



# SAN ANTONIO WATER COMPANY

## BOARD OF DIRECTORS MEETING

Tuesday, November 13, 2018

5:00 p.m.

In the Upland City Hall Council Chambers

- Call to Order
- Salute to the Flag

1. Recognitions and Presentations:

2. Additions-Deletions to the Agenda:

3. Shareholder-Public Testimony:

This is the time for any shareholder or member of the public to address the board members on any topic under the jurisdiction of the Company, which is on or not on the agenda. Please note, pursuant to the Brown Act the board is prohibited from taking actions on items not listed on the agenda. For any testimony, speakers are requested to keep their comments to no more than four (4) minutes, including the use of any visual aids, and to do so in a focused and orderly manner. Anyone wishing to speak is requested to voluntarily fill out and submit a speaker's form to the manager prior to speaking.

4. Consent Calendar Items:

All items listed hereunder are considered to be routine and there will be no separate discussion of these items unless members of the board request specific items to be removed from the consent calendar for separate action. All items listed or remaining will be voted upon in a single action.

- A. Approval of Board Meeting Minutes  
Regular Meeting Minutes of October 16, 2018.
- B. Planning, Resources, and Operations Committee (PROC) Meeting Minutes  
No meeting minutes to report.
- C. Administration and Finance Committee (AFC) Meeting Minutes  
Regular meeting minutes of August 28, 2018.
- D. Financial Statement  
Income Statement and Balance Sheet for September 30, 2018 and year-to-date.
- 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 –

5. Board Committee – Delegate Report:

- A. PVPA Representative's Report  
Verbal report on activities at the Pomona Valley Protective Association that have an impact on the Company.

- B. Six Basins Representative Report  
Verbal report on activities at the Six Basins Watermaster that have an impact on the Company.
- C. Chino Basin Representative Report  
Verbal report on activities at the Chino Basin Watermaster that have an impact on the Company.
- D. Cucamonga Basin Representative Report  
Verbal update by staff.
- E. Administration and Finance Committee (AFC) Chairman's Report  
Report on October 23, 2018 meeting.
- F. Planning, Resources, and Operations Committee (PROC) Chairman's Report  
No meeting to report.
- G. Office Feasibility Study Ad Hoc Committee  
No meeting to report.

6. General Manager's Report on Activities

- A. Annual Review of Employee Health Benefits  
Recommend maintaining current coverage through HealthNet
- B. Document Imaging  
Recommendation for new software
- C. CY2019 Calendar  
Recommend approving proposed meeting dates for CY2019
- D. Board Gift – End of the Year Luncheon  
Consider recommendation for a Board Gift to employees
- E. Consideration for 9/80 Work Schedule  
Recommend 9/80 work schedule for employees
- F. Consideration of Contract Approval for Relocation of SCADA Equipment  
Recommend approval of contract
- G. Project Status Report  
Verbal report.

7. Closed Session: None.

8. Director's Comments and Future Agenda Items:

Adjournment:

*The next regular Board Meeting will be held on Tuesday, December 18, 2018 at 5:00 p.m.*

**NOTE:** All agenda report items and back-up materials are available for review and/or acquisition at the Company Office (139 No. Euclid Avenue, Upland, CA.) during regular office hours, Monday through Friday [7:30 am – 11:30 am & 12:30 pm – 4:30 pm]. The agenda is also available for review and copying at the Upland Public Library located at 450 N. Euclid Avenue.

**POSTING STATEMENT:** On November 8, 2018 a true and correct copy of this agenda was posted at the entry of the Company Office (139 No. Euclid Avenue), on the public bulletin board at 450 No. Euclid Avenue (Upland Public Library) and on the Company Website.

**SAN ANTONIO WATER COMPANY**  
**MINUTES OF THE SAN ANTONIO WATER COMPANY**  
**Tuesday, October 16, 2018**

An open meeting of the Board of Directors of the San Antonio Water Company (SAWCo) was called to order at 5:03 p.m. on the above date at the Upland City Hall Council Chambers, 460 North Euclid Avenue, Upland, California. Directors present were Tom Thomas, Will Elliott, Sue Sundell, John Gerardi, Jose Sanchez, and Gino Filippi. Also in attendance were residents Thomas McCarthy and Peter Cherbak, Public Works Director for the City of Upland Rosemary Hoerning, and 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 Mr. Lee
- 1. Recognitions and Presentations: None.
- 2. Additions-Deletions to the Agenda: Mr. Lee added the Pomona Valley Protective Agency (PVPA) Proxy as Item 6G. A copy of the agenda item from the previous year's Board meeting regarding the PVPA Proxy was placed on the dais as an informational item for the Board.
- 3. Shareholder-Public Testimony: None.
- 4. Consent Calendar Items:
  - A. Approval of Board Meeting Minutes  
Regular Meeting Minutes of September 18, 2018.
  - B. Planning, Resources and Operations Committee (PROC) Meeting Minutes  
Meeting Minutes of July 24, 2018.
  - C. Administration and Finance committee (AFC) Meeting Minutes  
No meeting minutes to report.
  - D. Financial Statement  
Income Statement and Balance Sheet for August 31, 2018 and year-to-date.
  - 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  
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  - I. Groundwater Level patterns [Quarterly in January, April, July, and October]  
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  - J. Correspondence of Interest –

Director Sanchez noted duplication in the report for Item 4G. Number 2 under letter H of the report duplicates information on SB606. The information pertained to SB606 as mentioned in the title of the report. Director Sanchez also noted number 1 and number 3 under letter H of Item 4G appear to cover the same topic of AB3057.

Director Gerardi moved and Director Elliott seconded to approve the Consent Calendar with noted duplication correction. Motion carried.

- 5. Board Committee – Delegate Report:
  - A. **Pomona Valley Protective Association (PVPA) Representative's Report** – Director Thomas reported on the October PVPA meeting.

Director Thomas advised that Six Basins is performing a programmatic environmental impact report (PEIR) for the entire Six Basins area. An EIR for the area will eliminate the need for a separate environmental report for every project done in the area.

PVPA granted an easement to the owner of property located in the Thompson Creek Spreading Grounds that is landlocked. The owner is now requesting changes to the easement.

Weed abatement was done through a contract with the City of Pomona and no spreading of water had taken place during the month at the time of the meeting.

Mr. Lee commented on the usefulness of the PEIR.

- B. Six Basins Representative Report** – Mr. Lee reported Wildermuth Environmental, Inc. (WEI) moved to dig a new monitoring well in the basin. Details of the location and costs are to be determined.
- C. Chino Basin Representative Report** – Ms. Layton reported on the Safe Yield Court and Appeal process. She reminded the Board that at the Appropriative Pool (AP) meeting held September 13<sup>th</sup>, the AP approved the 2018 agreement to Judgment and CAMA amendments including Exhibit A. This agreement was subject to the following: 1) There is a clarification that the desalter replenishment formula, with respect to Adjusted Physical Production, includes the production of Exhibit G Section 9 transferred water from the Non-Agriculture (Non-Ag) Pool to the AP; 2) Non-Ag's Pooling Plan is refined to match the agreement; 3) Conditional of governing Party's Board approval; and 4) Watermaster understands the agreement and explains its implementation.

The Agriculture Pool (Ag) had two concerns with the agreement. The six parties were able to eliminate 1 concern but the other remains unresolved. The one that remains unresolved has to do with including WEI's tech memo in the agreement. The hope is if Watermaster would do #4 above, perhaps all parties would agree and it can be moved forward to the court.

Non-Ag in the meantime has filed a motion on 10/4 changing their Pooling Plan which requires the changes yet made in the agreement. The AP has engaged their attorney to draft a response showing it is related.

Ms. Layton advised the Board that the Watermaster Board is coming up for re-appointment. During the last Board appointment, the parties agreed there were some issues with governance and approved a shorter, three year term limit. At this time the parties are recommending another 3 year term limit while governance is still being discussed.

Ms. Layton also reported that both the Non-Ag and Appropriative Pool approved storage agreements at the October 11<sup>th</sup> Pool meeting.

The court hearing regarding staying the Judgment and the Non-Ag Pooling Plan is scheduled for December 28, 2018 at 1:30 p.m.

- D. Cucamonga Basin Representative Report** – Ms. Layton reported that staff began monthly meetings with Cucamonga Valley Water District (CVWD) and West End Consolidated Water Company (WECWC) representatives on October 4, 2018. Cost sharing for the Crosswalls and Basin 6 Desilting projects was discussed. A cost sharing Memorandum of Understanding (MOU) is being drafted. The next meeting is scheduled for November 6<sup>th</sup>.
- 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 advised two of the items discussed at the most recent PROC meeting are included in the General Manager's Report on Activities.

**G. Office Feasibility Study Ad Hoc Committee** – No meeting to report.

6. General Manager's Report on Activities:

**A. Designation and Authorities** – Mr. Lee explained that if the Board, by resolution, appoints him as the assistant secretary and assistant chief financial officer the previous action under resolution 2006-06-01 clarifies that successors of the position are authorized to deposit or withdraw monies.

The Board was advised the officer positions updated on the new resolution were as follows:

- |   |                     |
|---|---------------------|
| • Vice-President  | Mr. Willard Elliott |
| • Secretary/Chief Financial Officer                     | Ms. Susan Sundell   |
| • Assistant Secretary/Assistant Chief Financial Officer | Mr. Brian Lee       |

Also noted was the title description change from Office Manager/Accountant to Assistant General Manager for Ms. Theresa Layton.

Mr. Lee recommended the Board approve the adoption of Resolution 2018-10-01 appointing him as the Assistant Secretary/Assistant Chief Financial Officer of SAWCo.

Director Sanchez moved and Director Elliott seconded to approve the General Manager's recommendation. Motion carried.

**B. Water Supply Projection** – Mr. Lee advised the data on this agenda item was put together by the previous General Manager. The information shows water supply projection supports no change in the existing 12,000 acre feet per year (AF/YR) and as such no change in the water conservation stage.

Mr. Lee recommended the Board approve staff's projection and recommendation to maintain the annual entitlement at 12,000AF/YR for FY2019 and respective entitlement distributions and ongoing Moderate Shortage water conservation stage.

Director Gerardi moved and Director Sundell seconded to approve the General Manager's recommendation. Motion carried.

**C. Rauch Communications PR Proposal** – Mr. Lee stated this item was presented to the PROC during the September 2018 PROC meeting. SAWCo wishes to utilize Rauch Communications services to inform the public about their water rights. He felt it important for a company with such heritage to have documentation readily available explaining their history of water rights.

Mr. Lee recommended the Board authorize staff to execute a time and material contract with Rauch Communications for a not to exceed cost of \$60,000.

The Board and staff discussed the possibility of a closed session on the topic. The Board felt a closed session was not needed at this time as they were provided a copy of the proposal and had no questions pertaining to it.

Director Elliott moved and Director Sanchez seconded to approve authorizing staff to execute a time and material contract with Rauch Communications for a not to exceed cost of \$60,000. Motion carried.

- D. Designations and Authorities** – Mr. Lee asked the Board to appoint him as the alternate representative of Chino Basin, leaving Ms. Layton as the primary, and the primary representative of Six Basins, with Water Utility Superintendent Tommy Hudspeth as the alternate, for SAWCo.

Director Elliott moved and Director Sundell seconded appointing Mr. Lee as the alternate representative of Chino Basin, the primary representative for Six Basins, and Mr. Hudspeth as alternate for Six Basins effective immediately. Motion carried.

- E. Conservation Programs Update** – Director Thomas announced the Annual Landscape and Water Conservation Festival taking place at the Chino Basin Water Conservation District on Saturday, October 20<sup>th</sup>. The family friendly festival runs from 9:00 a.m. to 3:00 p.m. and provides free workshops, demonstrations, and resources for water efficient homes and yards.

Ms. Layton pointed out the Inland Empire Utilities Agency (IEUA) programs SAWCo participates in on the agenda item provided. She advised SAWCo staff will be meeting with IEUA staff in November.

- G.PVPA Proxy** – Director Thomas explained he has carried the proxy for PVPA for the last 17 years.

Director Gerardi moved and Director Elliott seconded to appoint Director Thomas as proxy to vote all SAWCo shares at the annual shareholder's meeting of the Pomona Valley Protective Association on November 14, 2018. Motion carried via voice vote with Director Thomas abstaining.

**F. Project Status Report** –

- **Holly Drive Reservoir** – Request for bids should go out at the end of October with an early December bid opening for the foundation portion of the new reservoir project. Construction should begin early 2019.
- **Basin 6 Desilting** – The project should be completed by the end of the week with clean up taking place the following week.
- **Cucamonga Basin – Desilting project at crosswalls** – The first stage of the project should be completed within the next three weeks. The materials will be moved off the property over the next five years.
- **Office Relocation Feasibility Study** – It is uncertain when the City of Upland will obtain the funding needed to purchase the portion of the property at 17<sup>th</sup> Street and Benson Avenue to construct a new reservoir. Ms. Rosemary Hoerning believes funding may be received by the end of the year. SAWCo will need a plan for how to receive and spend the monies from the sale of the property without impacting the 85/15 rule. Mr. Lee advised reactivating the Office Relocation Feasibility Committee.
- **Well 31 Biological Treatment** – Mr. Lee met with MIH who have added up flow sand filters to reduce turbidity after treatment. If a more simple sugar/alcohol can be brought in that is less expensive and easier for the bacteria to process the overall cost may be reduced to a rate that is compatible with SAWCo's water rates.
- **Holly Drive Boosters** – All underground piping is complete. Electrical equipment is being installed. The foundation should be poured in the next few days.
- **SCADA Upgrade** – Staff met with TESCO who has now received all requested documents from SAWCo. The project is estimated at a month from completion.
- **Reservoir 7 Rehabilitation** – Plans and specification are at roughly 100 percent. The project should go out to bid later this year. The construction will carryover to 2019.
- **Edison Pond – Sulice Gate** – This item is about 3 weeks behind schedule. The gate should ship in the next two weeks for installation.

7. Closed Session: None.

8. Director's Comments and Future Agenda Items: Director Thomas wished Director Filippi good luck in the upcoming election.

Adjournment: Seeing no further business, the meeting was adjourned at 5:30 p.m.

The next Board Meeting will be held on Tuesday, November 13, 2018 at 5:00 p.m.

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Assistant Secretary  
Brian Lee

SAN ANTONIO WATER COMPANY  
ADMINISTRATION and FINANCE COMMITTEE (AFC)  
MINUTES

August 28, 2018

An open meeting of the Administration and Finance Committee (AFC) of the San Antonio Water Company (SAWCo) was called to order at 3:00 p.m. on the above date at the Company office located at 139 N. Euclid Ave., Upland, California. Committee Members present were Sue Sundell, Bob Cable, Jose Sanchez, and Tom Thomas. Also in attendance were Shawn Baker and Mark Fitzpatrick of ICMA-RC, SAWCo's General Manager Charles Moorrees, Assistant General Manager Teri Layton, Accounting and Personnel Specialist Salena Holley, and Senior Administrative Assistant Kelly Mitchell. Mr. Thomas presided.

1. Recognitions and Presentations: Mr. Moorrees recognized Mr. Baker and Mr. Fitzpatrick of ICMA-RC who will be presenting information on Item 5D.
2. Additions-Deletions to the Agenda: Mr. Moorrees advised that due to the presentation, Item 5D would move to the first item discussed.
3. Public Comments: None.
5. Administrative and Financial Issues:
  - D. ***ICMA RC Employee Retirement Health Savings Program*** – Mr. Baker and Mr. Fitzpatrick provided a PowerPoint presentation with information regarding ICMA-RC's VantageCare Retirement Health Savings (RHS) Program. Staff and Committee members inquired about the details of the program and were made aware it is a customizable program.

Contributions to the program are tax deferred and, if they qualify, withdrawals for medical expenses are tax free. There is a \$25 per year annual fee and forty basis points (4/10 of 1%) of the account balance per quarter is also owed annually.

It was determined that SAWCo management will need to work with staff to complete the details of the program they wish to follow and more details can be worked out after SAWCo's new general manager starts work.

Mr. Baker and Mr. Fitzpatrick exited the meeting at 3:52 p.m.

4. Approval of Committee Meeting Minutes: Mr. Sanchez moved and Mr. Cable seconded, to approve the meeting minutes of June 26, 2018. Motion carried.
5. Administrative and Financial Issues:
  - A. ***Approval of Compensation Policy*** – Mr. Moorrees presented the proposed policy to provide an annual process for determining compensation to evaluate the Executive and his/her performance and ask for his/her input on matters of compensated employees as well as compensation for Directors. This item is required as part of the Internal Revenue Services (IRS) Form 990 which tax-exempt organizations must file at the end of each tax year.

Mr. Moorrees also noted that in 2015 a Classification and Compensation Study was completed by RSG Consultants. The study includes a matrix used for evaluating performance.



Mr. Moorrees noted the position of Assistant General Manager located on the proposed draft compensation review policy will be deleted as that position is evaluated by the General Manager.

Mr. Sanchez moved and Mr. Cable seconded to recommend the Board adopt the compensation policy as described. Motion carried.

- B. *Stock Certificate Policy*** – Mr. Moorrees presented a policy change with respect to pledgees on SAWCo stock certificates. He stated that though there is an area on current water stock certificates to indicate a pledgee, a valid Pledge Agreement has never been filed with SAWCo for the associated water stock.

Ms. Mitchell described the different types of pledgees and the process of removing them from the water stock.

The proposed policy eliminates any reference to a pledgee on the water stock certificate and stock transfer paperwork but allows for a pledgee to be recognized upon request when specific criteria is met.

Mr. Cable moved and Mr. Sanchez seconded to recommend the Board adopt the policy to change the practice with respect to pledgees on stock certificates. Motion carried.

- C. *Stock Transfer Policy*** – Mr. Moorrees presented a policy to change the practice with respect to transfer of water shares. He stated often times the persons requesting a stock transfer place the burden of proof on SAWCo which requires extensive research by staff and legal counsel. The proposed policy is designed to offer guidance with respect to these transactions and will relieve the time and expense in processing the request by placing the burden on the shareholder making the request.

Mr. Cable brought about discussion on item 10 regarding exceptions to the proposed policy. Mr. Sanchez suggested adding the words “to Board approval and” to sentence three of the item. The committee was in agreement with the revision.

Mr. Sanchez moved and Mr. Cable seconded to recommend the Board adopt the Stock Transfer Policy as revised. Motion carried.

- E. *Nationwide 401K Investments*** – Mr. Moorrees explained that in May the Board approved changing SAWCo’s Nationwide 401K Plan to the Nationwide Flexible Advantage Program. Upon reviewing the contracts with Nationwide, staff had a few questions and concerns regarding fees for changing plans.

If not altered, SAWCo stands to incur a .40% fee if penalty free participants move to the new platform. They would also be assessed a fee if 15% or more employees leave in one year or a certain number of funds are withdrawn. Employees that don’t meet the requirements of being age 59 ½ and 5 years of participation in the contract or have 15 years of participation in the contract are subject to surrender fees. Three of SAWCo’s current employees stand to be charged surrender fees totaling \$8,695.47.

Mr. Moorrees inquired whether the Board wished to absorb the surrender fees for those employees that are subject to them.

Mr. Cable questioned the \$17,500 annual savings in transfer fees. It was explained the savings was spread across 10 employees whereas the \$8,695.47 in surrender fees is incurred by three employees.

Ms. Layton explained those three employees that stand to incur surrender fees can choose to pay the fees to move their money into the new platform, remain with the old platform and pay higher commission fees than the new platform charges or, if the Board wishes, SAWCo can cover the costs for the three employees to move their funds to the new platform.

Mr. Cable asked staff to inquire with the Nationwide representative whether a dollar amount can be used for determining fee rather than based on a percentage of employees leaving the company and taking their funds.

Mr. Thomas questioned whether there were any tax implications for the employee if SAWCo covers the surrender fee.

There was consensus on the committee to recommend Ms. Layton obtain answers to the questions raised by the committee and bring the item to the next Board meeting. If all questions are answered satisfactorily at the time of the Board meeting, the Board may choose to vote on the item.

**F. *Vacation Policy*** – Mr. Sanchez moved and Mr. Cable seconded to approve recommending the Board amend current employee vacation policy with respect to the ability to use accrued vacation without completing one year of employment. Motion carried.

**G. *Disposal of Records*** – Mr. Cable moved and Mr. Sanchez seconded to recommend the Board approve the disposal of files presented pursuant to the adopted retention schedule and Record Management Policy. Motion carried.

**H. *CY2018 Mid-Year Budget Review*** – Mr. Moorrees handed out an updated mid-year budget review to the committee and drew attention to the bottom line. He pointed out a \$100,000 variance from budgeted to projected revenue due to the sale of stored water to the City of Pomona. SAWCo has a projected positive end of year budget for CY2018.

6. Closed Session: None.

7. Committee Comments and Future Agenda Items: None.

8. Adjournment: The committee determined there was no further business and adjourned the meeting at 4:22 p.m.

The next regular Administration and Finance Committee meeting is scheduled for October 23, 2018 at 3:00 p.m.

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Assistant Secretary  
Brian Lee



San Antonio Water Company, CA

## Income Statement

## Group Summary

For Fiscal: 2018 Period Ending: 09/30/2018

IncomeStatement	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>Category: 4 - Income</b>					
<b>SubCategory: 40 - Shareholder Revenue</b>					
1185 - Domestic Water Income (Base)	230,636.01	230,636.01	106.34	162,707.72	67,928.29
1215 - Domestic Water Income (Supplemental)	306,135.00	306,135.00	-82.84	139,744.34	166,390.66
1220 - Domestic Water Income (Tier 3)	150,000.00	150,000.00	-2,169.94	175,553.03	-25,553.03
1230 - Domestic Water Income (Readi/Chrg)	201,333.00	201,333.00	27.00	132,855.59	68,477.41
1235 - Domestic Water Availability Charge (WAC)	60,480.00	60,480.00	8.80	39,612.71	20,867.29
1245 - Municipal Water Income (Base)	2,732,080.00	2,732,080.00	216,782.50	2,021,013.03	711,066.97
1268 - Municipal Water Income (Readi/Chrg)	79,800.00	79,800.00	6,650.00	59,850.00	19,950.00
1274 - Misc Water Income (Base)	234,192.00	234,192.00	24,105.42	161,065.89	73,126.11
1275 - Misc Water Income (Supplemental)	256,363.00	256,363.00	6,989.81	99,544.17	156,818.83
1276 - Munnicipal Water Availability Charge (WAC)	493,536.00	493,536.00	39,690.00	357,210.00	136,326.00
1280 - Misc Water Income (Tier 3)	3,000.00	3,000.00	0.00	13,555.81	-10,555.81
1288 - Misc Water Income (Readi/Chrg)	23,500.00	23,500.00	2,070.00	18,280.00	5,220.00
1290 - Misc Water Availability Charge (WAC)	44,592.00	44,592.00	1,922.00	17,298.00	27,294.00
1295 - Dormant Water Availability Charge (WAC)	14,722.00	14,722.00	7.86	35,909.61	-21,187.61
1300 - Sale of Water/From Storage	200,000.00	200,000.00	0.00	0.00	200,000.00
1400 - Stock Transfer	4,000.00	4,000.00	420.00	3,570.00	430.00
1410 - Late/Re-establishment Fee	6,181.00	6,181.00	0.00	4,110.00	2,071.00
1420 - Return Check Fee	167.00	167.00	0.00	75.00	92.00
1430 - Stock Certificate Storage and Handling Fee	100.00	100.00	0.00	160.00	-60.00
<b>SubCategory: 40 - Shareholder Revenue Total:</b>	<b>5,040,817.01</b>	<b>5,040,817.01</b>	<b>296,526.95</b>	<b>3,442,114.90</b>	<b>1,598,702.11</b>
<b>SubCategory: 42 - Non-Shareholder Revenue</b>					
1725 - Misc. Income	1,623.00	1,623.00	0.00	1.11	1,621.89
1728 - Plans & Spec Fee	0.00	0.00	0.00	75.00	-75.00
1730 - Construction Permit & Inspection Fee	5,000.00	5,000.00	0.00	0.00	5,000.00
1750 - Service/Litigation Agreements	800.00	800.00	59.15	483.08	316.92
1753 - Ground Lease Income	55,000.00	55,000.00	4,707.84	39,521.84	15,478.16
1755 - Interest Earned	27,000.00	27,000.00	140.07	41,977.34	-14,977.34
1875 - Overhead Income	0.00	0.00	0.00	1,861.92	-1,861.92
<b>SubCategory: 42 - Non-Shareholder Revenue Total:</b>	<b>89,423.00</b>	<b>89,423.00</b>	<b>4,907.06</b>	<b>83,920.29</b>	<b>5,502.71</b>
<b>Category: 4 - Income Total:</b>	<b>5,130,240.01</b>	<b>5,130,240.01</b>	<b>301,434.01</b>	<b>3,526,035.19</b>	<b>1,604,204.82</b>
<b>Category: 5 - O &amp; M Expense</b>					
<b>SubCategory: 50 - Operating Facilities</b>					
2175 - Facility Related Field Labor	218,213.00	218,213.00	32,900.72	189,153.28	29,059.72
2235 - Repairs to Facilities and Equipment	751,167.00	751,167.00	40,274.10	203,506.99	547,660.01
2265 - Power-Gas & Electric (utilities)	587,293.00	587,293.00	82,616.62	626,724.83	-39,431.83
<b>SubCategory: 50 - Operating Facilities Total:</b>	<b>1,556,673.00</b>	<b>1,556,673.00</b>	<b>155,791.44</b>	<b>1,019,385.10</b>	<b>537,287.90</b>
<b>SubCategory: 51 - Operating Activities</b>					
2475 - Customer Service	72,327.00	72,327.00	8,012.32	71,760.84	566.16
2498 - Conservation	30,000.00	30,000.00	4,302.15	24,239.52	5,760.48
<b>SubCategory: 51 - Operating Activities Total:</b>	<b>102,327.00</b>	<b>102,327.00</b>	<b>12,314.47</b>	<b>96,000.36</b>	<b>6,326.64</b>
<b>SubCategory: 52 - Other Operating Expense</b>					
2205 - Non-Facility Related Labor	88,586.00	88,586.00	6,964.09	63,763.88	24,822.12
2210 - O & M - All Other	3,201.00	3,201.00	0.00	424.66	2,776.34
2280 - Purchased Water	44,357.00	44,357.00	0.00	0.00	44,357.00
2295 - Supplies (Inventory & Tools Expense)	9,953.00	9,953.00	826.87	4,699.78	5,253.22
2565 - Depreciation/Amortization	974,807.00	974,807.00	75,493.50	657,645.21	317,161.79
2715 - Property Taxes	221,456.00	221,456.00	0.00	109,298.42	112,157.58
2805 - Water Resource Mgmt.	269,037.00	269,037.00	23,281.17	100,327.31	168,709.69

Income Statement

For Fiscal: 2018 Period Ending: 09/30/2018

IncomeStatement	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>SubCategory: 52 - Other Operating Expense Total:</b>	<b>1,611,397.00</b>	<b>1,611,397.00</b>	<b>106,565.63</b>	<b>936,159.26</b>	<b>675,237.74</b>
<b>Category: 5 - O &amp; M Expense Total:</b>	<b>3,270,397.00</b>	<b>3,270,397.00</b>	<b>274,671.54</b>	<b>2,051,544.72</b>	<b>1,218,852.28</b>
<b>Category: 6 - G &amp; A Expense</b>					
<b>SubCategory: 60 - Personnel</b>					
2115 - Administrative Services	181,060.00	181,060.00	49,750.58	180,437.53	622.47
2130 - Development/Water Svc. App.	2,300.00	2,300.00	188.03	876.23	1,423.77
2325 - Payroll Taxes	67,797.00	67,797.00	5,338.95	52,580.37	15,216.63
2355 - Worker's Compensation Insurance	15,853.00	15,853.00	1,703.00	9,887.73	5,965.27
2385 - Benefit Pay (Vac., sick, etc.)	136,744.00	136,744.00	11,059.43	111,875.64	24,868.36
2415 - Benefit Insurance (Pension,Life,Medical,Vision etc)	231,805.00	231,805.00	17,092.55	154,924.48	76,880.52
2430 - Benefit Administrative Services	1,675.00	1,675.00	0.00	100.00	1,575.00
<b>SubCategory: 60 - Personnel Total:</b>	<b>637,234.00</b>	<b>637,234.00</b>	<b>85,132.54</b>	<b>510,681.98</b>	<b>126,552.02</b>
<b>SubCategory: 61 - Other</b>					
2445 - Office/IT Support	75,000.00	75,000.00	3,087.00	51,707.51	23,292.49
2505 - Directors Fees & Expense	33,611.00	33,611.00	1,500.00	25,331.69	8,279.31
2535 - Liability Insurance	35,394.00	35,394.00	0.00	27,227.00	8,167.00
2595 - Communication	41,239.00	41,239.00	1,214.39	16,947.72	24,291.28
2625 - Dues & Publications	3,700.00	3,700.00	670.00	2,449.81	1,250.19
2655 - Outside Services	70,747.00	70,747.00	5,832.57	37,239.20	33,507.80
2745 - Income Tax Expense	4,700.00	4,700.00	0.00	7,400.00	-2,700.00
2775 - Accounting & Legal Expense	242,332.00	242,332.00	12,938.85	198,813.89	43,518.11
2790 - Human Resources Expense	59,430.00	59,430.00	2,972.94	36,206.96	23,223.04
2865 - All other	50,414.00	50,414.00	479.30	18,321.52	32,092.48
<b>SubCategory: 61 - Other Total:</b>	<b>616,567.00</b>	<b>616,567.00</b>	<b>28,695.05</b>	<b>421,645.30</b>	<b>194,921.70</b>
<b>Category: 6 - G &amp; A Expense Total:</b>	<b>1,253,801.00</b>	<b>1,253,801.00</b>	<b>113,827.59</b>	<b>932,327.28</b>	<b>321,473.72</b>
<b>Total Surplus (Deficit):</b>	<b>606,042.01</b>	<b>606,042.01</b>	<b>-87,065.12</b>	<b>542,163.19</b>	<b>63,878.82</b>

**Fund Summary**

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
10 - 10	606,042.01	606,042.01	-87,065.12	542,163.19	63,878.82
<b>Total Surplus (Deficit):</b>	<b>606,042.01</b>	<b>606,042.01</b>	<b>-87,065.12</b>	<b>542,163.19</b>	<b>63,878.82</b>



San Antonio Water Company, CA

# Balance Sheet

## Account Summary

As Of 09/30/2018

Account	Name	Balance
<b>Fund: 10 - 10</b>		
<b>Assets</b>		
<b>BalSubCategory: 10 - Cash</b>		
<a href="#">10-00-00-10100-00000</a>	Petty Cash	250.00
<a href="#">10-00-00-10200-00000</a>	Checking Account	1,646,456.56
<a href="#">10-00-00-10300-00000</a>	Savings-Money Market	695,117.69
<a href="#">10-00-00-10400-00000</a>	Savings-CD Accounts	20,000.00
<a href="#">10-00-00-10415-00000</a>	D&O Checking Account	218,817.65
<a href="#">10-00-00-10438-00000</a>	Depre/Obsolescene Res (LAIF)	3,596,464.35
	<b>Total BalSubCategory 10 - Cash:</b>	<b>6,177,106.25</b>
<b>BalSubCategory: 11 - Accounts Receivable</b>		
<a href="#">10-00-00-11100-00000</a>	Accounts Receivable-Domestic	51,778.14
<a href="#">10-00-00-11200-00000</a>	Accounts Receivable-Municipal	484,774.09
<a href="#">10-00-00-11250-00000</a>	Accounts Receivable-Misc.	35,288.65
<a href="#">10-00-00-11260-00000</a>	Accounts Receivable - Dormant	1,021.26
<a href="#">10-00-00-11275-00000</a>	Contra Accounts Receivable - Unapplied Cre	-14,660.64
<a href="#">10-00-00-11300-00000</a>	Accounts Receivable-Other	191.51
	<b>Total BalSubCategory 11 - Accounts Receivable:</b>	<b>558,393.01</b>
<b>BalSubCategory: 12 - Inventory</b>		
<a href="#">10-00-00-12100-00000</a>	Inventories-Materials & Supply	92,184.53
	<b>Total BalSubCategory 12 - Inventory:</b>	<b>92,184.53</b>
<b>BalSubCategory: 13 - Prepaid</b>		
<a href="#">10-00-00-13100-00000</a>	Prepaid Insurance	8,868.75
<a href="#">10-00-00-13105-00000</a>	PREPAID POSTAGE	369.00
	<b>Total BalSubCategory 13 - Prepaid:</b>	<b>9,237.75</b>
<b>BalSubCategory: 14 - Investments</b>		
<a href="#">10-00-00-14150-00000</a>	P.V.P.A. Investment	1.00
	<b>Total BalSubCategory 14 - Investments:</b>	<b>1.00</b>
<b>BalSubCategory: 15 - Property, Plant, &amp; Equipment</b>		
<a href="#">10-00-00-15100-00000</a>	Land & Water Rights	924,864.03
<a href="#">10-00-00-15110-1507J</a>	Work in Progress "Proj J"	41,133.01
<a href="#">10-00-00-15110-1601N</a>	Work in Progress	11,190.11
<a href="#">10-00-00-15110-1602U</a>	Work in Progress	154,456.15
<a href="#">10-00-00-15110-1701A</a>	Work in Progress	21,461.35
<a href="#">10-00-00-15110-1801B</a>	Work in Progress	153,210.66
<a href="#">10-00-00-15110-1802E</a>	Work in Progress	70,529.96
<a href="#">10-00-00-15110-1803H</a>	Work In Progress	47,256.84
<a href="#">10-00-00-15110-1804G</a>	Work In Progress	80,173.10
<a href="#">10-00-00-15110-1805F</a>	Work In Progress	107,733.69
<a href="#">10-00-00-15110-1806K</a>	Work In Progress	7,419.55
<a href="#">10-00-00-15110-1807P</a>	Work In Progress	12,289.97
<a href="#">10-00-00-15150-00000</a>	Buildings & Site Improvements	1,745,708.81
<a href="#">10-00-00-15200-00000</a>	Wells-Shafts, Bldgs, & Equip	4,877,875.22
<a href="#">10-00-00-15250-00000</a>	Boosters-Bldgs & Equip	2,181,280.63
<a href="#">10-00-00-15300-00000</a>	Reservoirs	1,635,164.98
<a href="#">10-00-00-15350-00000</a>	Tunnels, Forebay, & Ponds	1,587,111.19
<a href="#">10-00-00-15400-00000</a>	Spreading Works-Cucamonga Wash	54,859.53
<a href="#">10-00-00-15410-00000</a>	Spreading Works-SanAntonio Wash	50,235.18
<a href="#">10-00-00-15450-00000</a>	Pipelines	15,613,893.22
<a href="#">10-00-00-15500-00000</a>	Autos & Equipment	377,943.30
<a href="#">10-00-00-15550-00000</a>	Tools	76,492.47
<a href="#">10-00-00-15600-00000</a>	Telemetry System	482,714.06
<a href="#">10-00-00-15650-00000</a>	Office Equipment	495,036.41

**Balance Sheet**

As Of 09/30/2018

Account	Name	Balance
<a href="#">10-00-00-15990-00000</a>	Accumulated Depreciation	-11,642,539.41
<b>Total BalSubCategory 15 - Property, Plant, &amp; Equipment:</b>		<b>19,167,494.01</b>
<b>BalSubCategory: 16 - Other Assets</b>		
<a href="#">10-00-00-16100-00000</a>	Documents & Studies	867,778.67
<a href="#">10-00-00-16990-00000</a>	Accumulated Amortization	-559,379.14
<b>Total BalSubCategory 16 - Other Assets:</b>		<b>308,399.53</b>
<b>Total Assets:</b>		<b>26,312,816.08</b>
		<b><u>26,312,816.08</u></b>

**Liability**

<b>BalSubCategory: 20 - Short-term less than 1 year</b>		
<a href="#">10-00-00-20100-00000</a>	Trade Accounts Payable	135,651.13
<a href="#">10-00-00-20115-00000</a>	D&O Trade Accounts Payable	119,705.76
<a href="#">10-00-00-20260-00000</a>	Sec.125/Cafeteria Plan Withhld	-2,209.72
<a href="#">10-00-GN-20820-00000</a>	Accrued Vacation Payable	20,404.60
<a href="#">10-00-OP-20820-00000</a>	Accrued Vacation Payable	24,818.57
<b>Total BalSubCategory 20 - Short-term less than 1 year:</b>		<b>298,370.34</b>
<b>BalSubCategory: 21 - Long-term more than 1 year</b>		
<a href="#">10-00-00-21500-00000</a>	Unclaimed Credits	244,974.77
<b>Total BalSubCategory 21 - Long-term more than 1 year:</b>		<b>244,974.77</b>
<b>Total Liability:</b>		<b>543,345.11</b>

**Equity**

<b>BalSubCategory: 30 - Stockholder equity</b>		
<a href="#">10-00-00-30200-00000</a>	Contributed Capital - Ext. Fee	447,258.02
<a href="#">10-00-00-30210-00000</a>	Contr. Property, Plant & Equip	2,404,270.37
<a href="#">10-00-00-30300-00000</a>	Capital Account	1,500,000.00
<a href="#">10-00-00-30310-00000</a>	Unissued Capital Stock	-861,100.00
<a href="#">10-00-00-30400-00000</a>	Retained Earnings-Brd Designated	3,626,009.43
<a href="#">10-00-00-30410-00000</a>	Retained Earnings-Unrestricted	18,110,869.96
<b>Total BalSubCategory 30 - Stockholder equity:</b>		<b>25,227,307.78</b>
<b>Total Beginning Equity:</b>		<b>25,227,307.78</b>
Total Revenue		3,526,035.19
Total Expense		2,983,872.00
<b>Revenues Over/Under Expenses</b>		<b>542,163.19</b>
<b>Total Equity and Current Surplus (Deficit):</b>		<b>25,769,470.97</b>
<b>Total Liabilities, Equity and Current Surplus (Deficit):</b>		<b><u>26,312,816.08</u></b>

### Monthly Investment Activity Summary - Compiled from Banking Statements for Correlation with Monthly Financials

Institution	Type of Investment	Date of Maturity	Rate of Interest	Amount of Deposit	*Accumulated Yearly	Accumulated Yearly
			(A.P.Y.)	as of 9/30/2018	Service Fees	Interest Earnings
					thru September	thru September
Citizens Business Bank (CBB)	*Checking	N/A	No Interest	\$ 1,646,456.56	\$ 18.00	N/A
Citizens Business Bank (CBB)	*D&O Checking	N/A	No Interest	\$ 218,817.65		N/A
Citizens Business Bank	Pref. Money Mrkt	N/A	0.25%	\$695,117.69	\$	869.41
Local Agency Investment Fund	LAIF	N/A	1.66%	\$ 3,596,464.35	\$	41,047.89
Golden State Business Bank	12 Month C.D.	April 15,2019	0.40%	\$ 20,000.00	\$	60.04
<b>TOTAL:</b>				\$ 6,176,856.25		
<b>TOTAL IN CD'S:</b>				\$ 20,000.00		



2018	ALL UNITS ARE IN AF												TOTALS
SOURCES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	THIS YEAR IN AF
<b>CHINO BASIN</b>													
Well #12 -inactive	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Well #15 (Domestic)	0.00	0.00	0.00	0.33	0.18	0.18	0.07	0.00	0.00	0.13	0.00	0.00	0.892
Well #16 (Domestic)	9.56	1.19	6.41	26.79	14.25	58.15	76.26	80.89	97.21	65.59	0.00	0.00	436.286
Well#18-inactive	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000
Subtotal	9.56	1.19	6.41	27.12	14.43	58.32	76.33	80.89	97.21	65.72	0.00	0.00	437.178
% of operating safe yield -fiscal year (2017 - 2018)	26%	26%	26%	28%	29%	34%	6%	13%	21%	26%	26%	26%	
<b>CUCAMONGA BASIN</b>													
Well #2	107.75	104.44	112.24	108.74	105.40	94.83	101.54	105.02	101.06	104.19	0.00	0.00	1045.208
Well #3	34.49	25.71	81.46	145.63	112.14	127.99	138.74	142.61	136.88	140.54	0.00	0.00	1086.190
Well#19-inactive	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000
Well #22	12.05	17.12	7.07	39.95	34.00	58.46	86.78	59.64	46.07	42.90	0.00	0.00	404.046
Well #24	133.43	299.10	179.88	330.77	298.18	295.62	274.86	325.99	313.44	321.80	0.00	0.00	2773.063
Well #31	8.55	18.73	3.20	2.92	9.28	53.69	24.84	45.41	7.12	18.67	0.00	0.00	192.410
Well #32 (Domestic)	0.07	0.00	0.01	0.06	0.10	0.18	0.07	0.66	0.01	0.13	0.00	0.00	1.286
License Agmt for Upl. # 15 {SAWCo's Rts}	0.00	0.00	25.71	125.09	176.58	0.00	0.00	0.00	38.03	201.21	0.00	0.00	566.614
Subtotal:	296.34	465.10	409.57	753.17	735.69	630.77	626.83	679.33	642.62	829.42	0.00	0.00	6068.817
Upl. # 15 {WECWCo's Rts} (Memo only)	0.00	0.00	0.00	0.00	0.00	211.93	201.11	199.95	137.01	0.00	0.00	0.00	750.000
% of operating safe yield	7%	17%	26%	43%	59%	73%	87%	102%	116%	135%	135%	135%	
With additional 2,000AF based on 10 yr. average	5%	13%	19%	32%	44%	54%	65%	76%	86%	100%	100%	100%	
Current 10 year Average =	1559.45												
<b>SIX BASINS [UCHB]</b>													
Well #26	41.67	37.45	41.37	40.00	39.97	40.01	41.66	41.76	39.82	40.26	0.00	0.00	403.963
Well #27-A	44.97	40.47	47.49	43.86	43.21	40.95	35.48	35.29	33.00	38.18	0.00	0.00	402.896
Well 25-A	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000
Subtotal:	86.63	77.92	88.86	83.86	83.18	80.95	77.14	77.06	72.82	78.45	0.00	0.00	806.859
7.17% of operating safe yield [CY2018 13,000]	9%	18%	27%	36%	45%	54%	62%	70%	78%	87%	87%	87%	
TOTAL PUMPED	392.53	544.21	504.83	864.14	833.30	770.04	780.29	837.27	812.64	973.58	0.00	0.00	7312.853
<b>GRAVITY FLOW</b>													
V screen	137.27	97.41	196.36	201.94	158.90	95.67	62.80	17.90	59.15	40.11	0.00	0.00	1067.488
Subtotal	137.27	97.41	196.36	201.94	158.90	95.67	62.80	17.90	59.15	40.11	0.00	0.00	1067.488
backwash from city treatment plant	0.58	0.53	0.61	0.56	0.53	0.53	1.35	0.00	0.00	0.00	0.00	0.00	4.685
San Antonio Tunnel (forebay)	199.49	184.84	208.64	202.09	189.68	164.29	159.39	148.80	143.40	147.55	0.00	0.00	1748.161
San Ant. Tunnel Connect to City	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000
Discharge to waste	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000
Total:	337.33	282.78	405.60	404.59	349.10	260.48	223.54	166.70	202.54	187.66	0.00	0.00	2820.334
<b>Purchased Water - Upl. City to Dom. Sys.</b>													
Purchased Water - Upl. City to Dom. Sys.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000
Frankish & Stamm Tunnel to Res 1A Basin 6 - 6" me	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000
Frankish & Stamm Tunnel to Res 1A - memo only ba	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000
TOTAL SUPPLY	729.86	827.00	910.43	1268.74	1182.40	1030.53	1003.83	1003.97	1015.18	1161.24	0.00	0.00	10133.188
<b>Dom. Sys. - Base ***</b>													
Dom. Sys. - Base ***	46.48	46.48	50.61	50.61	75.84	75.84	101.29	101.29	85.92	85.92	0.00	0.00	720.286
Dom. Sys. - Supplemental	18.66	18.66	14.18	14.18	22.94	22.94	34.37	34.37	26.77	26.77	0.00	0.00	233.832
Dom Sys - Tier 3	15.37	15.37	7.63	7.63	10.44	10.44	21.29	21.29	14.35	14.35	0.00	0.00	138.160
Dom. Sys. - Del. to Upl.(24th/Campus)	88.66	84.98	96.55	107.42	74.61	77.43	54.84	45.26	73.15	72.44	0.00	0.00	775.351
Dom. Sys. -del. To Upl. ( Well 16/15)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000
Tunnel meter to the city	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000
Discharge to waste	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000
Truck Loads - note only crosswall projects							1.83	5.50	4.54	4.52			
Well 32 Hydrant Mtr. - note only( started 8/6/18)Crosswalls								0.12	0.00	0.01			
Total in Dom. Sys.=	169.17	165.49	168.97	179.84	183.83	186.65	211.79	202.20	200.19	199.49	0.00	0.00	1867.629



A. Water Supply

Annual entitlement for CY2018 is currently at 12,000 AF.

Six Basins Production

As of October 31, 2018, the Water Company produced a total 806.86 AF (87% of production rights). The Water Company's annual production right is 932.10AF based on the CY2018 OSY of 13,000 (7.17%). This water is currently produced and delivered proportionately to the WFA for the City of Ontario and MVWD entitlement.

The Water Company spread a total of 169.255 AF in Six Basins to date.

Cucamonga Basin Production

As of September 30, 2018, the Water Company produced a total 6068.82 AF [100% of the production rights based on the 10-year running average recharge]. A total of 218.431AF was recharged into Cucamonga Basin. Staff is working to limit production for Nov and Dec. Staff is also working with CVWD and WECWCo on production for November and December of this year.

Chino Basin Production

As of September 30, 2018, the Water Company produced 437.18 AF [26% of production rights in the Chino Basin based on OSY for FY2017/2018].

There has been no water recharged into Chino Basin in this calendar year to date.

Surface Water (San Antonio Creek)

Total flows to date are 1,067.49 AF.

San Antonio Tunnel

Tunnel flows to date are 1,748.16 AF for the domestic system.

B. Company Stock

There is ¼ share of water stock moving from dormant to active this transfer period.

C. Communication and Information Activities

Fall Newsletter was mailed on September 27, 2018. Staff currently working on the Winter Newsletter which will mail the end of December.

Staff is communicating on "Facebook" with 169 friends liking our page. Communication is posted regularly.

Staff presented at the annual San Antonio Heights Association meeting the night of Thursday, November 1<sup>st</sup>. Presentation included a discussion on recognizing irrigation leaks, their financial costs and the possibility of installing 'smart' meters in the future.

D. Groundwater Basin Matters

**Chino Basin**

**Safe Yield Court & Appeal -**

The Pool approved the 2018 agreement to Judgment and CAMA amendments including Exhibit A subject to the following:

1. That there is a clarification that the desalter replenishment formula with respect to Adjusted Physical Production includes the production of Exhibit G section 9 transferred water from the non-ag Pool to the Appropriative Pool.
2. Non-Ag's Pooling Plan is refined to match agreement
3. Conditional of governing Party's Board approval
4. Watermaster understands agreement and explains implementation

There has been a lot of movement at Chino Basin. Non-Ag filed a motion on 10/4/18 changing their Pooling Plan which requires the changes yet made in the agreement. The Appropriative Pool has engaged their attorney to draft a response.

**Governance issue** – The Watermaster Board is coming up for re-appointment. Last time, the parties agreed that there were some issues with governance and approved a three year term limit. With all the other issues going on at Watermaster, the parties are considering another 3 year term limit while governance is still being discussed.

**Storage Agreements** – Both Non-Ag and Appropriative Pool approved storage agreements at the Pool meeting on 10/11/18.

Court hearing regarding staying the Judgement and the Non-Ag Pooling Plan is set for December 28, 2018 @ 1:30 pm.

**Six Basins**

Board meeting scheduled on November 14, 2018.

**E. Monitoring of Assembly Bills Affecting the Water Company**

1. **AB1323, AB 1668, SB 606** - "Making Conservation a California Way of Life" Bills: - All three bills are vehicles for the implementation of Governor Brown's Executive Order B-37-16 which directed the State Water Board, the Department of Water Resources (DWR), the Department of Food and Agriculture, the Public Utilities Commission (PUC), and the California Energy Commission (CEC) to take actions focusing on using water wisely, eliminating water waste, strengthening local drought resilience, and improving ag efficiency and planning. Of the three bills, AB 1323 is considered the "compromise" bill as it would require a stakeholder workgroup to develop, evaluate, and recommend proposals for establishing new water use targets for urban water suppliers and to report to the Governor and the Legislature by December 2019.

AB1323 currently listed as 'In Committee: Held under submission'.

SB606 was approved by the Governor on May 31, 2018

SB606 was approved by the Governor on May 31, 2018.

Staff is assessing impact of these two approved Bills and will report back at a later date.

2. **AB3057** – California Water Not-For-Profit Tax Rules for Mutual Water Companies  
Proposed amendment to the California Revenue and Taxation Code to conform to federal income tax law by exempting not-for-profit mutual water, mutual ditch, or Irrigation

corporations from California income taxes and franchise fees beginning on or after January 1, 2018. Ab3057 currently listed as 'In Committee: Held under submission'

3. **SB 998 (Dodd)** - This was the most onerous bill passed by the legislature that CalMutuals opposed this year. SB 998 requires water systems, including mutual water companies, with more than 200 connections, to grant delinquent customers a 60 day grace period. If it is signed by the Governor, it will also severely limit water utilities in assessing late fees or reconnection charges on delinquent customers who fall under Federal poverty standards. SB 998 was approved by the Governor on Sept 28, 2018. Staff is assessing impact and will report back at a later date.
4. **SB 845 (Monning)** - CalMutuals successfully opposed SB 845 that would have imposed a "voluntary" meter tax on our shareholders and customers. The measure failed in the Assembly. Funds collected were to help disadvantaged communities, mostly in the Central Valley, meet operational and management costs. The bill included a convoluted "opt-out" provision that would have allowed customers to decline the voluntary tax. SB845 currently listed as 'Re-referred to Com on APPR. Pursuant to Assembly Rule 96 (8/24/18)'.

1. Meter Replacement

62 meters are budgeted to replace the old Sensus “multi-jet meters” that have been in place for 15 years with the new Sensus Mag Meters. All 62 meters have been replaced.

2. Water Delivery Connection to the City of Upland

Construct connection at the San Antonio Park. Construction pending DDW approval of the City’s permit amendment.

3. Holly Drive Booster

Construction will be completed by end of year. Pumps have been set. Building has been constructed. Contractor working on electrical, paving and building façade.

4. SCADA System Upgrade

Staff coordinated the upgrade with TESCO and Inland Productivity [Company’s IT Consultant]. The schedule for the upgrade is as follows:

- Equipment Installation by end of December.
- Startup will be early 2019

Final PLC programming was delayed pending coordination between TESCO and Inland Productivity. Purchase and Installation of SCADA servers scheduled for December.

5. Interstate 10 Corridor Project

HNTB has notified staff that they will contact us when project advances again. Pending appraiser for Temporary Construction Easement along the frontage of SAWCo’s Well 12 on Sixth Street.

6. Reservoir 7 Rehabilitation/Design

Bidding package is currently being prepared by Civiltec Engineering for an early 2019 bid. Staff has directed consultant to include fabrication and installation of aluminum dome roof into the general construction contract. That decision will increase the contract cost (overhead and administration of subconsultant) but lower overall project management time requirements for Company.

7. Office Relocation Feasibility Study

The City of Upland requested to purchase the south half of the Benson Avenue property for construction of a reservoir. . Property sale may occur in early 2019.

The Company is considering using proceeds from the property sale to initiate the relocation and consolidation of Company functions onto the northern portion of the Benson Avenue property. Staff is preparing a full plan and project budget for future discussion.

8. WFA Pipeline Connection

Plans and specs are being finalized by CivilTec Engineering for review by WFA. Construction will be scheduled for 2019, anticipating WFA approval.

9. Holly Drive Reservoir

Geotechnical portion of the project is currently out to bid. Bid opening is scheduled for December 13, 2018. Geotechnical work (retaining wall and side grading) is scheduled to be completed in first half of 2019.

Design of the first 120,000-gallon steel tank is on-going. Bidding the tank is scheduled for first half of 2019 with construction occur soon after.

10. Cucamonga Crosswalls Repair & Desilting

Clearing of Crosswall basins is complete. Restoration of Crosswalls is scheduled to be completed within the next few weeks.

Environmental permit conditions required Company commitment to a 5-year restoration and maintenance plan. A simple description of the R&M plan is, "yearly treatment of invasive plant species through direct application of herbicide." Staff intends to bid a contract in early 2019 for the entire 5-year maintenance requirements.

11. Well 31 Biological Treatment Pilot

Staff has met with vendor representatives and conducted a site visit. Pilot testing continues and results show promise. Staff continues to asses overall cost of biological well head treatment

**CY2018 COMPLETED PROJECTS:**

- Santa Rosa Waterline & 24<sup>th</sup> Street Waterline [Budget \$135,000]  
**C.P. Construction \$189,000**
- Transfer Switch/V-Screen and Tunnel Shaft 6 [Budget \$7,000]  
**KSM \$8,048.**
- Truck mounted crane [Budget \$8,000]  
**\$9,011.39**
- Forebay Overflow & Riser [Budget \$30,000]  
**Norstar Plumbing \$17,800**
- Forebay Surface Waterline [Budget \$180,000]  
**C.P. Construction \$85,200**
- Edison Pond Sluice Gate [Budget \$70,000]  
**C.P. Construction \$51,000 [\$15,440 Pomona Share]**

- Basin 6a [Budget \$395,218]  
**C.P. Construction \$253,030**



**Agenda Item No. 6A**

Item Title: Annual Review of Employee Health Benefits

Purpose:

That the Board consider renewal of current employee health benefits for 2019.

Issue:

The issue before the Board is regarding employee health benefits renewal for 2019.

Manager's Recommendation:

That the Board agree to renew employee health, dental and vision benefits through 2019.

Background:

The Company's current employee health insurance is through Health Net. Staff has reviewed 2019 premium increases with Melissa Calabretta, our insurance broker. Health Insurance premiums will rise 9.68% under the Company's current plan. This increase is lower than in years past and below market average.

Ms. Calabretta, from JLR Insurance Services, will present additional information at tonight's meeting.

Previous Action:

None.

Impact on Budget:

Premiums will be budgeted for 2019.

# San Antonio Water



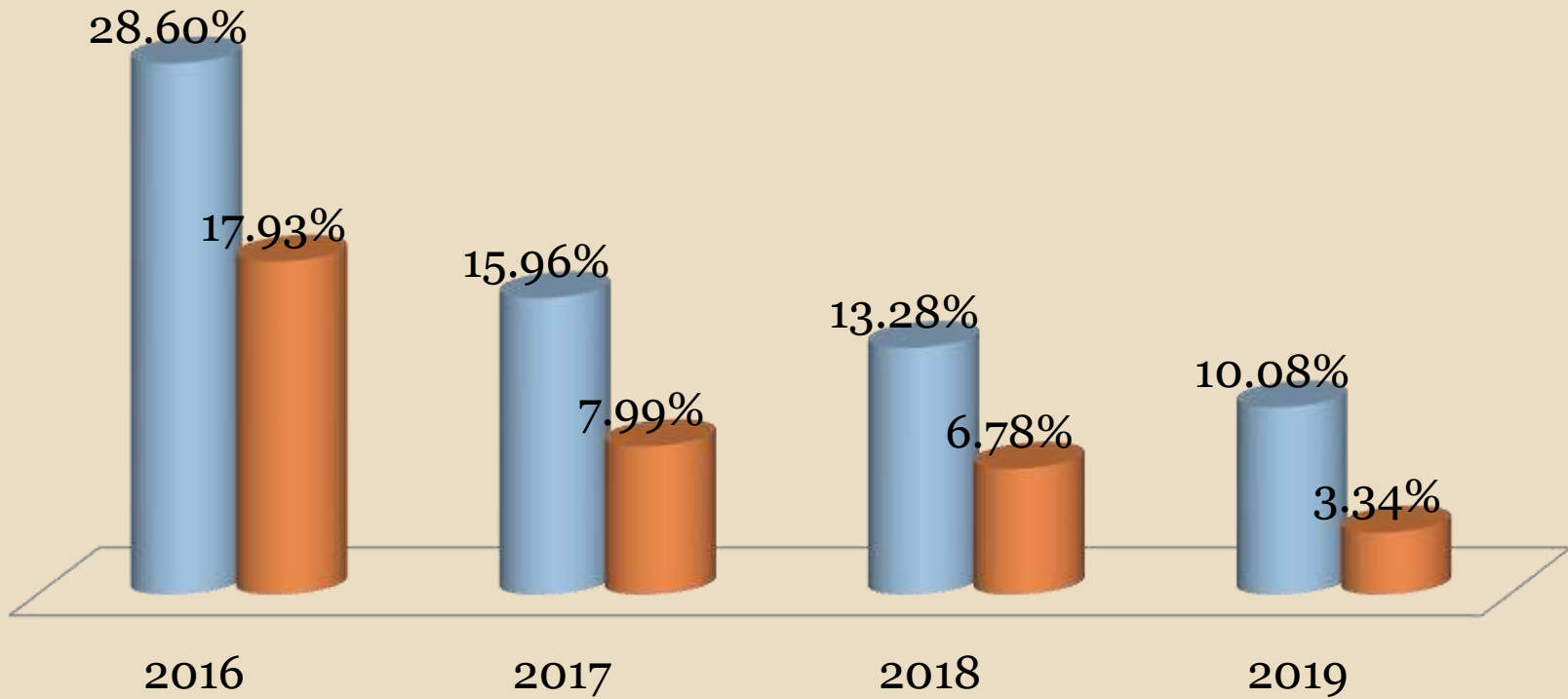
**MARKET REVIEW 2019**

# Rate Review ACA Versus Grandfathered Plans



## Chart Title

■ ACA Plans ■ GF Plans



# What's Happened/Future Outlook

## Changes to ACA Plans to Date

- Rates continue to climb
  - Dependent rating structure changed
  - Each member individually rated
  - 3 to 1 ratio requirement
- Plan design changed significantly
  - OOPM increased drastically
  - Deductibles added to HMO and PPO alike
  - Hospital and Emergency costs more expensive to the member
  - Labs and x-rays not included with office visits anymore.
- Multiple doctor networks created to off set cost. Challenging to employees

## Future Outlook

- Individual market imploding in many states- Employees look to employer for plans
- Rates projected to increase again in 2019 6-9 percent. Deeper impact to families due to rating system.
- Deductibles, Copays, OOPM projected to rise again individual.
- Uncertainty in the market place on the future of healthcare.
- Individual mandate still intact for California

# Recommendations



1. Renew with Health Net for one more year to allow for additional market evaluation.
2. Evaluate current enrollment needs and the impact ACA compliant changes will have to determine cost savings is worth the impact to employees.
3. Evaluate current predictions with recent election for healthcare and weigh the risks of those changes to your current health plan versus ACA compliant plans.
4. Evaluate company budget constraints to determine if saving money in monthly premium is worth the risk of losing grandfathered status.

# Dental and Vision



## Dental

- Another two year rate guarantee issued. Rate pass issued.
- No benefit change.
- Price competitive to current dental plan offerings.
- In process of evaluating if alternate plans could be offered with same price better benefits

## Vision/Life

- Vision rate pass issued.
- No benefit change.
- Life minimal increase to rate. (.33 to .35). No change to AD&D.
- In process of evaluating if alternate plans could be offered with same price better benefits

Agenda Item No. 6B

Item Title: Document Imaging

Purpose:

To present staff's research and recommendation on pursuing new document imaging software.

Issue:

SAWCo's current document imaging software, Doculex, uses some archaic features and often crashes. In January the software will no longer be supported and staff needs to determine which software to utilize.

Manager's Recommendation:

That the Board approve the AFC's recommendation to purchase and utilize DocStar document imaging software.

Background:

In 2012, the Company purchased the document imaging software named Doculex. This software is used to store board meeting minutes, signed resolutions, maps and other important documents. Staff was notified that DocStar has taken over Doculex and at the end of this year, will no longer offer support for Doculex.

Staff inquired with other water companies and cities to see what systems they use for document imaging. After researching document imaging software companies, staff narrowed the possibilities to Tyler Content Manager, DocStar ECM, and DocuShare.

Though all three software have very similar offerings, SAWCo recommends the purchase of DocStar ECM. The costs associated with the purchase and installation of DocStar ECM are compatible with the budgeted amount for the project. DocStar also has the ability and familiarity of converting information from the current software to the new software that the other software companies do not.

Impact on the Budget:

Current 2018 Budget Amount - \$10,000

Previous Actions:

2012 – Purchased Doculex software  
Presented at the October 2018 AFC meeting

**Agenda Item No. 6C**

Item Title: CY2019 Calendar

Purpose:

To present the proposed calendar of meetings and events scheduled for 2019.

Issue:

Does the Board perceive any conflicts with the proposed calendar or recommend changes made to the next year meeting dates? The November PROC meeting is currently scheduled for the week of Thanksgiving and may need to be moved in order to achieve a quorum.

Manager's Recommendation:

That the Board discuss and resolve any issues with the proposed CY2019 Calendar for meetings as presented and recommend for approval.

Background:

Attached to this report is a schedule of meetings and events in the 2019 Calendar Year that includes:

- Board Meetings (Monthly)
- Administrative & Finance Committee Meetings (Bi-monthly)
- Planning, Resources & Operations Committee Meetings (Bi-Monthly)
- Shareholder's Meeting – Annually
- Board Budget Workshop – Early December to workout preliminary budgets for approval at the December Board meeting.
- No advisory committee meetings are scheduled for December.
- Company Holidays

Staff proposes beginning each year with the PROC meetings.

Previous Action:

Presented to the AFC in October.

Impact on Budget:

None.



JANUARY						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

FEBRUARY						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

MARCH						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

APRIL						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

MAY						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

JUNE						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

JULY						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			


AUGUST						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

SEPTEMBER						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

OCTOBER						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

NOVEMBER						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

DECEMBER						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

 Board Meetings

 AFC Meetings

 PROC Meetings

 Company Holidays

 Annual Shareholder's Meeting

 Board Budget Workshop

#### BOARD MEETING

##### DATES

Jan 15	Jul 16
Feb 19	Aug 20
Mar 19	Sept 17
Apr 16	Oct 15
May 21	Nov 19
Jun 18	Dec 17

#### COMPANY HOLIDAYS CELEBRATED

New Year's Day	January 1st
Martin Luther King Day	January 21st
President's Day	February 18th
Memorial Day	May 27th
Independence Day	July 4th
Labor Day	September 2nd
Thanksgiving Day	November 28th
Day after Thanksgiving	November 29th
1/2 Day Christmas Eve	December 24th
Christmas Day	December 25th



**Agenda Item No. 6D**

Item Title: Board Gift - End of the Year Luncheon

Purpose:

That the Board consider an annual end of the year monetary gift for its employees as appropriate.

Issue:

The issue of the board gift was recommended by the Board to be discussed at the AFC meeting prior to the November Board meeting. This issue was presented to the AFC in October for Board concurrence/approval.

It has been practice by the Board to present any Board gift (if approved) at the end of the year luncheon after the Board Workshop.

Manager's Recommendation:

That the Board agree with the recommendation by the AFC to consider the end of the year gift to its employees as appropriate.

Background:

In the past, the Board provided an end of the year gift to the employees. Board gifts for the past years are as follows: [\$1,000 for years 2002-2006, and consistently \$1,250 for years 2007-2017].

The employee bonus is a gift presented by the Board for its employees. This is not required and is a matter to be discussed by the AFC each year.

Additionally, Board gifts shall be prorated for any employee(s) that have not yet completed a year's service. This would also apply to the current part time Administrative Assistant.

In the past, it has been the pleasure of the Board to hand out the gifts to its employees at the end of the year luncheon. The end of the year luncheon will be held at the Sycamore Inn on Wednesday, December 5, 2018.

Previous Action:

Presented to the AFC on October 23, 2018 with recommendation for the Board to consider a \$1,250 gift to its employees.

Impact on Budget:

Budgeted for 2018.

**Agenda Item No. 6E**

Item Title: Consideration for 9/80 Work Schedule

Purpose:

To consider a change in Company standard operating hours from 8-hour work days Monday thru Friday, to 9-hour work days Monday thru Thursday, and rotating working an 8-hour Friday with closing the Company Friday.

Issue:

Shifting to a 9/80 work schedule

Manager's Recommendation:

That the Board approve the AFC recommendation to authorize the 9/80 work schedule taking effect the beginning in 2019 including a 6-month review and status update.

Background:

Staff has been discussing options for improving the work environment while maintaining/increasing value to shareholders. One of the options under consideration is switching to a 9/80 work schedule, whereby the Company stays open nine hours each work day Monday through Thursday and eight hours every other Friday and closes every other Friday. Employees work a full 80-hour two-week work schedule.

Staff is reviewing the proposal with the Company's HR lawyer to determine if there are any fatal flaws. Staff sees no direct financial benefit or detriment to shifting Company operating hours.

There is a minor efficiency benefit whereby the field crews gain an additional hour each work day to complete tasks and reduce set-up/break-down time over the course of the work week.

The City of Upland currently works a 10/80 schedule and is closed every Friday. Staff considered moving to a similar 10/80 schedule. However, a 9/80 schedule will allow business on every other Friday should any customers specifically need services on a Friday.

The proposed hours of operation are as follows:

<u>Office</u>		<u>Field*</u>	
M through Th	7 a.m. to 5 p.m.	M through Th	6:30 a.m. to 4:00 p.m.
Fri One	7 a.m. to 4 p.m.	Fri One	6:30 a.m. to 3:00 p.m.
Fri Two	Closed	Fri Two	Closed

If authorized, the switch to a 9/80 work schedule would begin near the start of the new fiscal/calendar year in 2019. Staff would use the month of December to advertise the switch and notify customers of the change.

Currently, staff has distributed the attached memo for employee's consideration. By law, the 9/80 work schedule can only be implemented if 2/3 of employees vote to authorize the change. Although the vote is scheduled for November 14, 2018, there will likely be a delay due to finalizing details and ensuring all employees are present for the vote.

Agenda Date: November 13, 2018

Previous Action:

Presented to the AFC on October 23, 2018. Committee recommended bringing to the Board for consideration and authorization of the 9/80 work schedule beginning 2019 with vote by staff and 6-month status update.

Impact on Budget:

Increase of \$5,000 for On Call rounds.



# San Antonio Water Company

Incorporated October 25, 1882  
Serving the original Ontario Colony lands

## DISCLOSURE REGARDING PROPOSED ALTERNATIVE WORK SCHEDULE

Proposal: Adjust Company working hours as follows:

M-Th            9 hrs  
Friday-1       8 hrs  
Friday-2       off

- There will be a meeting to discuss the effects of the proposed 9/80 schedule. The meeting will be held on Wednesday, October 31<sup>st</sup>, 2018 at 8 am.
- A closed ballot vote will be conducted no earlier than Wednesday, November 14, 2018 (must be at least 14 days after meeting). It will be a yes/no vote. Two thirds of the employees must vote yes to implement the 9/80 schedule. As exempt employees, Teri and Brian don't get to vote.
- The proposed alternative work schedule will require shifting the end/start time of the Company's work week. The new schedule work week will end, and the next work week will start at 11:00 am on Friday. The new end/start of the work week provides for 40 regular hours per work week under the proposed alternative schedule. The following chart shows the proposed Friday-1 schedule.

	6	7	8	9	10	11	12	1	2	3
Field	x	x	x	x		x	x	x	x	
Office		x	x	x	x		x	x	x	x
	week 1					Week 2				

- On-call schedule will remain almost as-is.  
Differences:
  - On-call schedule will start on Monday at 6:30 am.
  - The on-call person working through a Friday-2 will perform rounds (4 hrs) on that Friday at 1.5x rate. Increases yearly labor cost ~ 0.75%.
  - Friday-2 stand-by will remain \$28/day.
- Employee handbook discusses vacation accrual in 'days'. Switching to a 9/80 work schedule will require an update so that vacation accrual is in 'hours'. Vacation will remain at the same hourly accrual rate (e.g. – 10 'days' vacation accrual equals 80 'hours' accrual).

Page 20 of the handbook will be updated as follows:

“Full time employees hired after June 1, 1999:

<u>Completed Years of Employment</u>	<u>Vacation Hours Per Year</u>
1-4 .....	80 hours
5-15 .....	120 hours
16 or more .....	160 hours

Full time employees hired before June 1, 1999:

<u>Completed Years of Employment</u>	<u>Vacation Hours Per Year</u>
16 or more .....	An additional 8 hours per year of seniority up to a maximum of 184 hours”

- Holidays will be for the day. That is, employees will be provided 9 hours of ‘holiday’ pay for each holiday that falls on a 9-hour work day and 8 hours of holiday pay for each holiday that falls on an 8-hour work day. The second paragraph of page 22 of the handbook will be updated to read, “Holiday pay will be based on your base hourly rate of pay for a 9-hour day if the holiday falls on a 9-hour workday. Holiday pay will be based on your base hourly rate of pay for an 8-hour day if the holiday falls on an 8-hour workday.”
- For holidays that fall on regular days off the first paragraph on page 22 will read as follows, “If a holiday falls on a Sunday, you will have the following Monday off. If the holiday falls on a Saturday following a ‘Friday-1’, you will have the preceding Friday off. If the holiday falls on a Saturday following a ‘Friday-2’, you will have the preceding Thursday off. If a holiday falls on a ‘Friday-2’, you will have the preceding Thursday off.”
- Administrative Leave section of the handbook will be adjusted to read, “Management and exempt employees covered by this policy are awarded ~~five days~~ 40 hours of paid administrative leave on January 1 of each calendar year.”
- Starting Monday, October 29, staff will be counting the amount of daily foot traffic through the front door.
- Staff reached out to City of Upland for comments regarding negatives and positives of their 10/80 work schedule. City staff view the schedule favorably. Individuals wishing to conduct business with the City on Friday view the schedule unfavorably.
- Current proposal is to implement the new schedule starting **Friday, January 4<sup>th</sup>, 2019 at noon**.
  - Pay period for Dec 23- Jan 4 will be for 76 hours; short 4 hours.
  - Monday January 7<sup>th</sup> the field crew starts at 6:30 am and office crew starts at 7 am.
  - Pay period for Jan 4 – Jan 18 will be a full 80 hours, including the 4 hours from Friday Jan. 4<sup>th</sup> afternoon through noon of Friday Jan 18<sup>th</sup>.
- **Company will conduct a six-month trial period to document negatives and positives of a 9/80 schedule. A report will be presented to the full Board at the regularly scheduled July Board meeting.**
- **If the alternative work schedule is approved in the election, this Disclosure shall serve as the written agreement for the alternative work schedule.**

**Agenda Item No. 6F**

**Item Title: Consideration of Contract Approval for Relocation of SCADA Equipment**

**Purpose:**

To consider authorizing staff to execute a contract with TESCO to relocate existing SCADA equipment from Well 25 to Shaft 6.

**Issue:**

Relocating and repurposing currently unused SCADA equipment from Well 25 to Shaft 6.

**Manager's Recommendation:**

That the Board authorize staff to execute a not to exceed \$20,215 contract with TESCO to relocate existing SCADA equipment from Well 25 to Shaft 6

**Background:**

Well 25 is a low yield producer and has remained out of production for years. As such, the current SCADA equipment installed at Well 25 remains unused.

Staff is proposing relocating the SCADA equipment to provide increased security and oversight for the Company's chlorine injection at Shaft 6, currently without SCADA.

**Previous Action:**

None.

**Impact on Budget:**

Repurpose \$20,215 of Capital Budget for 2018. There will be no overall increase in expected capital expenditure for fiscal year 2018.





Corporate Office  
8440 Florin Road, Sacramento, CA 95828  
P.O. Box 299007, Sacramento, CA 95829  
PH: 916.395.8800 FX: 916.429.2817

To: San Antonio Water Company  
Attn: Tommy Hudspeth  
Re: San Antonio Water Company  
Well 25 to Shaft 6 Backpan Relocation

Quote Date: 11/1/18  
Quote No.: 18J213Q01

Dear Tommy:

Thank you for your continued interest in TESCO products, services, and solutions. We are pleased to quote the following scope of work pertaining to the above-referenced project.

### Project Objective & Understanding

It is understood that San Antonio Water Company (SAWC) has decommissioned Well 25. This quotation is in response to SAWC's request for TESCO to provide a new indoor wall-mount enclosure for Shaft 6 and relocate Well 25's existing backpan-mounted equipment to the new Shaft 6 enclosure.

### Scope of Work

TESCO will manufacture and supply a new NEMA 12 indoor, wall-mount enclosure for SAWC to install on the inside of the Shaft 6 Building. TESCO will pre-install a new backpan in our manufacturing facility so that once delivered to Shaft 6, a TESCO Field Service Engineer can provide onsite swap-out of the Well 25 backpan components onto the new Shaft 6 backpan.

It will be necessary for SAWC to relocate Well 25's existing monopole and Yagi Antenna to the Shaft 6 Building so that the Yagi is pointed at the SAWC Dam Repeater. The Dam Repeater hosts one (1) iNET AP Radio and one (1) iNET II Remote Radio that TESCO will reconfigure to transmit Shaft 6's data to SCADA.

It is understood that the Modicon PLC being relocated to Shaft 6 will be used for monitoring purposes only, and no control logic is to be included. In that regard, programming modifications will be required for the Modicon PLC being relocated to Shaft 6 to integrate SAWC's requested alarms, which include:

1. Parkson Chlorine Generator
2. Hypochlorite Pump
3. Site Power
4. Door Entry

Additionally, TESCO will provide ClearSCADA graphical screen development for Shaft 6 and Win-911 programming modifications to incorporate these alarms into the existing application. Following completion of all programming and equipment swap-out, TESCO will provide onsite Yagi antenna alignment, product start-up, product testing, and product commissioning.

*Please Note: TESCO assumes that SAWC will be responsible for providing any necessary conduit running, wire running, field terminations, panel installation, and antenna mast relocation. TESCO will provide installation verification, onsite component swap-out and panel reconfiguration, Yagi antenna alignment to Dam, product testing, and product start-up.*

### Scope of Supply

Item	Qty	Description
1	1	<p><b>New Shaft 6 Equipment</b> to include:</p> <ul style="list-style-type: none"> <li>▪ New NEMA 3R Wall-Mount Enclosure (36”H x 36”W x 18”D)                             <ul style="list-style-type: none"> <li>▪ Backpan</li> <li>▪ Ventilation Louvers</li> <li>▪ Space Provisions for Well 25 Backpan-Mounted Equipment</li> </ul> </li> </ul>
2	Lot	<p><b>Professional Services:</b></p> <ul style="list-style-type: none"> <li>▪ Project Management</li> <li>▪ Engineering                             <ul style="list-style-type: none"> <li>▪ Engineered shop drawings</li> <li>▪ Technical data</li> <li>▪ As-built documentation</li> <li>▪ Project records</li> </ul> </li> <li>▪ Manufacturing Services                             <ul style="list-style-type: none"> <li>▪ Fabrication</li> <li>▪ Manufacturing</li> <li>▪ Assembly</li> <li>▪ Factory testing</li> </ul> </li> <li>▪ PLC Programming                             <ul style="list-style-type: none"> <li>▪ Modicon Momentum programming modifications to remove Well 25 PLC logic and program Shaft 6 alarming capabilities as outlined above</li> <li>▪ Inhouse testing</li> </ul> </li> <li>▪ SCADA Programming                             <ul style="list-style-type: none"> <li>▪ Programming and configuration of Shaft 6 alarms as outlined above (<b>to be performed at time of SCADA upgrade per customer request</b>)</li> <li>▪ Inhouse testing</li> </ul> </li> <li>▪ Networking/Communications/Telemetry                             <ul style="list-style-type: none"> <li>▪ Onsite reconfiguration of Dam Repeater radios</li> <li>▪ Link verification as required</li> <li>▪ Product start-up</li> </ul> </li> <li>▪ Product Startup Services                             <ul style="list-style-type: none"> <li>▪ Installation verification</li> <li>▪ Component swap-out</li> <li>▪ Panel reconfiguration</li> <li>▪ Software upload/download as required</li> <li>▪ Product function checks</li> <li>▪ Product commissioning</li> </ul> </li> </ul>
		<b>TOTAL (including applicable sales tax):</b>
		<b>\$20,215.00</b>

### Project Clarifications

- Unless otherwise indicated by the Scope of Work above, quote is to **furnish only** and does not include any trade labor, trade work, construction work, site improvement, contractor services, or any trade installation services. Any trade labor and/or related trade work shall be performed by others/contractor.
- Unless otherwise indicated by the Scope of Work above, the following is **not** included within this quotation:
  - Conduit, field wire, tubing, or basic trade installation materials (brackets, screws, bolts, j-box, stanchions, pull-box, etc.)

- Instrumentation mounting components, brackets, stanchions, sunshields, etc.
- Local control stations and/or field mounted disconnects.
- Instrumentation, devices, components, or equipment not specifically identified in the above quotation.
- Fiber optic patch panels, cable, splicing or terminations.
- Networking infrastructure or architecture modifications to existing facilities.
- Any 3<sup>rd</sup> party testing, harmonic testing/analysis, protective device coordination study, short-circuit analysis, or Arc-Flash Risk Assessment (AFRA) services.
- Electrical interconnection diagrams for equipment not furnished by TESCO
- ISA process control loop diagrams.
- Signal loop diagrams for equipment not furnished by TESCO.

## Terms and Conditions

- Quote is firm for 30 days unless otherwise stated.
- Delivery: to be scheduled approximately **10-12** weeks minimum upon receipt of purchase order.
- Unless otherwise stated above, price does not include any sales tax, use tax, or applicable fees; please apply any taxes and/or fees as appropriate. Please note that all invoices will include sales tax where applicable.
- TESCO price is FOB factory, full freight allowed.
- TESCO warranties against defect in design, workmanship, and materials for a period of one year from date of installation, and does not exceed 18 months from the date of shipment from the factory.
- TESCO carries liability insurance, with full workman's compensation coverage.
- Terms are net 30 days on approved credit accounts.
- Interest will be applied to all past due invoices.
- All merchandise sold is subject to lien laws.
- Final retention to be paid within 10 days after the project notice of completion.

Please feel free to contact us at (916) 395-8800 to discuss any questions or comments you may have regarding this quotation.

Sincerely,

TESCO CONTROLS, INC.

Alex Leeth  
Technical Sales  
aleeth@tescocontrols.com

FY2018 Budget Projects

PROJECTS IN PROGRESS	Capital	Expense	Total	YTD	Previous Years	Budget Placement	Start Date	End Date
<b>Holly Drive Reservoir - Mandatory PreBid Meeting on Dec 4, 2018. Bid Opening on Dec. 13, 2018</b>	\$118,000		\$118,000	\$38,852	\$112,758	D&O	7/1/2016	Jun-19
<b>Enviromental Document [TKE] PSA amendment</b>	\$23,900		\$0					
<b>Sub-Total =</b>	\$141,900	\$0	\$141,900	\$38,852	\$112,758			
<b>WFA Pipeline Connection - Pending the WFA Board approval to construct the physical connection. Staff is working with CivilTec and coordinating final plans &amp; specifications with the WFA staff. .</b>	\$110,000		\$110,000	\$5,375	\$4,375	D&O	5/6/2016	Dec-18
<b>Sub-Total =</b>	\$110,000	\$0	\$110,000	\$5,375				
<b>Basin 6 Desilting - Project completed</b>	\$395,218	\$0	\$395,218	\$19,826	102923	Carry-over	03/04/15	Oct-18
<b>Sub-Total =</b>	\$395,218	\$0	\$395,218	\$19,826				
<b>Cucamonga Basin - Desilting project at crosswalls- Extraction of Spoils completed</b>	\$247,307		\$247,307	\$30,360	239610	Carry-over	07/16/18	07/16/23
<b>Sub-Total =</b>	\$247,307	\$0	\$247,307	\$30,360	\$239,610			
<b>Office Relocation Feasibility Study</b> Staff has initiated conversations with the City in regards to how property sale is expected to be completed. Staff recommends reactivating committee	\$176,000		\$176,000		\$32,000	Facility	07/23/15	7/1/2018
<b>Sub-Total =</b>	\$25,000		\$176,000	\$0				
<b>Well 31 Biological Treatment - End product cost currently not compatible with current rate structure MIH was approved 60 Day extension to try an alternative filtration system; the pilot was delayed pending DDW approval</b>	\$4,200,000			\$0		Facility	09/13/16	HOLD
<b>Sub-Total =</b>			\$0	\$0				

PROJECTS IN PROGRESS	Capital	Expense	Total	YTD	Previous Year	Budget Placement	Start Date	End Date
<b>Water Deilvery Connection to City of Upland - Pending City's permit amendment application approval from DDW to begin construction.</b>	\$14,145		\$14,145	\$0		D&O	1/1/2018	Dec-18
			\$0		\$0			
<b>Sub-Total =</b>	\$14,145	\$0	\$14,145	\$0	\$0			
<b>Holly Drive Boosters -Major construction completed. Finishing touches being installed.</b>	\$290,000		\$290,000	\$5,958		D&O	1/1/2018	Dec-18
<b>TKE Engineering</b>	\$30,740		\$30,740	\$27,865				
<b>J&amp;K Welding</b>	\$5,693		\$5,693	\$4,373				
<b>KSM /Mechanical &amp; Electrical</b>	\$74,085		\$74,085	\$22,173				
<b>HK/Structural</b>	\$50,738		\$50,738		\$0			
<b>Sub-Total =</b>	\$451,256		\$451,256	\$60,369	\$0			

<b>SCADA Upgrade from Iconics to Clear Scada / Tesco</b> - Hardware on order. Delivery to TESCO in Nov/Dec. Software installed Dec/Jan. Package installation Jan/Feb	\$100,000		\$100,000	\$0		D&O	1/1/2018	Feb-19
			\$0		\$0			
<b>Sub-Total =</b>	\$100,000	\$0	\$100,000		\$0			
<b>Res 7 Rehabilitation</b> - Bidding package being prepared for early2019 bidding/construction	\$180,000		\$180,000			D&O	6/1/2017	Dec-18
Harper & Associates					\$5,140			
CivilTec Engineering			\$0	\$21,766	\$0			
<b>Sub-Total =</b>	\$180,000	\$0	\$180,000	\$21,766	\$5,140			
<b>TOTAL =</b>	<b>\$1,790,781</b>			<b>\$176,548</b>				

<b>CY2018 PROJECTS COMPLETED</b>	<b>Capital</b>	<b>Expense</b>	<b>Total</b>	<b>YTD</b>	<b>Previous Year</b>	<b>Budget Placement</b>	<b>Start Date</b>	<b>End Date</b>
<b>Transfer switch at V-Screen &amp; Shaft 6</b> - KSM.	\$7,000		\$7,000	\$8,048		D&O	2/5/2018	Mar-18
<b>Truck mounted crane</b> - Phonix	\$8,000		\$8,000	\$9,011		D&O		
<b>Forebay Overflow &amp; Riser</b> - Norstar Construction	\$30,000		\$30,000	\$17,800		D&O	3/6/2018	May-18
<b>Edison Pond - New Sluice Gate Replacement</b> -C.P. Construction [\$15,440 is Pomona's share] Pending trash rack from South Bay Foundry.	\$70,000		\$70,000	\$51,000		D&O	3/16/2016	Jul-18
<b>Forebay Surface Waterline</b> - C.P. Construction	\$180,000		\$180,000	\$85,200		D&O	4/1/2018	Jul-18
<b>Santa Rosa Waterline and 24th Street waterline installation</b> - C.P. Construction. Waterline installation complete. Pending compaction testing and paving.	\$189,000	0	\$189,000	\$189,000			7/23/2018	8/6/2018
			\$0		\$0			
<b>Sub-Total =</b>	\$484,000	\$0	\$484,000	\$580,140				