SAN ANTONIO WATER COMPANY

CORPORATE COMMITMENT

WINTER EDITION 2018

To provide our shareholders with reliable and good quality water service at a cost effective rate

SAWCO WATERWORKS

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RAII	NFAL		MA
	2016	2016 2017	
Jan	5.44	14.74	3.38
Feb	.62	3.89	.57
Mar.	2.54	.74	6.26
April	.86	.09	.02
May	.06	.39	.83
June	.01	.00	.00
July	.00	.07	.01
Aug.	.00	.02	.00
Sept.	.19	.28	.00
Oct.	.53	.09	.98
Nov	.67	.00	3.21
Dec	6.00	.00	
TOTAL	16.92	20.31	15.26

1958-2013 Annual rainfall average: 22.40" Rainfall data collected from www.sbcounty.gov. & www.usace.army

Stock Auction Bid Results



On October 9, 2018, the San Antonio Water Company (SAWCo) held a stock auction to clear outstanding debts owed by shareholders. There were 11 stock certificates auctioned, which are shown below. The company received 54 bids and the winning bidders and the amounts are as follows:

Stock Cert #	Share Amount	Min. Bid Amount	Bidder's Name	High Bid Amount
A 10544	1/4 share	\$ 1,200.00	City of Upland	\$ 14,000.00
A 10569	1/4 share	\$ 1,200.00	City of Upland	\$ 14,000.00
A 10531	1/4 share	\$ 1,200.00	City of Upland	\$ 14,000.00
A 10676	1/4 share	\$ 1,200.00	City of Upland	\$ 14,000.00
A 10510	1/4 share	\$ 1,200.00	City of Upland	\$ 13,800.00
A 10451	1/4 share	\$ 1,200.00	K. Vrongistinos	\$ 15,231.00
A 8006	1/4 share	\$ 1,200.00	City of Upland	\$ 13,800.00
A 10302	1/4 share	\$ 1,200.00	City of Upland	\$ 13,600.00
A 5062	1/2 share	\$ 2,400.00	City of Upland	\$ 27,500.00
A 8055	1/4 share	\$ 1,200.00	K. Vrongistinos	\$ 14,231.00
A 10277	1/4 share	\$ 1,200.00	City of Upland	\$ 13,600.00



Water Supply/
Entitlement 2019 –
No Changes

At October's Board meeting, it was decided that based on current year to date water supply and no significant rainfall that the total annual entitlement of 12,000 AF for calendar year 2018 be continued for 2019.

It was also recommended to maintain the current Moderate Shortage Stage Alert.

The Moderate Shortage Stage consists of the following:

- Outdoor Watering:
 - ► Even # address = even # days of the month
 - ▶ Odd # address = odd # days of the month
- No washing automobiles from noon sundown
- No washing off driveways or sidewalks
- No pool fill between 10 am- 6 pm
- Excessive run off prohibited

We appreciate the continued support in utilizing water use wisely and encourage shareholders to report any water use inefficiencies.

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GENERAL MANAGER'S CORNER

I want to thank everyone who attended the San Antonio Heights Association annual meeting for asking great questions. Of interest was a question regarding California's move to require a maximum water limit for residential customers throughout the State. I promised to review the situation and let you know how Governor Brown's actions impact the Company and our residents in the Heights.

State Senate Bill 606 and Assembly Bill 1668 were signed by Governor Brown earlier this year. Together, those bills will require retail water providers to set annual water budgets

by the year 2022. Water providers risk potential fines starting in 2027 if the self-determined goals are not met.

As touched on at the SAHA meeting, the State's starting point for water budgets is an assumption of 55 gallons per day per person for indoor water use. Outdoor water use estimates will be dependent on local conditions (e.g. rainfall, evapotranspiration, size of yards). A company water budget will be established by the Company based on number of customers and estimated square feet of yards. The State required water budget will not be for individual shareholders. This is an important point worth repeating – The State's mandated water budget will not be set for individual shareholders. You will not be at risk for showering and laundering during the same day. Meeting the State mandated water budget starting in 2022 will be measured on the average per capita water usage across the Company's customer base. Individual customers will not be targeted.

Another even more important point needs to be considered. The Company already establishes a water budget for each shareholder based on projected water availability. In large part, we are already doing what the State is mandating. The founders of the San Antonio Water Company, William and George Chaffey, built conservation measures into the very soul of the Company back in 1882. Although it has taken over 100 years, we are happy that California is finally following the Chaffey's lead.

Be good neighbors and don't live outside your means... two solid foundations of the San Antonio Water Company.

Brian Lee



New Office Hours?

The Company is exploring implementation of an alternative work schedule beginning early in the new year. The 9/80 schedule being considered requires employees to work 9-hour days four days a week, Monday through Thursday. Then employees will work eight hours on one Friday and get the next Friday off. This alternative work schedule allows the employees an ad-

ditional day off every other Friday while still working 80 hours every two weeks, the typical pay period. An alternative work schedule is not unique. A review of 20 local water providers indicates that 14 have alternative work schedules.

Switching to an alternative work schedule would have no impact on emergency or critical work of the Company. All telephone calls would continue to be answered by a live person every day, at any time of day. When the office is closed, calls are answered by an after-hours company. The person picking up the phone always has direct access to company employees should it be necessary.

There are several benefits to implementing a 9/80 work schedule. Examples include, less commuting (good for the environment), and a free work day for employees to complete personal appointments during business hours.

The largest drawback is that the Company would be closed every other Friday. Because of this change, I am interested in receiving input from our shareholders before the Company decides on switching to an alternative work schedule. I will be making a final recommendation to the Board in January or February. Would you mind if the company offices were closed every other Friday? Concerns or comments; please let me know what you think. – Brian (blee@sawaterco.com)

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Water Efficiency Corner

LANDSCAPE & WATER CONSERVATION FAIR

On October 20th, The Landscape & Water Conservation Fair took place without a hitch and all went smoothly. It was a little warm but that didn't seem to keep folks away. Lots of activities took place including workshops to design your lawn and irrigation tips. There was also a Pumpkin decorat-

ing contest, pumpkin patch and you could plant succulents in pumpkins or in pots. Oh and don't

forget the raffles for some great items including a High Efficient washing machine.

San Antonio Heights Association Annual Meeting

Our newly appointment General Manager, Brian Lee, spoke at the event and gave a presentation about what's happening at the water company. He also fielded some questions regarding our water rates, leaks and other concerns. If you are interested in his presentation, it is available on our website at www.sawaterco.com on the home page.

Some great raffle items were given away such as a composter, drip irrigation kit, garden tool set, Toro smart timer and also the Flo Device which came with installation. I'm sure all the winners have put these items to good use and will benefit from them as well.



Project Update

Cucamonga Crosswalls – GRB has finished removing material and the basins are ready for rain! This is an important project for groundwater recharge in the Cucamonga basin. Everybody cheer for good rainfall this winter!





Holly Drive Booster – Construction of the new water pump building is wrapping up. This new pump house will deliver more water more efficiently to the Holly Drive reservoir site. This project improves fire protection and will work in conjunction with the new 120,000-gallon Holly Drive Reservoir scheduled for construction in 2019.

SAWCo Waterworks

is produced quarterly to keep San Antonio Water Company shareholders informed about water-related issues and upcoming events. If you have any questions or comments, please call the office at 909-982-4107.

BOARD OF DIRECTORS

Tom Thomas-President Will Elliott-Vice Pres. Sue Sundell-Secretary/CFO Bob Cable-Director John Gerardi-Director Gino Filippi—Director Jose Sanchez—Director



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GENERAL MANAGER

Brian Lee

DESIGNER/EDITOR

Roberta Thomas

LEAK CHECKS

As you may know, we have a leak detection program that can be utilized by shareholders when all other avenues of locating a leak on your property has been done. This means the shareholder has done the following prior to contacting the Water Company for assistance on locating the leak:

- Check the meter—Locate the meter and locate the leak indicator on the meter. It may be a red dial or an
 electronic circle that's continuously moving if there is a leak. Make sure all water is off and stays off. Take
 note of the reading and 15 minutes later, return to see if the meter read has changed. This is indication of a
 leak. It's important that no water is used during this time.
- Walk the property and look for mushy, soggy, eroded areas on your property.
- Check the valves for your sprinkler system. Look for possible leaks.
- Check all the spigots or hose bids for leaks.
- If you have a pool, check the pool filler to make sure it's not stuck in the on position.
- Inside the home: check toilets for leaks by using dye tablets or food coloring dropped into the tank., replace lid and <u>do not</u> flush. Wait 15 minutes and look into the bowl, if colored water you have a leak, if not, you don't. Please note that this leak is most likely not a significant amount of water.

When the above has been completed and still unable to locate the leak or if you need some assistance, contact our office and we will see if we can help or if you can participate in our leak detection program through our contractor, American Leak Detection.

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