

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, June 18, 2019

An open meeting of the Board of Directors of the San Antonio Water Company (SAWCo) was called to order at 5:00 p.m. on the above date at the Upland City Hall Council Chambers, 460 North Euclid Avenue, Upland, California. Directors present were Tom Thomas, Jose Sanchez, Will Elliott, Gino Filippi, Martha Goss, and Rudy Zuniga. Also in attendance were SAWCo's General Manager Brian Lee, Assistant General Manager Teri Layton, and Senior Administrative Specialist Kelly Mitchell. Director Thomas presided.

- Salute to the Flag led by Director Zuniga
- 1. Recognitions and Presentations: None.
- 2. Additions-Deletions to the Agenda: None.
- 3. Shareholder-Public Testimony: Acting City of Upland Manager Rosemary Hoerning requested a meeting with Mr. Lee in relation to Item 6A on the agenda.
- 4. Consent Calendar Items:
 - A. Approval of Board Meeting Minutes
Regular Meeting Minutes of May 21 2019.
 - B. Planning, Resources and Operations Committee (PROC) Meeting Minutes
Meeting minutes of March 26, 2019.
 - C. Administration and Finance committee (AFC) Meeting Minutes
No meeting to report.
 - D. Financial Statement
Income Statement and Balance Sheet for April 30, 2019
 - E. Investment Activity Report
Monthly Report of Investments Activity
 - F. Water Production
Bi-Monthly water production [Jan/Feb, Mar/Apr, May/June, July/Aug, Sept/Oct, Nov/Dec]
 - G. Prominent Issues Update
Status summaries on certain on-going active issues.
 - H. Projects and Operations Update
Status summaries on projects and operations matters.
 - I. Groundwater Level patterns [Quarterly in January, April, July, and October]
Tracking patterns of groundwater elevations relative to ground surface.
 - J. Correspondence of Interest

Director Elliott moved and Director Filippi seconded to approve the Consent Calendar Items as presented. Motion carried.

- 5. Board Committee – Delegate Report:
 - A. **Pomona Valley Protective Association (PVPA) Representative's Report** – Director Thomas reported on the June 12th PVPA meeting. The spreading of water appears to have concluded for the season. Roughly 8,000 acre feet (AF) of water was spread by PVPA.

Harvey Mudd College has a honey bee research station located on PVPA land. The land use agreement for the research station has been extended five years. Should PVPA need access or use of the land, a thirty day notice is needed to allow Harvey Mudd College to remove the research station.

The PVPA Board met with a consultant regarding the National Recreation Area. Cost of services is an issue and as such, they have decided to hold off utilizing a consultant at this point.

An area of PVPA property located in Claremont that is prone to homeless encampments will be fenced in by the end of July. Also, below the dam, the repair of a roof prone to break-ins will be completed shortly.

B. Six Basins Representative Report – Mr. Lee reported his absence from the most recent Six Basins meeting. No action items were on the agenda.

C. Chino Basin Representative Report – Ms. Layton reported that last year SAWCo applied for a storage account for 2,000AF of water ending on 9/1/2019. Through the end of May SAWCo has recharged nearly 1,200AF of water for a potential market rate of approximately \$786,000.

On June 4th staff sent over a new application for supplemental water recharge. Watermaster informed SAWCo that the engineering firm, Wildermuth Environmental, Inc. believes there may be potential for a Material Physical Injury and they do not have adequate time to review. SAWCo's application was not put on the Chino Basin Watermaster agenda for June's meeting but staff anticipates it will be included on July's agenda. Watermaster intends to go dark in August which may result in SAWCo requesting a special meeting as no spreading can occur between September 1st and September 26th otherwise. If the recharge has stopped by then, September's Board meeting may be adequate time for approval.

Watermaster has revised the assessment packages through assessment year 2016-2017. Through the end of this time, the Company has 133.7AF in Excess Carry-over and 1,089AF in Supplemental. SAWCo is awaiting the revised assessment packages for 2017-2018 and 2018-2019. Once the assessment packages are up to date, staff will forecast its future obligations.

Staff did not attend the Chino Basin Rules and Regulations meeting held June 4th. Mr. Lee did provide comments to the rules and regulations. At the Appropriative Pool meeting on June 13th, additional time was requested for comments by the appropriators.

Staff plans to attend the Storage Management Plan Workshop being held Thursday, June 20th following the Advisory Pool meeting.

D. Cucamonga Basin Representative Report – The working group met on June 4th.

Cucamonga Valley Water District (CVWD) suggested a Terms of Reference sheet instead of a Memorandum of Understanding and staff is reviewing information. CVWD has \$60,000 in this year's budget and plans to pay SAWCo that amount toward their share of reimbursement costs. The group is working through the Judgment and providing comments.

CVWD applied for Proposition 1 funding for a biological treatment study. The State is wanting information on our Well 19. Staff is providing as much information as is available.

The next meeting is scheduled for July 2nd at 1:30pm.

E. Administration and Finance Committee (AFC) Chairman's Report – No meeting to report.

F. Planning, Resources, and Operations Committee (PROC) Chairman's Report – Director Elliott reported the Committee began the process of capital budgeting and the remaining item is in the General Manager's Report on Activities.

G. Office Feasibility Study Ad Hoc Committee – Mr. Lee reported on the June 12, 2019 meeting. The Committee agreed it best to send out a Request for Proposals (RFP). They will compile a list of architectural firms that will include the feel and history of the Company in the design. The Draft RFP will be presented to the Committee at the July meeting.

6. General Manager's Report on Activities:

A. Nitrate Study – Mr. Lee advised SAWCo has determined the treatment process works and has forwarded a letter to the State of California requesting the approval of its use. Staff has identified two wells in the Chino Basin that are good candidates for this form of biological treatment. Firm cost estimations for treatment of those wells will be generated. Staff will contact municipal shareholders to determine if there is an interest in purchasing the water at cost plus the cost of treatment.

Mr. Lee is considering contracting with MIH to have them design, build, and operate the treatment plant for a five year term. The municipal shareholders would need to commit to purchasing a specified amount of water per year for five years.

Director Thomas inquired whether partnering with the municipal shareholders in order to obtain grants for funding could be explored. Mr. Lee advised his next step is to speak with the municipal shareholders to see if they are interested in partnering in some way.

Director Zuniga inquired about the costs to the City of Upland. Mr. Lee advised the intent is to have the cost of the project be borne by those shareholders purchasing the water directly. He is looking at utilizing the treatment at a specific well that doesn't feed into the general system. Each municipality would be impacted in as much as they purchase and are delivered water from that specific well.

Staff will keep the Board up-to-date as the project is explored further.

7. Closed Session: None.

8. Director's Comments and Future Agenda Items:

Director Thomas recapped his trip to Sister City, Mildura, Australia for the 50 year celebration that recently took place. He, his wife, and several other Upland residents attended the celebration.

Adjournment: Seeing no further business, the meeting was adjourned at 5:25 p.m.

Assistant Secretary
Brian Lee