



SAN ANTONIO WATER COMPANY

BOARD OF DIRECTORS MEETING

Tuesday, July 17, 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 June 19, 2018
- B. Planning, Resources, and Operations Committee (PROC) Meeting Minutes
No meeting minutes to report.
- C. Administration and Finance Committee (AFC) Meeting Minutes
Meeting minutes of April 24, 2018.
- D. Financial Statement
*Revised March Income Statement [\$122.45 adjustment]
Income Statement and Balance Sheet for May 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 – None.

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 report on activities at Cucamonga Basin that have an impact on the Company.
- E. Administration and Finance Committee (AFC) Chairman's Report
Report on June 27 meeting.
- F. Planning, Resources, and Operations Committee (PROC) Chairman's Report
No meeting to report.
- G. Executive Recruitment
Update status
- H. Office Feasibility Study Ad Hoc Committee
No meeting to report.

6. General Manager's Report on Activities

- A. Whistle Blower Policy
Recommend adopting policy for non-profit
- B. IEUA Water Rates & Charges
Consideration of proposed IEUA's levy for water resources service
- C. Stock Auction – October 2018
Approve proposed stock auction and timeline
- D. Conservation Programs Update
Receive and file report
- E. Project Status Report
Verbal report.

7. Closed Session:

If needed - Personnel Issues [subdivision 9b) of Section 54957, CGC]

8. Director's Comments and Future Agenda Items:

Adjournment:

The next regular Board Meeting will be held on Tuesday, August 21, 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 July 12, 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, June 19, 2018

An open meeting of the Board of Directors of the San Antonio Water Company (SAWCo) was called to order at 5:02 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, and Jose Sanchez. Also in attendance were SAWCo's General Manager Charles Moorrees, Assistant General Manager Teri Layton, and Senior Administrative Specialist Kelly Mitchell. Director Thomas presided.

- Salute to the Flag
- 1. Recognitions and Presentations: Mr. Moorrees brought the Board's attention to the Conflict of Interest Policy form on the dais. He asked that each Director complete the form and submit it to the office.
- 2. Additions-Deletions to the Agenda: Mr. Moorrees noted a correction on the date range of Item 4F the information is through April 2018.
- 3. Shareholder-Public Testimony: None.
- 4. Consent Calendar Items:
 - A. Approval of Board Meeting Minutes
Regular Meeting Minutes of May 15, 2018.
 - B. Approval of Organization Meeting Minutes
Organization Meeting Minutes of April 10, 2018.
 - C. Planning, Resources and Operations Committee (PROC) Meeting Minutes
Meeting minutes of March 27, 2018.
 - D. Administration and Finance committee (AFC) Meeting Minutes
No meeting minutes.
 - E. Financial Statement
Comparative Income Statement and Balance Sheet for April 30, 2018 and year-to-date.
 - F. Investment Activity Report
Monthly Report of Investments Activity
 - G. Water Production
Bi-Monthly water production [Jan/Feb, Mar/Apr, May/June, July/Aug, Sept/Oct, Nov/Dec]
 - H. Prominent Issues Update
Status summaries on certain on-going active issues.
 - I. Projects and Operations Update
Status summaries on projects and operations matters.
 - J. Groundwater Level patterns [Quarterly in January, April, July, and October]
Tracking patterns of groundwater elevations relative to ground surface.
 - K. Correspondence of Interest

Director Sanchez clarified that at the Organizational Meeting Director Filippi requested to move from the AFC to the PROC however, it was not determined at that time with whom he would swap committees. He felt Item 5E and Item 5F in the Organizational Meeting minutes should then reflect the committees staying the way they were presented as they were changed after the meeting took place. Director Elliott moved and Director Sundell seconded to approve the Consent Calendar with correction to Items 5E and 5F. Motion carried.

- 5. Board Committee – Delegate Report:
 - A. **Pomona Valley Protective Association (PVPA) Representative's Report** – Director Thomas reported on the PVPA meeting held the previous week. The City of Claremont Police Department notified PVPA that there was a homeless encampment on their property located near Padua. The camp was cleaned out at the end of the previous week. This is not the first time a homeless

encampment has been found on PVPA property. The last time one was found PVPA signed an authorization for Claremont Police to enter PVPA property to enforce the law by disbanding the encampment. The original authorization has expired therefore PVPA will submit another one for future use.

Holliday Rock is moving forward with their application with the City of Claremont. Holliday Rock has a mining operations in Upland that extend up to the Los Angeles county line. They would like to mine as close to the channel as possible which crosses the San Bernardino/Los Angeles County line into Claremont. The mining is considered a benefit as the cities receive a mining tax from Holliday Rock as well as the ability to capture more water in the pits.

A Los Angeles County tax measure called the Safe, Clean Water Program is a parcel tax for non-permeable ground that produces water runoff. Land that PVPA owns in Los Angeles County could be subject to this tax even though their ground is permeable as it is used for spreading water. The item goes up for a vote next week for possible inclusion on the November voting ballot. If the item passes there is a possibility of a rebate of all or most of the money going back to the parcels that are permeable and do not cause water run-off.

PVPA has an easement for spreading over old Pit 3 just north of the Sycamore Hills project. As part of the project more dirt is being added to the pit making it smaller. An amendment for the City of Upland with PVPA to allow that pit to be filled up was approved.

B. Six Basins Representative Report – Mr. Moorrees reported on the May 23rd Board meeting for Six Basins. During the meeting the Board approved Three Valleys Municipal Water District (TVMWD) selection of Jericho Systems, Inc. as the Programmatic Environmental Impact Report (PEIR) Consultant.

Holliday Rock presented a proposal to expand their existing mining pits to just east of the San Antonio Channel.

Darren Poulson provided an update on the MS4 Permittees Collaboration.

A Strategic Planning Session was held after the Board meeting to discuss the plan implementation.

SAWCo staff sent a letter to Watermaster advising them of the change in representation. Mr. Tommy Hudspeth will be the primary and Ms. Layton will be the alternate on the Board beginning July 1, 2018.

C. Chino Basin Representative Report – Ms. Layton reported the appeal is still pending. No Briefs have been filed. They are supposed to report to the court again on July 16th. It was previously reported to the Court that the Settlement Agreement would be completed by September. The final Settlement Agreement is nowhere in sight.

Previously, SAWCo staff agreed to a Term Sheet that the Six pack drew up. Staff told the Six pack they look forward to reviewing the draft agreement and will need the necessary time for legal counsel review and time to bring it to their Board for final approval.

The Six pack is attempting to have three items approved at the next Advisory Committee meeting. When the Six pack agreement was made they knew they needed to get the other Pools to agree to the terms. The items include the Exhibit "G" Transfer Rate Amendment, the Peace Agreement Paragraph 5.3 (e) Interpretation, and Amendments to the Judgment and CAMA in order to implement the settlement agreement regarding the appeal from the April 28, 2017 order.

The 40th Annual Report filing court hearing was moved from June 22nd to July 24th at 1:30 p.m. at San Bernardino County Superior Court.

D. Cucamonga Basin Representative Report – Mr. Moorrees stated a memo was sent to all of the parties involved to schedule a meeting.

Ms. Layton stated she spoke with John Bosler with Cucamonga Valley Water District (CVWD) who confirmed he received the memo and plans to meet with SAWCo. His schedule has been full but will schedule a meeting with our staff in the future.

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 stated the items presented at the PROC are included in the General Manager’s Report.

G. Executive Recruitment – Director Thomas advised the pool has been narrowed to four candidates who will go through the interview process on July 18th. The process has taken longer than expected; more will be discussed on the topic during the closed session of the meeting.

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

6. General Manager’s Report on Activities:

A. Water Conservation – Demand Management Measures – Mr. Moorrees reported as part of SAWCo’s Urban Water Management Plan (UWMP), staff previously utilized the California Urban Water Conservation Council (CUWCC) for their Best Management Practices (BMPs) and Demand Management Measures (DMM). In February of 2017, the Board approved SAWCo not signing on with CUWCC on the premise that staff would develop its own DMMs/BMPs to present for Board adoption.

The UWMP identified 14 DMMs established by the Department of Water Resources (DWR) that are to be evaluated. A list of the DMMs staff proposes using for the next UWMP was included in the Board report. The 14 DMMs correspond to the 14 BMPs listed in the CUWCC MOU that signatory water suppliers commit to implement as part of their urban water conservation programs. SAWCo currently utilizes DMMs by employing a part-time Conservation Coordinator, metering all service connections, performing public education and outreach, distribution system asset management for water loss, a wholesale supplier assistance program, assistance programs for SAWCo domestic customers, and by having an established water shortage contingency plan.

Mr. Moorrees recommended the Board adopt the draft DMMs as presented to be a part of SAWCo’s Water Conservation Program in promoting water use efficiency.

Director Elliott moved and Director Sundell seconded to approve adopting the draft DMMs as presented to be included as part of SAWCo’s Water Conservation Program. Motion carried.

B. Red Hill Country Club – Mr. Moorrees reported that in April he presented a letter to the Board from Red Hill Country Club (RHCC) requesting consideration for how they are billed. The Board agreed to look into the request at the committee level. The PROC reviewed the request and it appeared the only viable option was a modified version of the service agreements SAWCo currently has with its municipal water shareholders. SAWCo’s legal counsel drafted an agreement for RHCC. Mr. Moorrees reviewed certain portions of the agreement with the Board.

Mr. Moorrees recommended the Board consider approving the Water Service Agreement as presented and recommended by the PROC with comments as appropriate.

Director Filippi inquired whether 5 years was adequate or normal. Mr. Moorrees affirmed that it was a standard term agreement.

Director Sanchez noted an error in the number of shares listed for RHCC on the agreement. Mr. Moorrees advised he would correct the error before getting signatures.

Director Sanchez moved and Director Elliott seconded to approve the Water Service Agreement with RHCC with correction. Motion carried.

- C. Santa Rosa Court and 24th Street Waterline** – Mr. Moorrees stated the Santa Rosa Court waterline project is a Water Master Plan project. The 24th Street Waterline project was approved by the Board during the May Board meeting. Staff bid both projects at the same time for cost savings.

Selective bids were advertised to C.P. Construction, Norstar Plumbing & Engineering, and T.E. Roberts. C.P. Construction submitted the low bid. Staff made errors in estimating costs and the lowest bids for both projects total \$54,330 and was more than budgeted.

Director Sanchez was concerned about the dramatic increase in costs for this project from the previous waterline project in 2016. Mr. Moorrees noted costs for certain items such as asphalt had increased

Director Sanchez questioned whether SAWCo would ever reject all bids and start the bidding process over. Mr. Moorrees replied these are good contractors who have been vetted and regularly provide good bids. More discussion followed regarding the bidding process and vetting of contractors.

Director Sundell moved and Director Elliott seconded to 1) award to C.P. Construction in the amount of \$189,330 with a 10% Construction Contingency of \$18,933 for a total of \$208,263, and 2) recommend additional budget appropriation of \$73,263 to cover budget variance and, 3) appropriate funds from Depreciation and Obsolescence Reserves. Motion carried.

- D. Proposed Water Delivery Connection to City of Upland** – Mr. Moorrees explained that the issue with the inability to “float” the water levels of the reservoirs on the hydraulic grade line of the pressure zones between the Forebay, Reservoir 7, and Reservoir 12 is included in the Water System Master Plan. Staff had Civiltec Engineering verify the high waterline elevations of all three facilities. Staff observed that maximizing water delivery to the City of Upland via the existing interconnection at 24th Street and Campus Avenue resolved much of the “float” issue with the lower zone reservoirs; however, it caused water to back up into the Tunnel at the Forebay and caused unnecessary overflow of domestic water into the irrigation system.

As a remedy to balance out maximum water flow delivery while maintaining equilibrium with the lower zone storage reservoirs, staff proposes to develop an additional water delivery connection to the City on the west side of the Company’s distribution system. This will allow reduced flow delivery at the 24th and Campus Connection increasing flows out of the Tunnel and thereby equalizing flows with respective reservoir levels. It will also eliminate loss of domestic water into the irrigation system.

The connection is proposed at the Water Company’s connection with the City at the San Antonio Park off of Foreman north of 24th Street that currently provides a one way emergency supply from the City of Upland to SAWCo. Staff proposes to utilize this connection to provide reciprocal water delivery from SAWCo to the City of Upland. Staff met with Upland Field Operations at the site who have reviewed the plan as proposed and concurs with this connection. Estimated cost to add the connection is \$14,145.

Mr. Moorrees recommended the Board approve the proposed water delivery connection to the City of Upland and appropriate \$14,145 from Depreciation and Obsolescence Reserves.

Director Sanchez inquired as to why the connection is for only 6 inches. Mr. Moorrees replied that is the current connection size is 6 inches. If the size is increased the costs would increase as well.

Director Sanchez moved and Director Elliott seconded to approve the proposed water delivery connection to the City of Upland and appropriate \$14,145 from Depreciation and Obsolescence Reserves. Motion carried.

E. Project Status Report –

- **Edison Pond – New Sluice Gate Replacement** – Staff presented pictures of the work in progress. The City of Pomona provided the engineering design for the project and C.P. Construction performed the work. The project should be completed by the end of the week.
- **Forebay Surface Waterline** – Staff presented pictures of the work in progress. This project is also expected to be completed by the end of the week.
- **Holly Drive Reservoir** – TKE Engineering is nearing completion on the site plans. Drawings and specifications should be ready in two weeks' time. The project should be ready to go out to bid by the beginning of August.
- **Holly Drive Boosters** – Final structural sizing and foundation footings nearing completion. Draft plans by TKE Engineering are expected on Thursday. The president of the Homeowners Association has received a copy of the plans so that the local residence impacted by this project are aware of what is proposed.
- **Basin 6 Desilting** – Staff is still awaiting the 401 permit. Another notice of rejection without prejudice was received from the State Water Resources Control Board (SWRCB). Some items are missing from the San Bernardino County who will respond to the notice. Once the response is received by SWRCB Two issues were discovered and were presented back to the environmental consultant for correction.
- **WFA Pipeline Connection** – Civiltec Engineering is working with WFA on the requirements from the Department of Drinking Water for the connection and sampling points.
- **Water Rights Investigation – Activity** – A response was sent to the state board. A phone call was received by the state board in which staff asked they respond in writing.
- **SCADA Upgrade** – Submittal approval expected by the end of June.
- **Reservoir 7 Rehabilitation** – Staff is awaiting an engineering proposal from Civiltec Engineering. Staff hopes to begin this project by the fall.
- **Cucamonga Basin – Desilting Project at Crosswalls** – Staff received the permit from San Bernardino County Flood Control District and will meet with the contractor later in the week to review timelines before proceeding. Notifications will be sent to residents within a 500 foot radius of the project. Four signs will be posted in the area with information pertaining to the project. A bird clearing study will be done five days prior to the start of the project. TKE Engineering will be providing a matrix of all the conditions and regulations for the permit to make certain no action items are missed.

Mr. Moorrees also further informed the Board about the automobile accident that took place on Thursday of the previous week in the street outside of SAWCo's office building. A stolen sedan hit the fence surrounding SAWCo's office parking lot and caused a lot of damage. The individuals in the vehicle fled the scene. Police were called and made a report. Staff is planning to prosecute the offenders. SAWCo's insurance adjuster will be taking a look at the damage tomorrow.

Over the weekend a man entered SAWCo's office parking lot through the damaged fence and attempted to break and enter the shed. Damage was done to the outside of the building that will need repair. A temporary chain link fence was placed over the damaged area of the parking lot to prevent any additional attempted break-ins.

7. Closed Session:

Mr. Moorrees and the Board went to closed session at 5:49 p.m. to discuss personnel issues [subdivision 9b) of Section 54957, CGC] and returned from closed session at 5:59 p.m.

Director Thomas stated the Board agreed to extend Mr. Moorrees' contract with some modifications to benefits and the amount of time needed for notification of termination of the contract.

8. Director's Comments and Future Agenda Items:

Adjournment: Seeing no further business, the meeting was adjourned at 6:02 p.m.

The next Board Meeting will be held on Tuesday, July 17, 2018 at 5:00 p.m.

Assistant Secretary
Charles Moorrees

SAN ANTONIO WATER COMPANY
ADMINISTRATION and FINANCE COMMITTEE (AFC)
MINUTES
April 24, 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 Bob Cable, Jose Sanchez and Tom Thomas. Also in attendance were Mark McKeon of Raymond, Reeves & Stout, LLC, and SAWCo's General Manager Charles Moorrees, Assistant General Manager Teri Layton and Senior Administrative Specialist Kelly Mitchell. Mr. Thomas presided.

1. Recognitions and Presentations: Mr. McKeon informed the committee that Raymond, Reeves & Stout, LLC is a third party administrator for retirement plans and has been the administrator for SAWCo's retirement plans for over 20 years.

Mr. McKeon then presented information on the new platform for SAWCo's 401K Plan for consideration. The plan has been presented to SAWCo staff who is receptive to the change. The notable differences in the plan SAWCo has had for many years and the plan they wish to switch to is the new plan provides a savings of over 1% in commission fees but has no death benefit. The new plan is through the same investment company SAWCo currently uses but on a different platform. There are no transfer fees for moving to the new program and with roughly \$1.75 million in the account, employees in the program will experience an annual savings of roughly \$17,500. Employees will also now be able to utilize a website that allows them to set a target retirement date, designate funds, etc.

Mr. Thomas questioned whether or not a Board resolution was need in order to make the switch or if the item just needed to be ratified by the Board. Mr. Moorrees stated he would bring the item to the Board in May for ratification.

Ms. Layton advised a member from Nationwide will help employees setup online profiles.

There was consensus on the Committee to bring the item to the Board to ratify.

Mr. McKeon exited the meeting at 3:14 p.m.

2. Additions-Deletions to the Agenda: Mr. Moorrees deleted Item 6 from the agenda.

Ms. Sue Sundell entered the meeting at 3:15 p.m. and presided over the remainder of the meeting.

3. Public Comments: None.

4. Approval of Committee Meeting Minutes: Mr. Cable moved and Mr. Sanchez seconded, noting his absence at the previously held Committee meeting, to approve the meeting minutes of February 27, 2018. Motion carried.

5. Administrative and Financial Issues:

- A. ***Requests for Contributions*** – Mr. Moorrees explained the Water Company contributes annually to the American Groundwater Trust, Water Education Foundation and the California Water Awareness Campaign. These annual contributions were approved by the Board in February 2011. Since that time SAWCo has added new members to its Board and staff felt it prudent to present the information again for authorization.

Mr. Moorrees asked the Committee to recommend the Board authorize the General Manager to continue to make contributions as presented.

There was consensus on the Committee to recommend the Board authorize the General Manager to continue to make contributions as presented.

- B. *Citizens Patrol Contribution*** – Mr. Moorrees reported a request for a donation of funds was received from the San Antonio Heights, Citizen’s on Patrol. SAWCo has contributed annually to the Citizen’s on Patrol with the most recent contribution last year for \$1,000.

In addition to monitoring daily activity in the San Antonio Heights, the Citizen’s on Patrol also agreed to assist SAWCo in reporting water leaks and water waste. Additionally, because their patrols include the Mt. Baldy area, they also “partner” with the San Antonio Canyon Watershed Committee in monitoring issues affecting water quality within the watershed area.

There was consensus on the Committee to recommend the Board provide a \$1,000 monetary contribution to the San Antonio Heights Citizen’s on Patrol.

- C. *AB3057 [Quirk-Silva] as amended*** – Mr. Moorrees advised the Committee that AB3057 is an act to amend and to add to the Revenue and Taxation Code relating to taxation for exempt organizations. The bill acts to conform State law to Federal income tax laws which the Water Company is currently exempt from. To qualify for the Federal tax exemption, the Water Company must derive 85% or more of its revenues from shareholders. The inconsistency with Federal law and the State is that the California Revenue and Taxation Code does not contain an exemption that is equivalent to Internal Revenue Code 501(c)(12).

Mr. Moorrees requested the Committee review the proposed bill and recommend the Board send a letter of support as included in the agenda packet.

There was consensus on the Committee to recommend the Board send the letter of support.

- D. *Conflict of Interest Policy*** – Mr. Moorrees was recently made aware by SAWCo’s legal counsel that a written conflict of interest policy is required by the Internal Revenue Service (IRS). This is part of their regime for monitoring and seeking compliance with the Excess Benefit Transaction contained in the intermediate sanctions statute.

Mr. Thomas advised that the City of Upland Public Works Director, Rosemary Hoerning, would like to have this policy reviewed by the City of Upland’s attorney.

Mr. Sanchez questioned whether this was standard form and from where it was derived. Mr. Moorrees replied a Form 990 is submitted each year to the IRS and one of the questions on the form is whether or not there is a written conflict of interest policy.

There was consensus on the Committee to recommend the presented policy to the Board subject to the City of Upland’s attorney review.

- E. *Employee Health Benefit Trust Fund*** – Mr. Moorrees reminded the Committee that SAWCo previously had a program that allowed employees with sick leave in excess of a specific amount of days to cash in those excess days for half the salary dollar amount. SAWCo staff questioned whether or not the Committee would be receptive to consider a

program for its employees that would allow excess sick and vacation leave to be placed into a health benefit plan for employees to utilize during their retirement.

Mr. Cable stated his company offers something similar to its employees.

Ms. Layton explained the program is not something SAWCo staff would need to administer and very little time would be spent initiating the program.

There was consensus on the Committee to have staff research the program and present the details at a future Committee meeting.

F. *Workers Compensation Insurance* – Mr. Moorrees explained this renewal should have been presented to the Board for approval at the April 17th Board meeting due to the 5/1/2018 renewal date; however, staff received the renewal information on April 18th.

Mr. Thomas explained that last year the Board approved changing SAWCo's Workers' Compensation Insurance to Cal-Mutual JPRIMA via The Zenith, a Fairfax Insurance Company. This program provides a 3 year plan for water systems and allows participants to exit the plan anytime if there is a 15% or more increase in the premium.

Staff budgeted \$25,877 this year for Workers Compensation Insurance. The annual premium for the Cal-Mutual JPRIMA via The Zenith, a Fairfax Insurance Company is \$16,027.

Mr. Moorrees asked the AFC to review, discuss and approve the automatic renewal of SAWCo's Workers' Compensation Insurance three year program with Cal-Mutual JPRIMA The Zenith, a Fairfax Insurance Company from 5/1/2018 to 5/1/2019 at an annual premium of \$16,027.

Mr. Sanchez moved and Mr. Cable seconded to approve the automatic renewal of SAWCo's Workers' Compensation Insurance three year program with Cal-Mutual JPRIMA The Zenith, a Fairfax Insurance Company from 5/1/2018 to 5/1/2019 at an annual premium of \$16,027. Motion carried.

G. *Domestic Shares Appurtenant to Land* – Mr. Moorrees reported to the Committee that legal counsel advised staff that Section 14300 regarding mutual water companies contains a provision that states, "shares shall be appurtenant to certain lands when the same are described in the certificate issued and a certified copy of the articles or bylaws recorded in the office of the county recorder in the county where the lands are situated the shares of stock shall become appurtenant to the lands". SAWCo shares are personal property and therefore not appurtenant to land.

SAWCo expends a lot of time and money each year trying to keep stock transfers current. A lot of work is caused by shareholders not keeping the Water Company advised of transfers, such as in a divorce, death, transfers in Trust, etc.

Mr. Moorrees asked the AFC to deliberate and make recommendations as appropriate for the Board to make certain shareholdings appurtenant to land within the domestic service area of the San Antonio Heights.

April 24, 2018

Mr. Cable moved and Mr. Sanchez seconded to continue business status quo. Motion carried.

6. Closed Session: Deleted from the Agenda.
7. Committee Comments and Future Agenda Items: None.
8. Adjournment: The committee determined there was no further business and adjourned the meeting at 3:44 p.m.

The next regular Administration and Finance Committee meeting is scheduled for June 26, 2018 at 3:00 p.m.

Assistant Secretary
Charles Moorrees

REVISED

item 40

Income Statement

Group Summary

For Fiscal: 2018 Period Ending: 03/31/2018



San Antonio Water Company, CA

IncomeStatement	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Category: 4 - Income					
SubCategory: 40 - Shareholder Revenue					
1185 - Domestic Water Income (Base)	230,636.01	230,636.01	15.36	27,697.30	202,938.71
1215 - Domestic Water Income (Supplemental)	306,135.00	306,135.00	0.00	28,966.45	277,168.55
1220 - Domestic Water Income (Tier 3)	150,000.00	150,000.00	-364.20	48,818.56	101,181.44
1230 - Domestic Water Income (Readi/Chrg)	201,333.00	201,333.00	49.66	33,295.93	168,037.07
1235 - Domestic Water Availability Charge (WAC)	60,480.00	60,480.00	15.27	9,861.53	50,618.47
1245 - Municipal Water Income (Base)	2,732,080.00	2,732,080.00	202,043.08	562,683.29	2,169,396.71
1268 - Municipal Water Income (Readi/Chrg)	79,800.00	79,800.00	6,650.00	19,950.00	59,850.00
1274 - Misc Water Income (Base)	234,192.00	234,192.00	6,434.40	23,834.33	210,357.67
1275 - Misc Water Income (Supplemental)	256,363.00	256,363.00	11,078.24	30,093.65	226,269.35
1276 - Munnicipal Water Availability Charge (WAC)	493,536.00	493,536.00	39,690.00	119,070.00	374,466.00
1280 - Misc Water Income (Tier 3)	3,000.00	3,000.00	0.00	7,608.24	-4,608.24
1288 - Misc Water Income (Readi/Chrg)	23,500.00	23,500.00	2,030.00	6,070.00	17,430.00
1290 - Misc Water Availability Charge (WAC)	44,592.00	44,592.00	1,922.00	5,766.00	38,826.00
1295 - Dormant Water Availability Charge (WAC)	14,722.00	14,722.00	0.00	9,080.93	5,641.07
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	360.00	930.00	3,070.00
1410 - Late/Re-establishment Fee	6,181.00	6,181.00	0.00	1,025.00	5,156.00
1420 - Return Check Fee	167.00	167.00	50.00	50.00	117.00
1430 - Stock Certificate Storage and Handling Fee	100.00	100.00	0.00	20.00	80.00
SubCategory: 40 - Shareholder Revenue Total:	5,040,817.01	5,040,817.01	269,973.81	934,821.21	4,105,995.80
SubCategory: 42 - Non-Shareholder Revenue					
1725 - Misc. Income	1,623.00	1,623.00	0.02	1.02	1,621.98
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	47.35	156.52	643.48
1753 - Ground Lease Income	55,000.00	55,000.00	4,300.88	12,902.64	42,097.36
1755 - Interest Earned	27,000.00	27,000.00	46.11	11,146.40	15,853.60
SubCategory: 42 - Non-Shareholder Revenue Total:	89,423.00	89,423.00	4,394.36	24,206.58	65,216.42
Category: 4 - Income Total:	5,130,240.01	5,130,240.01	274,368.17	959,027.79	4,171,212.22
Category: 5 - O & M Expense					
SubCategory: 50 - Operating Facilities					
2175 - Facility Related Field Labor	218,213.00	218,213.00	16,987.46	60,655.76	157,557.24
2235 - Repairs to Facilities and Equipment	751,167.00	751,167.00	9,549.11	58,195.14	692,971.86
2265 - Power-Gas & Electric (utilities)	587,293.00	587,293.00	40,811.55	144,527.64	442,765.36
SubCategory: 50 - Operating Facilities Total:	1,556,673.00	1,556,673.00	67,348.12	263,378.54	1,293,294.46
SubCategory: 51 - Operating Activities					
2475 - Customer Service	72,327.00	72,327.00	18,659.43	30,149.45	42,177.55
2498 - Conservation	30,000.00	30,000.00	3,903.56	5,997.69	24,002.31
SubCategory: 51 - Operating Activities Total:	102,327.00	102,327.00	22,562.99	36,147.14	66,179.86
SubCategory: 52 - Other Operating Expense					
2205 - Non-Facility Related Labor	88,586.00	88,586.00	8,059.41	19,952.43	68,633.57
2210 - O & M - All Other	3,201.00	3,201.00	478.08	478.08	2,722.92
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	146.77	1,174.69	8,778.31
2565 - Depreciation/Amortization	974,807.00	974,807.00	71,279.21	214,021.76	760,785.24
2715 - Property Taxes	221,456.00	221,456.00	109,306.51	109,306.51	112,149.49
2805 - Water Resource Mgmt.	269,037.00	269,037.00	2,990.82	35,626.94	233,410.06
SubCategory: 52 - Other Operating Expense Total:	1,611,397.00	1,611,397.00	192,260.80	380,560.41	1,230,836.59
Category: 5 - O & M Expense Total:	3,270,397.00	3,270,397.00	282,171.91	680,086.09	2,590,310.91

IncomeStatement	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Category: 6 - G & A Expense					
SubCategory: 60 - Personnel					
2115 - Administrative Services	181,060.00	181,060.00	15,199.29	39,998.46	141,061.54
2130 - Development/Water Svc. App.	2,300.00	2,300.00	0.00	70.29	2,229.71
2325 - Payroll Taxes	67,797.00	67,797.00	4,965.40	17,935.26	49,861.74
2355 - Worker's Compensation Insurance	15,853.00	15,853.00	0.00	1,898.73	13,954.27
2385 - Benefit Pay (Vac., sick, etc.)	136,744.00	136,744.00	9,014.19	43,169.22	93,574.78
2415 - Benefit Insurance (Pension,Life,Medical,Vision etc	231,805.00	231,805.00	15,986.02	51,794.85	180,010.15
2430 - Benefit Administrative Services	1,675.00	1,675.00	0.00	0.00	1,675.00
SubCategory: 60 - Personnel Total:	637,234.00	637,234.00	45,164.90	154,866.81	482,367.19
SubCategory: 61 - Other					
2445 - Office/IT Support	75,000.00	75,000.00	9,892.85	14,931.59	60,068.41
2505 - Directors Fees & Expense	33,611.00	33,611.00	2,796.29	7,993.58	25,617.42
2535 - Liability Insurance	35,394.00	35,394.00	0.00	0.00	35,394.00
2595 - Communication	41,239.00	41,239.00	3,832.80	5,735.14	35,503.86
2625 - Dues & Publications	3,700.00	3,700.00	0.00	754.00	2,946.00
2655 - Outside Services	70,747.00	70,747.00	115.88	12,633.17	58,113.83
2745 - Income Tax Expense	4,700.00	4,700.00	7,400.00	7,400.00	-2,700.00
2775 - Accounting & Legal Expense	242,332.00	242,332.00	26,579.16	68,163.14	174,168.86
2790 - Human Resources Expense	59,430.00	59,430.00	5,157.44	13,014.02	46,415.98
2865 - All other	50,414.00	50,414.00	1,579.44	3,909.25	46,504.75
SubCategory: 61 - Other Total:	616,567.00	616,567.00	57,353.86	134,533.89	482,033.11
Category: 6 - G & A Expense Total:	1,253,801.00	1,253,801.00	102,518.76	289,400.70	964,400.30
Total Surplus (Deficit):	606,042.01	606,042.01	-110,322.50	-10,459.00	616,501.01

REVISED

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
10 - 10	606,042.01	606,042.01	-110,322.50	-10,459.00	616,501.01
Total Surplus (Deficit):	606,042.01	606,042.01	-110,322.50	-10,459.00	616,501.01



IncomeStatement	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Category: 4 - Income					
SubCategory: 40 - Shareholder Revenue					
1185 - Domestic Water Income (Base)	230,636.01	230,636.01	64.09	57,727.61	172,908.40
1215 - Domestic Water Income (Supplemental)	306,135.00	306,135.00	57.71	51,014.52	255,120.48
1220 - Domestic Water Income (Tier 3)	150,000.00	150,000.00	0.00	73,937.78	76,062.22
1230 - Domestic Water Income (Readi/Chrg)	201,333.00	201,333.00	28.33	66,443.41	134,889.59
1235 - Domestic Water Availability Charge (WAC)	60,480.00	60,480.00	6.21	19,679.81	40,800.19
1245 - Municipal Water Income (Base)	2,732,080.00	2,732,080.00	304,619.62	1,169,796.42	1,562,283.58
1268 - Municipal Water Income (Readi/Chrg)	79,800.00	79,800.00	6,650.00	33,250.00	46,550.00
1274 - Misc Water Income (Base)	234,192.00	234,192.00	16,825.04	54,968.43	179,223.57
1275 - Misc Water Income (Supplemental)	256,363.00	256,363.00	7,821.69	59,575.88	196,787.12
1276 - Munnicipal Water Availability Charge (WAC)	493,536.00	493,536.00	39,690.00	198,450.00	295,086.00
1280 - Misc Water Income (Tier 3)	3,000.00	3,000.00	190.44	12,152.37	-9,152.37
1288 - Misc Water Income (Readi/Chrg)	23,500.00	23,500.00	2,050.00	10,020.00	13,480.00
1290 - Misc Water Availability Charge (WAC)	44,592.00	44,592.00	1,922.00	9,610.00	34,982.00
1295 - Dormant Water Availability Charge (WAC)	14,722.00	14,722.00	0.00	18,067.62	-3,345.62
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	330.00	1,800.00	2,200.00
1410 - Late/Re-establishment Fee	6,181.00	6,181.00	0.00	2,155.00	4,026.00
1420 - Return Check Fee	167.00	167.00	0.00	50.00	117.00
1430 - Stock Certificate Storage and Handling Fee	100.00	100.00	0.00	40.00	60.00
SubCategory: 40 - Shareholder Revenue Total:	5,040,817.01	5,040,817.01	380,255.13	1,838,738.85	3,202,078.16
SubCategory: 42 - Non-Shareholder Revenue					
1725 - Misc. Income	1,623.00	1,623.00	240,804.99	240,806.01	-239,183.01
1728 - Plans & Spec Fee	0.00	0.00	75.00	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	56.61	260.38	539.62
1753 - Ground Lease Income	55,000.00	55,000.00	4,300.88	21,504.40	33,495.60
1755 - Interest Earned	27,000.00	27,000.00	47.90	24,510.87	2,489.13
SubCategory: 42 - Non-Shareholder Revenue Total:	89,423.00	89,423.00	245,285.38	287,156.66	-197,733.66
Category: 4 - Income Total:	5,130,240.01	5,130,240.01	625,540.51	2,125,895.51	3,004,344.50
Category: 5 - O & M Expense					
SubCategory: 50 - Operating Facilities					
2175 - Facility Related Field Labor	218,213.00	218,213.00	26,086.21	104,127.72	114,085.28
2235 - Repairs to Facilities and Equipment	751,167.00	751,167.00	15,282.97	80,376.98	670,790.02
2265 - Power-Gas & Electric (utilities)	587,293.00	587,293.00	58,084.44	259,608.36	327,684.64
SubCategory: 50 - Operating Facilities Total:	1,556,673.00	1,556,673.00	99,453.62	444,113.06	1,112,559.94
SubCategory: 51 - Operating Activities					
2475 - Customer Service	72,327.00	72,327.00	9,255.99	46,363.00	25,964.00
2498 - Conservation	30,000.00	30,000.00	441.83	9,202.99	20,797.01
SubCategory: 51 - Operating Activities Total:	102,327.00	102,327.00	9,697.82	55,565.99	46,761.01
SubCategory: 52 - Other Operating Expense					
2205 - Non-Facility Related Labor	88,586.00	88,586.00	9,578.88	36,818.77	51,767.23
2210 - O & M - All Other	3,201.00	3,201.00	146.58	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	800.98	2,513.67	7,439.33
2565 - Depreciation/Amortization	974,807.00	974,807.00	71,624.11	356,885.20	617,921.80
2715 - Property Taxes	221,456.00	221,456.00	-8.09	109,298.42	112,157.58
2805 - Water Resource Mgmt.	269,037.00	269,037.00	7,372.56	44,634.81	224,402.19
SubCategory: 52 - Other Operating Expense Total:	1,611,397.00	1,611,397.00	89,515.02	550,575.53	1,060,821.47
Category: 5 - O & M Expense Total:	3,270,397.00	3,270,397.00	198,666.46	1,050,254.58	2,220,142.42

Income Statement

For Fiscal: 2018 Period Ending: 05/31/2018

IncomeStatement	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Category: 6 - G & A Expense					
SubCategory: 60 - Personnel					
2115 - Administrative Services	181,060.00	181,060.00	23,857.35	82,109.80	98,950.20
2130 - Development/Water Svc. App.	2,300.00	2,300.00	276.72	399.73	1,900.27
2325 - Payroll Taxes	67,797.00	67,797.00	7,469.60	30,701.08	37,095.92
2355 - Worker's Compensation Insurance	15,853.00	15,853.00	0.00	4,302.73	11,550.27
2385 - Benefit Pay (Vac., sick, etc.)	136,744.00	136,744.00	11,426.49	62,035.66	74,708.34
2415 - Benefit Insurance (Pension,Life,Medical,Vision etc	231,805.00	231,805.00	24,422.22	92,173.68	139,631.32
2430 - Benefit Administrative Services	1,675.00	1,675.00	100.00	100.00	1,575.00
SubCategory: 60 - Personnel Total:	637,234.00	637,234.00	67,552.38	271,822.68	365,411.32
SubCategory: 61 - Other					
2445 - Office/IT Support	75,000.00	75,000.00	6,899.45	24,422.79	50,577.21
2505 - Directors Fees & Expense	33,611.00	33,611.00	3,414.04	15,876.95	17,734.05
2535 - Liability Insurance	35,394.00	35,394.00	-588.00	27,227.00	8,167.00
2595 - Communication	41,239.00	41,239.00	1,739.18	9,171.95	32,067.05
2625 - Dues & Publications	3,700.00	3,700.00	0.00	785.25	2,914.75
2655 - Outside Services	70,747.00	70,747.00	7,789.98	20,789.91	49,957.09
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	26,147.71	137,796.55	104,535.45
2790 - Human Resources Expense	59,430.00	59,430.00	6,423.31	23,436.11	35,993.89
2865 - All other	50,414.00	50,414.00	1,561.04	6,656.42	43,757.58
SubCategory: 61 - Other Total:	616,567.00	616,567.00	53,386.71	273,562.93	343,004.07
Category: 6 - G & A Expense Total:	1,253,801.00	1,253,801.00	120,939.09	545,385.61	708,415.39
Total Surplus (Deficit):	606,042.01	606,042.01	305,934.96	530,255.32	75,786.69

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
10 - 10	606,042.01	606,042.01	305,934.96	530,255.32	75,786.69
Total Surplus (Deficit):	606,042.01	606,042.01	305,934.96	530,255.32	75,786.69



Account	Name	Balance
Fund: 10 - 10		
Assets		
BalSubCategory: 10 - Cash		
10-00-00-10100-00000	Petty Cash	250.00
10-00-00-10200-00000	Checking Account	1,726,468.98
10-00-00-10300-00000	Savings-Money Market	194,663.07
10-00-00-10400-00000	Savings-CD Accounts	20,000.00
10-00-00-10415-00000	D&O Checking Account	735,593.75
10-00-00-10438-00000	Depre/Obsolescene Res (LAIF)	3,579,479.45
	Total BalSubCategory 10 - Cash:	6,256,455.25
BalSubCategory: 11 - Accounts Receivable		
10-00-00-11100-00000	Accounts Receivable-Domestic	15,125.44
10-00-00-11200-00000	Accounts Receivable-Municipal	332,587.21
10-00-00-11250-00000	Accounts Receivable-Misc.	29,232.94
10-00-00-11260-00000	Accounts Receivable - Dormant	1,098.61
10-00-00-11275-00000	Contra Accounts Receivable - Unapplied Cre	-15,107.22
10-00-00-11300-00000	Accounts Receivable-Other	18,538.27
	Total BalSubCategory 11 - Accounts Receivable:	381,475.25
BalSubCategory: 12 - Inventory		
10-00-00-12100-00000	Inventories-Materials & Supply	86,529.05
	Total BalSubCategory 12 - Inventory:	86,529.05
BalSubCategory: 13 - Prepaid		
10-00-00-13100-00000	Prepaid Insurance	8,868.75
10-00-00-13105-00000	PREPAID POSTAGE	369.00
	Total BalSubCategory 13 - Prepaid:	9,237.75
BalSubCategory: 14 - Investments		
10-00-00-14150-00000	P.V.P.A. Investment	1.00
	Total BalSubCategory 14 - Investments:	1.00
BalSubCategory: 15 - Property, Plant, & Equipment		
10-00-00-15100-00000	Land & Water Rights	924,864.03
10-00-00-15110-1507J	Work in Progress "Proj J"	41,133.01
10-00-00-15110-1601N	Work in Progress	5,715.42
10-00-00-15110-1602U	Work in Progress	116,395.38
10-00-00-15110-1701A	Work in Progress	6,891.75
10-00-00-15110-1801B	Work in Progress	10,303.98
10-00-00-15110-1802E	Work in Progress	250.25
10-00-00-15110-1804G	Work In Progress	2,438.73
10-00-00-15150-00000	Buildings & Site Improvements	1,745,708.81
10-00-00-15200-00000	Wells-Shafts, Bldgs, & Equip	4,834,924.56
10-00-00-15250-00000	Boosters-Bldgs & Equip	2,163,280.63
10-00-00-15300-00000	Reservoirs	1,635,164.98
10-00-00-15350-00000	Tunnels, Forebay, & Ponds	1,587,111.19
10-00-00-15400-00000	Spreading Works-Cucamonga Wash	54,859.53
10-00-00-15410-00000	Spreading Works-SanAntonio Wsh	50,235.18
10-00-00-15450-00000	Pipelines	15,613,893.22
10-00-00-15500-00000	Autos & Equipment	377,943.30
10-00-00-15550-00000	Tools	76,492.47
10-00-00-15600-00000	Telemetry System	482,714.06
10-00-00-15650-00000	Office Equipment	488,397.67
10-00-00-15990-00000	Accumulated Depreciation	-11,361,307.86
	Total BalSubCategory 15 - Property, Plant, & Equipment:	18,857,410.29
BalSubCategory: 16 - Other Assets		
10-00-00-16100-00000	Documents & Studies	888,104.50

Balance Sheet

As Of 05/31/2018

Account	Name	Balance
10-00-00-16105-1502S	Work in Progress - Docs	278,869.97
10-00-00-16990-00000	Accumulated Amortization	-839,046.48
	Total BalSubCategory 16 - Other Assets:	327,927.99
	Total Assets:	25,919,036.58
		<u>25,919,036.58</u>

Liability

BalSubCategory: 20 - Short-term less than 1 year		
10-00-00-20100-00000	Trade Accounts Payable	90,462.47
10-00-00-20111-00000	Wages Payable	-3.17
10-00-00-20115-00000	D&O Trade Accounts Payable	7,663.15
10-00-00-20260-00000	Sec.125/Cafeteria Plan Withhld	183.06
10-00-00-20330-00000	State Unemployment Tax	-99.28
10-00-00-20340-00000	State Training Tax	-0.02
10-00-GN-20820-00000	Accrued Vacation Payable	20,404.60
10-00-OP-20820-00000	Accrued Vacation Payable	24,818.57
	Total BalSubCategory 20 - Short-term less than 1 year:	143,429.38
BalSubCategory: 21 - Long-term more than 1 year		
10-00-00-21500-00000	Unclaimed Credits	18,044.10
	Total BalSubCategory 21 - Long-term more than 1 year:	18,044.10
	Total Liability:	161,473.48

Equity

BalSubCategory: 30 - Stockholder equity		
10-00-00-30200-00000	Contributed Capital - Ext. Fee	447,258.02
10-00-00-30210-00000	Contr. Property, Plant & Equip	2,404,270.37
10-00-00-30300-00000	Capital Account	1,500,000.00
10-00-00-30310-00000	Unissued Capital Stock	-861,100.00
10-00-00-30400-00000	Retained Earnngs-Brd Designated	3,626,009.43
10-00-00-30410-00000	Retained Earnings-Unrestricted	18,110,869.96
	Total BalSubCategory 30 - Stockholder equity:	25,227,307.78
	Total Beginning Equity:	25,227,307.78
Total Revenue		2,125,895.51
Total Expense		1,595,640.19
Revenues Over/Under Expenses		530,255.32
	Total Equity and Current Surplus (Deficit):	25,757,563.10

Total Liabilities, Equity and Current Surplus (Deficit): 25,919,036.58

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

Institution	Type of Investment	Date of Maturity	Rate of Interest (A.P.Y.)	Amount of Deposit as of 5/31/2018	*Accumulated Yearly Service Fees	Accumulated Yearly Interest Earnings
					thru May	thru May
Citizens Business Bank (CBB)	*Checking	N/A	No Interest	\$ 1,726,468.98	\$ 18.00	N/A
Citizens Business Bank (CBB)	*D&O Checking	N/A	No Interest	\$ 735,593.75		N/A
Citizens Business Bank	Pref. Money Mrkt	N/A	0.25%	\$194,663.07	\$	414.79
Local Agency Investment Fund	LAIF	N/A	1.66%	\$ 3,579,479.45	\$	24,062.99
Golden State Business Bank	12 Month C.D.	April 15,2019	0.40%	\$ 20,000.00	\$	33.09
TOTAL:				\$ 6,256,205.25		
TOTAL IN CD'S:				\$ 20,000.00		

* Please disregard April 2018 Accumulated Yearly Service Fees amount.
 May 2018 Accumulated Yearly Service Fees amount is the correct YTD.

A. Water Supply

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

Six Basins Production

As of June 30, 2018, the Water Company produced a total of 501.40 AF (54% of production rights). The OSY for CY2018 is 13,000 AF with 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 149.08 AF in Six Basins to date.

Cucamonga Basin Production

As of June 30, 2018, the Water Company produced a total 3,290.63 AF [54% of the production rights based on the 10 year running average recharge]. A total of 178.42AF was recharged into Cucamonga Basin.

Chino Basin Production

The Water Company produced 117.04 AF to date in this calendar year 34% of OSY in the Chino Basin 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 887.54 AF.

San Antonio Tunnel

Tunnel flows to date are 1,149.02 AF for the domestic system.

B. Facilitating Sale of Inactive Shares to Interested Buyers

There is a total of 1/4 shares going from dormant to active this transfer period.

C. Communication and Information Activities

Summer Newsletter was mailed the end of June. Staff currently working on the Fall Newsletter.

Staff is communicating on "Facebook" with 166 friends liking our page. Communication is posted regularly.

D. New Billing and Accounting Software – The implementation of the inventory module is up and running. Work order module is installed but is not being utilized. Staff was trained with Tyler on the inventory system and has been developing month end procedures for inventory control.

E. San Antonio Creek Canyon - Water Usage

On July 5, 2012, Special Counsel submitted SAWCo's documentation per the USFS request along with a letter.

On November 8, 2012, we are advised that the SWRCB staff is examining our complaint and expect a response soon.

State Water Resources Control Board submitted a request to the USFS, Mt. Baldy HOA and SHIA for information regarding their current diversions and associated water rights as a response to the Water Company's claim.

On May 12, 2014 staff met with the USFS regarding their required response. It was suggested that we meet jointly with the Mt. Baldy HOA and SHIA to collaborate a response to the State Board.

A subsequent meeting was held on June 3, 2014 with the USFS, Mt. Baldy HOA and SHIA to discuss the data gathering for the response due on June 5.

It appears that Mt. Baldy insists on pursuing their rights to water and that SHIA will depend on the USFS. The four private lots in SHIA at the intersection of Mt. Baldy Road and Ice House Canyon will submit their rights under the Vernon Deed. We believe that the parties are amenable to developing an agreement with the Water Company; however, the outcome of the State Board response to those agencies will dictate their efforts in moving forward to an agreement.

Mt. Baldy HOA, SHIA and the USFS submitted their response to the State Board. Pending response from SWRCB.

A year ago staff was able to engage in a dialogue with the Forest Supervisor, Mr. Tom Contreras. It was reported in the newspaper last week that Tom Contreras resigned his post.

August 9, 2015 response from the State Board. They have prepared some draft material regarding our complaint. However, the continuing drought and other priorities have caused delays in progress towards making a final determination of the complex issues on Mt. Baldy.

On August 31, 2016, in light of SB 88 requiring measurement and reporting of diversions, staff contacted the State Board regarding the status of the Company's complaint and undocumented diversions in Mt. Baldy.

On October 24, 2016, Victor Vasquez with the Division of Water Rights set up a conference call to discuss the Company's complaint. On the call was the Water Company's Special Counsel, Fred Fudacz, Staff, Upland, and Pomona. There were four members of the State's Water Rights Division on the call including the State's legal counsel handling the complaint. SAWCo's special counsel, Fred Fudacz brought the State up to speed on our complaint and advised that the Water Company was not seeking punitive damages but rather better management of existing water rights in the fully appropriated stream. Although the State is now actively working our complaint, they were non-committal on providing regular updates.

On February 3, 2017, representatives from the State Water Resources Control Board Water Rights Division met with staff to observe the Company's water rights diversion structure in response to address the Water Company's water rights complaint. Representatives from Pomona, Ontario and Upland were present as major beneficiaries from this source water.

Subsequent to the February 2017 meeting, the State Water Resources Control Board requested the USFS to locate existing diversions in Mt. Baldy and provide a response within 90 Days beginning April 2017.

As of July 1, 2017, the State received and is reviewing information from the USFS regarding diversions in Mt. Baldy and anticipates more information on other diversions and volumes to be submitted by the Forest Service.

August 23, 2017 - Staff met with the Monument Manager of the US Forest Service and staff to discuss the information on diversions provided to the State. It was determined that the Forest Service would try to provide that report by September 13, 2017 and that the Monument Manager agreed to make a presentation at the September Board. Manager was not prepared to address the Board at this time.

September 25, 2017 – Due to fire season and ongoing reorganization of two Districts, the issue was deferred to Ms. Adrienne Dunfee, Deputy Monument Manager as the key contact on this matter moving forward. Without a specific date on completion of the report she stated that the full report would be provided before the end of this year.

On March 1, 2018 the Water Company representatives met with the State Board Department of Water Rights Enforcement Division to bring this issue to resolution.

April 9, 2018 staff received the State's findings and dismissed the Water Company's complaint based on the conclusion that the diversions are "insignificant". Staff responded to their findings on April 24, 2018. On May 4, 2018, staff held a telephone conversation with Mr. Victor Vasquez in response to our letter. Staff was advised that the State is closing out their file on the investigation. It does not appear that the State will respond to our last correspondence.

F. Groundwater Basin Matters

Chino Basin

Safe Yield Court & Appeal -

The Appeal is still pending. No Briefs have been filed. They are supposed to report to the court again on July 16th. It was previously reported to the Court that the Settlement Agreement should be completed by September. The final Settlement Agreement is nowhere in sight.

Staff agreed to a Term Sheet that the Six pack came up with stating: "We have been hesitant since we would like to see the agreement. Since this is not the final document and the terms are non-binding, we support in moving this term sheet forward in good faith. We look forward to reviewing the draft agreement and will need the necessary time for legal counsel review and time to bring forward to our Board for final approval."

There were 3 items under Advisory Committee Agenda for June 21st:

- **C. Exhibit "G" Transfer Rate Amendment** – Overlying Non-Ag water rights need to be utilized on "overlying" land. Under the restated Judgment, Exhibit G it defines the price at which Watermaster will purchase water from the Non-Ag Pool on an annual basis relative to "the then-prevailing MWD Replenishment Rate". Since the MWD rate structure has changed and there is no Replenishment Rate, a new transfer rate needs to be identified. The recommendation is to allow Non-Ag producers to set the rate at which they would like to sell their water. The Appropriative Pool at its recent meeting

came out of closed session stating all the three items on the agenda are inter-related and no action was taken.

- **D. Peace Agreement Paragraph 5.3 (e) Interpretation** – States: *‘Watermaster shall approve the Transfer or lease of the quantified Production rights of Non-Agricultural Producers within the Non-Agricultural Pool subject to the provisions of paragraph (b) above. The right to Transfer within the pool includes the right to lease water to other members of the Non-Agricultural Overlying Pool. In addition, the parties to the Judgement with rights within the Non-Agricultural Pool shall have the additional right to Transfer their rights to Watermaster for the purposes of Replenishment for a Desalter or for a Storage and Recovery Program.’*
- There are some that see this as a “one” to “one” interpretation and others see it as a “one” to “all” interpretation.
- **E. Amendments to Judgment and CAMA to Implement Settlement Agreement Regarding Appeal from April 28, 2017 Order** – Instead of providing all the parties with an agreement, the 6 pack is trying to get discussion and agreement on the proposed changes. Legal counsel advises us to wait for the agreement and recommends taking no action at this time.

Court hearing regarding staying the Judgment is still scheduled on September 14, 2018 @ 1:30 pm.

Court Hearing re:40th Annual Report Filing – In the past Watermaster just filed the past annual reports. Due to the recent court battles, Watermaster will be giving the court an update to keep the judge informed when filing the 40th annual report. The court hearing was moved from June 22, 2018 to July 24, 2018 at 1:30pm at San Bernardino County Superior Court.

Cucamonga Basin Report – Management met with CVWD and WECWC to discuss modernizing the Judgment and our next steps in Cucamonga Basin management. Staff sent the talking point memo to the parties for review and possible meeting dates.

Six Basins

Board meeting on June 27, 2018.

Approved a “hold harmless” agreement between Watermaster and the Xerox Corporation for installing and monitoring of transducers at the basin monitoring wells.

The approved Three Valley’s Municipal Water District selection of Jericho Systems, Inc. as the Programmatic Environmental Impact Report [PEIR] Consultant.

Watermaster presented a draft letter supporting DWR Basin prioritization as presented by the State regarding the Sustainable Groundwater Management Act. The prioritization classified adjudicated basins as low priority.

Darron Paulson provided an update on the MS4 Permittees Collaboration.

With respect to Mr. Moorrees retirement, the Board was advised of Mr. Moorrees last meeting as the Water Company’s representatives with Mr. Tommy Hudspeth being the primary representative on the Board and Ms. Teri Layton as the alternate representative. The President

of the Board, Mr. Darron Poulson graciously presented a token of appreciation for Mr. Moorrees service on the Board.

A Strategic Planning Session was held after the meeting on the plan implementation.

- Establish PEIR baseline assumption based on CY2013-2017 and 5-year dry period of CY2012-2016. Watermaster to send out draft PEIR assumptions to parties for review and comment.
- Update Groundwater Model.
- Golden State plans 2 new wells in the Claremont Heights
- TVMWD plans for new well in the Claremont Heights

G. Legal Issue Summaries – No Issues as of this report.

H. Monitoring of Approved Assembly Bills Affecting the Water Company

1. Draft AB3057 to amend California Revenue and Taxation Code to conform to federal income tax law (i.e., Section 501(c)(12) of the Internal Revenue Code) by exempting not-for-profit mutual water corporations from California income taxes and franchise fees on or after January 1, 2018.
2. [REF] Sustainable Groundwater Management Act (SGMA)- AB 1168 (Pavley) and AB1739 (Dickinson) Signed by the Governor in September 2014 requiring groundwater resources be sustainably managed by local agencies providing the powers needed to sustainably manage groundwater over the long-term. This requires Groundwater Sustainability Plans (GSP's) be developed for medium and high priority groundwater basins. Chino Basin and Six Basins Watermaster is currently working with the SWRCB to rectify and clarify basin boundaries.

Senate Bill 13 was passed in September and becomes law in January 2016 adds new requirements and clarifications to the SGMA with regard to overlapping boundaries. It also authorizes mutual water companies as participants in groundwater sustainability agencies. Each non adjudicated basin will be required to establish a basin management plan. Staff is currently preparing strategy in moving forward with CVWD and Upland towards that goal.

3. Senate Bill (SB) 88 was signed by the Governor on June 24, 2015 requires added measurement and reporting those water rights holders that divert more than 10 AF of water per year. The State Water Board adopted a regulation to implement the new law which took action on March 21, 2016.

When the amount of water available in a surface water source is not sufficient to support the needs of existing water rights holders and in-stream uses, the Board may require monthly or more frequent reporting in the affected areas to provide the most accurate assessment of water demand and will notify diverters in the affected areas when additional reporting is required.

The Water Company is in compliance as it measures and reports all diversions annually by March of each year.

4. Making Conservation a California Way of Life” Bills: AB 1323, AB 1668, SB 606 . 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. To date, no action has been taken on the bills.

5. SB 606 & AB 1668 Signed into law in June, establishing statewide water efficiency standards and a framework for the implementation of the new standards, which must be in place by 2022.
 - Establishing an indoor water use goal of 55 gallons per day per person until 2025, 52.5 gallons from 2025 to 2030 and 50 gallons beginning 2030.
 - Creating incentives for water suppliers to recycle water
 - Requiring both urban and agricultural water suppliers to set annual water budgets and prepare for drought.

6. 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.

Status:

5-25-18 Bill in Committee on Appropriations, held under submission.

1. Holly Drive Booster

[CY2018 Budget \$290,000]

TKE is finishing up on the structure [building, foundation and walls] and piping changes. 90% design by the week of July 9 for review.

Once complete, staff will confirm quotes for electrical and mechanical work from KSM and structural from HK construction.

TKE Engineering is providing structural and mechanical engineering.

Obligated to date	CY2018	
\$25,800	5,958	TKE Engineering
		KSM
		HK Construction
	5,958	= Total to Date

2. SCADA System Upgrade

[CY2018 Budget \$100,000]

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

- ✓ SCADA submittal by 6/13/18
- ✓ Submittal approval by 6/27/18 – Staff reviewed and approved submittals
Pending
- SCADA Screens submittal 8/15/18
- SCADA Screens approval by 8/29/18
- Equipment Installation by 10/3/18
- Startup 10/4/18 to 10/10/18

Obligated to date	CY2018	
\$90,000		TESCo
		= Total to Date

3. Santa Rosa Waterline & 24th Street Waterline

[CY2018 Budget \$135,000]

C.P. Construction was awarded the contract in the amount of \$189,330 and was issued a Notice to Proceed to begin work on or before July 23, 2018.

Obligated to date	CY2018	
\$189,000		C.P. Construction
\$ 12,020		GeoCon – Soils Testing
		= Total to Date

4. Interstate 10 Corridor Project

Prior to the end of last year, staff met with the engineering consultant (HNTB) for the State of California Department of Transportation /San Bernardino County Transportation Authority (SBCTA) to coordinate pipeline conflicts with the proposed project. The project will impact portions of the Water Company's pipeline crossing at east of 6th Street in Ontario from the Company's Well 12 site on 6th Street north of the freeway to the Company's site on Council Avenue on the south side.

Due to the Water Company's prior rights, the waterline relocation project will be at no cost to the Water Company with reimbursement for plan check and construction

inspection based on the current established Company fees and charges. On February 20, 2018, the Board approved the Utility Agreement with SBCTA to cover the cost for staff's time reviewing and inspecting the work in association with protection of the Company's existing facility.

The project was scheduled to advertise for Design/Build contractor in December 2017. The design/build contractor is anticipated to be on board in August 2018.

5. Reservoir 7 Rehabilitation/Design

[CY2017 Budget \$826,500]

Engaged with CivilTec Engineering to provide engineering services to prepare plans & specifications, administration and inspection. This project is slated for construction in October/November of this year.

Obligated to date	CY2017	CY2018	
\$51,230	\$ 5,140		Harper & Associates
\$62,750			CivilTec Engineering
\$ 7,150			GeoCon - Geotechnical
			CST – Aluminum dome
	\$5,140		= Total to Date

6. Office Relocation Feasibility Study– [Carry over] [Currently on Hold]

[CY2017 Budget \$176,000]

AdHoc committee created to review project processes. CEDG prepared a site plan and conceptual layout on the north half property in advance of preparing preliminary design drawings.

The City of Upland requested the purchase the south half of the property for construction of a reservoir which should be constructed within a two year time frame. The City agreed to consider the \$494,000 owed by the Water Company to the City of Upland as a down payment towards purchasing the property.

Obligated to date	CY2016	CY2017	CY2018	
\$ 34,560	\$ 9,000		N/A	CEDG
Task 2 – Pre Design	16,000	7,000		
	\$ 25,000	32,000		= Total to Date

CEDG presented the conceptual office layout to the Board in March.

The City of Upland appraised value is submitted for Board approval on this agenda. Since the City is seeking SRF funding, they request that the valuation is locked in for 1 year until they receive appropriate funds in November of CY2018.

The Water Company's plan for developing the office project is to fund it entirely from the sale of the Water Company's 17th Street property, Office and Yard property. The AdHoc Committee will be currently on hold until the City's funding mechanism is in place; however, staff proposes a "draft" funding strategy to

determine the proposed receipt of sale of assets as it pertains to the Company's 85/15 tax exemption.

7. WFA Pipeline Connection– [Carry over] [Defer till CY2018]

[CY2018 Budget – \$110,000]

On October 30, 2017, the Water Company received a letter from the DDW regarding the BIN Classification determination from BIN 2 to BIN 1. The project is now dependent on approval by the WFA Board to construct the connection for delivery. All of the current JPA members are also entity shareholders [Upland, Ontario, MVWD, Chino and latest shareholder, Chino Hills].

In coordination with the WFA staff the plans and specs are being finalized by CivilTec Engineering. Pending WFA TAC/Board approval.

Obligated to date	CY2018	
\$	\$ 0	
	\$0	= Total to Date

8. Holly Drive Reservoir– [Carry over]

[CY2018 Budget \$196,124]

Engineering design and environmental documents for two 120,000 gallon reservoirs to replace the existing 60,000 gallon reservoir in order to accommodate 1) operational capacity, 2) fire flow @ 1,500 gpm for 2-hour duration, 3) and emergency storage.

Site Improvements budgeted for CY2018 with subsequent phase to construct two 120,000 gallon reservoirs. Phase construction of site improvements in this calendar year and tank construction in subsequent years.

Staff received a budgetary quote from Superior Tank for a 128,436 gallon bolted tank in the amount of \$99,890.

TKE Engineering completed draft technical specification. Retaining wall system to be complete the week of July 9 for review.

Environmental review and documentation is nearing completion and working through the AB-52 process using the State Board as the "lead agency" be complete in August.

Obligated to date	CY2016	CY2017	CY2018	
\$ 74,500	\$ 62,000	\$ 43,856	1,558	TKE Engineering
\$ 45,070				Add'l Structural Eng. reqmt.
	\$ 62,000	\$ 43,856		= Total to Date

9. Basin 6 Desilting – [Carry over]

[CY2018 Budget – \$266,000]

Environmental Document - Initial Study

SBCFCD is the Lead Agency for the environmental document “piggy backed” onto the Water Company’s document for their minimum maintenance requirement. We received the Notice of Determination of the environmental document.

Army Corps Nationwide permit

On February 7, 2018, the Water Company received the Nationwide permit that is contingent on receiving the 401 permit from RWQCB Santa Ana Region.

CDFW Streambed Alteration Agreement Notification

Received Streambed Alteration Permit.

RWQCB 401 Permit

Information was submitted on October 19, 2017. With completion of the environmental document, the State has begun the statutory timeline in review of the Water Company’s permit request.

Obligated to date	CY2015	CY2016	CY2017	CY2018	
\$ 47,940	\$ 14,869	\$17,227	\$1,339	\$2,618	To Altum Group
\$ 5,000	\$ 4,127				To TKE – Project Mgmt.
\$ 7,200	\$ 0	\$0			To CHJ - Geotechnical
	\$ 117				Plan Check
	\$ 26				Reimbursable
	\$19,139	\$ 17,227	\$1,339		= Total to Date

10. Cucamonga Crosswalls Repair & Desilt – [Carry over]

[CY2018 Budget – \$103,232]

A pre-construction meeting was held on May 23, 2018 at the Chino Basin Water Conservation District. Staff received the final permit from San Bernardino County Flood Control District.

GRB Equipment has been issued a Notice to Proceed to begin work on July 16, 2018 with a 5-year completion date of July 16, 2023.

Pending the pre-construction environmental bird clearing survey performed by the Company’s environmental consultant (Baker International) 5 days prior to construction.

Conservation project signage has been erected at the entrance to Holliday Rock on 20th Street and on each side of the Cucamonga Dam.

Residential notices were sent out on July 10, 2018 to residents within the 500 foot radius of the project.

Obligated to date	CY2014	CY2015	CY2016	CY2017	CY2018	
\$ 26,920	\$ 24,448	\$ 35,524	\$ 22,941	\$4,243	\$23,864	Altum Group
\$ 50,040	\$ 7,049	\$ 10,305	\$ 33,972	\$1,525		TKE/Proj. Mgmt. /Noise Monitoring
\$103,700						Baker International
\$23,425						ECORP. – On-call Archaeologist
			\$ 90,000			RWQCB fee
		\$ 398	\$ 96			Reimbursable
\$100,385	\$ 31,497	\$ 46,227	\$147,009	\$5,768		Total to Date

11. Water Rights Investigation [See Prominent Issues]

12. San Antonio Canyon Watershed

[The San Antonio Canyon drainage area (26.7 sq. mi.) upstream from the San Antonio dam]

The watershed overlies both San Bernardino and Los Angeles Counties within the Angeles National Forest. There are many permitted public and some private uses within the canyon, and the canyon stream flow is a source of water supply for downstream communities.

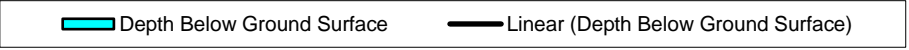
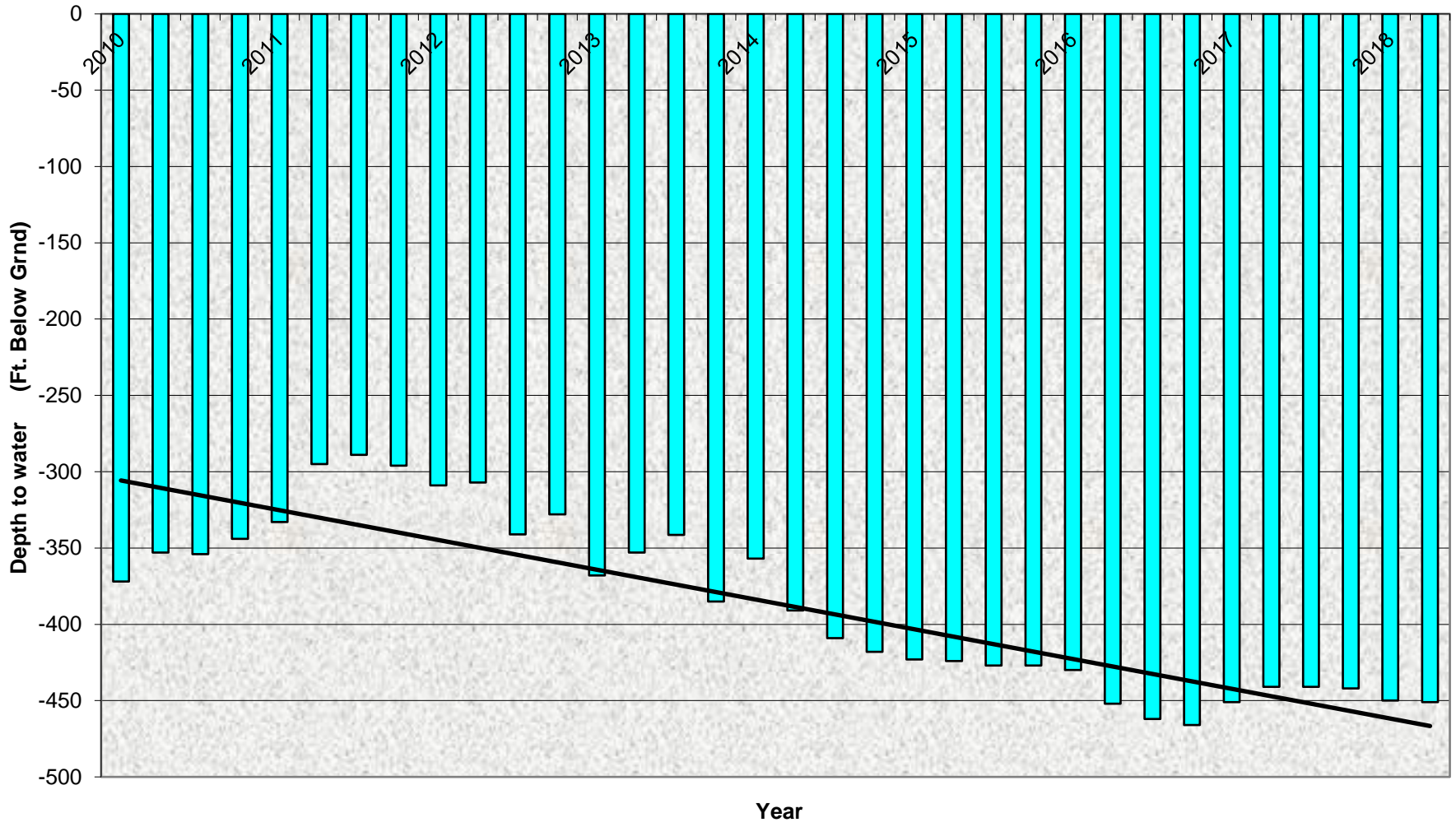
As of this report the Mt. Baldy Ski Area (MBSA) submitted their plan for diverting the water at the San Antonio Falls to the US Forest Service for the purpose of making snow pursuant to their agreement with the Water Company which expired in CY2015. The Board approved extending the current agreement with Mt. Baldy Ski Area to December 31, 2035. MBSA has been authorized by the USFS to do the work for the diversion of the Water Company's rights from the San Antonio Falls and anticipate the work to begin in the fall of this year.

The next watershed cleanup day is proposed to be held the weekend after the Labor Day weekend.

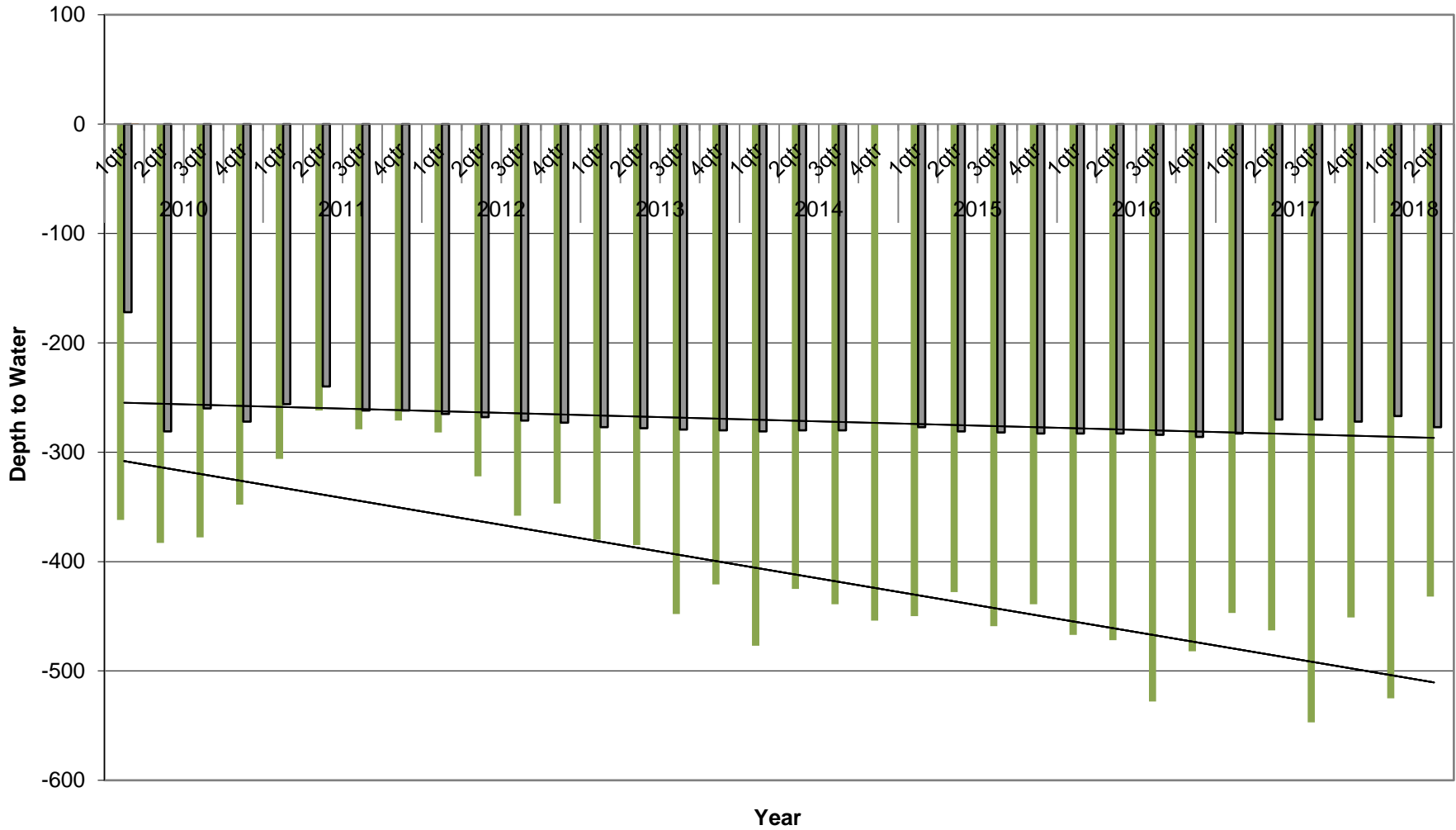
CY2018 COMPLETED PROJECTS:

- 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]

Chino Basin Water Levels



Six Basins



■ Well 26 & 27A & 25A
 ■ Well 28
 ■ -448 -279.4
— Linear (Well 26 & 27A & 25A)
 — Linear (Well 26 & 27A & 25A)
 — Linear (Well 26 & 27A & 25A)

Basin Water Levels 2010-2018

GROUNDWATER LEVELS
(feet below ground surface)

JFM AMJ JAS OND
1st Qtr 2nd Qtr 3rd Qtr 4th Qtr

	2010				2011				2012				2013				2014				2015				2016				2017				2018			
	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr
CUCAMONGA BASIN	-218	-231	-216	-217	-219	-190	-201	-191	-211	-192	-202	-195	-191	-199	-211	-213	-202	-230	-255	-238	-239	-239	-249	-259	-251	-251	-261	-280	-301	-296	-312	-298	-305	-313		
CHINO BASIN	-372	-353	-354	-344	-333	-295	-289	-296	-309	-307	-341	-328	-368	-353	-341	-385	-357	-391	-409	-418	-423	-424	-427	-427	-430	-452	-462	-466	-451	-441	-441	-442	-450	-451		
SIX BASINS																																				
Six Basins																																				
Well 26 & 27A & 25A	-362	-383	-378	-348	-306	-262	-279	-271	-282	-322	-358	-347	-380	-385	-448	-421	-477	-425	-439	-454	-450	-428	-459	-439	-467	-472	-528	-482	-447	-463	-547	-451	-525	-432		
Well 28	-172	-281	-260	-272	-256	-240	-262	-262	-265	-268	-271	-273	-277	-278	-279	-280	-281	-280	-280		-277	-281	-282	-283	-283	-283	-284	-286	-283	-270	-270	-272	-267	-277		

* six basin levels come from well 25A only, the other wells (26&27A) were not shut down during the third quarter 2017.

Static water levels for Cucamonga Basin wells 2, 3, 22, 24, 31, 32

Static water levels for Chino Basin wells 15, 16

Static water levels for 6 Basin wells 25a, 26 and 27a

Agenda Item 6A

Item Title: Whistle Blower Policy

Purpose:

To present for adoption a whistle blower policy to provide a means through which all workers are able to raise any concerns with regard to malpractice, illegal, unethical, or otherwise underhanded practices in the work place.

Issue:

Federal law prohibits all corporations, including non-profits, from retaliating against employees who “blow the whistle” on their employers’ financial management and accounting practices.

Manager’s Recommendation:

That the AFC recommend the draft whistle blower policy to the Board for adoption.

Background:

Having a good internal process for addressing complaints is practicing good, sound governance and prudent risk management. This includes a whistleblower protection/anti-retaliation policy that helps the Company protect itself from the risk of violating state and federal laws that afford protections to whistleblowers and can help ensure that if there is a problem that it will be investigated and fixed.

A whistleblower policy encourages staff to come forward with credible information on illegal practices or violations of adopted policies of the Company, will protect the individual from retaliation, and identifies those staff or board members to whom such information can be reported.

A sample whistleblower policy is attached for review and comments.

Impact on the Budget:

None.

Previous Actions:

None.

“DRAFT”Whistleblower Protection Policy
San Antonio Water Company

Article I. Purpose

The San Antonio Water Company (Water Company) requires Board members and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees of the Water Company, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

This policy is intended to encourage Board members, employees, and other stakeholders of the Water Company to report any suspected or actual occurrence of illegal, unethical, or inappropriate events, behaviors, or practices and to be able to do so without fear of retribution or retaliation.

Article II. Definition

A whistleblower, as defined by this policy, is any Board member, employee, or stakeholder of the Water Company who reports an activity that he/she suspects may be illegal or dishonest to or by one or more of the parties specified in this policy. The whistleblower is not responsible for investigating the activity or for determining fault or corrective measures; appropriate management or Board officials are charged with these responsibilities.

Examples of illegal or dishonest activities include but are not limited to violations of federal, state, or local laws; billing for services not performed or for goods not delivered; violations of Water Company policies; and fraudulent financial reporting.

Article III. Reporting Responsibility

This Whistleblower Policy is intended to encourage and enable Board members, employees, and other stakeholders to raise concerns internally so that the Water Company can address and correct inappropriate conduct and actions. It is the responsibility of all Board members and employees to report concerns about suspected violations of the Water Company's policies or violation of laws that govern Water Company operations.

It is contrary to the values of the Water Company for anyone to retaliate against any Board member, employee, or stakeholder who in good faith reports a suspected ethics violation, a suspected violation of law, such as a complaint of discrimination, suspected fraud, or suspected violation of any policy or other regulation governing the operations of the Water Company. Any employee who retaliates against someone who has reported a suspected violation in good faith is subject to discipline up to and including termination of employment.

If an employee has knowledge of or a concern about a potentially illegal or dishonest fraudulent activity, the employee is to contact his/her immediate supervisor or member of the Board. The employee must exercise sound judgement to avoid baseless allegations. An employee who intentionally files a false report of wrongdoing will be subject to discipline up to and including termination of employment.

Article III. Reporting Procedures

The Water Company has an “open door” policy and suggests that employees address their questions, concerns, suggestions, or complaints with their supervisor either in person or in writing. If an employee is not comfortable speaking with their supervisor or they are not satisfied with their supervisor’s response, they are encouraged to speak with the Assistant General Manager, the General Manager, or Board member, as appropriate. Supervisors and managers are required to report complaints or concerns about suspected ethical and legal violations in writing to the General Manager or the Secretary of the Board, both of whom have the responsibility to investigate all reported complaints.

Article IV. Provisions of this policy do not:

- a. Require the organization to compensate an employee for participation in a court action, in an investigation, or in a hearing by a public body;
- b. Prohibit the organization from compensating an employee for participation in a court action, in an investigation, or in a hearing by a public body; or
- c. Authorize the disclosure of information that is legally required to be kept confidential.

Article V. Limitations to Protections

Whistleblower protections are provided in two important areas: confidentiality and against retaliation. Insofar as possible, the confidentiality of the whistleblower will be maintained. However, the whistleblower’s identity may have to be disclosed to conduct a thorough investigation, to comply with the law, and to provide the accused individual(s) their legal right of defense.

The Company will not retaliate against the whistleblower. This includes, but is not limited to, protection from retaliation in the form of an adverse employment action such as termination, compensation impacts, poor work assignments, and threats of physical or emotional harm. Any whistleblower who believes he/she is being retaliated against must contact the General Manager or the Secretary of the Board immediately. The right of a whistleblower for protection against retaliation does not include immunity for any personal wrong doing on the part of the whistleblower that is alleged, investigated, and confirmed.

Agenda Item No. 6B

Item Title: IEUA Water Rates & Charges

Purpose:

To present IEUA's Water rates & charges to the San Antonio Water Company to recover regional water program costs associated with administration of its water use efficiency programming in which the Water Company participates and benefits.

Issue:

The Water Company participates and benefits from IEUA's regional water resources and water use efficiency programs with no associated charges. The intent is to recover IEUA's cost through their adopted Meter Equivalent Unit (MEU) rate. The current rate for FY2018/2019 is \$0.99 per MEU per month. This rate increases July 1, 2019 to \$1.04 per MEU/month for FY2019/2020.

Payment of these charges provides the Water Company full access to IEUA's water resources and water use efficiency program funding effective July 1, 2018.

Based on the additional expense in the Company's water conservation budget, does the value of the Water Company's participation justify the expense?

Manager's Recommendation:

Presented and discussed at the AFC IEUA's charges relative to the benefit received from its program and referred to the Board for consideration as deemed appropriate.

Background:

On August 25, 2015, IEUA presented the AFC their "Water Meter Connection Fee" adopting a water connection fee applicable to any water system within the IEUA service area. Because the San Antonio Water Company's domestic system is within a portion of the IEUA service area, it would be impacted by the new "pass through" fee. That fee would impact any new development as well as current customers that upgrade their meters and collected by IEUA in order to proportionally recover the costs to create regional supplies that are available to meet the water demands of future development. The AFC and the Board denied implementing the pass through fee to its shareholders.

This new fee presented is related to benefit from funding and planning programs, studies, water supply and infrastructure modeling efforts, grant funding support services and local resources, Santa Ana River Conservation and Conjunctive Use Program (SARCCUP), the Chino Water Bank, etc.

Based on the meter data provided to IEUA, SAWCo has a total MEU count of 1,862. Per Resolution 2016-6-7, starting FY2018-19 a charge of \$0.99 per MEU per month will be assessed for a total monthly MEU billing will be \$1,843.38 [\$22,120.56 annually]

Member Agency Water Meter Survey San Antonio Water Company									
What meter size is standard for a residential customer?						Please Select 5/8"		Date as of	
Is the standard meter size upsized for fire flow?						No		January 1, 2018	
Number of Meters by Customer Class									
Meter Size	Residential (SFR & MFR)	Non-Residential (Comm, Indust, etc)	Landscape	Fire Service	Sub Total Meters	Meters Eligible for MEU (excludes Fire)	Capacity	MEU Ratio	Total MEUs
5/8"	708	4	1		711	711	20	1.0	711
3/4"	134				134	134	30	1.0	134
1"	324	3			327	327	50	2.5	818
1 1/2"	25		2		27	27	100	5.0	135
2"	7	1			8	8	160	8.0	64
3"					-	-	360	17.5	-
4"					-	-	630	31.5	-
6"					-	-	1,400	70.0	-
8"					-	-	2,400	120.0	-
10"					-	-	3,000	150.0	-
12"					-	-	3,500	175.0	-
Not included Above - Please list									
Other (1)					-	-			-
Other (2)					-	-			-
Other (3)					-	-			-
Other (4)					-	-			-
Other (5)					-	-			-
Total	1,196	8	3	-	1,207	1,207			1,862

Presented to the AFC on June 27 to engage in discussion with staff to ascertain in if there is any current or future value in continuing our relationship with IEUA that would be worth the \$22,344 expense for this resource. The issue was discussed and referred to the Board with recommendation of having an IEUA representative to answer questions at the July Board meeting in order to weigh the cost benefit of their services.

Ref. Table below of monthly charges for surrounding water agencies.

Agency	Total MEU's	IEUA Rate (\$/MEU-mth)	Monthly Charge (\$/mth)
City of Chino	34,761	\$ 0.95	\$ 33,022.95
City of Chino Hills	44,559	\$ 0.95	\$ 42,331.05
Cucamonga Valley Water District	104,151	\$ 0.95	\$ 98,943.45
Fontana Water Company	81,314	\$ 0.95	\$ 77,248.30
Monte Vista Water District	21,037	\$ 0.95	\$ 19,985.15
City of Ontario	70,607	\$ 0.95	\$ 67,076.65
City of Upland	31,070	\$ 0.95	\$ 29,516.50

Impact on the Budget:

CY2018 @ \$1,862/month/ \$11,172 beginning July 1, 2018.

CY2019 \$11,172 the first six months

5% increase beginning July 1, 2019 = \$11,730.60 the last six months for a total of \$22,902.60 for CY2019.

Previous Actions:

AFC & Board denied IEUA's initial connection fee charges in August/September 2015.



6075 Kimball Avenue • Chino, CA 91708
 P.O. Box 9020 • Chino Hills, CA 91709
 TEL (909) 993-1600 • FAX (909) 993-1985
www.ieua.org

June 11, 2018

Mr. Charles Moorrees
 General Manager
 San Antonio Water Company
 139 N. Euclid Ave
 Upland, CA 91786

Re: IEUA Water rates and Programs – Meter Equivalent Unit Rate (MEU)

Dear Charles,

Thank you for taking the time out of your busy schedule to meet with IEUA Staff on May 29, 2018. As we mentioned during the meeting, IEUA levies charges to support IEUA's regional water resources program and charges related to the Metropolitan Water District of Southern California (MWD). Costs associated with IEUA's regional water resources program are collected through an annual MEU charge set by Resolution (2016-6-7). Historically, San Antonio Water Company (SAWCo) Customers have benefitted from IEUA's regional water resources and water use efficiency programs with no associated charges. Customers that pay IEUA's MEU charge will have full access to IEUA's water resources and water use efficiency program funding effective July 1, 2018.

SAWCo will continue to benefit from multiple funding and planning programs offered by IEUA. This includes active participation in regional planning projects and studies such as the Integrated Water Resources Plan, Urban Water Management Plan, Drought Response Plans, and water supply and infrastructure modeling efforts. SAWCo will also have access to IEUA's grant funding support services that have been successful in bringing over \$473 million in grants and low interest loans to the service area since 2000.

In addition, SAWCo will have the ability to participate in programs such as MWD's Local Resources Program, the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP), the Chino Water Bank and other storage and recovery programs. To allow stakeholders to participate in these types of activities, IEUA conducts various focus meetings in addition to the standing monthly Water Manager's Meetings.

Through IEUA's membership in the Santa Ana Watershed Project Authority, SAWCo may also participate in programs and grant funding opportunities related to their "One Water, One Watershed" (OWOW) Plan, which provides access to Integrated Regional Watershed Management grant funding opportunities.

Water Smart – Thinking in Terms of Tomorrow

We hope you find these services and opportunities to be of important value to SAWCo. If you should have any further questions regarding the range of services and enhanced benefits offered by IEUA, please do not hesitate to contact me at 909-993-1645. Thank you.

Sincerely,
Inland Empire Utilities Agency

A handwritten signature in black ink, appearing to read 'C. Proctor', written in a cursive style.

Craig Proctor
Source Control/Environmental Resources Supervisor

RESOLUTION NO. 2016-6-7

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY (IEUA), SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING METER EQUIVALENT UNIT (MEU) RATES AND THE READINESS-TO-SERVE (RTS) TEN YEAR ROLLING AVERAGE (TYRA) PASS_THROUGH

WHEREAS, pursuant to Division II, Part II, Section 201 of Ordinance No. 104, the Board of Directors of Inland Empire Utilities Agency (IEUA) establishes, from time to time, rates to support the readiness-to-serve charges from Metropolitan Water District of Southern California (MWD), program costs incurred for the regional water resources program.

WHEREAS, the Board of Directors of IEUA shall establish an annual Readiness to serve (RTS) pass-through charge, based on a Ten Year Rolling Average (TYRA) MWD methodology.

WHEREAS, the Board of Directors shall establish an annual Meter Equivalent Unit (MEU) charge rate to yield revenues sufficient to recover the regional water resources program costs.

WHEREAS, modification of this resolution may be included in future rate resolutions.

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES AND ORDERS that the following to be effective on:

Section 1.A That a Readiness-to-Serve Ten Year Rolling Average (RTS TYRA) pass-through shall be charged to the Local Agencies (Cucamonga Valley Water District, Fontana Water Company and Water Facilities Authority), to recover their share of total RTS charge imposed by MWD, and will be phased-in over a period of - seven (7) years as follows:

- a. October 1, 2016 through June 30, 2017 of Fiscal Year 2016/17, the RTS TYRA charge shall be 15% of the MWD RTS charge
- b. July 1, 2017 for Fiscal Year 2017/18, the RTS TYRA charge shall be 30% of the MWD RTS charge.
- c. July 1, 2018 for Fiscal Year 2018/19 the RTS TYRA charge shall be 45% of the MWD RTS charge.
- d. July 1, 2019, for Fiscal Year 2019/20 the RTS TYRA charge shall be 60% of the MWD RTS charge.
- e. July 1, 2020 for Fiscal Year 2020/21 the RTS TYRA charge shall be 75% of the MWD RTS charge.
- f. July 1, 2021, for Fiscal Year 2021/22 the RTS TYRA charge shall be 90% of the MWD RTS charge.
- g. July 1, 2022, for Fiscal Year 2022/23 the RTS TYRA charge shall be 100% of the MWD RTS charge.

Section 1.B That a Readiness-to-Serve Ten Year Rolling Average (RTS TYRA) pass through shall be charged to Non Local Agencies to recover 100% of their share of total RTS charge imposed by MWD, effective October 1, 2016.

Section 2.A That a meter rate effective July 1, 2016 through September 30 2016, the rate for each active retail water meter shall be \$2.105 per meter per month.

Section 2.B That the Meter Equivalent Unit (MEU) rate, an extended phase-in period of a four (4) year rate shall be charged to the Local Agency effective October 1, 2016:

- a. October 1, 2016 for Fiscal Year 2016/17, that the rate for each active retail water meter shall be \$0.90 per MEU per month.
- b. July 1, 2017 for Fiscal Year 2017/18, that the rate for each active retail water meter shall be \$0.95 per MEU per month.
- c. July 1, 2018 for Fiscal Year 2018/19, that the rate for each active retail water meter shall be \$0.99 per MEU per month.

d. July 1, 2019 for Fiscal Year 2019/20, that the rate for each active retail water meter shall be \$1.04 per meter equivalent unit per month.

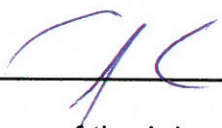
Section 3. That upon the effective date of this Resolution, Resolution No. 2015-6-8 and Resolution No. 2015-6-9 are hereby rescinded in its entirety.

ADOPTED this 15th day of June, 2016.



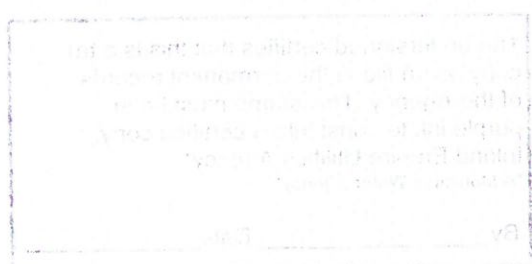
Terry Catlin
President of the Inland Empire Utilities Agency*
and of the Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof


*a Municipal Water District



STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2016-6-7, was adopted at a regular
meeting on June 15, 2016, of said Agency* by the following vote:


- AYES: Hall, Elie, Camacho, Catlin
- NOES: None
- ABSTAIN: None
- ABSENT: None



Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

The undersigned certifies that this is a true copy as on file in the permanent records of the Agency. This stamp must be in purple ink to constitute a certified copy.
Inland Empire Utilities Agency*
A Municipal Water Agency
By  Date 6/23/16

Agenda Item No. 6C

Item Title: Stock Auction October - 2018

Purpose:

Approve timeline for a proposed 2018 stock auction in October.

Issue:

Disposition of personal property (shareholder's stock) in order to collect on bad debt is governed by the Commercial Code to be "commercially reasonable."

Managers Recommendation:

That the Board agree with the AFC recommendation to approve the proposed stock auction and timeline as presented.

Background:

Since we have billed the dormant shareholders with the "water availability charge" for the first time in September 2017, there have been more unpaid bills. As a result, we held our first stock auction this year on May 8th and auctioned off 6 stock certificates.

There are currently 26 shareholder's stock certificates to be auctioned off. In order to manage the process efficiently, staff propose to auctioning 12 of those shareholder's stock in October of this year with the remaining 14 shares in May 2019. We anticipate that this will bring most accounts current with future stock auctions on year to year basis as needed.

Below is a timeline of the process leading up to the stock auction:

Stock Auction 2018 (Oct) – Anticipated Timeline					
Description	June	July	Aug	Sept	Oct.
Address verification	6/1/18				
Final Letter owe w/due date	6/12/18				
Bid Process	6/20/18				
AFC Committee Review	6/26/18				
Bid Form	6/27/18				
Final due date		7/12/18			
Board Review		7/17/18			
Notification of Disposition of Collateral		7/23/18			
Website w/bid form			8/7/18		
Separate letter to shareholders			8/23/18		
Newspaper ad				9/7/18	
Co. Newsletter ad				9/30/18	
Stock Auction Date					10/9/18

Agenda Date: July 17, 2018

Previous Actions:

November 9, 2009 – First Stock Auction held

April 20, 2010 – Approved Stock Auction procedure for collecting unpaid water bills

June 26, 2018 – Presented to the AFC for recommendation.

Impact on Budget:

Collection of outstanding charges owed and reimbursement of all related costs.

July 17, 2018

Agenda Item 6D

Item Title: Conservation Programs Update

Purpose:

Update on the Company's existing water conservation programs

Issue:

Is the Board receptive to receiving the report under the Consent Items?

Manager's Recommendation:

That the Board review, comment, and receive and file and consider receiving the report under the Consent Items.

Staff Report:

The items below in "bold" reflect the items updated.

I. Local Assistance in meeting Best Management Practices

Inland Empire Utilities Agency (IEUA) Regional Conservation Workgroup

– Staff attends bi-monthly meetings hosted by Inland Empire Utilities Agency (IEUA) for coordination of regional conservation activities.

Conservation rebates given and programs utilized: (Fiscal year 2017-2018) – As of 5/31/2018

<i>IEUA Residential Rebate Programs-(Fiscal year)</i>	<i>Devices/ Rebates</i>	<i>Est. gallons saved/ device/year</i>	<i>Total est. gallons saved per year*</i>	<i>BMP</i>
<i>High Efficiency Clothes Washers</i>	4	11,243	44972	3
<i>Rotating Nozzles</i>	0			
<i>Weather Based Irrigation Controllers</i>	2	105,917	211834	
<i>Residential Landscape Retrofit Program</i>	1		n/a	5
<i>High Efficiency Toilets (premium)</i>	1	13,851	13851	3
<i>Rain Barrels</i>	0	619		
<i>Landscape Audit</i>	5	3485	n/a	3
<i>Pressure Regulator Valve Program</i>	0		n/a	
<i>Total Savings for calendar year – thru 5/31/2018</i>			270,657	

Funding is limited and rebates issued on first come, first served basis.

II. SAWCo Efforts in meeting Best Management Practices as of 5/31/2018

<i>SAWCo Programs-(Calendar year)</i>	<i>Total Budget:</i>	<i>Devices/Rebates</i>	<i>Est. gallons saved per device per year</i>	<i>Total est. gallons saved per year</i>	<i>BMP</i>
	\$30,000				

July 17, 2018

<i>Leak Detection</i>	<i>Approved \$4,000</i>	1	n/a	n/a	
<i>Toilet Direct Installation</i>	<i>Approved \$5,000</i>	2	15,600	31,200	1.2
SAWCo Wholesale Agencies Assistance-Toilet Direct installation	<i>Budget:\$21,000</i>	21	15,600	327,600	
TOTAL		24		358,800	1.1.3

BMP 1.1.2 Water waste prevention:

On 3/1/2017, the board approved the reduction from the “High Shortage Stage” to the “Moderate Shortage Stage”. In 2017 a total of 4 Customer Notifications were sent.

Violations recorded to date:

As of Date	Excessive Run-off (BMP 1.1.2)	Leak notices (BMP 1.2)	Incorrect irrigating time	Incorrect irrigating days	Total Notifications	Total Fines
3/31/2016	2	3	5	8	11	
6/30/2016	3	2	24	8	27	0
8/31/2016	2		22	40	41	12
9/30/2016	6		14	13	14	14
12/30/2016	4		6	4	8	1
3/31/2017	1		1	1		1
12/31/2017	4	2			4	0
3/30/18	1				1	1
5/30/18	1				1	0

Previous Actions:

None.

Impact on the Budget:

Implementation of fines.

CY2018 Budget Projects

PROJECTS IN PROGRESS	Capital	Expense	Total	YTD	Previous Year	Budget Placement	Start Date	End Date
Santa Rosa Waterline and 24th Street waterline installation - C.P. Construction was issued a Notice to Proceed to begin work on or before July 23.	\$189,000	0	\$189,000				7/23/2018	8/6/2018
Holly Drive Reservoir - TKE has completed the revised site layout and wall profiles based on the new tank layouts. Working with structural and environmental sub-consultants to reflect the changes.	\$196,124		\$196,124	\$1,558	\$43,856	D&O	6/1/2017	Dec-18
TKE Engineering			\$0		\$105,856			
Sub-Total =	\$196,124	\$0	\$196,124	\$1,558	\$43,856			
WFA Pipeline Connection - Pending the WFA Board approval to construct the physical connection. Staff is working with CivilTec and coordinating final plans & specifications with the WFA staff.	\$110,000		\$110,000	\$860	4375	D&O	5/6/2016	Dec-18
			\$0					
Sub-Total =	\$110,000	\$0	\$110,000		\$197,943			
Basin 6 Desilting Environmental Document - Received Notice of Determination. /Baker International SWRCB currently reviewing the Water Company's 401 application and has issued a Project Number. Received ACE and DFW permits. TKE Engineering - Project Management CHJ Geotechnical Evaluation	\$266,000 \$6,300	\$0	\$266,000 \$6,300		\$19,184	Carry-over Facilities Facilities	03/04/15	Rev. date 10-1-18
Sub-Total =	\$266,000	\$0	\$266,000	\$2,618				
Cucamonga Basin - Desilting project at crosswalls Altum Group/Baker International - Environmental Document TKE - Project Mgmt. & Noise Monitoring Contract executed with GRB Equipment. Pre-Construction meeting held on May 23, 2018. Pending Nesting Bird clearing survey 5 days prior to construction. GRB issued Notice to Proceed July 16, 2018 with 5-year completion July 16, 2023. Residential Notices sent out the week of July 9, 2018.	\$103,232		\$103,232 \$0	\$30,354	\$0 \$4,243 \$1,525	Carry-over Facilities	07/16/18	07/16/23
Sub-Total =	\$103,232	\$0	\$103,232	\$30,354	\$5,768			
Water Rights Investigation- Activity USFS water rights to its special use permits SHIA - Snowcrest Heights Improvement Association /USFS Private land owners in SHIA - Pending resolution. Mt. Baldy HOA - Land exchange document. Met the State Division of Water Rights Enforcement Division on March 1, 2018. Staff submitted response to the State's findings on April 24, 2018.					\$69,745 \$1,575 \$9,900 \$765	Legal	06/10/10 [Since 1910]	On-going
Sub-Total =		\$0	\$0	\$0	\$81,985			
Office Relocation Feasibility Study Property was appraised at \$1.7million. Staff to prepare plan options for receipt of funds without impacting the Company's IRS 85/15 ruling. Committee on hold until the City is in receipt of funds via application to SRF Funding which is anticipated by fall of CY2018. Project is on hold until the City has secured necessary funds.	\$176,000		\$176,000	\$7,000	\$25,000	Facility	07/23/15	7/1/2018 ON HOLD
Sub-Total =	\$25,000		\$176,000	\$7,000				
Well 31 Biological Treatment - End product cost currently not compatible with current rate structure MIH has an approved 60 Day extension to try an alternative filtration system.	\$4,200,000					Facility	09/13/16	HOLD
Sub-Total =			\$0					
Total =	\$675,356		\$745,356		\$135,984			

PROJECTS IN PROGRESS	Capital	Expense	Total	YTD	Previous Year	Budget Placement	Start Date	End Date
Holly Drive Boosters Pending structural and mechanical engineering from TKE and subsequent quote from KSM for electrical/mechanical and HK for structural construction.	\$290,000		\$290,000	\$5,958		D&O	1/1/2018	Dec-18
			\$0		\$0			
Sub-Total =	\$290,000	\$0	\$290,000	\$5,958	\$0			
SCADA Upgrade from Iconics to Clear Scada / Tesco - Tesco coordinated software upgrade with the Company's IT provider (Inland Productivity). SCADA Submittal approved 6/27, SCADA Screen submittal 8/15, SCADA Screen approval 8/29, Equipment installation 10/3, Start up 10/4.	\$100,000		\$100,000			D&O	1/1/2018	Nov-18
			\$0		\$0			
Sub-Total =	\$100,000	\$0	\$100,000	\$5,958	\$0			
Res 7 Rehabilitation - Engaged with CivilTec Engineering to prepare Design/specifications, administration, inspection for constructing aluminum dome.	\$180,000		\$180,000			D&O	6/1/2017	Dec-18
Harper & Associates					\$5,140			
CivilTec Engineering			\$0		\$0			
Sub-Total =	\$180,000	\$0	\$180,000	\$0	\$5,140			
TOTAL =	\$1,434,356			\$46,446				

CY2018 PROJECTS COMPLETED	Capital	Expense	Total	YTD	Previous Year	Budget Placement	Start Date	End Date
Transfer switch at V-Screen & Shaft 6 - KSM.	\$7,000		\$7,000	\$8,048		D&O	2/5/2018	Mar-18
Truck mounted crane - Phonix	\$8,000		\$8,000	\$9,011		D&O		
Forebay Overflow & Riser - Norstar Construction	\$30,000		\$30,000	\$17,800		D&O	3/6/2018	May-18
Edison Pond - New Sluice Gate Replacement -C.P. Construction [\$15,440 is Pomona's share]	\$70,000		\$70,000	\$51,000		D&O	3/16/2016	Jul-18
Forebay Surface Waterline - C.P. Construction	\$180,000		\$180,000	\$85,200		D&O	4/1/2018	Jul-18
			\$0		\$0			
Sub-Total =	\$295,000	\$0	\$295,000	\$223,463				