

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

An open meeting of the Board of Directors of the San Antonio Water Company (SAWCo) was called to order at 5:01 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, John Gerardi, Bob Cable, Jose Sanchez, and Gino Filippi. 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: None.
- 2. Additions-Deletions to the Agenda: None.
- 3. Shareholder-Public Testimony: None.
- 4. Consent Calendar Items:
  - A. Approval of Board Meeting Minutes  
Regular Meeting Minutes of December 19, 2017.
  - B. Planning, Resources and Operations Committee (PROC) Meeting Minutes  
No meeting minutes to report.
  - C. Administration and Finance committee (AFC) Meeting Minutes  
No meeting minutes to report.
  - D. Financial Statement  
Comparative Income Statement and Balance Sheet for November 30, 2017 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
    - Letter response to Public Records Act Request regarding Cucamonga Basin 6
    - Letter to the State Water Resources Control Board Department of Drinking Water regarding Well 31 Biological Treatment Pilot Plant final certification

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

- 5. Board Committee – Delegate Report:
  - A. Pomona Valley Protective Association (PVPA) Representative's Report** – Director Thomas reported on the most recent PVPA meeting. West End Consolidated Water Company (WECWC) has contracted with a company to have the retention basins below San Antonio Dam cleaned-up with work scheduled to begin before the end of the month. There was some concern as to whether or not PVPA could retain 501(c)(3) nonprofit status and while contributing to projects and helping reduce the amount of the annual assessment in Six Basins. PVPA's attorney had determined it was okay to contribute as long as PVPA can show that the contribution went to projects that benefited the entire water community. As such, PVPA's attorney drafted an agreement outlining what the contributed money is being used for.

- B. Six Basins Representative Report** – No meeting was held in December and the January meeting is scheduled for the following week.
- C. Chino Basin Representative Report** – Ms. Layton reported staff attended a special confidential meeting of the Appropriative Pool on December 20<sup>th</sup>. The six parties that have been meeting regarding the court's decision and the anticipated appeal are: CVWD, City of Pomona, MVWD, Jurupa Community Services District, City of Chino, and the City of Ontario. At the meeting a term sheet that has been reached between the parties was distributed. They are attempting to reach out to the other parties now; SAWCo, Fontana Water Company, the City of Upland, etc.

Staff has reviewed the terms sheet and has spoken with their legal counsel and other entities. At the recent Appropriative Pool meeting on January 11<sup>th</sup> in closed session, it was decided to release the term sheet to the legal counsels for the Agriculture Pool and the Non-Agriculture Pool to get their responses by January 31<sup>st</sup>. The Appropriative Pool also wanted feedback from the other appropriators who were not part of the original six parties.

SAWCo's legal counsel indicated everything is too vague at the moment and one cannot say with certainty what the agreements are or what is the likely outcome. He suggests the Board wait to see if anything is approved until SAWCo sees the final agreement. Ms. Layton has been following legal counsel's advice up to the time being and will continue to do so unless directed otherwise by the Board. The City of Upland will be discussing this item in closed session on January 22<sup>nd</sup>. Legal counsel advised the six parties are estimating 10 months for a conclusion on this manner.

Director Thomas inquired whether or not the proposed agreement is still being considered confidential. Ms. Layton replied it is still confidential, however, it was released to each member's legal counsel.

Ms. Layton also reported that during the Chino Basin Appropriate Pool meeting held January 11<sup>th</sup> the annual elections were held. Ms. Layton was elected as the Chair of the Pool and Mr. Van Jew with MVWD was elected Vice-Chair. Minor Representatives elected to the Advisory Pool were SAWCo and Monte Vista Irrigation Water Company and the Advisory Vice-Chair was Todd Corbin with JCSD. Eunice Ulloa from the City of Chino was elected to the Watermaster Board with Tom Haughey as alternate. Minor Representatives were Gino Filippi with SAWCo and Manny Martinez with MVWD as the alternate.

Storage Management workshops are continuing with the next workshop scheduled for January 31<sup>st</sup>. The Recharge Management Project Update will begin in February. CBWM is losing some monitoring wells due to land development. Wildermuth Environmental, Inc. is working out a possible plan for future monitoring wells. The court hearing regarding staying the Judgment was extended from February 2, 2018 to September 14, 2018 at 1:30 p.m.

Mr. Moorrees spoke briefly about Cucamonga Basin judgment. The draft modernization of the judgment has been presented to WECWC, CVWD and SAWCo staff. It was reviewed and comments were sent to special counsel, Fred Fudacz. The parties will be meeting the following day to discuss how to move forward.

- D. Administration and Finance Committee (AFC) Chairman's Report** – No meeting to report.
- E. Planning, Resources, and Operations Committee (PROC) Chairman's Report** – No meeting to report.
- F. Office Feasibility Study Ad Hoc Committee** – No meeting to report.

6. General Manager's Report on Activities:

**A. Annual Shareholder's Meeting** – Director Thomas commented on the fact that SAWCo has had the same trusted Inspectors of Election; Donna Hawthorne, Peter Cherback, and Betty Garrison, for many years.

Director Sanchez moved and Director Cable seconded to recommend the Board reappoint the same Inspectors of Election from the previous Annual Meeting. Motion carried.

**B. Conservation Programs Update** – Mr. Moorrees stated he will be bringing a proposal to the PROC from American Leak Detection. The current leak detection program SAWCo offers has not been very successful. SAWCo is looking to partner with a reputable leak detection company to better serve its shareholders. Mr. Moorrees will also be presenting to the Committee an opportunity to participate in a pilot program with the same company.

**C. Personnel – Employee Departure** – Mr. Moorrees announced the resignation of the Accounting and Personnel Specialist, Joni Ruggles due to health reasons. Ms. Ruggles' last day of employment will be February 16, 2018. Management is working with the personnel attorney to explore the possibility of an agreement with Ms. Ruggles, if necessary, to allow extra time for a smooth exit. Staff has begun the recruiting process for her position with a closing date of February 8, 2018. The position is expected to be filled by mid to late March. A farewell luncheon will be scheduled.

**D. Calmat Water Transfer Request** – Mr. Moorrees explained that SAWCo received a request last year to transfer water from Chino Basin to Calmat. The potential transfer caused a question of validity since Calmat was not an Appropriative Pool member. Mr. Moorrees withdrew his original transfer of 4.375 acre feet (AF) to Calmat since they were not eligible. Calmat has since intervened in the Appropriative Pool and the court backed the decision on December 15, 2017.

During the December Board meeting Mr. Bowcock, representing Calmat, requested the Board consider the 4.375 AF for 2017. Mr. Moorrees was going to take the item to the PROC but felt there was no controversy in executing a onetime water transfer.

Director Sanchez clarified that this transfer was solely for 2017 entitlement.

Director Elliott moved and Director Gerardi seconded to approve the onetime transfer of 4.375 AF of water to Calmat from SAWCo's Chino Basin storage account. Motion carried.

**E. Project Status Report –**

- **Cucamonga Basin - Desilting Project at Crosswalls** - Mr. Moorrees advised the Board he was promised a Nationwide permit from the Army Corps of Engineers by the end of 2017 but has yet to receive one. This is the only regulatory permit for this project that SAWCo is waiting on.
- **Basin 6 Desilting** – The Regional Water Quality Control Board (RWQCB) rejected SAWCo's permit without prejudice. The reason it was rejected is because when the environmental document was sent out for 30 day review period they failed to include the tribal consultation and was not presented to RWQCB within their statutory limitations. This has been corrected and the documents have been recirculated for review. The review period ends January 22<sup>nd</sup> after which the document will be taken to the Board of Supervisors for approval. It will then be given to the environmental regulatory agencies for approval. This project should take only a couple of days to complete.
- **Water Rights Investigation** – Activity – meeting with Fred Fudacz tomorrow regarding moving forward with the water rights investigation. SAWCo hasn't received word from the lobbyist in Sacramento with regard to getting a meeting with the State Board.

7. Closed Session: None.

8. Director's Comments and Future Agenda Items: None.

Adjournment: Seeing no further business, the meeting was adjourned at 5:21 p.m.

The next Board Meeting will be held on Tuesday, February 20, 2018 at 5:00 p.m.

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Assistant Secretary  
Charles Moorrees