to attending next year.

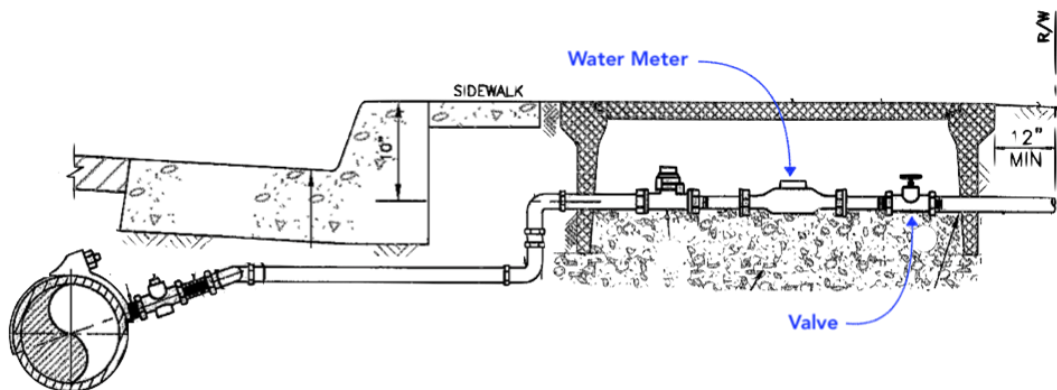


Water Alert Conservation Program - Year Round Stage

- No Outdoor Watering between 10 am and 6 pm
- Handheld hose with nozzle required when washing automobiles
- No washing off driveways, sidewalks, or walkways
- Repair leak or leaks within 72 hours of discovery
- No Excessive water run-off or unreasonable spray of areas being watered

What's under that lid?

Every residential connection to the Company's water system has a meter to measure how much water each shareholder receives. Just behind the meter should be a valve that can be used to shut off water to the residential system. The meter and valve are typically located in a concrete or plastic box somewhere near your front property line. Company staff read these water meters on a monthly basis and sends invoices to each shareholder on a bimonthly schedule.



It is good to know where the valve box to your home is located and keep the box's surrounding area clean and open, allowing Company staff to maintain the meter assembly. Inside the meter box's humid environment, the meter valve can weaken, requiring care when opening or closing. It is also not uncommon for the meter box to contain critters such as snakes, ant, or even beehives. If you are having plumbing repairs done at your house, please contact the Company and we will come and turn your service off/on, potentially saving you the hassle of dealing with 'unexpected nature' or the cost of replacing a broken valve.

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.



Presort Standard
U.S. Postage
PAID
Permit No. 207
Ontario CA

BOARD OF DIRECTORS

Tom Thomas—President
Will Elliott—Vice Pres.
Jose Sanchez—Secretary/CFO
Bob Cable—Director
Gino Filippi—Director
Martha Goss—Director
Rudy Zuniga—Director

139 North Euclid Avenue
Upland, CA 91786
(909) 982-4107
www.sawaterco.com

GENERAL MANAGER

Brian Lee

DESIGNER/EDITOR

Roberta Thomas

Project Updates

With over 10 million gallons of water storage, 240,000 lineal feet of pipeline, along with water intakes and booster pumps, the Company takes its infrastructure seriously. Our Capital Replacement Program is a major component of every yearly budget and we are continuously replacing aged infrastructure with brand new pipes, pumps and tanks.



Holly Drive Tank Pad

In 2019 the Company has advanced several capital replacement projects for the betterment of your water delivery system. We currently have three projects under various stages of construction; Reservoir 7 Reroofing, Campus Avenue Pipeline Replacement and the Cucamonga Crosswalls (Yay rain!). We recently completed construction of a base and retaining wall for next year's construction of a 120,000-gallon steel tank at the upper end of Holly Drive. Earlier this year we completed modernizing our System Control and Data Acquisition (SCADA) central server. This server is the center of our control system, continually collecting information about the system and providing real-time reports to your dedicated System Operators. All told, the Company has replaced over \$1,500,000 of capital facilities in 2019.

Looking forward into 2020, your Board has authorized \$2M for this year to replace pipes, pumps and tanks. The Company has 15 capital projects planned for 2020, including many pipeline projects, design of a new well and building a new tank. It is an aggressive schedule and we encourage you to review the SAWCo 2020 Budget (available on www.sawaterco.com) to read the details about each project.

In addition to replacing pipes, pumps and tanks, this year we will be preparing a Master Plan that will detail future capital needs of the Company to ensure continued delivery of clean wholesome water to you; our shareholders. If you have any questions or concerns about the Company's capital replacement program, please contact us. We'd be happy to listen.



Crosswall Overflow

Reservoir 7 Reroofing, Campus Avenue Pipeline Replacement and the Cucamonga Crosswalls (Yay rain!). We recently completed construction of a base and retaining wall for next year's construction of a 120,000-gallon steel tank at the upper end of Holly Drive. Earlier this year we completed modernizing our System Control and Data Acquisition (SCADA) central server. This server is the center of our control system, continually collecting information about the system and providing real-time reports to your dedicated System Operators. All told, the Company has replaced over \$1,500,000 of capital facilities in 2019.

Inside Reservoir 7

