



SAN ANTONIO WATER COMPANY

BOARD OF DIRECTORS MEETING

Tuesday, February 18, 2020

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 January 21, 2020.

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 October 22, 2019 and November 13, 2019.

D. Financial Statement

Income Statement and Balance Sheet for December 31, 2019 and year-to-date.

E. Investment Activity Report

Monthly Report of Investments Activity.

F. Water Production and Consumption

Monthly water production and consumption figures.

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 of appreciation from shareholder.

5. Board Committee – Delegate Report:

A. PVPA Representative Report

Verbal report on activities at the Pomona Valley Protective Association that have an impact on the Company.

B. Six Basins Representative Report

Verbal report on activities at the Six Basins Watermaster that have an impact on the Company.

C. Chino Basin Representative Report

Verbal report on activities at the Chino Basin Watermaster that have an impact on the Company.

D. Cucamonga Basin Representative Report

Verbal update by staff.

E. Administration and Finance Committee (AFC) Chairman's Report

Report on meeting held January 28, 2020.

F. Planning, Resources, and Operations Committee (PROC) Chairman's Report

No meeting to report.

G. Office Feasibility Study Ad Hoc Committee

No meeting to report.

6. General Manager's Report on Activities

A. SB998 – Policy and Procedure

Discussion and possible approval of new policy/procedure to comply with new legislation

B. Employee Recognition Policy Amendment

Discussion and possible approval of amendment to Employee Recognition Policy

C. Investment Policy

Discussion and possible approval to implement investment policy

D. Reserves Policy

Discussion and possible approval to implement reserves policy

E. General Liability Insurance Renewal

Recommend approval to renew insurance

7. Closed Session: None.

8. Director's Comments and Future Agenda Items:

Adjournment:

The next regular Board Meeting will be held on Tuesday, March 17, 2020 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 Thursday [7:00 am – 11:30 am & 12:30 pm – 5:00 pm] and alternating Fridays [7:00 am – 11:30 am & 12:30 pm – 4:00 pm]. The agenda is also available for review and copying at the Upland Public Library located at 450 N. Euclid Avenue.

POSTING STATEMENT: On February 13, 2020 a true and correct copy of this agenda was posted at the entry of the Company Office (139 No. Euclid Avenue), and on the Company Website. On February 18, 2020 a copy of the agenda was posted on the public bulletin board at 450 No. Euclid Avenue (Upland Public Library)

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, January 21, 2020

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

- Salute to the Flag by Director Elliott
- 1. Recognitions and Presentations: Director Thomas shared a photo of Director Elliott from his years as a real estate broker in the local area.

Mr. Lee brought the attention of the Board to the AB54 Training information on the dais. Director Thomas requested direction on how to sign up for the training. Mr. Lee replied that staff would take care of that for him once he chose the training date.

- 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 17, 2019.
 - 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
Income Statement and Balance Sheet for November 30, 2019 and year-to-date.
 - E. Investment Activity Report
Monthly Report of Investments Activity.
 - F. Water Production and Consumption
Monthly water production and consumption figures.
 - G. Prominent Issues Update
Status summaries on certain on-going active issues.
 - H. Projects and Operations Update
Status summaries on projects and operations matters.
 - I. Groundwater Level patterns [Quarterly in January, April, July, and October]
Tracking patterns of groundwater elevations relative to ground surface.
 - J. Correspondence of Interest

Director Sanchez moved and Director Goss seconded to approve the Consent Calendar. Motion carried unanimously.

- 5. Board Committee – Delegate Report:
 - A. **Pomona Valley Protective Association (PVPA) Representative's Report** – Director Thomas reported the official precipitation total in the area for 2019 was 43.8 inches.

Weed abatement activity has begun in the PVPA spreading grounds. The new fence is helping to keep the homeless out of the spreading grounds making it easier to perform the weed abatement.

H.R. 2215 – 116th Congress: San Gabriel Mountains Foothills and Rivers Protection Act is a proposed bill which, in part, places PVPA land into a national recreation area. PVPA is seeking to have its land removed from inclusion in the bill.

The Safe Clean Water tax recently imposed on Los Angeles County property owners to facilitate projects to capture and clean storm runoff originally had PVPA land included. PVPA land is used to do exactly what the tax is collecting funds to do and, as such, has since been excluded from being charged the tax.

The Thompson Creek Spreading Grounds were recently renamed the Marilee K. Scaff Thompson Creek Spreading Grounds in honor of recently deceased City of Claremont resident Marilee K. Scaff. The City of Claremont has requested PVPA provide a plaque or elevated bird perch honoring Marilee K. Scaff near the Thompson Creek Trail. PVPA has requested more information on what the City of Claremont desires and will attempt to work on a way to honor Ms. Scaff.

- B. Six Basins Representative Report** – Mr. Lee advised Six Basins held no meetings in December. The January Six Basins meeting is scheduled for the following day.
- C. Chino Basin Representative Report** – Mr. Lee advised he will officially be taking over Chino Basin duties for Ms. Layton in April but he has been attending the meetings.

The Appropriative Pool met and appointed John Bosler with Cucamonga Valley Water District (CVWD) as Chair, Chris Fealy with Fontana as Vice Chair. Minor Representatives are the Monte Vista Irrigation Company and West End Consolidated Water Company. The Appropriative Pool appointment to the Advisory Committee is Van Jew with Monte Vista Water District.

The Appropriative Pool will be submitting a letter to the Chino Basin Watermaster regarding the recently issued final report on the 2020 Storage Management Plan.

Currently there is no water available to spread in Chino Basin.

The Tolling Agreement with the Agricultural Pool has expired and was not renewed.

An Appropriative Pool special meeting has been scheduled to discuss the Optimum Basin Management Plan (OBMP).

- D. Cucamonga Basin Representative Report** – Ms. Layton reported the working group met on January 7th and the parties are close to finalizing the terms of reference sheet. CVWD presented an updated draft which SAWCo had their legal counsel review and comment; West End Consolidated Water Company (WECWC) is also having their legal counsel review and comment on the updated draft.

CVWD's legal counsel has drafted a letter regarding Chino Basin's insistence on utilizing the Cucamonga Basin modeling to determine its safe yield. SAWCo's legal counsel will also be drafting a letter to the same effect. WECWC desires to have the City of Upland's legal counsel review the item. CVWD is taking the lead on issuing a Request for Proposals (RFP) to replace Wildermuth Environmental, Inc. as the consultant for Cucamonga Basin.

The parties have looked into possible grant money for the Crosswalls projects but it does not necessarily qualify as treatment of contaminants. CVWD is offering combining mitigation work with SAWCo for possible cost savings. A follow up meeting with a consultant and legal counsel is forthcoming.

The parties continue to meeting and revise the Judgment. The next meeting is scheduled for February 4, 2020.

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

6. General Manager's Report on Activities:

- A. **Request for Waiver of Will Serve Letter Requirement** – Mr. Lee explained that in March of 2019 SAWCo reinstated the one share per one acre requirement of the original Company bylaws. The reason being that staff was having to review and approve building plans, landscape plans, and water budgets to verify the number of shareholdings owned met the water needs of the property. Will Serve letters approving one quarter share for lots greater than one quarter acre based on these findings traditionally ended up not staying within the entitlement. The one acre, one share fits within the range of expected domestic use.

Mr. Lee recommended the Board deny the request for a waiver of the Will Serve letter requirement and ratify the requirement of one share per one acre, or a fraction thereof, for issuance of Will Serve letters.

Director Cable suggested bringing to the PROC the possibility of water share requirements as they relate to the square footage of a development.

Director Elliott moved and Director Cable seconded to deny the request for a waiver of the Will Serve letter requirement and ratify the requirement of one share per one acre, or a fraction thereof, for issuance of Will Serve letters. Motion carried unanimously.

- B. **Conservation Programs Update** – Mr. Lee had nothing to add to the report and asked for any questions.

Director Thomas noted the lack of use of the conservation programs offered.

Mr. Lee surmised the heavy rainfall received last year played a factor in the under use of conservation programs. SAWCo programs were not heavily promoted during the year.

Director Thomas acknowledged homeowners have put in more drought tolerant lawns and curtailed excessive runoff as he has witness less water waste over the past years.

- C. **Annual Shareholder's Meeting** – Mr. Lee stated each year in January the Board appoints the Inspectors of Election for that year's Annual Shareholder's Meeting. This year the inspectors that have performed the duties since 2013 have agreed to reprise their role.

Mr. Lee recommended the Board reappoint Pete Cherbak, Betty Garrison, and Donna Hawthorne as Inspectors of Elections for the Annual Shareholder's Meeting.

Director Elliott moved and Director Filippi seconded to approve the appointment of Pete Cherbak, Betty Garrison, and Donna Hawthorne as Inspectors of Election for the upcoming Annual Shareholder's Meeting. Motion carried unanimously.

7. Closed Session: None.

8. Director's Comments and Future Agenda Items: Director Filippi thanked Mr. Lee on his responsiveness and follow up to the MIH issue. He requested that Mr. Lee provide a status update to the Board when available.

Adjournment:

With no further business to discuss, Director Thomas adjourned the meeting at 5:18 p.m.

Assistant Secretary
Brian Lee

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

October 22, 2019

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 Jose Sanchez, Bob Cable, Rudy Zuniga, and ex officio Tom Thomas. Also in attendance were SAWCo's General Manager Brian Lee, Assistant General Manager Teri Layton, and Senior Administrative Specialist Kelly Mitchell. Mr. Sanchez presided.

1. Recognitions and Presentations: None.
2. Additions-Deletions to the Agenda: None.
3. Public Comments: None.
4. Approval of Committee Meeting Minutes: Mr. Cable moved and Mr. Zuniga seconded to approve the meeting minutes of August 27, 2019. Motion carried.
5. Administrative and Financial Issues:
 - A. ***Proposed Financial Policies*** – Mr. Lee advised the drafts included in the agenda packet are merely a starting point for creating proper financial policies. He inquired as to whether there was a preferred order in which to create the policy types listed on the agenda memorandum. The Committee expressed no preferred order.

Mr. Sanchez noted that regarding the investment policy, the Board of Directors will need to make a decision on the risk it's willing to assume with regard to investments. He commented the proposed policy is very conservative but Board members may feel additional measures may be warranted.

Mr. Thomas expressed concern that the wording of the policies may place an excessive amount on the Treasurer.

Mr. Sanchez voiced concern for separation of duties. All of the work cannot fall on the Treasurer nor all on staff.

The Committee agreed the priority proposed for the policy should be principal risk, liquidity risk, and return on investment.

The Committee and staff discussed SAWCo's financial position including reserves accounts and operating funds.

Mr. Sanchez recommended forecasting cash flow needs of the Company and then matching the maturities to those needs. He also recommended requesting suggestions from the auditors about how much SAWCo should have in an emergency fund.

Mr. Sanchez also commented in regards to reserves funds that capital reserves should include two components; one for planned expenditures and one for emergencies.

Mr. Lee is to take all feedback into account and present a second draft to the Committee.

October 22, 2019

Mr. Sanchez suggested Mr. Lee take the comments from this discussion and present them to the Planning, Resources, and Operations Committee for their comments. The AFC can then discuss all comments at their next meeting and provide direction to the Board.

Mr. Lee mentioned the possibility of presenting a draft broker request for qualifications (RFQ) at the next AFC meeting.

Mr. Sanchez advised including language in the policy that states items not specifically identified are prohibited rather than listing all the prohibited items individually.

Mr. Lee stated he anticipates quarterly Board review of the company portfolio position. The committee felt the item would be suited for the consent calendar of the Board agenda.

Mr. Sanchez also expressed a desire to review investment ratios on a quarterly basis to measure the performance of investments.

Mr. Lee advised he would be putting together a Broker RFQ for the next meeting as well as narrowing down what ratios to use along with finalizing the policies chosen for discussion during the meeting.

6. Closed Session: None.
7. Committee Comments and Future Agenda Items: None.
8. Adjournment: The committee determined there was no further business and adjourned the meeting at 3:55 p.m.

Assistant Secretary
Brian Lee

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

November 13, 2019

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 Jose Sanchez, Bob Cable, and Tom Thomas. Also in attendance were SAWCo's General Manager Brian Lee and Assistant General Manager Teri Layton.

1. Recognitions and Presentations: Mr. Lee thanked the Committee for their willingness to schedule an additional meeting in order to review and discuss items needing to be addressed prior to year-end.
2. Additions-Deletions to the Agenda: None.
3. Public Comments: None.
4. Approval of Committee Meeting Minutes: No minutes to approve.
5. Administrative and Financial Issues:
 - A. ***Board Gift – End of Year Luncheon*** – Mr. Thomas recommended looking into increasing the amount of the gift in the future to account for inflation.

Mr. Cable moved and Mr. Thomas seconded to approve providing a Board Gift to employees in the amount of \$1,250, prorated for part-time employees, at the End of Year Luncheon. Motion carried unanimously.

Mr. Sanchez reiterated looking into the amount of the board gift. He suggested discussing the item at an AFC meeting earlier in the calendar year.

There was consensus on the Committee to review the amount of the board gift earlier in the year in 2020 to allow for any necessary changes to the budget.
 - B. ***Annual Review of Employee Health Benefits*** – The Committee agreed the slight increase in the cost to renew the health benefits was worth the coverage received over the alternative plans presented.

Mr. Cable moved and Mr. Thomas seconded to recommend the Board approve maintaining SAWCo's current employee health and welfare benefits package. Motion carried unanimously.
6. Closed Session: None.
7. Committee Comments and Future Agenda Items: Mr. Sanchez requested financial policies and ratios be placed on the January AFC meeting agenda.
8. Adjournment: The committee determined there was no further business and adjourned the meeting at 3:09 p.m.

Assistant Secretary
Brian Lee



San Antonio Water Company, CA

Item 4D Income Statement Group Summary

For Fiscal: 2019 Period Ending: 12/31/2019

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)	340,000.00	340,000.00	29,377.19	224,897.30	115,102.70
1215 - Domestic Water Income (Supplemental)	246,000.00	246,000.00	24,026.14	173,314.16	72,685.84
1220 - Domestic Water Income (Tier 3)	206,000.00	206,000.00	34,825.99	203,813.20	2,186.80
1230 - Domestic Water Income (Readi/Chrg)	200,000.00	200,000.00	33,517.99	200,336.66	-336.66
1235 - Domestic Water Availability Charge (WAC)	60,000.00	60,000.00	10,251.48	61,112.10	-1,112.10
1245 - Municipal Water Income (Base)	2,500,000.00	2,500,000.00	75,968.87	2,846,680.10	-346,680.10
1268 - Municipal Water Income (Readi/Chrg)	80,000.00	80,000.00	6,900.00	82,050.00	-2,050.00
1274 - Misc Water Income (Base)	189,000.00	189,000.00	4,231.28	185,750.07	3,249.93
1275 - Misc Water Income (Supplemental)	174,000.00	174,000.00	10,395.48	141,262.03	32,737.97
1276 - Munnicipal Water Availability Charge (WAC)	477,000.00	477,000.00	39,730.00	476,686.00	314.00
1280 - Misc Water Income (Tier 3)	15,000.00	15,000.00	1,130.64	52,193.58	-37,193.58
1288 - Misc Water Income (Readi/Chrg)	23,000.00	23,000.00	1,860.00	23,070.00	-70.00
1290 - Misc Water Availability Charge (WAC)	23,000.00	23,000.00	1,922.00	23,064.00	-64.00
1295 - Dormant Water Availability Charge (WAC)	54,000.00	54,000.00	8,655.60	52,347.33	1,652.67
1302 - Meter Service Fees	0.00	0.00	0.00	3,881.00	-3,881.00
1400 - Stock Transfer	5,000.00	5,000.00	420.00	3,510.00	1,490.00
1405 - Capital Facility Connection Fee	0.00	0.00	0.00	10,725.00	-10,725.00
1410 - Late/Re-establishment Fee	5,000.00	5,000.00	700.00	6,235.00	-1,235.00
1420 - Return Check Fee	0.00	0.00	0.00	325.00	-325.00
1430 - Stock Certificate Storage and Handling Fee	0.00	0.00	40.00	180.00	-180.00
SubCategory: 40 - Shareholder Revenue Total:	4,597,000.00	4,597,000.00	283,952.66	4,771,432.53	-174,432.53
SubCategory: 42 - Non-Shareholder Revenue					
1725 - Misc. Income	1,000.00	1,000.00	0.00	1,683.64	-683.64
1728 - Plans & Spec Fee	2,000.00	2,000.00	0.00	0.00	2,000.00
1750 - Service/Litigation Agreements	1,000.00	1,000.00	0.00	564.59	435.41
1753 - Ground Lease Income	52,000.00	52,000.00	4,707.84	57,684.24	-5,684.24
1755 - Interest Earned	48,000.00	48,000.00	699.77	79,848.10	-31,848.10
1785 - Gain on Sale of Asset	344,000.00	344,000.00	2,700.00	345,759.45	-1,759.45
1875 - Overhead Income	0.00	0.00	0.00	1,321.59	-1,321.59
SubCategory: 42 - Non-Shareholder Revenue Total:	448,000.00	448,000.00	8,107.61	486,861.61	-38,861.61
Category: 4 - Income Total:	5,045,000.00	5,045,000.00	292,060.27	5,258,294.14	-213,294.14
Category: 5 - O & M Expense					
SubCategory: 50 - Operating Facilities					
2175 - Facility Related Field Labor	228,000.00	228,000.00	14,721.00	208,614.67	19,385.33
2235 - Repairs to Facilities and Equipment	393,000.00	393,000.00	10,513.09	38,360.15	354,639.85
2265 - Power-Gas & Electric (utilities)	725,000.00	725,000.00	29,165.63	611,562.78	113,437.22
SubCategory: 50 - Operating Facilities Total:	1,346,000.00	1,346,000.00	54,399.72	858,537.60	487,462.40
SubCategory: 51 - Operating Activities					
2475 - Customer Service	85,000.00	85,000.00	3,565.46	70,006.99	14,993.01
2498 - Conservation	45,000.00	45,000.00	5,339.15	21,565.41	23,434.59
SubCategory: 51 - Operating Activities Total:	130,000.00	130,000.00	8,904.61	91,572.40	38,427.60
SubCategory: 52 - Other Operating Expense					
2205 - Non-Facility Related Labor	87,000.00	87,000.00	3,766.76	76,154.90	10,845.10
2210 - O & M - All Other	2,000.00	2,000.00	0.00	7,401.85	-5,401.85
2295 - Supplies (Inventory & Tools Expense)	10,000.00	10,000.00	203.14	7,316.04	2,683.96
2565 - Depreciation/Amortization	822,000.00	822,000.00	76,858.90	917,344.32	-95,344.32
2715 - Property Taxes	247,000.00	247,000.00	109,175.03	216,649.62	30,350.38
2805 - Water Resource Mgmt.	300,000.00	300,000.00	1,680.57	127,133.59	172,866.41

Income Statement

For Fiscal: 2019 Period Ending: 12/31/2019

IncomeStatement	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
2830 - Loss on Disposal of Asset	0.00	0.00	0.00	38,899.45	-38,899.45
SubCategory: 52 - Other Operating Expense Total:	1,468,000.00	1,468,000.00	191,684.40	1,390,899.77	77,100.23
Category: 5 - O & M Expense Total:	2,944,000.00	2,944,000.00	254,988.73	2,341,009.77	602,990.23
Category: 6 - G & A Expense					
SubCategory: 60 - Personnel					
2115 - Administrative Services	223,000.00	223,000.00	23,459.48	293,364.97	-70,364.97
2130 - Development/Water Svc. App.	2,000.00	2,000.00	0.00	502.41	1,497.59
2325 - Payroll Taxes	70,000.00	70,000.00	4,483.21	68,841.44	1,158.56
2355 - Worker's Compensation Insurance	18,000.00	18,000.00	1,522.00	15,798.00	2,202.00
2385 - Benefit Pay (Vac., sick, etc.)	143,000.00	143,000.00	18,862.60	158,121.88	-15,121.88
2415 - Benefit Insurance (Pension,Life,Medical,Vision etc	223,000.00	223,000.00	18,019.27	220,920.67	2,079.33
2430 - Benefit Administrative Services	2,000.00	2,000.00	0.00	1,197.00	803.00
SubCategory: 60 - Personnel Total:	681,000.00	681,000.00	66,346.56	758,746.37	-77,746.37
SubCategory: 61 - Other					
2445 - Office/IT Support	62,000.00	62,000.00	2,953.50	72,064.36	-10,064.36
2505 - Directors Fees & Expense	35,000.00	35,000.00	2,789.19	33,567.62	1,432.38
2535 - Liability Insurance	32,000.00	32,000.00	0.00	29,928.00	2,072.00
2595 - Communication	92,000.00	92,000.00	3,259.60	66,244.93	25,755.07
2625 - Dues & Publications	4,000.00	4,000.00	219.00	3,395.95	604.05
2655 - Outside Services	81,000.00	81,000.00	7,408.50	18,340.45	62,659.55
2745 - Income Tax Expense	8,000.00	8,000.00	0.00	9,900.00	-1,900.00
2775 - Accounting	59,000.00	59,000.00	2,178.86	61,649.71	-2,649.71
2776 - Legal	242,000.00	242,000.00	20,792.61	196,183.80	45,816.20
2790 - Human Resources Expense	39,000.00	39,000.00	3,550.89	44,381.10	-5,381.10
2865 - All other	40,000.00	40,000.00	11,296.55	31,636.07	8,363.93
SubCategory: 61 - Other Total:	694,000.00	694,000.00	54,448.70	567,291.99	126,708.01
Category: 6 - G & A Expense Total:	1,375,000.00	1,375,000.00	120,795.26	1,326,038.36	48,961.64
Total Surplus (Deficit):	726,000.00	726,000.00	-83,723.72	1,591,246.01	

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
10 - 10	726,000.00	726,000.00	-83,723.72	1,591,246.01	-865,246.01
Total Surplus (Deficit):	726,000.00	726,000.00	-83,723.72	1,591,246.01	



San Antonio Water Company, CA

Balance Sheet

Account Summary

As Of 12/31/2019

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	1,734,357.77
10-00-00-10300-00000	Savings-Money Market	2,200,796.77
10-00-00-10400-00000	Savings-CD Accounts	20,000.00
10-00-00-10415-00000	D&O Checking Account	365,851.09
10-00-00-10438-00000	Depre/Obsolescence Res (LAIF)	2,290,364.26
	Total BalSubCategory 10 - Cash:	6,611,619.89
BalSubCategory: 11 - Accounts Receivable		
10-00-00-11100-00000	Accounts Receivable-Domestic	126,752.87
10-00-00-11200-00000	Accounts Receivable-Municipal	122,598.87
10-00-00-11250-00000	Accounts Receivable-Misc.	19,847.17
10-00-00-11260-00000	Accounts Receivable - Dormant	10,234.60
10-00-00-11275-00000	Contra Accounts Receivable - Unapplic	-12,762.50
10-00-00-11300-00000	Accounts Receivable-Other	215,566.48
10-00-00-11301-00000	Note Receivable	1,376,000.00
	Total BalSubCategory 11 - Accounts Receivable:	1,858,237.49
BalSubCategory: 12 - Inventory		
10-00-00-12100-00000	Inventories-Materials & Supply	89,342.94
	Total BalSubCategory 12 - Inventory:	89,342.94
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
10-00-00-14151-00000	457B Plan Investment	17,766.48
	Total BalSubCategory 14 - Investments:	17,767.48
BalSubCategory: 15 - Property, Plant, & Equipment		
10-00-00-15100-00000	Land & Water Rights	920,161.26
10-00-00-15110-1507J	Work in Progress "Proj J"	49,384.15
10-00-00-15110-1601N	Work in Progress	25,090.11
10-00-00-15110-1602U	Work in Progress	465,784.96
10-00-00-15110-1701A	Work in Progress	1,245,769.46
10-00-00-15110-1806K	Work In Progress	14,968.94
10-00-00-15110-1807P	Work In Progress	267,609.68
10-00-00-15110-1808D	Work In Progress	118,172.84
10-00-00-15110-1901	Work In Progress	400.00
10-00-00-15110-1903	Work in Progress	24,138.08
10-00-00-15110-1904	Work in Progress	1,317.70
10-00-00-15150-00000	Buildings & Site Improvements	1,746,624.52
10-00-00-15200-00000	Wells-Shafts, Bldgs, & Equip	4,879,915.22
10-00-00-15250-00000	Boosters-Bldgs & Equip	2,448,690.30
10-00-00-15300-00000	Reservoirs	1,712,021.73
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	15,921,610.63
10-00-00-15500-00000	Autos & Equipment	511,050.56
10-00-00-15550-00000	Tools	98,350.22
10-00-00-15600-00000	Telemetry System	482,714.06

Balance Sheet

As Of 12/31/2019

Account	Name	Balance	
10-00-00-15650-00000	Office Equipment	504,046.38	
10-00-00-15990-00000	Accumulated Depreciation	-12,635,359.78	
Total BalSubCategory 15 - Property, Plant, & Equipment:		20,494,666.92	
BalSubCategory: 16 - Other Assets			
10-00-00-16100-00000	Documents & Studies	867,778.67	
10-00-00-16990-00000	Accumulated Amortization	-631,865.11	
Total BalSubCategory 16 - Other Assets:		235,913.56	
Total Assets:		29,316,786.03	<u>29,316,786.03</u>

Liability

BalSubCategory: 13 - Prepaid			
10-00-00-20650-00000	Deferred Revenue Deposit	6,432.00	
Total BalSubCategory 13 - Prepaid:		6,432.00	
BalSubCategory: 20 - Short-term less than 1 year			
10-00-00-20100-00000	Trade Accounts Payable	25,180.13	
10-00-00-20115-00000	D&O Trade Accounts Payable	234,443.15	
10-00-00-20600-00000	Water Hydrant Meter Deposit	1,700.00	
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:		306,546.45	
BalSubCategory: 21 - Long-term more than 1 year			
10-00-00-20152-00000	457B Deferred Comp Liability	17,766.48	
10-00-00-21500-00000	Unclaimed Credits	541,561.76	
10-00-00-22100-00000	Deferred Gain	1,372,237.78	
Total BalSubCategory 21 - Long-term more than 1 year:		1,931,566.02	
Total Liability:		2,244,544.47	

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	2,426,040.00	
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 Earngs-Brd Designated	3,529,386.35	
10-00-00-30410-00000	Retained Earnings-Unrestricted	18,439,411.18	
Total BalSubCategory 30 - Stockholder equity:		25,480,995.55	
Total Beginning Equity:		25,480,995.55	
Total Revenue		5,258,294.14	
Total Expense		3,667,048.13	
Revenues Over/Under Expenses		1,591,246.01	
Total Equity and Current Surplus (Deficit):		27,072,241.56	
Total Liabilities, Equity and Current Surplus (Deficit):		29,316,786.03	<u>29,316,786.03</u>

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

Institution	Type of Investment	Date of Maturity	Rate of Interest	Amount of Deposit as of 12/31/2019	*Accumulated Yearly Service Fees	Accumulated Yearly Interest Earnings
					thru December	thru December
Citizens Business Bank (CBB)	*Checking	N/A	No Interest	1,734,357.77	-	N/A
Citizens Business Bank (CBB)	*D&O Checking	N/A	No Interest	365,851.09		N/A
Citizens Business Bank	Pref. Money Mrkt	N/A	0.3500%	2,200,796.77		5,261.99
Local Agency Investment Fund	LAIF	N/A	2.043%	2,290,364.26		74,359.04
Golden State Business Bank	12 Month C.D.	April 15,2020	1.50%	20,000.00		227.07
TOTAL:				\$ 6,611,369.89		
TOTAL IN CD'S:				\$ 20,000.00		

2020 Production

Item 4F

CHINO BASIN		Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	THIS YEAR
Yearly Production Rights = 1232		38.19%	38.19%	38.19%	38.19%	38.19%	38.19%	-	-	-	-	-	-	-
Well #12 - inactive		-	-	-	-	-	-	-	-	-	-	-	-	-
Well #15 - Domestic		0.08	-	-	-	-	-	-	-	-	-	-	-	0.08
Well #16 - Domestic		0.16	-	-	-	-	-	-	-	-	-	-	-	0.16
Well#18 - inactive		-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal		0.23	-	-	-	-	-	-	-	-	-	-	-	0.23
CUCAMONGA BASIN		Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	THIS YEAR
Yearly Production Rights = 5996 (1496 10-yr Average Spread)		2.57%	-	-	-	-	-	-	-	-	-	-	-	-
Well #2		49.87	-	-	-	-	-	-	-	-	-	-	-	49.87
Well #3		0.33	-	-	-	-	-	-	-	-	-	-	-	0.33
Well#19 - inactive		-	-	-	-	-	-	-	-	-	-	-	-	-
Well #22		9.49	-	-	-	-	-	-	-	-	-	-	-	9.49
Well #24		0.68	-	-	-	-	-	-	-	-	-	-	-	0.68
Well #31		0.33	-	-	-	-	-	-	-	-	-	-	-	0.33
Well #32 - Domestic		-	-	-	-	-	-	-	-	-	-	-	-	-
Upl. # 15 (SAWCo's Rts)		93.55	-	-	-	-	-	-	-	-	-	-	-	93.55
Subtotal		154.26	-	-	-	-	-	-	-	-	-	-	-	154.26
Upl. # 15 (WECWCo's Rts) Memo Only		-	-	-	-	-	-	-	-	-	-	-	-	-
SIX BASINS		Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	THIS YEAR
Yearly Production Rights = 932		9.81%	-	-	-	-	-	-	-	-	-	-	-	-
Well #25-A		-	-	-	-	-	-	-	-	-	-	-	-	-
Well #26		46.26	-	-	-	-	-	-	-	-	-	-	-	46.26
Well 27-A		45.14	-	-	-	-	-	-	-	-	-	-	-	45.14
Subtotal		91.40	-	-	-	-	-	-	-	-	-	-	-	91.40
TOTAL PUMPED		245.90	-	-	-	-	-	-	-	-	-	-	-	245.90
GRAVITY FLOW		Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	THIS YEAR
V screen		524.54	-	-	-	-	-	-	-	-	-	-	-	524.54
backwash from city treatment plant		0.74	-	-	-	-	-	-	-	-	-	-	-	0.74
San Antonio Tunnel (forebay)		233.50	-	-	-	-	-	-	-	-	-	-	-	233.50
Frankish & Stamm Tunnel 8"		35.45	-	-	-	-	-	-	-	-	-	-	-	35.45
San Ant. Tunnel Connect to City		-	-	-	-	-	-	-	-	-	-	-	-	-
Discharge to waste		-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL GRAVITY		794.23	-	-	-	-	-	-	-	-	-	-	-	794.23
Monthly														
San Antonio Tunne		233.50	-	-	-	-	-	-	-	-	-	-	-	233.50
V Screen, Frankish & Stamm Tunnel and TP Backwash		560.73	-	-	-	-	-	-	-	-	-	-	-	560.73
Gravity Production		794.23	-	-	-	-	-	-	-	-	-	-	-	794.23
Cumulative														
San Antonio Tunne		233.50	-	-	-	-	-	-	-	-	-	-	-	233.50
V Screen, Frankish & Stamm Tunnel and TP Backwash		560.73	-	-	-	-	-	-	-	-	-	-	-	560.73
Gravity Production		794.23	-	-	-	-	-	-	-	-	-	-	-	794.23
Purchased Water - Upl. City to Dom. Sys.		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Production		1,040.12	-	-	-	-	-	-	-	-	-	-	-	1,040.12
Total Cumulative Production		1,040.12	-	-	-	-	-	-	-	-	-	-	-	1,040.12
Domestic Production		Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	THIS YEAR
Domestic Production		233.74	-	-	-	-	-	-	-	-	-	-	-	233.74
Irrigation Production		806.39	-	-	-	-	-	-	-	-	-	-	-	806.39
RainFall (Inches)		0.17	-	-	-	-	-	-	-	0.22	-	-	-	-
Cumulative (Inches)		-	-	-	-	-	-	-	-	-	-	-	-	-

2020 Consumption

DOMESTIC	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	THIS YEAR
Dom. Sys. - Base	52.51	-	-	-	-	-	-	-	-	-	-	-	52.51
Dom. Sys. - Supplemental	7.11	-	-	-	-	-	-	-	-	-	-	-	7.11
Dom Sys - Tier 3	3.97	-	-	-	-	-	-	-	-	-	-	-	3.97
Dom. Sys. - Del. to Upland(24th/Campus)	41.55	-	-	-	-	-	-	-	-	-	-	-	41.55
Dom. Sys. -Del. To Upland (Well 16/15)	-	-	-	-	-	-	-	-	-	-	-	-	-
Dom. Sys. - Del. to Upland(24th/Mtn)-installed 4/2/19	-	-	-	-	-	-	-	-	-	-	-	-	-
Tunnel meter to the Upland	-	-	-	-	-	-	-	-	-	-	-	-	-
Discharge to waste	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	105.14	-	-	-	-	-	-	-	-	-	-	-	105.14

Truck Loads - note only crosswall projects	-	-	-	-	-	-	-	-	-	-	-	-	-
Well 32 Hydrant Mtr. - note only(started 8/6/18)Crosswalls	-	-	-	-	-	-	-	-	-	-	-	-	-

Irr. Note only Del. to MVWD(wheeled through Upland)	-	-	-	-	-	-	-	-	-	-	-	-	-
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IRRIGATION	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	THIS YEAR
Irrig. Sys.-Upland(Pump & Rec'd) (City W#15)	93.55	-	-	-	-	-	-	-	-	-	-	-	93.55
Irrig. Sys. - Upl. City - Tier 1	370.45	-	-	-	-	-	-	-	-	-	-	-	370.45
Irrig. Sys. - Upl. City - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Monte Vista - Tier 1	48.30	-	-	-	-	-	-	-	-	-	-	-	48.30
Irrig. Sys. - Monte Vista - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Ont. City - Tier 1	42.90	-	-	-	-	-	-	-	-	-	-	-	42.90
Irrig. Sys. - Ont. City - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Cucamonga Valley - Tier 1	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Cucamonga Valley - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Holiday Rock Co - Tier 1	14.52	-	-	-	-	-	-	-	-	-	-	-	14.52
Irrig. Sys. - Holiday Rock Co - Tier 2	4.47	-	-	-	-	-	-	-	-	-	-	-	4.47
Irrig. Sys. - Holiday Rock Co - Tier 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Red Hill Golf Course - Tier 1	8.60	-	-	-	-	-	-	-	-	-	-	-	8.60
Irrig. Sys. - Red Hill Golf Course - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Red Hill Golf Course - Tier 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Red Hills HOA - Tier 1	0.01	-	-	-	-	-	-	-	-	-	-	-	0.01
Irrig. Sys. - Red Hills HOA - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Red Hills HOA - Tier 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Minor Irrigators - Tier 1	0.58	-	-	-	-	-	-	-	-	-	-	-	0.58
Irrig. Sys. - Minor Irrigators - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Minor irrigators - Tier 3	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	583.39	-	-	-	-	-	-	-	-	-	-	-	583.39

COMPANY TOTALS	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	THIS YEAR
San Antonio Heights	63.59	-	-	-	-	-	-	-	-	-	-	-	63.59
City of Upland	505.55	-	-	-	-	-	-	-	-	-	-	-	505.55
Monte Vista Water District	48.30	-	-	-	-	-	-	-	-	-	-	-	48.30
City of Ontario	42.90	-	-	-	-	-	-	-	-	-	-	-	42.90
Cucamonga Valley Water District	-	-	-	-	-	-	-	-	-	-	-	-	-
Holiday Rock Company	19.00	-	-	-	-	-	-	-	-	-	-	-	19.00
Red Hills Golf Course	8.60	-	-	-	-	-	-	-	-	-	-	-	8.60
Red Hill HOA	0.01	-	-	-	-	-	-	-	-	-	-	-	0.01
Minor Irrigators	0.58	-	-	-	-	-	-	-	-	-	-	-	0.58
TOTAL	688.53	-	-	-	-	-	-	-	-	-	-	-	688.53

IRRIGATORS	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	THIS YEAR
Irrigator Emberton	0.12	-	-	-	-	-	-	-	-	-	-	-	0.12
Irrigator McMurray	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrigator Mistretta	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrigator Nisbit	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrigator Scheu	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrigator Pfister	0.47	-	-	-	-	-	-	-	-	-	-	-	0.47

2020 Spread

Cucamonga Basin	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	THIS YEAR
23rd St. (Meter) - Basin 6 - A	0.23	-	-	-	-	-	-	-	-	-	-	-	0.23
15th Street Basin	-	-	-	-	-	-	-	-	-	-	-	-	-
Basin 3 meter (23rd street Clock)	115.17	-	-	-	-	-	-	-	-	-	-	-	115.17
Frankish & Stamm Tunnel to Basin 3	35.45	-	-	-	-	-	-	-	-	-	-	-	35.45
Vscreen via Frankish & Stamm Meter to Basin 3	-	-	-	-	-	-	-	-	-	-	-	-	-
PRV Station (res 1)(basin 6)	80.71	-	-	-	-	-	-	-	-	-	-	-	80.71
Monthly Spread	231.57	-	-	-	-	-	-	-	-	-	-	-	231.57
Cumulative Spread	231.57	-	-	-	-	-	-	-	-	-	-	-	

Six Basins

Note: City of Upland Well Exercising may contribute to spread

Monthly Spread	130.23	-	-	-	-	-	-	-	-	-	-	-	130.23
Cumulative Spread	130.23	-	-	-	-	-	-	-	-	-	-	-	

Chino Basin

Monthly Spread	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Spread	-	-	-	-	-	-	-	-	-	-	-	-	

Company Wide

Monthly Spread	361.80	-	-	-	-	-	-	-	-	-	-	-	361.80
Cumulative Spread	361.80	-	-	-	-	-	-	-	-	-	-	-	

Meter to spread ponds (NOTE ONLY)	71.45	-	-	-	-	-	-	-	-	-	-	-	71.45
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2020 Production v Consumption

Yearly %	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
	8%	17%	25%	33%	42%	50%	58%	67%	75%	83%	92%	100%

Consumption versus Entitlement, Company Wide **Active Shares**

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	THIS YEAR
Consumption	688.53	-	-	-	-	-	-	-	-	-	-	-	
Cumulative Consumption	688.53	-	-	-	-	-	-	-	-	-	-	-	688.53
Cumulative Entitlement (straight line)	1,047.56	-	-	-	-	-	-	-	-	-	-	-	12,571
% of Entitlement	5.48%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.5%

Consumption versus Entitlement, Company Wide **Total Shares**

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	THIS YEAR
Consumption	688.53	-	-	-	-	-	-	-	-	-	-	-	
Cumulative Consumption	688.53	-	-	-	-	-	-	-	-	-	-	-	688.53
Cumulative Entitlement (straight line)	1,083.33	-	-	-	-	-	-	-	-	-	-	-	13,000
% of Entitlement	5.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.3%

Production versus Consumption, Company Wide

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	THIS YEAR
Production	1,040.12	-	-	-	-	-	-	-	-	-	-	-	1,040.12
Consumption	688.53	-	-	-	-	-	-	-	-	-	-	-	688.53
Spread	361.80	-	-	-	-	-	-	-	-	-	-	-	361.80
Total Consumption	1,050.33	-	-	-	-	-	-	-	-	-	-	-	1,050.33
Difference	(10.21)	-	-	-	-	-	-	-	-	-	-	-	(10.21)
% of Production	-1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-1.0%

Production versus Consumption, Domestic System

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	THIS YEAR
Production	233.74	-	-	-	-	-	-	-	-	-	-	-	233.74
Consumption	105.14	-	-	-	-	-	-	-	-	-	-	-	105.14
Monthly Difference	128.59	-	-	-	-	-	-	-	-	-	-	-	128.59
% difference	122.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	122.3%

Production versus Consumption, Irrigation System

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	THIS YEAR
Production	806.39	-	-	-	-	-	-	-	-	-	-	-	806.39
Addition from Domestic	128.59	-	-	-	-	-	-	-	-	-	-	-	128.59
Total Production	934.98	-	-	-	-	-	-	-	-	-	-	-	934.98
Consumption	945.19	-	-	-	-	-	-	-	-	-	-	-	945.19
Monthly Difference	(10.21)	-	-	-	-	-	-	-	-	-	-	-	(10.21)
% difference	-1.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-1.1%

2020 GW Production Rights

Yearly %	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
	8%	17%	25%	33%	42%	50%	58%	67%	75%	83%	92%	100%

Chino Basin Production Water Year 19-20

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	THIS YEAR
19-20 Production	0.23	-	-	-	-	-	-	-	-	-	-	-	
19-20 Cumulative Production	470.53	470.53	470.53	470.53	470.53	470.53	470.53						0.23
Cumulative Production Rights	718.67	821.33	924.00	1,026.67	1,129.33	1,232.00							1,232
% of Production Rights 2019-20	38.19%	38.19%	38.19%	38.19%	38.19%	38.19%							

Chino Basin Production Water Year 20-21

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	THIS YEAR
20-21 Production							-	-	-	-	-	-	
20-21 Cumulative Production							-	-	-	-	-	-	-
Cumulative Production Rights							102.67	205.33	308.00	410.67	513.33	616.00	1,232
% of Production Rights 2020-21							-	-	-	-	-	-	

Chino Basin Production

Monthly	0.23	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative	0.23	-	-	-	-	-	-	-	-	-	-	-	-

Cucamonga Basin Production

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	THIS YEAR
Production	154.26	-	-	-	-	-	-	-	-	-	-	-	
Cumulative Production	154.26	-	-	-	-	-	-	-	-	-	-	-	154.26
Cumulative Production Rights	499.70	-	-	-	-	-	-	-	-	-	-	-	5,996
% of Production Rights	2.57%												2.6%

Six Basins Production

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	THIS YEAR
Production	91.40	-	-	-	-	-	-	-	-	-	-	-	
Cumulative Production	91.40	-	-	-	-	-	-	-	-	-	-	-	91.40
Cumulative Production Rights	77.68	-	-	-	-	-	-	-	-	-	-	-	932
% of Production Rights	9.81%												9.8%

2020 Consumption Analysis

Yearly %	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
	8%	17%	25%	33%	42%	50%	58%	67%	75%	83%	92%	100%

COMPANY TOTALS

Active Shares

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	THIS YEAR	Shares
Consumption	688.53	-	-	-	-	-	-	-	-	-	-	-		6,178
Cumulative Consumption	688.53	-	-	-	-	-	-	-	-	-	-	-	688.53	
Cumulative Entitlement	984.00	-	-	-	-	-	-	-	-	-	-	-	12,570.67	
% of Yearly Entitlement*	5.48%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5.48%	

COMPANY TOTALS

All Shares

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	THIS YEAR	Shares
Consumption	688.53	-	-	-	-	-	-	-	-	-	-	-		6,389
Cumulative Consumption	688.53	-	-	-	-	-	-	-	-	-	-	-	688.53	
Cumulative Entitlement	1,083.33	-	-	-	-	-	-	-	-	-	-	-	13,000.00	
% of Yearly Entitlement*	5.30%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5.30%	

San Antonio Heights

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	THIS YEAR	Shares
Consumption	63.59	-	-	-	-	-	-	-	-	-	-	-		624
Cumulative Consumption	63.59	-	-	-	-	-	-	-	-	-	-	-	63.59	
Cumulative Entitlement	68.48	-	-	-	-	-	-	-	-	-	-	-	1,268.66	
% of Yearly Entitlement*	5.01%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5.01%	

City of Upland

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	THIS YEAR	Shares
Consumption	505.55	-	-	-	-	-	-	-	-	-	-	-		4,515
Cumulative Consumption	505.55	-	-	-	-	-	-	-	-	-	-	-	505.55	
Cumulative Entitlement	765.53	-	-	-	-	-	-	-	-	-	-	-	9,186.38	
% of Yearly Entitlement*	5.50%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5.50%	

Monte Vista Water District

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	THIS YEAR	Shares
Consumption	48.30	-	-	-	-	-	-	-	-	-	-	-		330
Cumulative Consumption	48.30	-	-	-	-	-	-	-	-	-	-	-	48.30	
Cumulative Entitlement	55.91	-	-	-	-	-	-	-	-	-	-	-	670.96	
% of Yearly Entitlement*	7.20%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	7.20%	

City of Ontario

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	THIS YEAR	Shares
Consumption	42.90	-	-	-	-	-	-	-	-	-	-	-		295
Cumulative Consumption	42.90	-	-	-	-	-	-	-	-	-	-	-	42.90	
Cumulative Entitlement	50.06	-	-	-	-	-	-	-	-	-	-	-	600.76	
% of Yearly Entitlement*	7.14%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	7.14%	

2020 Consumption Analysis

Yearly %	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
	8%	17%	25%	33%	42%	50%	58%	67%	75%	83%	92%	100%

Cucamonga Valley Water District

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	THIS YEAR	Shares	4
Consumption	-	-	-	-	-	-	-	-	-	-	-	-			
Cumulative Consumption	-	-	-	-	-	-	-	-	-	-	-	-	-		
Cumulative Entitlement	-	-	-	-	-	-	-	-	-	-	-	-	8.14		
% of Yearly Entitlement*	-	-	-	-	-	-	-	-	-	-	-	-			

Holiday Rock Company

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	THIS YEAR	Shares	132
Consumption	19.00	-	-	-	-	-	-	-	-	-	-	-			
Cumulative Consumption	19.00	-	-	-	-	-	-	-	-	-	-	-	19.00		
Cumulative Entitlement	14.52	-	-	-	-	-	-	-	-	-	-	-	269.10		
% of Yearly Entitlement*	7.06%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	7.06%		

Red Hills Golf Course

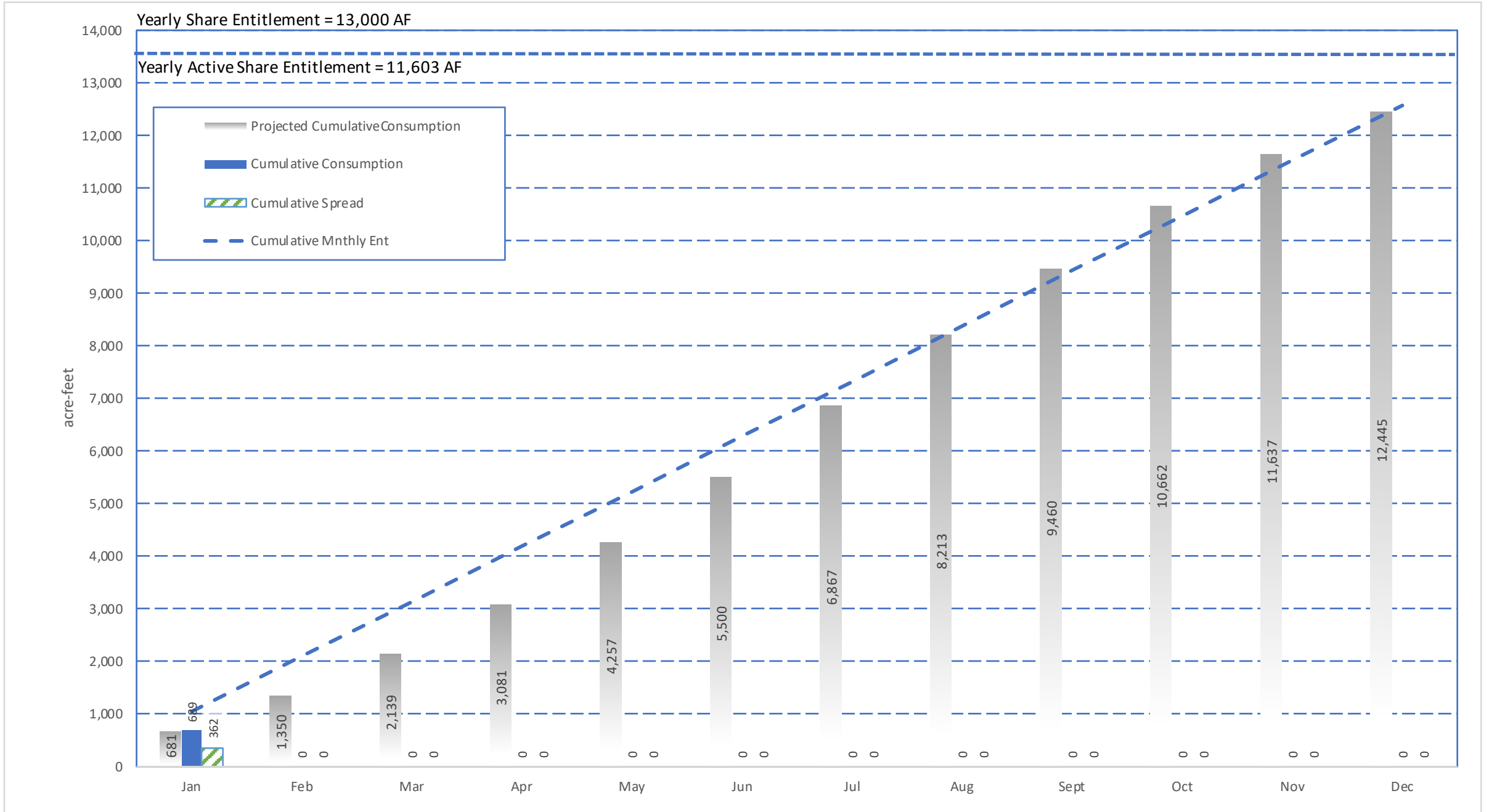
	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	THIS YEAR	Shares	218
Consumption	8.60	-	-	-	-	-	-	-	-	-	-	-			
Cumulative Consumption	8.60	-	-	-	-	-	-	-	-	-	-	-	8.60		
Cumulative Entitlement	23.97	-	-	-	-	-	-	-	-	-	-	-	444.08		
% of Yearly Entitlement*	1.94%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	1.94%		

Minor Irrigators

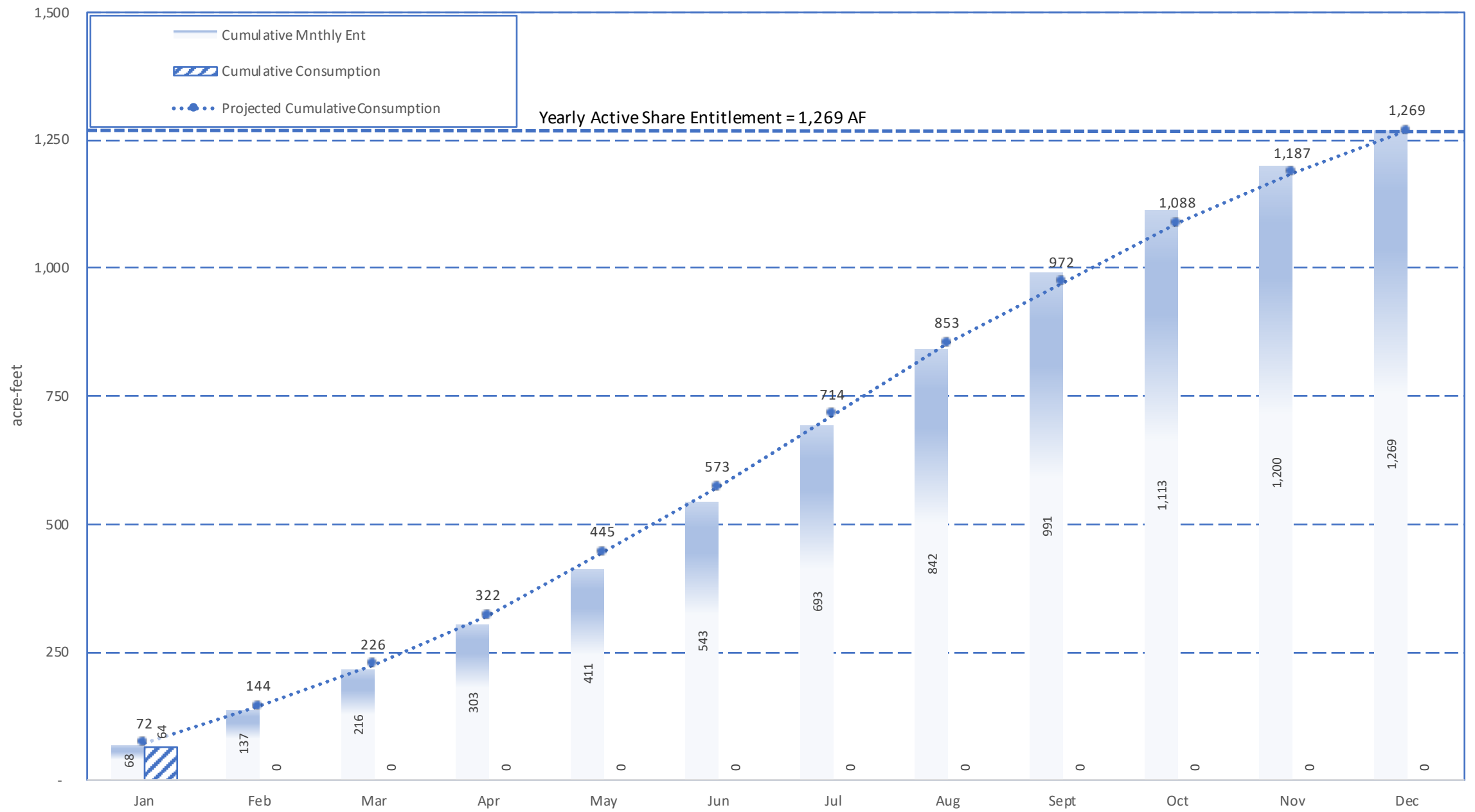
	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	THIS YEAR	Shares	50
Consumption	0.58	-	-	-	-	-	-	-	-	-	-	-			
Cumulative Consumption	0.58	-	-	-	-	-	-	-	-	-	-	-	0.58		
Cumulative Entitlement	5.52	-	-	-	-	-	-	-	-	-	-	-	102.25		
% of Yearly Entitlement*	0.57%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	0.57%		

* - Out months are Exponential Smoothing (ETS) forecasts based on consumption to date

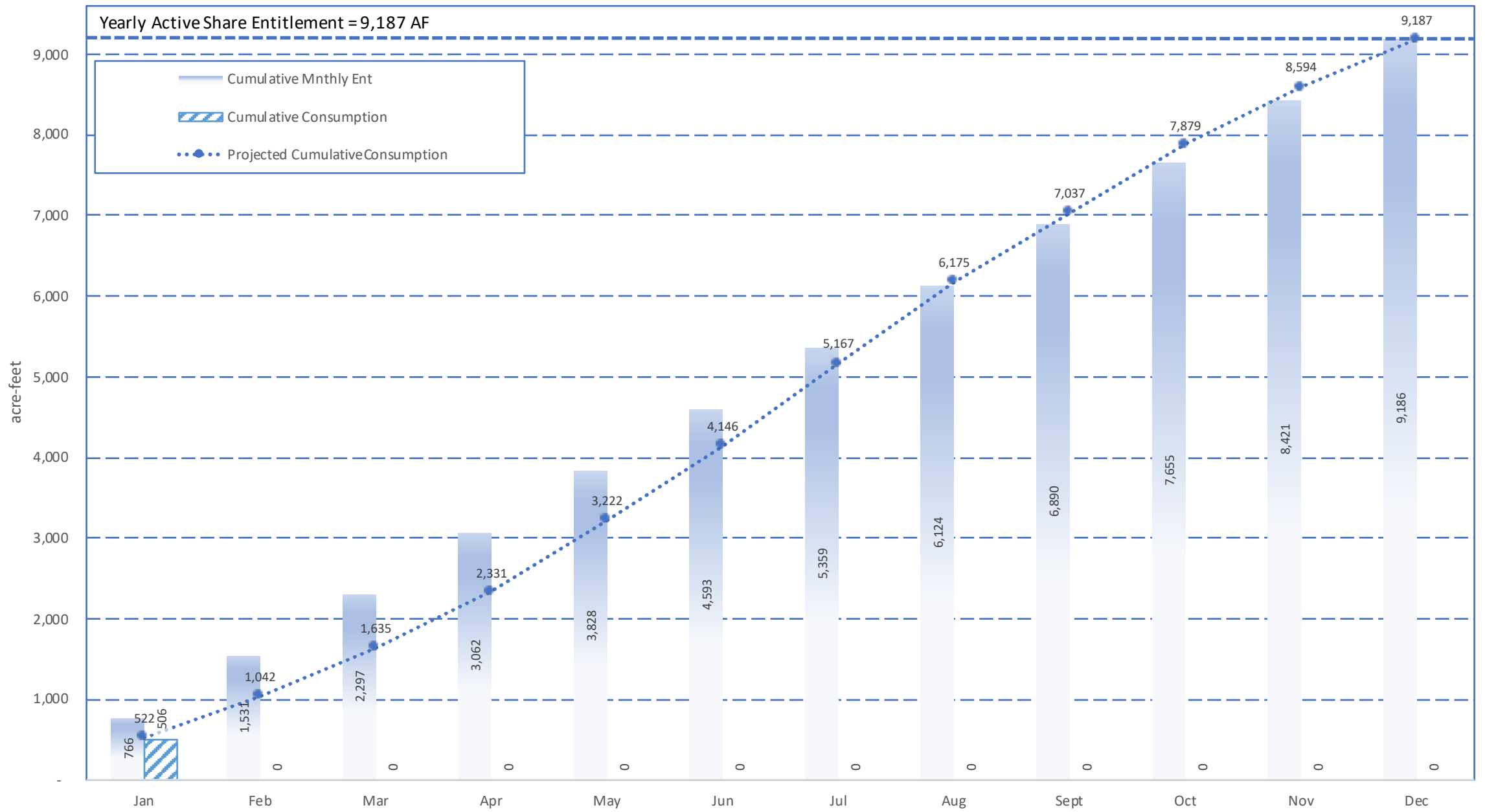
2020 Production and Consumption



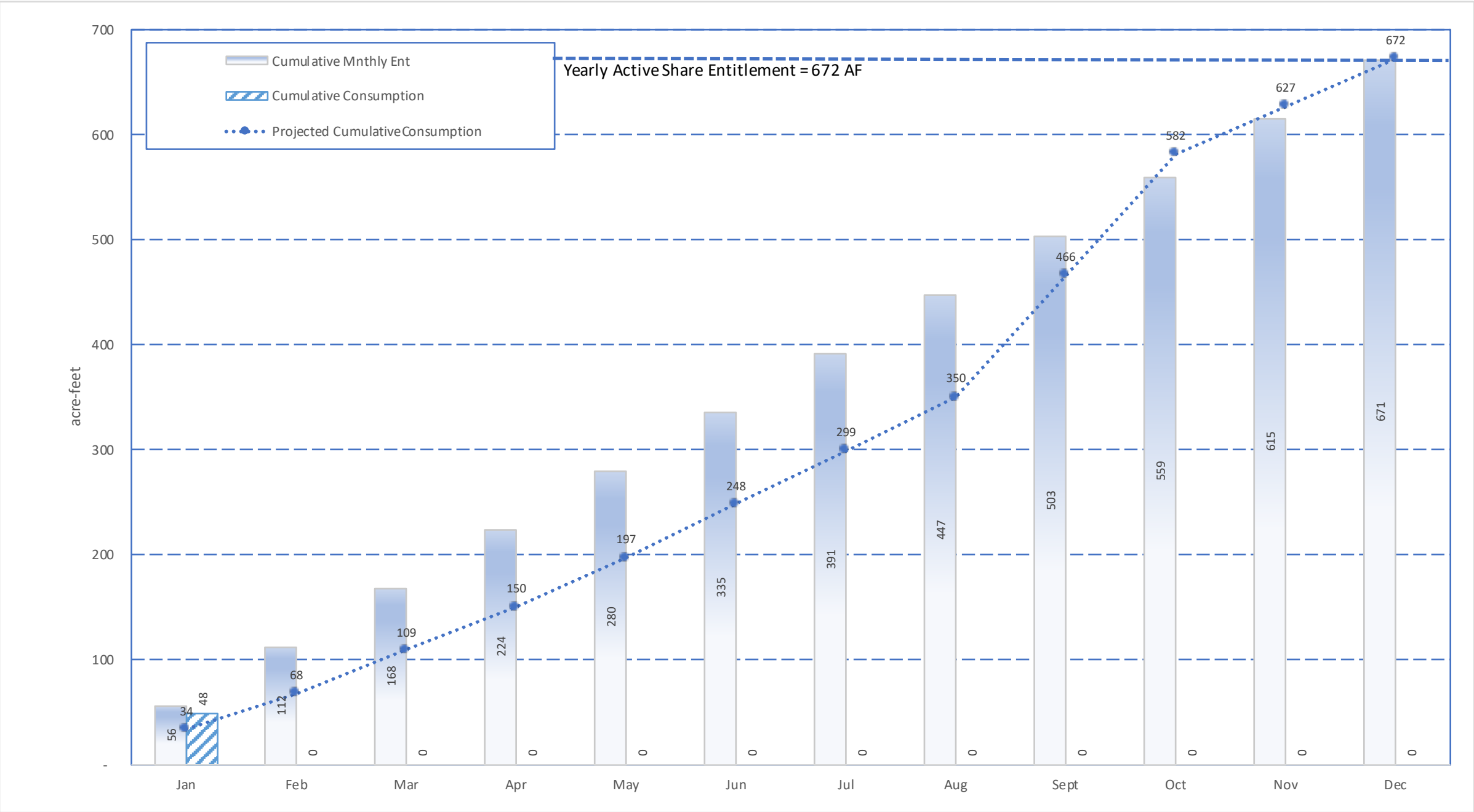
2020 Domestic Consumption



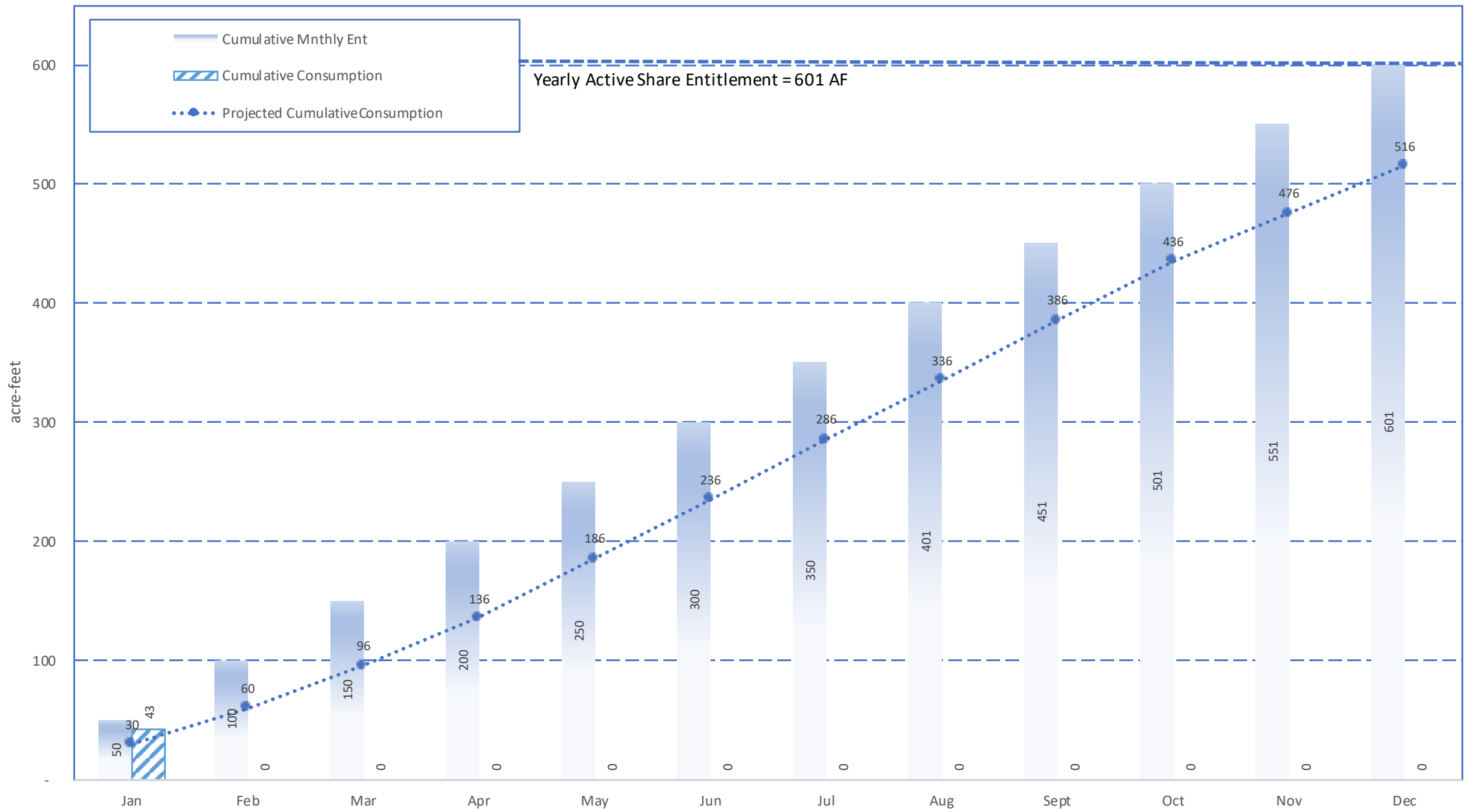
2020 Upland Consumption



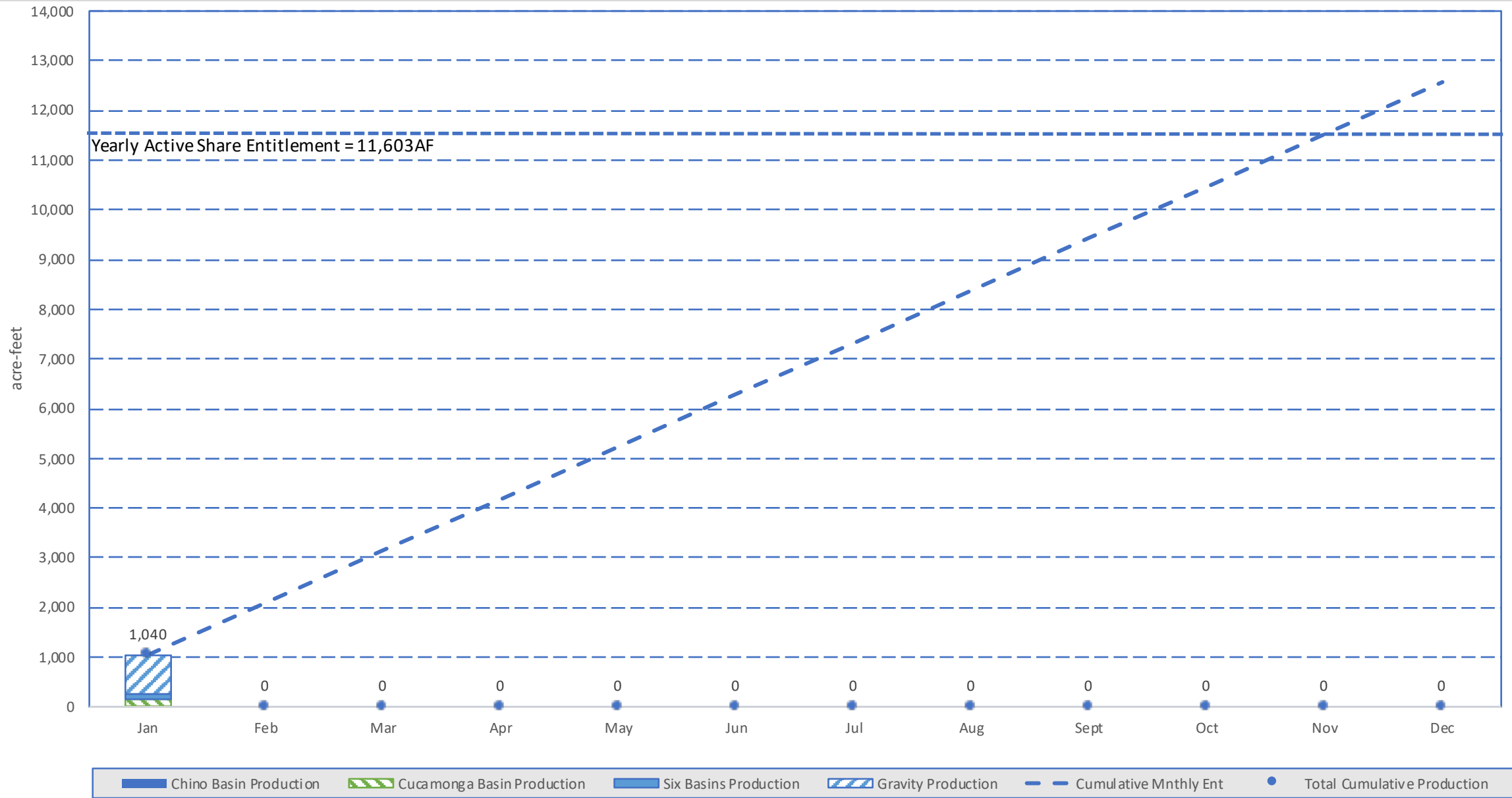
2020 Monte Vista Consumption



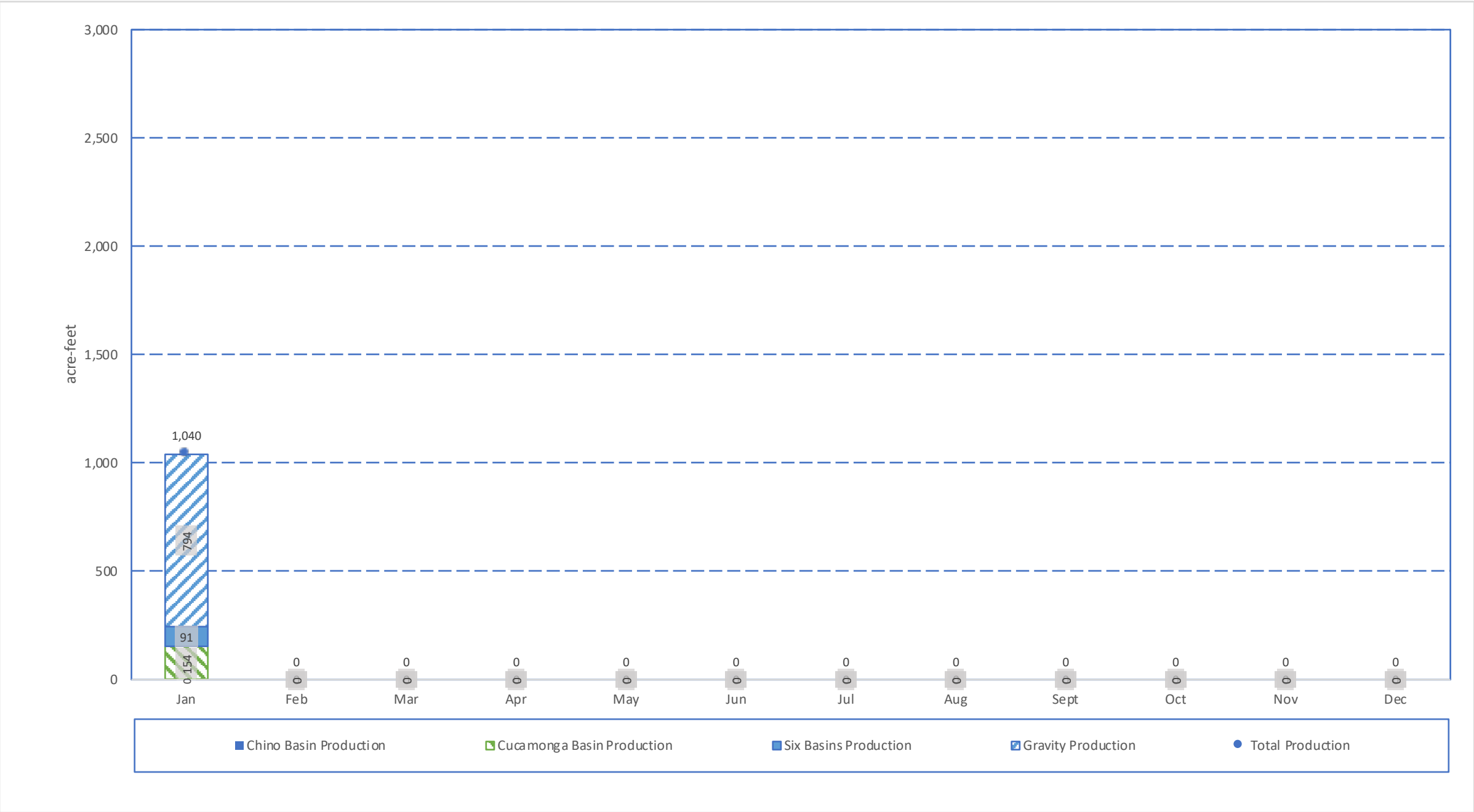
2020 Ontario Consumption



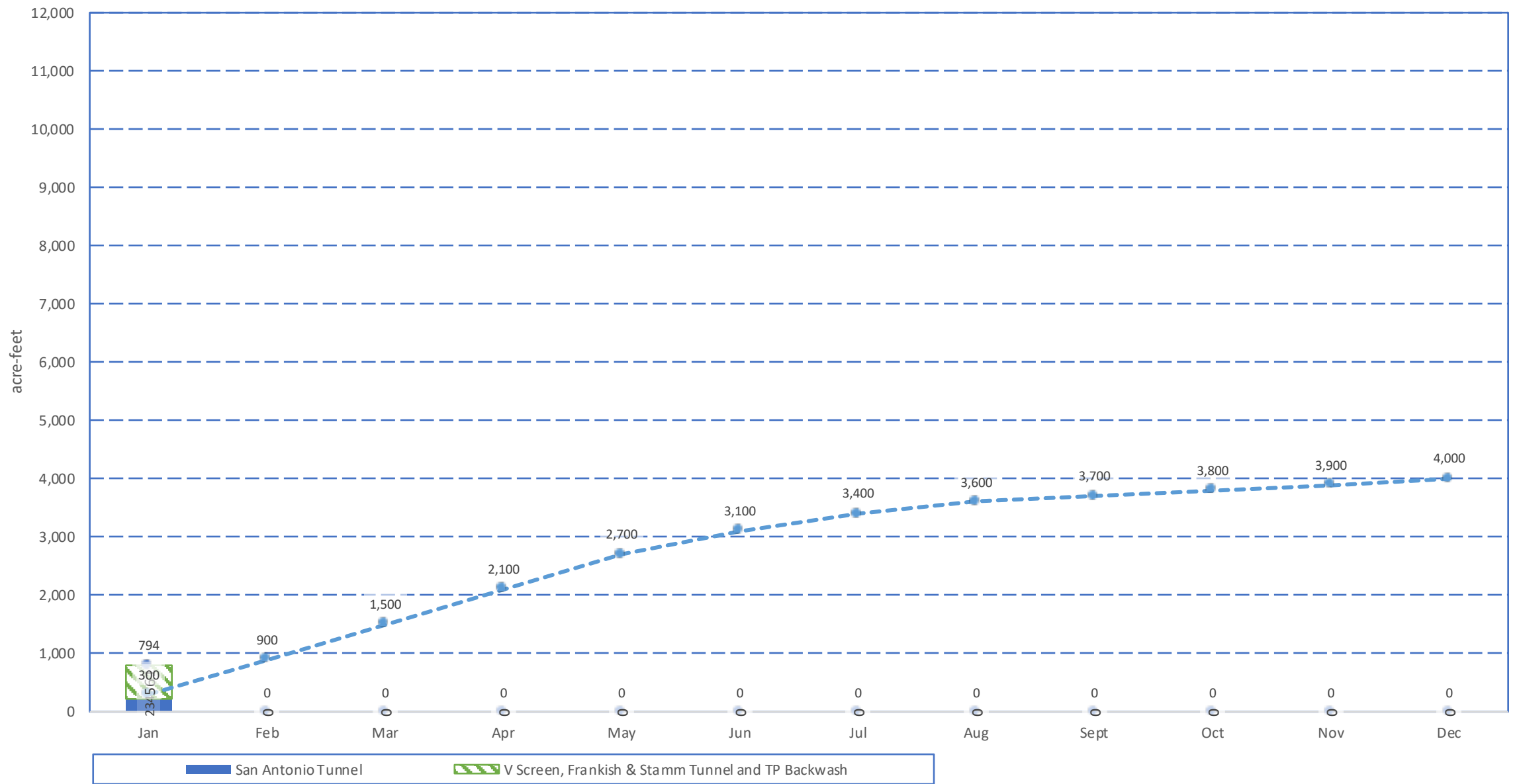
2020 Total Yearly Production



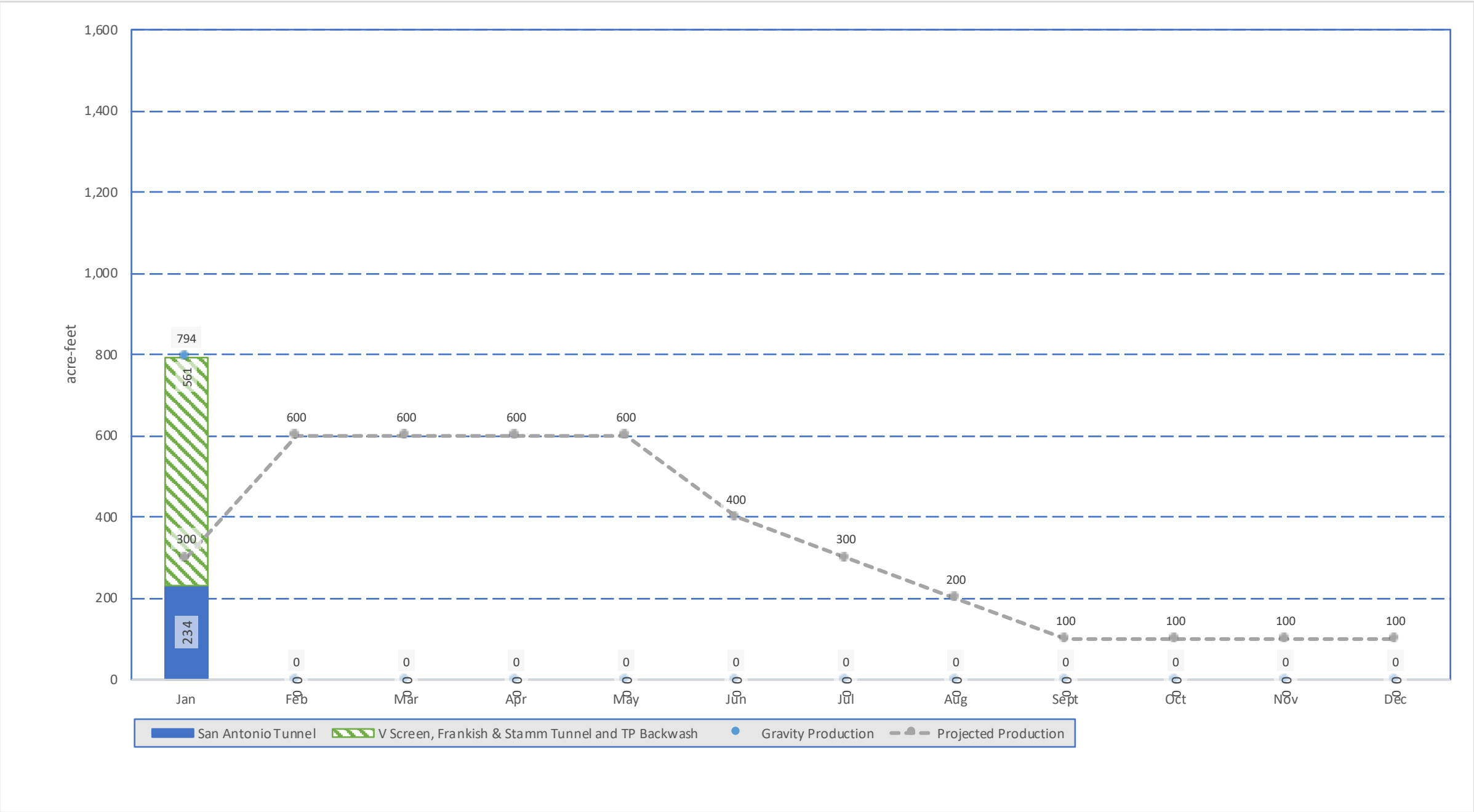
2020 Monthly Production



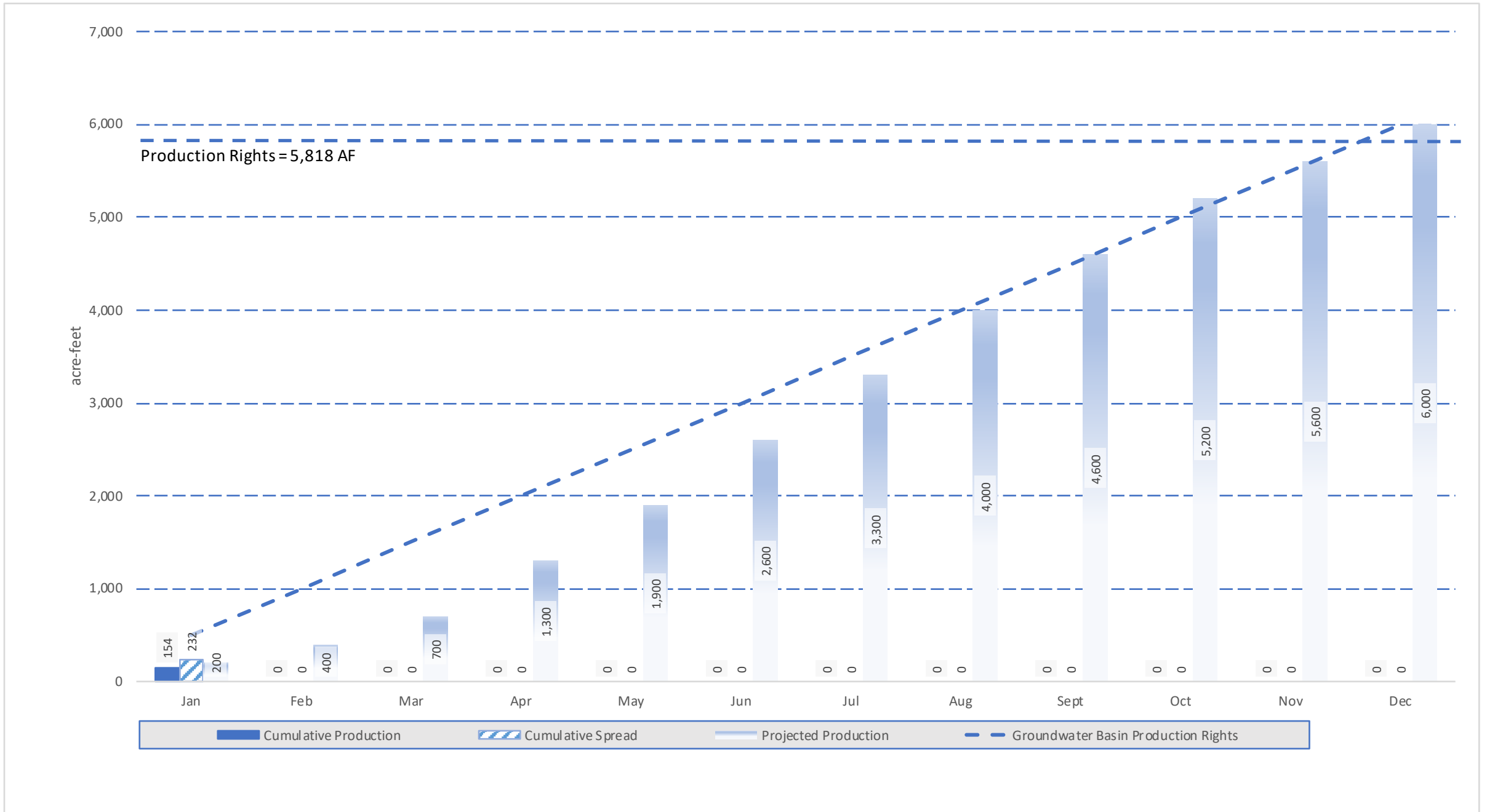
2020 Gravity Cumulative



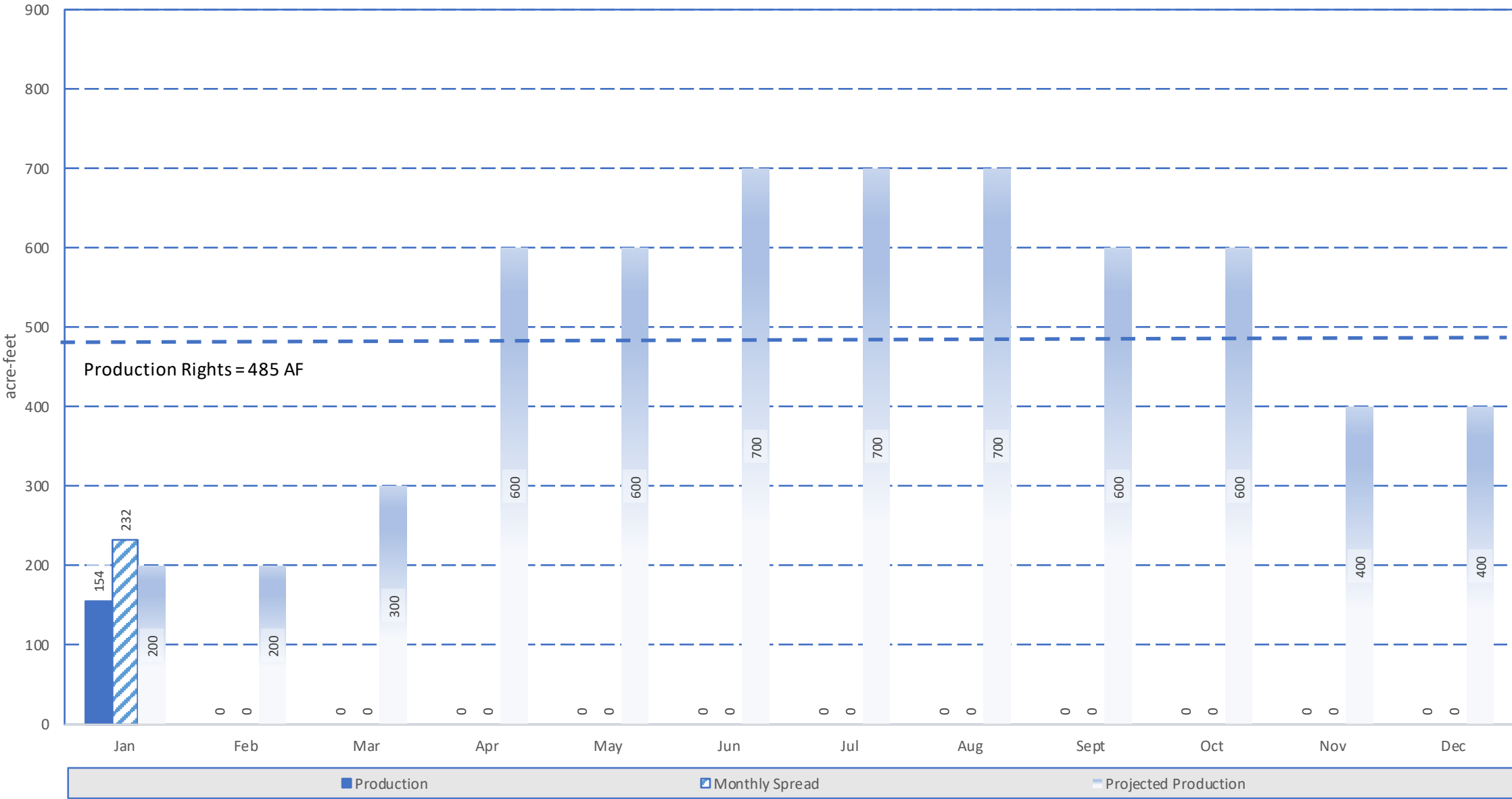
2020 Gravity Monthly



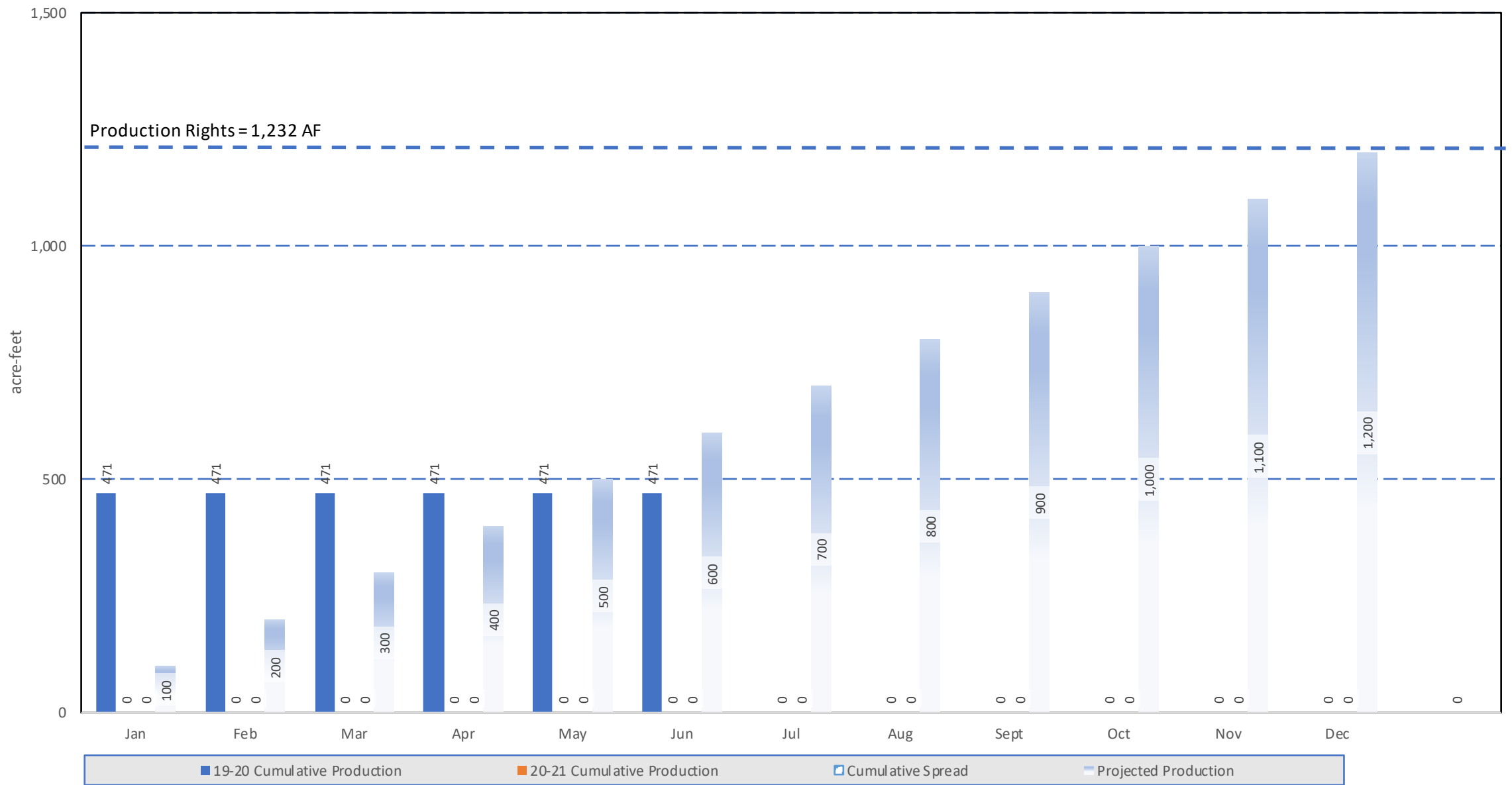
2020 Cucamonga Basin Cumulative



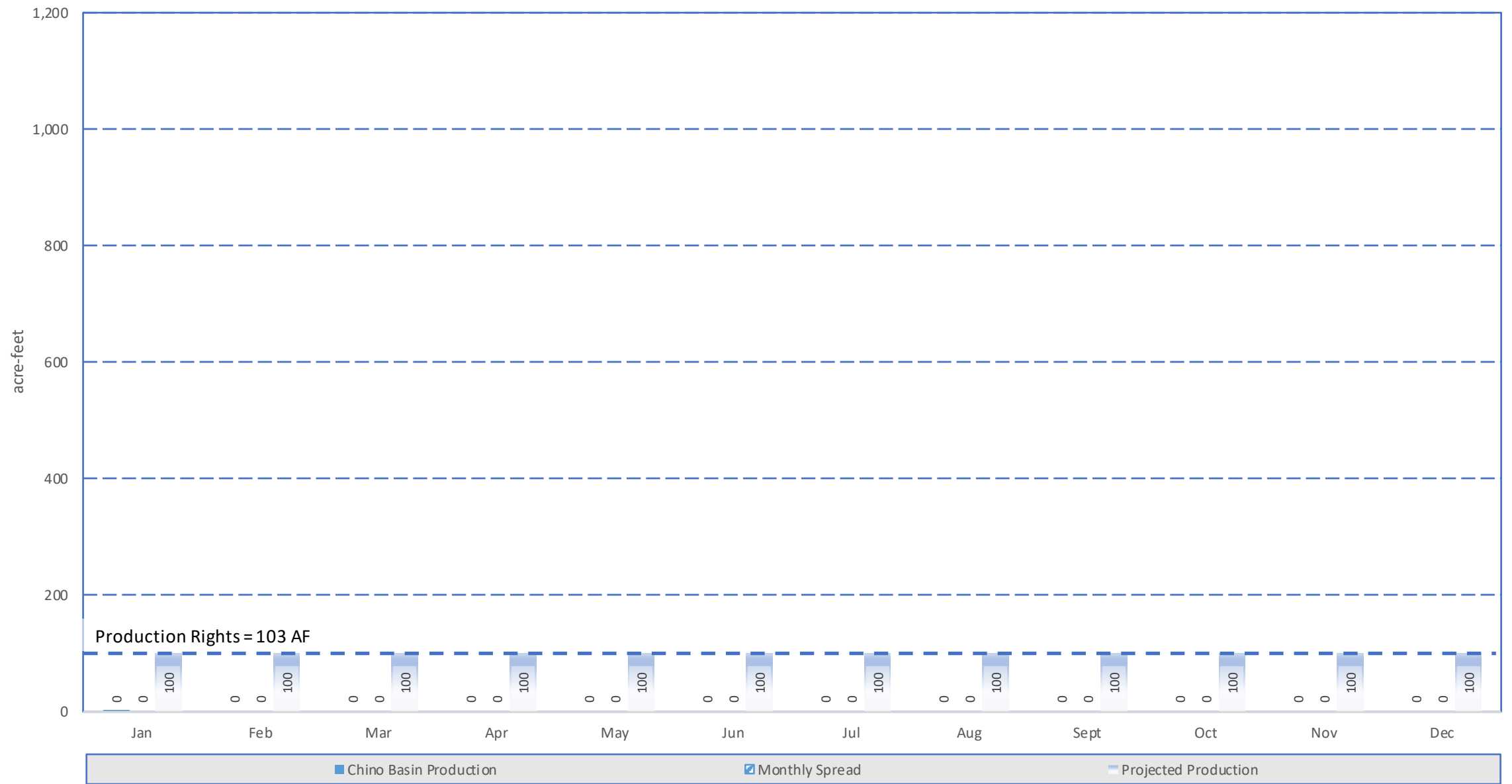
2020 Cucamonga Basin Monthly



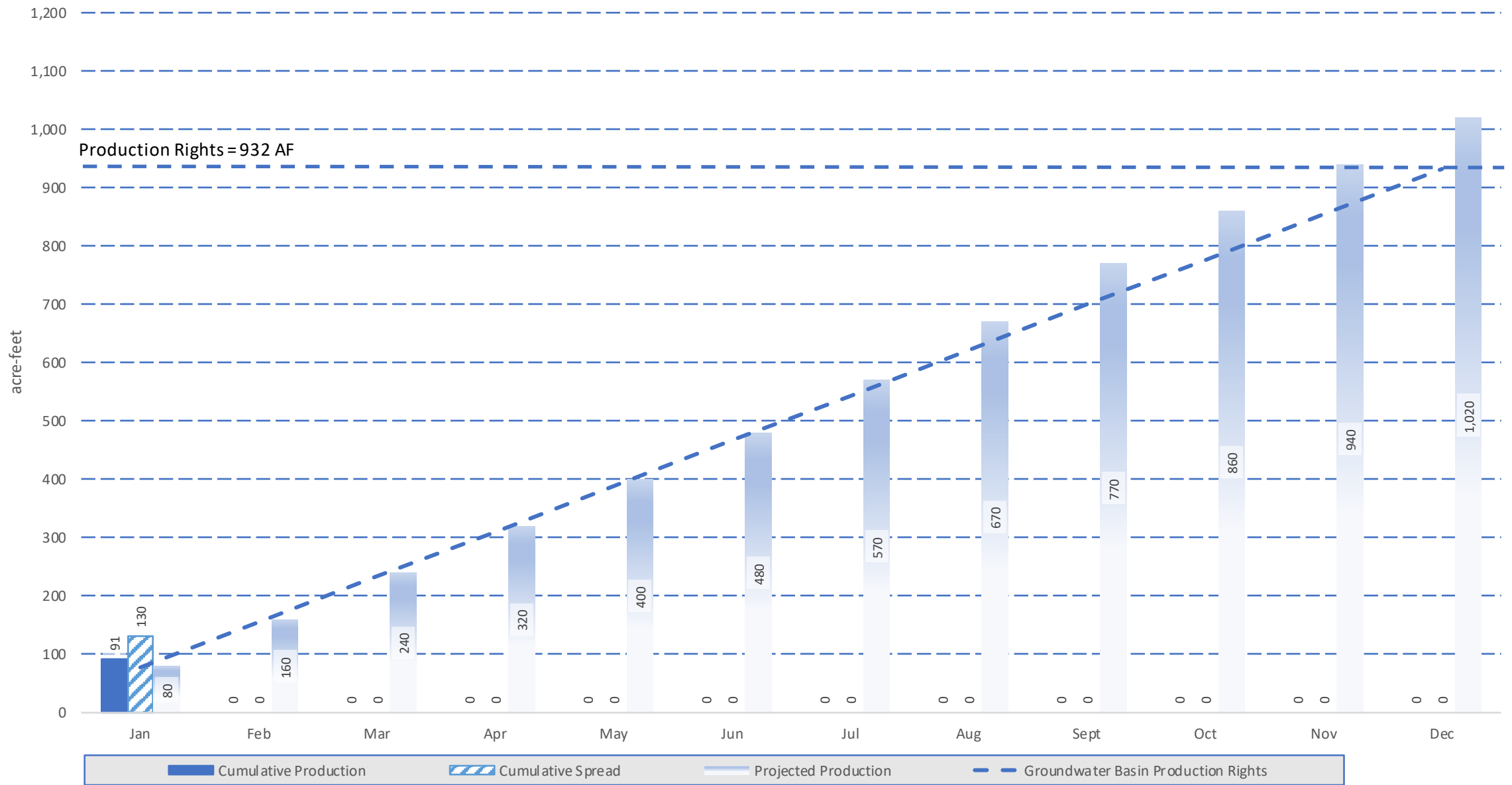
2020 Chino Basin Cumulative



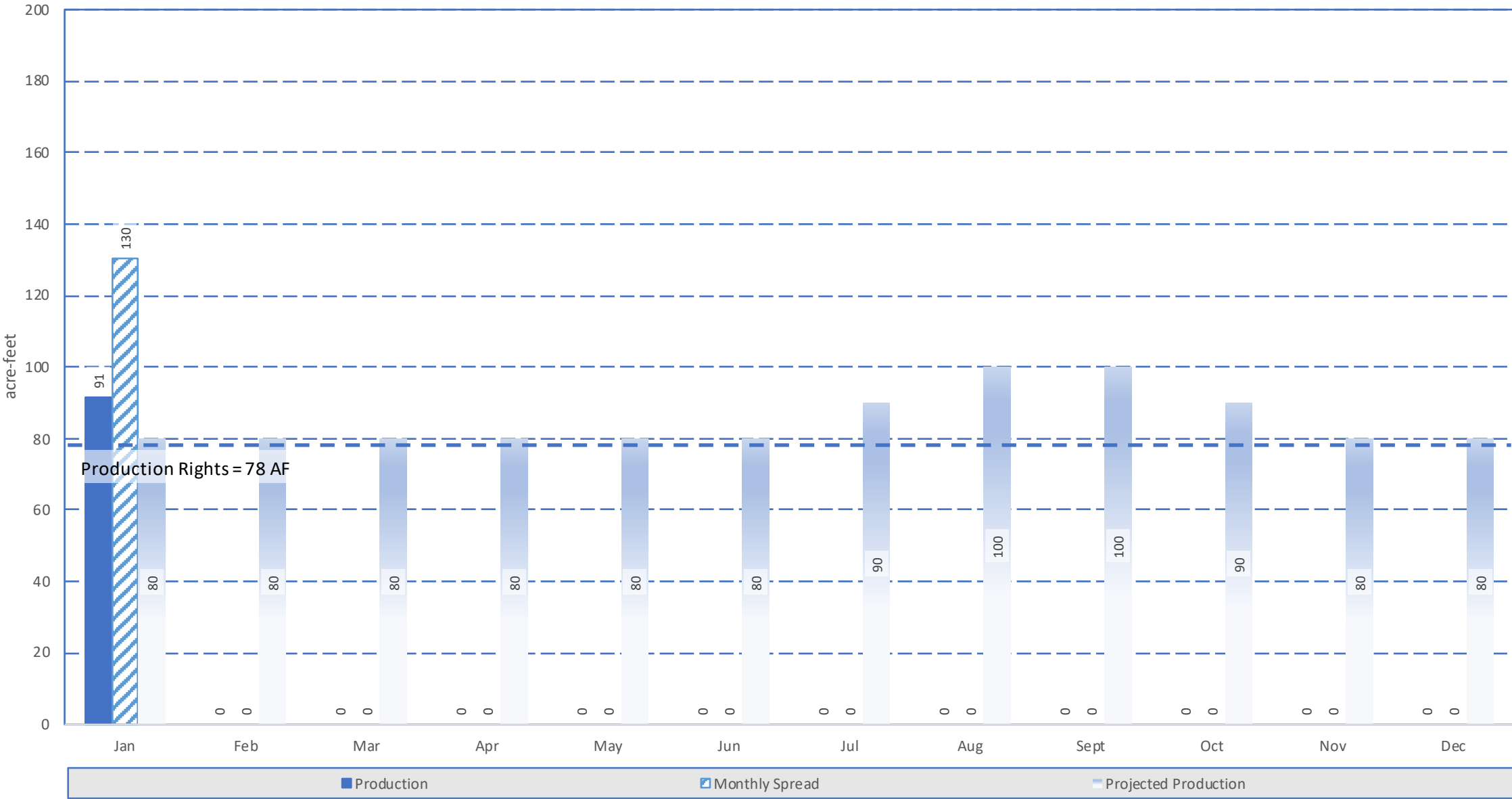
2020 Chino Basin Monthly



2020 Six Basins Cumulative



2020 Six Basins Monthly



A. Water Supply through January 2020

- Annual entitlement for CY2019 is 13,000 AF
 - Cumulative yearly production was 1,040 AF
 - Cumulative yearly consumption was 689 AF*
 - Cumulative yearly spread was 362 AF
 - Cumulative unaccounted water was (10 AF)

* - The City of Upland is experiencing a facility failure at their 15th Street reservoir, limiting the amount of entitlement water the City and Red Hill HOA can receive for the month of January. Repairs are expected to take up to six weeks.

Six Basins Production for 2020

- Annual production right is 932 AF.
- Cumulative production was 91 AF. Production is sent to the WFA treatment facility to meet City of Ontario and MVWD entitlement.
- The Company has spread a total of 130 AF.

Cucamonga Basin Production for 2020

- Annual production right is 5,818 AF.
- Cumulative production was 154 AF.
- The Company has spread a total of 232 AF.

Chino Basin Production for 2020

- Annual production right is 1,232 AF.
- Cumulative production was 0 AF.
- The Company has spread a total of 0 AF.

Surface Water (San Antonio Creek) flow for 2020

Total flow was 525 AF.

Tunnel flow for 2020

San Antonio Tunnel flow was 234 AF.
Frankish and Stamm Tunnel flow was 35 AF.

B. Company Stock

¼ share of water stock moved from dormant to active this transfer period.

C. Communication and Information Activities

Staff is communicating on our new "Facebook" page with 179 friends liking our old FB page and 62 customers have liked our new FB page. Communication is posted regularly on the new page and no new communication on the old Facebook page. Facebook is not able to merge the two Facebook pages, therefore we are in discussion of possibly deleting the old page.

D. Administration Matters

Meetings of interest:

- On Wednesday, January 22 GM attended the Six Basin Watermaster board meeting
- On Monday, January 27 GM attended a Chino Basin Safe Yield Reset Peer Review at Wildermuth's main office in Lake Forest, CA.

- On Wednesday, January 29 AGM and staff attended a seminar titled, “Bad Attitudes and Negative Behaviors”
- On Tuesday, February 4, AGM attended the Cucamonga Basin management meeting.
- On Thursday, February 6, AGM attended the Chino Basin Appropriative Pool closed session meeting.
- On Thursday, February 6 staff attended a seminar titled, “Payroll Law”
- On Tuesday, February 11 staff attended a seminar titled, “Leadership and Management Skills for Women”
- On Thursday, February 13 GM attended the Chino Basin Water Master Appropriative Pool meeting.

E. Groundwater Basin Matters

Chino Basin -

Spread Water from SAWCo - SAWCo has not started spreading for the 2019/20 year into Chino Basin.

Storage Management Plan – Watermaster issued the final report on the 2020 Storage Management Plan on December 11th. Staff is currently reviewing. WM staff presented an update at the AP meeting on Feb. 13. WM staff are considering the Storage Management Plan (OBMP Implementation Program 8) and Storage and Recovery Plan (OBMP Implementation Program 9) singularly. WM staff intend for the OBMP Implementation Plan to be attached to the Peace Agreement and will require a Peace Agreement amendment.

Safe Yield Reset – Wildermuth held a 2020 Safe Yield Reset Technical Peer Review at their office on January 27th. GM attended. Draft report is expected in mid-March. Final Report is schedule for end of April

Restated Judgment Amendment – Ag Pool Pooling Plan - The Appropriative Pool agreed unanimously to file a response to Ag Pool’s decision to update their Pooling Plan and Judgment with incomplete Peace Agreement language. The filing is meant to give clarity and understanding to the court.

Monte Vista Water District and the City of Ontario filed an opposition to the Ag Pool’s amendment calling a “timeout” to discuss and understand.

All will be heard on the court date March 20, 2020 at 1:30pm [S35 Superior Court – 247 W. 3rd Street, San Bernardino]

Tolling Agreement – When resetting the safe yield, Ag maintained that water was not in storage. Wildermuth provided information to the contrary. Ag contested that the water was not available. The Appropriative Pool has been able to sign a “tolling agreement” with Ag for past several years in hopes to have a storage management plan, allowing AP to transfer water without issue. The tolling agreement expired at the end of 2019 and Ag did not renew. This means that Watermaster is currently going through a cumbersome contest process.

Optimum Basin Management Plan (OBMP)– Watermaster is proceeding with the OBMP update but the wish list can be expensive and not all parties agree with the implementation. The OBMP Notice of Preparation (NOP) / Initial Study (IS) was publicized by Inland Empire Utilities Agency (IEUA), the lead agency for CEQA, in early February. This issue will be heavily discussed.

Six Basins – GM attended the January 22 Board Meeting. WM continues to focus on MS4 and storm water recharge plans.

Cucamonga Basin - The working group met on February 4th. TKE presented continuing pages of Judgement revisions. Parties will review and bring back comments at next meeting. TKE is working to complete the revisions.

CVWD will commit to have changes to the Terms of Reference by end of Feb.

Due to Chino Basin's insistence on using the Cucamonga Basin modeling to determine its safe yield, the parties are planning a legal statement to protect our water rights. CVWD will be leading the charge, we will assist. We also are moving forward with seeking a new engineer for our basin.

Agenda Item No. 4H

Item Title: Projects and Operations Update

Purpose:

To update the Board and Shareholders on Company capital projects.

Updates:

1507 – Office Relocation

Project is on hold pending review of City facilities

1602 – Holly Drive Reservoir, Phase 1 & 2

Phase I was completed in 2019. Phase 2 plans and specifications are being finalized for public bidding. Anticipate bid opening and award recommendation in April 2020.

1701- Reservoir 7 Roof Repair

Project was completed in January 2020. Final invoicing and project close-out should be completed by March.

1807 – Campus Avenue Pipeline

The majority of the project was completed by January 2020. Awaiting pavement slurry seal. Final invoicing and project close-out should be completed by March.

1901 – Automated Meter Reading (AMR)

Staff continues to evaluate industry options.

1902 – Cucamonga Crosswalls Mitigation

First of five years of mitigation will occur Spring 2020

1904 – Geographical Information System (GIS)

First review of GIS completed. Staff is providing additional data for input. Field implementation and training should occur in Spring of 2020

1905 – 2020 Master Plan

Statement of Proposals received on February 11, 2020. Proposals under review by PROC. Anticipate recommendation of award at regular March 2020 Board Meeting.

General

Staff is working on a Request for Proposals to implement the planned 2020 capital improvement program. The RFP should be released in February and reviewed by the PROC in April for an anticipated recommendation of award at the regular May 2020 Board Meeting.

Date	2/13/20 14:53	Project List
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ID	Project	Start Date	End Date (est)	Budget	Contracted	Expended	Remaining
1507	Office Relocation	2016	8/1/22	\$ 100,000	\$ 40,060	\$ 32,000	\$ 8,060
1602	Holly Drive Reservoir, Phase 1&2	4/15/16	3/1/20	\$ 621,000	\$ 483,806	\$ 394,938	\$ 88,869
1701	Reservoir 7 Roof Repair	7/2/18	10/1/19	\$ 1,160,000	\$ 1,373,413	\$ 1,263,508	\$ 109,906
1807	Campus Avenue Pipeine	7/2/18	8/1/19	\$ 517,000	\$ 548,632	\$ 267,867	\$ 280,765
1901	Automated Meter Reading (AMR)	2/4/19	11/1/22	\$ 25,000	\$ 400	\$ 400	\$ -
1902	Cucamonga Crosswalls Mitigation	4/12/19	2/1/24	\$ 250,000	\$ 9,500	\$ 7,550	\$ 1,950
NA	Edison Box 24" Drain Valve	6/17/19	9/30/19	\$ 44,000	\$ 44,000	\$ -	\$ 44,000
1904	GIS	10/22/19	6/30/20	\$ 50,000	\$ 29,929	\$ 9,493	\$ 20,437
Total				\$ 3,007,000	\$ 2,678,386	\$ 2,113,906	\$ 564,479

2019 Capital Expenses	\$ 1,457,007.31
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RECEIVED
JAN 23 2020
San Antonio Water Company

January 20, 2020

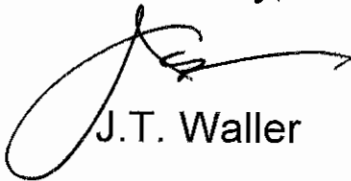
San Antonio Water Co.
139 N. Euclid Ave.
Upland, CA 91786

Dear Friends,

I would like to express my thanks for the great job done by Management and the Board of Directors, especially over the past year. The good results of your careful analysis of all things affecting the Company serve all Shareholders very well and are appreciated.

Keep up the good work.

Sincerely,



J.T. Waller

Agenda Item No. 6A

Item Title: SB998 – Policy and Procedure

Purpose:

To change current policy to comply with the Senate Bill 998 (Dodd) and Water Affordability that was approved by Governor September 28, 2018.

Issue:

Legislation has changed the way water agencies with 200 or more connections notify and disconnect water services for non-payment.

Manager's Recommendation:

That the Board approve the proposed policy and procedure drafted to comply with the new law.

Background:

California has the highest rate of poverty in the United States due mostly to the cost of living. The #1 poverty-driver is the cost of housing. According to Laura Feinstein of Public Policy Institute of California (PPIC) the cost of water is not a driver of poverty, but the water bill is in competition with other household expenses such as rent, other utilities, medical expenses and emergency expenses. The Human Right-to-Water legislation led to Senate Bill No. 998 [an act to add Chapter 6...commencing with Section 116900] to Part 12 of Division 104 of the Health and Safety Code relating to water.

This legislation applies to individually metered residential service to:

- ✓ Detached single-family dwellings
- ✓ Multi-unit residential structures
- ✓ Mobile home parks
- ✓ Where property owner or manager is the customer of record

Implementation deadlines and requirements require PUC Regulated & "Urban Water Suppliers" begin by February 1, 2020. All other suppliers with more than 200 connections need to implement by April 1, 2020. It requires the following:

- ✓ Translation in 5 languages in addition to English
- ✓ Include a plan for deferred or reduced payments
- ✓ Provide alternative payment schedules
- ✓ Formal appeals process
- ✓ Telephone number customers can call to discuss options

The bill would prohibit San Antonio Water Company from discontinuing residential service for nonpayment until a payment by a customer has been delinquent for at least 60 days. This requirement has caused us to review and change our shut off practices. Shareholder will now get two bills before a final notice would be issued on the first bill. The procedure will also include a door hanger and phone call reminder before a shareholder's water would be disconnected for non-payment.

Agenda Date: February 18, 2020

Annual reporting is also part of the changes. The State Water Resources Control Board is requiring water companies to report the number of shut-offs to their website in addition to posting on the individual water company's website.

Failure to implement this policy, provide annual report and/or not following policy may result in fines of \$1,000 per day and enables the states ability to recover enforcement and litigation costs.

This issue was brought to the AFC in January 2020. The Committee recommended approval of this item at the next regular Board meeting.

Impact on the Budget:

Additional cost for language translation and staff time to prepare and hang door hangers. Delay of payment could affect when revenue is received.

Previous Actions:

None


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SB-998 Discontinuation of residential water service: urban and community water systems. (2017-2018)

Date Published: 09/28/2018 09:00 PM

Senate Bill No. 998

CHAPTER 891

An act to add Chapter 6 (commencing with Section 116900) to Part 12 of Division 104 of the Health and Safety Code, relating to water.

[Approved by Governor September 28, 2018. Filed with Secretary of State September 28, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

SB 998, Dodd. Discontinuation of residential water service: urban and community water systems.

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Existing law declares it to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including water corporations. Existing law requires certain notice to be given before a water corporation, public utility district, municipal utility district, or a municipally owned or operated public utility furnishing water may terminate residential service for nonpayment of a delinquent account, as prescribed.

This bill would require an urban and community water system, defined as a public water system that supplies water to more than 200 service connections, to have a written policy on discontinuation of water service to certain types of residences for nonpayment available in prescribed languages. The bill would require the policy to include certain components, be available on the system's Internet Web site, and be provided to customers in writing, upon request. The bill would provide for enforcement of these provisions, including making a violation of these provisions punishable by a civil penalty issued by the board in an amount not to exceed \$1,000 for each day in which the violation occurs, and would require the enforcement moneys collected by the board to be deposited in the Safe Drinking Water Account. The bill would prohibit an urban and community water system from discontinuing residential service for nonpayment until a payment by a customer has been delinquent for at least 60 days. The bill would require an urban and community water system to contact the customer named on the account and provide the customer with the urban and community water system's policy on discontinuation of residential service for nonpayment no less than 7 business days before discontinuation of residential service, as prescribed.

This bill would prohibit residential service from being discontinued under specified circumstances. The bill would require an urban and community water system that discontinues residential service to provide the customer with information on how to restore service. The bill would require an urban and community water system to waive interest charges on delinquent bills for, and would limit the amount of a reconnection of service fee imposed on, a residential customer who demonstrates, as prescribed, to the urban and community water system household

income below 200% of the federal poverty line. The bill would require an urban and community water system that furnishes individually metered residential service to residential occupants of a detached single-family dwelling, a multiunit structure, mobilehome park, or permanent residential structure in a labor camp, and that the owner, manager, or operator of the dwelling, structure, or park is the customer of record, to make every good faith effort to inform the residential occupants by written notice that service will be terminated and that the residential occupants have the right to become customers, as specified. The bill would require an urban and community water system to report the number of annual discontinuations of residential service for inability to pay on its Internet Web site and to the board, and the bill would require the board to post on its Internet Web site the information reported. The bill would require an urban water supplier, as defined, or an urban and community water system regulated by the commission, to comply with the bill's provisions on and after February 1, 2020, and any other urban and community water system to comply with the bill's provisions on and after April 1, 2020. The bill would provide that the provisions of the bill are in addition to the provisions in existing law duplicative of the bill and that where the provisions are inconsistent, the provisions described in the bill apply.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares as follows:

- (a) All Californians have the right to safe, accessible, and affordable water as declared by Section 106.3 of the Water Code.
- (b) It is the intent of the Legislature to minimize the number of Californians who lose access to water service due to inability to pay.
- (c) Water service discontinuations threaten human health and well-being, and have disproportionate impact on infants, children, the elderly, low-income families, communities of color, people for whom English is a second language, physically disabled persons, and persons with life-threatening medical conditions.
- (d) When there is a delinquent bill, all Californians, regardless of whether they pay a water bill directly, should be treated fairly, and fair treatment includes the ability to contest a bill, seek alternative payment schedules, and demonstrate medical need and severe economic hardship.
- (e) The loss of water service causes tremendous hardship and undue stress, including increased health risks to vulnerable populations.
- (f) It is the intent of the Legislature that this act provide additional procedural protections and expand upon the procedural safeguards contained in the Public Utilities Code and Government Code as of January 1, 2018, relating to utility service disconnections.

SEC. 2. Chapter 6 (commencing with Section 116900) is added to Part 12 of Division 104 of the Health and Safety Code, to read:

CHAPTER 6. Discontinuation of Residential Water Service

116900. This chapter shall be known, and may be cited, as the Water Shutoff Protection Act.

116902. For the purposes of this chapter, the following definitions apply:

- (a) "Board" means the State Water Resources Control Board.
- (b) "Public water system" has the same meaning as defined in Section 116275.
- (c) "Residential service" means water service to a residential connection that includes single-family residences, multifamily residences, mobilehomes, including, but not limited to, mobilehomes in mobilehome parks, or farmworker housing.
- (d) "Urban and community water system" means a public water system that supplies water to more than 200 service connections.
- (e) "Urban water supplier" has the same meaning as defined in Section 10617 of the Water Code.

116904. (a) An urban water supplier not regulated by the Public Utilities Commission shall comply with this chapter on and after February 1, 2020.

(b) An urban and community water system regulated by the Public Utilities Commission shall comply with this chapter on and after February 1, 2020. The urban and community water system regulated by the Public Utilities Commission shall file advice letters with the commission to conform with this chapter.

(c) An urban and community water system not described in subdivision (a) or (b) shall comply with this chapter on and after April 1, 2020.

116906. (a) An urban and community water system shall have a written policy on discontinuation of residential service for nonpayment available in English, the languages listed in Section 1632 of the Civil Code, and any other language spoken by at least 10 percent of the people residing in its service area. The policy shall include all of the following:

(1) A plan for deferred or reduced payments.

(2) Alternative payment schedules.

(3) A formal mechanism for a customer to contest or appeal a bill.

(4) A telephone number for a customer to contact to discuss options for averting discontinuation of residential service for nonpayment.

(b) The policy shall be available on the urban and community water system's Internet Web site, if an Internet Web site exists. If an Internet Web site does not exist, the urban and community water system shall provide the policy to customers in writing, upon request.

(c) (1) The board may enforce the requirements of this section pursuant to Sections 116577, 116650, and 116655. The provisions of Section 116585 and Article 10 (commencing with Section 116700) of Chapter 4 apply to enforcement undertaken for a violation of this section.

(2) All moneys collected pursuant to this subdivision shall be deposited in the Safe Drinking Water Account established pursuant to Section 116590.

116908. (a) (1) (A) An urban and community water system shall not discontinue residential service for nonpayment until a payment by a customer has been delinquent for at least 60 days. No less than seven business days before discontinuation of residential service for nonpayment, an urban and community water system shall contact the customer named on the account by telephone or written notice.

(B) When the urban and community water system contacts the customer named on the account by telephone pursuant to subparagraph (A), it shall offer to provide in writing to the customer the urban and community water system's policy on discontinuation of residential service for nonpayment. An urban and community water system shall offer to discuss options to avert discontinuation of residential service for nonpayment, including, but not limited to, alternative payment schedules, deferred payments, minimum payments, procedures for requesting amortization of the unpaid balance, and petition for bill review and appeal.

(C) When the urban and community water system contacts the customer named on the account by written notice pursuant to subparagraph (A), the written notice of payment delinquency and impending discontinuation shall be mailed to the customer of the residence to which the residential service is provided. If the customer's address is not the address of the property to which residential service is provided, the notice also shall be sent to the address of the property to which residential service is provided, addressed to "Occupant." The notice shall include, but is not limited to, all of the following information in a clear and legible format:

(i) The customer's name and address.

(ii) The amount of the delinquency.

(iii) The date by which payment or arrangement for payment is required in order to avoid discontinuation of residential service.

(iv) A description of the process to apply for an extension of time to pay the delinquent charges.

(v) A description of the procedure to petition for bill review and appeal.

(vi) A description of the procedure by which the customer may request a deferred, reduced, or alternative payment schedule, including an amortization of the delinquent residential service charges, consistent with the written policies provided pursuant to subdivision (a) of Section 116906.

(2) If the urban and community water system is unable to make contact with the customer or an adult occupying the residence by telephone, and written notice is returned through the mail as undeliverable, the urban and community water system shall make a good faith effort to visit the residence and leave, or make other arrangements for placement in a conspicuous place of, a notice of imminent discontinuation of residential service for nonpayment and the urban and community water system's policy for discontinuation of residential service for nonpayment.

(b) If an adult at the residence appeals the water bill to the urban and community water system or any other administrative or legal body to which such an appeal may be lawfully taken, the urban and community water system shall not discontinue residential service while the appeal is pending.

116910. (a) An urban and community water system shall not discontinue residential service for nonpayment if all of the following conditions are met:

(1) The customer, or a tenant of the customer, submits to the urban and community water system the certification of a primary care provider, as that term is defined in subparagraph (A) of paragraph (1) of subdivision (b) of Section 14088 of the Welfare and Institutions Code, that discontinuation of residential service will be life threatening to, or pose a serious threat to the health and safety of, a resident of the premises where residential service is provided.

(2) The customer demonstrates that he or she is financially unable to pay for residential service within the urban and community water system's normal billing cycle. The customer shall be deemed financially unable to pay for residential service within the urban and community water system's normal billing cycle if any member of the customer's household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or the customer declares that the household's annual income is less than 200 percent of the federal poverty level.

(3) The customer is willing to enter into an amortization agreement, alternative payment schedule, or a plan for deferred or reduced payment, consistent with the written policies provided pursuant to subdivision (a) of Section 116906, with respect to all delinquent charges.

(b) (1) If the conditions listed in subdivision (a) are met, the urban and community water system shall offer the customer one or more of the following options:

(A) Amortization of the unpaid balance.

(B) Participation in an alternative payment schedule.

(C) A partial or full reduction of the unpaid balance financed without additional charges to other ratepayers.

(D) Temporary deferral of payment.

(2) The urban and community water system may choose which of the payment options described in paragraph (1) the customer undertakes and may set the parameters of that payment option. Ordinarily, the repayment option offered should result in repayment of any remaining outstanding balance within 12 months. An urban and community water system may grant a longer repayment period if it finds the longer period is necessary to avoid undue hardship to the customer based on the circumstances of the individual case.

(3) Residential service may be discontinued no sooner than 5 business days after the urban and community water system posts a final notice of intent to disconnect service in a prominent and conspicuous location at the property under either of the following circumstances:

(A) The customer fails to comply with an amortization agreement, an alternative payment schedule, or a deferral or reduction in payment plan for delinquent charges for 60 days or more.

(B) While undertaking an amortization agreement, an alternative payment schedule, or a deferral or reduction in payment plan for delinquent charges, the customer does not pay his or her current residential service charges for 60 days or more.

116912. An urban and community water system that discontinues residential service for nonpayment shall provide the customer with information on how to restore residential service.

116914. (a) For a residential customer who demonstrates to an urban and community water system household income below 200 percent of the federal poverty line, the urban and community water system shall do both of the following:

(1) Set a reconnection of service fee for reconnection during normal operating hours at fifty dollars (\$50), but not to exceed the actual cost of reconnection if it is less. Reconnection fees shall be subject to an annual adjustment for changes in the Consumer Price Index beginning January 1, 2021. For the reconnection of residential service during nonoperational hours, an urban and community water system shall set a reconnection of service fee at one hundred fifty dollars (\$150), but not to exceed the actual cost of reconnection if it is less. Reconnection fees shall be subject to an annual adjustment for changes in the Consumer Price Index beginning January 1, 2021.

(2) Waive interest charges on delinquent bills once every 12 months.

(b) An urban and community water system shall deem a residential customer to have a household income below 200 percent of the federal poverty line if any member of the household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or the customer declares that the household's annual income is less than 200 percent of the federal poverty level.

116916. (a) This section applies if there is a landlord-tenant relationship between the residential occupants and the owner, manager, or operator of the dwelling.

(b) If an urban and community water system furnishes individually metered residential service to residential occupants of a detached single-family dwelling, a multiunit residential structure, mobilehome park, or permanent residential structure in a labor camp as defined in Section 17008, and the owner, manager, or operator of the dwelling, structure, or park is the customer of record, the urban and community water system shall make every good faith effort to inform the residential occupants, by means of written notice, when the account is in arrears that service will be terminated at least 10 days prior to the termination. The written notice shall further inform the residential occupants that they have the right to become customers, to whom the service will then be billed, without being required to pay any amount which may be due on the delinquent account.

(c) The urban and community water system is not required to make service available to the residential occupants unless each residential occupant agrees to the terms and conditions of service and meets the requirements of law and the urban and community water system's rules and tariffs. However, if one or more of the residential occupants are willing and able to assume responsibility for the subsequent charges to the account to the satisfaction of the urban and community water system, or if there is a physical means legally available to the urban and community water system of selectively terminating service to those residential occupants who have not met the requirements of the urban and community water system's rules and tariffs, the urban and community water system shall make service available to those residential occupants who have met those requirements.

(d) If prior service for a period of time is a condition for establishing credit with the urban and community water system, residence and proof of prompt payment of rent or other credit obligation acceptable to the urban and community water system for that period of time is a satisfactory equivalent.

(e) Any residential occupant who becomes a customer of the urban and community water system pursuant to this section whose periodic payments, such as rental payments, include charges for residential water service, where those charges are not separately stated, may deduct from the periodic payment each payment period all reasonable charges paid to the urban and community water system for those services during the preceding payment period.

(f) In the case of a detached single-family dwelling, the urban and community water system may do any of the following:

(1) Give notice of termination at least seven days prior to the proposed termination.

(2) In order for the amount due on the delinquent account to be waived, require an occupant who becomes a customer to verify that the delinquent account customer of record is or was the landlord, manager, or agent of the dwelling. Verification may include, but is not limited to, a lease or rental agreement, rent receipts, a

government document indicating that the occupant is renting the property, or information disclosed pursuant to Section 1962 of the Civil Code.

116918. An urban and community water system shall report the number of annual discontinuations of residential service for inability to pay on the urban and community water system's Internet Web site, if an Internet Web site exists, and to the board. The board shall post on its Internet Web site the information reported.

116920. (a) The Attorney General, at the request of the board or upon his or her own motion, may bring an action in state court to restrain by temporary or permanent injunction the use of any method, act, or practice declared in this chapter to be unlawful.

(b) For an urban and community water system regulated by the Public Utilities Commission, the commission may bring an action in state court to restrain by temporary or permanent injunction the use by an urban and community water system regulated by the commission of any method, act, or practice declared in this chapter to be unlawful.

116922. All written notices required under this chapter shall be provided in English, the languages listed in Section 1632 of the Civil Code, and any other language spoken by 10 percent or more of the customers in the urban and community water system's service area.

116924. Where provisions of existing law are duplicative of this chapter, compliance with one shall be deemed compliance with the other. Where those provisions are inconsistent, the provisions of this chapter shall apply. Nothing in this chapter shall be construed to limit or restrict the procedural safeguards against the disconnection of residential water service existing as of December 31, 2018.

116926. This chapter does not apply to the termination of a service connection by an urban and community water system due to an unauthorized action of a customer.



San Antonio Water Company Collection Policy

Purpose

The purpose of this collection policy is to establish administrative actions for the collection of delinquent accounts, including notification, fee assignments and discontinuation of service. This policy will be made available to the public on the Company's website. The Company can be contacted by phone at (909)982-4107 to discuss options for averting discontinuation of water service for nonpayment under the terms of this policy.

General Provisions

Reference:

Senate Bill No. 998: Discontinuation of Residential Water Service

Objectives

Delinquent Account:

Delinquent accounts are hereafter identified as any account that remains unpaid (and without having payment arrangements or established an alternative payment schedule) by close of business 21 days after issuance of the water bill. The following rules apply to the collection of delinquent accounts:

1. Small Balance Accounts:
Any balance \$10 or less may be carried over, and added to, the next billing period without being assessed a late fee or incurring further collection action.
2. Additional Notification and Late Fee:
If payment for a previous billed amount is not received after second bill is issued, a late fee will be assessed and a Final Notice sent. The due date and late fee will be displayed prominently on the final notice.
3. This notification will serve as a reasonable, good faith effort to contact the shareholder in writing at least 10 business days before discontinuation of water service for non-payment. The written notice will be mailed to the mailing address designated on the account. If the mailing address and the address of the property to which water service is provided are different, a second notice will be mailed to the service address and addressed to "Occupant".
4. Waiver of Late Fee:
At the written request of the shareholder, the Company may consider waiving the late fee if there are extenuating circumstances and the shareholder has not been assessed a late fee for delinquent payment in the preceding 12 months.

5. Alternative Payment Arrangements:

Any shareholder who is unable to pay for water service within the normal payment period may request an alternative payment arrangement to avoid late fees or disruption of service. In order to make such a request, the shareholder must contact the office in person or by phone. The Company will consider all circumstances surrounding the request and make a determination as to whether the payment arrangement is warranted.

Payment arrangements that extend into subsequent billing periods are considered an amortization plan, which must be in writing and signed by the shareholder. An amortization plan will amortize the unpaid balance over a period defined by the shareholder, not to exceed 12 months from the original date of the bill. The amortized payments will be combined with, and subject to the due date of the shareholder's regular bill. The shareholder must comply with the terms of the amortization plan and remain current as charges accrue in each subsequent billing period. The shareholder may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an amortization plan. Failure to comply with the terms of an amortization plan will result in the issuance of a written disconnection notice. The disconnection notice will be mailed to the premise no less than 5 business days in advance of discontinuance of service.

6. Notice to Residential Tenants/Occupants in an Individually Metered Residence

The Company will make a reasonable, good faith effort to inform the occupants, by means of written notice, when the water service account is in arrears and subject to disconnection at least 10 days before water service is shut off. The written notice will advise the tenant/occupant that they have the ability to become shareholders of the Company without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at that address. In order for the amount due on the delinquent account to be waived, the tenant/occupant must provide verification of tenancy in the form of a rental agreement or proof of rent payments. The Company will require the occupant to become a shareholder within 60 days to comply with the water company's bylaws that state water delivery to shareholders only.

7. Notice to Tenants/Occupants in a Multi-Unit Complex Served through a Master Meter

The Company will make a reasonable, good faith effort to inform the occupants, by means of written notice hung on the door of each residence, when the water service account is in arrears and subject to disconnection at least 10 days before water service is shut off. The written notice will advise the tenant/occupant that they have the ability to become shareholders of the Company without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at the address(es) served by the master meter. If

one or more of the occupants are willing and able to assume responsibility for the subsequent charges for water service to the satisfaction of the Company, or if there is a physical means, legally available to the Company, of selectively terminating service to those occupants who have not met the requirements for service, the Company will make service available to the occupants who have met those requirements.

8. Forty-eight (48) Hour Notice of Termination:

The Company will make a reasonable, good faith effort to notify the shareholder 48 hours in advance of disconnection of water service for non-payment. The means of notification will be based upon notification preference (text, phone, or email) selected by the shareholder. Shareholders who have not selected a means of notification will be notified by phone. If the Company is unable to make contact by text, phone, or email, a good faith effort will be made to visit the residence and leave a notice of termination of service.

9. Disconnection Deadline:

All delinquent water service charges and associated fees must be received by the Company by 5:00 p.m. on the day specified in the written final notice.

10. Disconnection of Water Service for Non-Payment:

The Company will disconnect water service by turning off, and in some cases locking off, the meter. Before service is disconnected, the customer will be notified by a written final notice at least 10 business days prior to termination and a second notice 48 hours prior to termination of service. The customer will be charged a fee to re-establish service in the billing system regardless of whether the meter has physically been turned off. The meter will be locked in the off position if payment is not received within 2 days of initial termination.

11. Re-establishment of Service:

In order to resume or continue service that has been disconnected for non-payment, the shareholder must pay a re-establishment fee. The Company will endeavor to reconnect service as soon as practicable but, at a minimum, will restore service before the end of the next regular working day following payment of any past due amount and delinquent fees attributable to the termination of service. Water service that is turned on by any person other than Company personnel or without Company authorization may be subject to fines or additional charges or fees. Any damages that occur as a result of unauthorized restoration of service are the responsibility of the shareholder.

12. Re-establishment of Service After Hours:

Service restored on weekends, holidays, or after 3:30pm on business days will be charged an after-hours re-establishment fee. Service will not be restored after regular business hours unless the customer has signed an agreement acknowledging the fee and agreeing to contact the Company's office no later than 10 am the following business day to pay the

subject fee. Company staff responding to service calls are not permitted to collect payment but will instruct the shareholder to contact the office before 10 am the following business day. Services that are off and locked cannot be re-established after hours.

13. Notification of Disposition of Returned Check:

Upon receipt of a returned check taken as payment of water service or other charges, the Company will consider the account not paid. The Company will make a reasonable, good faith effort to notify the customer by phone or door hanger of the returned check. A 48-hour notice of termination of service due to a returned check will be generated. If the Company is unable to make contact by phone, a good faith effort will be made to visit the residence and leave a notice.

Water service will be disconnected if the amount of the returned check and the returned check charge are not paid on or before the date specified in the notice. All amounts paid to redeem a returned check and to pay the returned check charge must be in cash, credit card or certified funds.

14. Disputed Bills:

If a shareholder disputes the water bill and exercises their right to appeal. The Company will not disconnect water service for non-payment while the appeal is pending.

15. Appeals

A shareholder may appeal a pending shutoff by contacting the office. The Company shall review such an appeal and provide a recommendation for resolution to the General Manager and/or their designee.

Agenda Item No. 6B

Item Title: Amend Employee Recognition Rewards Program

Purpose:

To change current policy to observe the tax laws when it comes to company provided gift cards.

Issue:

Research of the tax law shows the need to tax gift cards paid by the Company. Staff recommends changing the current policy from gift cards to include monetary amount in employee's paycheck to make it simple to implement tax withholdings.

Manager's Recommendation:

That the Board amend the employee recognition rewards program to remove gift cards and include monetary amount in paycheck to affect the necessary tax withholdings.

Background:

In October 2014, the AFC recommended amending the employee recognition rewards to be in line with the IRS ruling regarding De Minimus fringe benefit. The IRS has ruled previously in a particular case that items with a value exceeding \$100 could not be considered De Minimis, even under unusual circumstances and therefore, taxable. So gift cards more than \$100 were changed in the policy to be money in the employee's paycheck and therefore taxable.

It was brought to management's attention that all gift cards are to be taxed. Staff provided the Federal guidelines and management sought a legal opinion from labor attorney and they confirmed this was the case.

Staff brought this issue to the AFC in January 2020. The Committee recommended moving this item to the full Board for consideration.

The anniversary program is as follows with the proposed changes underlined or struck:

1. 5 year anniversary
Plaque or Pearl catalog (\$50)
\$50.00 in paycheck ~~Gift Card~~
2. 10 year anniversary
Plaque or Pearl catalog (\$50)
\$100.00 in paycheck ~~Gift Card~~
"1 Day off with pay coupon/certificate"
3. 15 year anniversary
Certificate or Ruby catalog (\$75)
\$150.00 in paycheck
"1 day off with pay coupon/certificate"
Luncheon
4. 20 year anniversary
Glass engraved sculpture or Ruby catalog (\$75)
\$200.00 in paycheck
"1 day off with pay coupon/certificate"
Luncheon

Agenda Date: February 18, 2020

5. 25 year anniversary
Glass engraved sculpture or Emerald catalog (\$100)
\$250.00 in paycheck
"1 day off with pay coupon/certificate"
Luncheon
6. 30 year anniversary
Glass engraved sculpture or Emerald catalog (\$100)
\$300.00 in paycheck
"1 day off with pay coupon/certificate"
Luncheon

Impact on the Budget:

No change in budget

Previous Actions:

- 2007 – Approval of program
- 2014 – Amendment to IRS ruling
- 2016 – Included catalog option

Agenda Item No. 6C

Item Title: Proposed Investment Policy

Purpose:

To discuss and possibly approve a new financial investment policy.

Issue:

Should the Company establish a new policy regarding financial investments?

Manager's Recommendation:

That the Board approve the proposed policy regarding financial investments.

Background:

A draft Financial Investment policy was presented at the AFC's regularly scheduled October 2019 meeting with committee revisions provided at the regular January 2020 AFC meetings. The Committee unanimously recommended approval of the policy, with revisions, at the next regular Board meeting.

Impact on the Budget:

None

Previous Actions:

None.



Purpose

The purpose of this investment policy is to establish guidelines to invest funds in a manner which ensures the safety and preservation of financial capital while meeting reasonably anticipated operational needs, achieving a reasonable rate of return and conforming to all state and local statutes governing the investment of funds.

General Provisions

Scope

This policy applies to the investment of all operating funds.

This policy does not apply to investments held in trust for the Company's retirement plans as these investments are subject to policies established by the plan trustees.

This policy does not apply to non interest-bearing accounts.

Objectives

The primary objectives, in priority order, of the Company's investment activities shall be:

1. Safety: Safety of principal is the foremost objective of the investment program. Investments of the Company shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio by mitigating certain risks. Some of those risks are:
 - a. Interest Rate Risk – the Company will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by focusing on or prioritizing strategies that include:
 - Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operation and avoiding the need to sell securities on the open market prior to maturity.
 - Investing operating funds primarily in short-term securities, money market mutual funds or investment pools.
 - b. Credit Risk – the risk that an issuer or other counterparty to an investment will not fulfill its obligations, will be reduced by focusing on or prioritizing strategies that include:
 - Limiting investments to higher rated securities as further described in this policy.

- Diversifying the investment portfolio so that potential losses on individual securities will be reduced.
2. Liquidity: The investment portfolio will remain sufficiently liquid to enable the Company to meet all operating requirements that might be reasonably anticipated. At least yearly, Company will forecast cash flow needs and adjust investment maturities to match those needs.
 3. Return on Investments: The investment portfolio shall be designed with the objective of ~~attaining the best~~ maximizing the yield or returns on investments, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives.

~~3.~~ A secondary objective would be to invest in the local community

Prudence

The standard of prudence to be used by Company officials involved in the investment program shall be the “prudent investor” standard and shall be applied in the context of managing the overall portfolio. The prudent investor standard is, “when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing ~~public-Company~~ funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the company, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the company.”

The CFO/Treasurer and delegated investment officers, acting in accordance with written procedures and this Policy and exercising due diligence, shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

Delegation of Authority

The Board of Directors’ authority to invest Company funds is delegated to the Company’s Chief Financial Officer (CFO) / Treasurer. Such delegation shall expire and be renewed annually, by Board Resolution, in conjunction with the annual investment policy review.

The CFO/Treasurer shall be responsible for monitoring all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials/staff in the absence of the CFO/Treasurer. All transactions will be reviewed by the CFO/Treasurer on a regular basis to ensure compliance with this Policy. No Person may engage in an investment transaction except as

provided under the terms of this Investment Policy and the procedures established by the [CFO/Treasurer](#).

Ethics and Conflicts of Interest

Officers, [Directors](#) and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Company's General Manager/CEO any material financial interest in financial institutions that conduct business within the Company, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the Company.

All bond issue participants, including but not limited to, underwriters, bond counsel, financial advisors, brokers, and dealers will disclose any fee sharing arrangements or fee splitting to the CFO/Treasurer prior to the execution of any transaction.

Authorized Broker-Dealers

The CFO/Treasurer will maintain a list of approved financial institutions authorized to provide investment services to the Company. These may include primary dealers authorized to buy and sell government securities in direct dealings with the Federal Reserve Bank of New York, or regional dealers that qualify under Securities and Exchange Commission Rule 15C33-1 (uniform net capital rule).

All Broker Dealers who desire to conduct investment transactions with the Company must supply the CFO/Treasurer with the following:

- Audited Financial Statements
- Proof of Financial Industry Regulatory Authority (FINRA) certification
- Proof of State of California registration
- Completed broker/dealer questionnaire (except Certificate of Deposit counterparties)
- Certification of having read the Company's investment policy and depository contracts

Authorized and Suitable Investments

The following are authorized investments:

A. Local Agency Investment Fund (LAIF).

The Company may invest in the Local Agency Investment Fund established by the State Treasurer for the benefit of local agencies (CGC §16429.1). The fund must have 24-hour liquidity. There is no limitation on the percentage of the Company's portfolio that may be invested with LAIF.

B. United States Treasury Securities.

United States Treasury notes, bonds, or bills for which the full faith and credit of the United States is pledged for the payment of principal and interest (CGC §53601(b)). There is no limitation as to the percentage of the Company's portfolio that may be invested in these securities, ~~however~~ Except as otherwise permitted in this policy, maximum investment maturities are limited to five years.

C. Federal Agency Obligations.

The Company is permitted to invest in federal agency or United States government sponsored enterprise obligations, participations, mortgage backed securities or other instruments, including those issued by or fully guaranteed as to principal and interest by Federal agencies or United States government sponsored enterprises (CGC §53601(f)). Maximum maturity is limited to five years. There is no limitation as to the percentage of the Company's portfolio that may be invested in agencies.

D. Bank Depository Accounts.

The Company may invest in insured or collateralized certificates of deposit, savings accounts, market rate accounts, or other bank deposits issued by a state or national bank, savings and loan associations, or state or federal credit unions located in California.

Real estate mortgages in excess of ten years are not considered acceptable collateral by the Company.

All financial institutions holding Company deposits are required to provide the Company with a regular statement of pooled collateral. This report will state that they are meeting the 110% collateral rule, a listing of all collateral with location and market value, plus an accountability of the total amount of deposits secured by the pool.

Deposits are allowable in any institution that insures its deposits with the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA), and a maximum deposit of up to the federal insurance limits may be deposited in any one institution without collateral. No bank shall receive Company deposits in excess of the federal insurance limits that has a long-term debt rating by Moody's investors Service, Standard & Poor's, or Fitch Ratings of less than 'A'. The maximum maturity is restricted to three years.

No deposit shall exceed the shareholder's equity of any depository bank, nor shall a deposit exceed the total net worth of any institution. No deposits shall be made at ~~a state or federal credit union~~ any financial institution if a member of the Board of Directors or the General Manager/CEO or CFO/Treasurer of the Company serves on the Board of Directors or a committee of the ~~credit union~~ financial institution.

E. Municipal Securities.

Registered treasury notes or bonds issued by the State of California or any of the other 49 states, including bonds payable solely out of the revenues from a revenue producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any states.

Bonds, notes, or other evidence of debt issued by a local agency within the State of California. This includes bonds payable solely out of revenue from a revenue-producing property owned, controlled, or operated by the local agency, or by an authority of the local agency.

Securities must have a debt rating of at least 'AA' by a Nationally Recognized Statistical Rating Organization (NRSRO). Maximum maturity is limited to five years from the date of purchase, and holdings of this type of security are limited to a maximum of 20% of the Company's investment portfolio.

F. Commercial Paper.

Commercial paper of 'prime' quality of the highest ranking of the highest letter and number rating as provided for by a NRSRO and must be issued only by general corporations that are organized and operating within the United States and have total assets in excess of \$500 million. The general corporation must have an 'A' rating or better on debt other than commercial paper, if any, assigned by an NRSRO.

Purchases shall not exceed 5% of the outstanding paper of the issuing corporation, and maximum maturity is restricted to 270 days. This type of investment shall not exceed 15% of the Company's investment portfolio.

G. Placement Service Deposits.

The Company may invest in Certificates of Deposit placed with a private sector entity that assists in the placement of deposits with eligible financial institutions located in the United States. The full amount of the principal and the interest that may be accrued during the maximum term of each deposit shall at all times be insured by federal deposit insurance. Placement Service Deposits, in combination with bank certificates of deposit shall not exceed 25% of the value of the Company's investments at any time. The maximum investment maturity will be restricted to three years.

H. Medium Term Notes.

The Company may invest in corporate and depository institution debt securities issued by corporations organized and operating within the United States, or by depository institutions licensed by the United States or any state and operating within the United States.

Securities eligible for investment under this section shall be rated 'AA' or better by an NRSRO. The maximum maturity is restricted to five years, and investment in this category of security shall not exceed 30% of the Company's investible funds, and not more than 5% from a single issuer.

I. Money Market Funds.

Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission.

The diversified management company shall either:

- 1) have attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs or
- 2) retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years of experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000). A maximum of 15% of the Company's investible funds can be invested in Money Market Mutual funds.

J. Prohibited Investments.

The Company shall not invest any funds covered by this Investment Policy in any investments not specifically identified in this policy without explicit authorization by the Board.

Review of Investment Portfolio

The securities held by the Company must be in compliance with the above section 'Authorized and Suitable Investments' at the time of purchase. Because some securities may not comply with this section subsequent to the date of purchase, the CFO/Treasurer shall at least quarterly review the portfolio to identify those securities that do not comply. The CFO/Treasurer shall establish procedures to report to the Company's Board of Directors, major and critical incidences of non-compliance identified through the review of the portfolio.

Investment Pools / Mutual Funds

When the Company's investment portfolio includes Investment Pools and Mutual Funds, as permitted in the section 'Authorized and Suitable Investments', the CFO/Treasurer shall as a matter of due diligence, monitor the assets held by the pools/funds. At least quarterly, the CFO/Treasurer will conduct an investigation to determine the following:

1. A description of eligible investment securities, and a written statement of investment policy and objectives.
2. A description of interest calculation and how it is distributed, and how gains and losses are treated.
3. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.

4. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
5. A schedule for receiving statements and portfolio listings.
6. Are reserves, retained earnings, etc. utilized by the pool/fund?
7. A fee schedule, and when and how it is assessed.
8. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

Safekeeping and Custody Agreements

To protect against potential losses caused by collapse of individual securities dealers, all securities owned by the Company shall be kept in safekeeping by a third-party bank trust department, acting as agent for the Company under the terms of a custody agreement executed by the bank and the Company. All securities will be received and delivered using standard delivery versus payment (DVP) procedures with the Company's custodial bank and evidenced by safekeeping receipts.

Diversification and Maximum Maturities

The Company will diversify its investment by security type and institution. With the exception of the US Government, its agencies and instrumentalities, and the Local Agency Investment Fund, no more than 5% of the Company's total investment portfolio will be invested in a single security type with a single financial institution unless explicitly authorized by the Board.

To the extent possible, the Company will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Company will not directly invest in securities maturing more than 5 years from the date of purchase. Reserve funds may be invested in securities exceeding 5 years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.

Internal Controls

The CFO/Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Company are protected from loss, theft, or misuse. The internal control structures shall be designed to provide reasonable assurance that these objectives are met. Internal controls shall be in writing and shall address the following: separation of transaction authority from accounting and record keeping, safekeeping of assets and written confirmation of telephone transactions for investments and wire transfers.

The external auditors will annually review the investments and general activities associated with the investment program. This review will provide internal control by assuring compliance with the Investment Policy and Company policies and procedures.

Performance Standards

The investment portfolio will be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints, and the cash flow needs.

The Company's investment strategy is passive. The performance of the Company's investment portfolio will be evaluated and compared to an appropriate benchmark in order to assess the success of the investment portfolio relative to the Company's Safety, Liquidity, and Return on Investments' objectives.

Investment Reporting

The CFO/Treasurer will prepare a quarterly Investment Report and render the report to the Board of Directors no later than 30 days after the close of each calendar quarter.

The report shall provide the type of investment, issuers, the date of maturity, par values and market values of each investment, transactions occurring during the reporting period, and identification of funds managed by third party managers. The report will also include 1) certification that all investment transactions have been made in compliance with the Company's Investment Policy, and 2) a statement that the Company has the ability to meet all of its expenditure requirements during the next six months.

Policy Adoption

Adoption. This policy shall be reviewed annually with the Board of Directors and adopted by Board Resolution.

Delegation of Authority

The Board has sole authority to amend or revise this Investment Policy.

Agenda Item No. 6D

Item Title: Proposed Financial Reserve Policy

Purpose:

To discuss and possibly approve a new financial reserve policy.

Issue:

Should the Company establish a new policy regarding financial reserves?

Manager's Recommendation:

That the Board approve the proposed policy regarding financial reserves.

Background:

A draft Financial Reserve policy was presented at the AFC's regularly scheduled October 2019 meeting with committee revisions provided at the regular January 2020 AFC meeting. The Committee unanimously recommended approval of the policy, with revisions, at the next regular Board meeting.

Impact on the Budget:

None

Previous Actions:

None.



San Antonio Water Company Reserve Funds Policy

Purpose

Fiscal responsibility requires anticipating the likelihood of, and preparing for, unforeseen events. It is the purpose of this Reserve Policy to ensure that sufficient funds are available for current operating, capital, and debt service needs. Reserve Funds (Funds) will be accumulated and maintained to allow the Company to fund expenditures in a manner consistent with the Company's Capital Improvement Plan and avoid rate fluctuations due to changes in cash flow requirements.

The Board of Directors will designate specific fund accounts and establish minimum fund balances that it has determined to be in the best interest of the Company. The Board will annually review the level of Funds.

General Provisions

Guidelines

The Company has established and will maintain the following primary reserve funds:

- Operating Reserve Funds
- ~~Capital~~ Capital Investment and Depreciation Reserve Funds
- Debt Service Reserve Funds

Each fund will be maintained in a manner that ensures financial soundness and provides transparency to Company Shareholders. Minimum fund balances stated in this policy are considered the minimum necessary to adequately provide for: compliance with applicable statutory requirements, financing repair and replacement of capital facilities, economic uncertainties and financial hardship due to disasters or economic downturn.

The minimum established for each Fund represents the baseline financial condition that is acceptable to the Company.

Fund balances will be reviewed by the Board on an annual basis at or near the end of the fiscal year. Operating Reserve Fund balance that exceeds the established maximum will be transferred annually into the Capital Reserve Fund.

On an as-needed basis, monies from the Capital Reserve Fund can be used to pay for operating emergencies as a supplement to the Operating Reserve Fund.

If the Capital Reserve Fund balance exceeds the established maximum, the Board will make a determination regarding reallocation of excess monies.

Delegation of Authority

The Board has sole authority to amend or revise the Reserve Funds Policy.

Operating Reserves

Purpose

The Operating Reserve Fund is used for unanticipated operating expenses and to meet routine cash flow needs.

Target Level

The minimum target level for the Operating Reserve is 90 days of Company's budgeted total operating expenses.

The maximum target level for the Operating Reserve is 180 days of Company's budgeted total operating expenses.

Events or Conditions Prompting the Use of the Fund

Staff may routinely utilize this fund to cover temporary cash flow deficiencies caused by timing differences between revenue and expenses.

The Board may determine to use this fund for extraordinary decreases in revenues or unexpected increases in expenses.

Periodic Review Dates for Balances

Operating Reserve fund balance will be approved by the Board during preparation of annual budget.

Capital Investment and Depreciation Reserves

Purpose

The Capital Investment and Depreciation Reserve Fund is intended for:

- The planned replacement of capitalized assets when they reach the end of their useful lives.
- The emergency replacement of capitalized assets when they have catastrophically failed.

Target Levels

The Company will strive to maintain a minimum balance totaling 5% of Company's Total Property, Plant and Equipment value as reported in the most recent Independent Auditors' Report.

The Company will strive to maintain a maximum balance below 20% of Company's Total Property, Plant and Equipment value as reported in the most recent Independent Auditors' Report.

Events or Conditions Prompting the Use of the Fund

The Board will determine when a condition exists matching the purpose of this fund.

Periodic Review Dates for Balances

Capital Reserve fund balance will be approved by the Board during preparation of annual budget.

Debt Service Reserves

Purpose

The Debt Service Reserve Fund is intended to comply with restrictions set forth in legal documents pertaining to the Company's borrowing of money. These funds may be held in trust in favor of the loan holder.

Target Level

The Company will maintain a minimum balance as determined by conditions set forth in the borrowing documents.

The Company will strive to maintain a maximum balance that is no more than required to ensure continued compliance with conditions of the borrowing documents.

Events or Conditions Prompting the Use of the Fund

As stipulated in the borrowing documents authorized by the Board.

Periodic Review Dates for Balances

Debt Service Reserves will be reviewed by staff on a regular basis consistent with the payment schedule conditions of the borrowing documents.

Agenda Item No. 6E

Item Title: General Liability Insurance Renewal

Purpose:

To report the Company's annual insurance renewal as presented by the Company's insurance broker EPIC designed to protect the company from liability and property damages and to recommend approval of renewal as updated under JPRIMA.

Issue:

In 2017, the Board accepted the General Liability package offered through California Mutual Water Association from JPRIMA (3 year program). 2019 was the last year covered under the 3 year program.

Manager's Recommendation:

That the Board ratify AFC's recommendation to approve premium update with JPRIMA for the General Liability renewal as presented by EPIC at the annual premium of \$29,894.

Background:

In CY2016, California Mutual Water Associations (CalMutuals) was able to pass AB656 that allowed mutual water companies to work with public agencies to form a Joint Powers Risk Insurance Management Authority (JPRIMA).

The Board approved the Water Company changing over to JPRIMA for Liability and Cyber Insurance. The proposal accepted from JPRIMA in CY2016 provided a 3- year program with specific applications for water systems. The program had an "off ramp" for those to opt out if premiums increase 15%.

The commercial package with JPRIMA runs from 4/1/20 to 4/1/21.

For the period 4/1/17 to 4/1/18 the premium for General Liability was \$24,746 and the Cyber Liability is \$3,508 for a total of \$28,254.

For the period of 4/1/18 to 4/1/19 the total cost was \$27,547 and provided a savings of \$707.

For the period 4/1/19 to 4/1/20 the total cost was \$28,891.

This year's proposal for the period 4/1/20 to 4/1/21 is \$29,894 for an increase of \$1,003 from the previous year's quote.

The Administration and Finance Committee (AFC) reviewed this item at its regularly scheduled meeting on January 28, 2020 and unanimously recommended it for approval by the Board.

Impact on the Budget:

Under budget [Budgeted \$39,000 and Actual considered is \$29,894].

Previous Actions:

None.



Property and Casualty Insurance Proposal

Version 2

San Antonio Water Company

Effective
April 1, 2019 to April 1, 2020

Presented by:
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**SAN ANTONIO WATER COMPANY
PREMIUM COMPARISON**

COVERAGE	4/1/2019 TO 4/1/2020	4/1/2020 TO 4/1/2021
	Cal Mutuals JPRIMA (3 Year Program) LIMITS / PREMIUM	Cal Mutuals JPRIMA (3 Year Program) LIMITS / PREMIUM
PACKAGE		
Property		
Blanket Property (Replacement Cost)	\$9,500,540	\$9,579,240
- Real Property & Business Personal Property		
Blanket Coverage Extension; applies to the following -	\$2,000,000	\$2,000,000
- Business Income, Extended Business Income, Commandeered Property, Civil Authority, Extra Expense, Tenant Leasehold Interest, Electronic, Data, Preservation of Property		
Equipment Breakdown / Boiler & Machinery	Included	Included
Mobile Equipment (Actual Cash Value)		
- Scheduled	\$90,762	\$197,415
- Unscheduled, maximum \$10,000 any one item	\$61,451	\$61,602
- Borrowed, rented & leased	n/a	n/a
Terrorism	Included	Included
Crime Limits	\$250,000	\$250,000
Deductibles		
- Property	\$1,000	\$1,000
- Mobile Equipment	\$1,000	\$1,000
- Equipment Breakdown	\$1,000/\$2,500	\$1,000/\$2,500
- Crime	\$1,000	\$1,000
General Liability		
Payroll - Non Auditable	\$369,071	\$373,504
Budget - Non Auditable	\$4,502,018	\$3,504,070
Per Occurrence	\$1,000,000	\$1,000,000
General Aggregate	\$10,000,000	\$10,000,000
Products & Completed Operations Aggregate	\$10,000,000	\$10,000,000
Personal & Advertising Injury	\$1,000,000	\$1,000,000
Damage to Premises Rented To You	\$1,000,000	\$1,000,000
Medical Payments	\$10,000	\$10,000
Water & Wastewater Testing Errors & Omissions	Included	Included
Terrorism	Included	Included
Public Officials & Management Liability		
Wrongful Act-per act	\$1,000,000	\$1,000,000
Employment Practices (including third party discrimination)-per offense	\$1,000,000	\$1,000,000
Employee Benefits Plans-per act	\$1,000,000	\$1,000,000
Injunctive Relief-per act	\$5,000	\$5,000
Aggregate Limit	\$10,000,000	\$10,000,000
Deductible	\$1,000	\$1,000
Policy Form	Occurrence	Occurrence
Inverse Condemnation	Included	Included
Privacy & Network Security(Cyber Liability)-Wrongful Acts - per act	\$1,000,000	\$1,000,000
Breach Consultation Services-per offense	\$1,000,000	\$1,000,000
Breach Response Services-per offense	\$100,000	\$100,000
Public Relations & Data Forensics-per act	\$100,000	\$100,000
Privacy-Retroactive Date	6/1/2012	6/1/2012
Privacy-Deductible	None	None
Policy Form	Claims Made	Claims Made
Automobile		
Number of Vehicles	6	6
Combined Single Limit	\$1,000,000	\$1,000,000
Uninsured/Underinsured Motorist	\$1,000,000	\$1,000,000
Medical Expense	\$5,000	\$5,000
Hired/Non-Owned Liability	\$1,000,000	\$1,000,000
Hired Physical Damage	\$100,000	\$100,000
Owned Physical Damage	ACV	ACV
- Comprehensive Deductible	\$500	\$500
- Collision Deductible	\$500	\$500
Excess		
Each Occurrence	\$10,000,000	\$10,000,000
General Aggregate	\$10,000,000	\$10,000,000
Retention	None	None
Member Contribution	\$26,173	\$27,086
JPRIMA Administration Fees	\$2,718	\$2,808
Total Amount Due	\$28,891	\$29,894



**CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES
JOINT POWERS RISK AND INSURANCE MANAGEMENT AUTHORITY (JPRIMA)**

**COVERAGE PROPOSAL
San Antonio Water Company**

**COVERAGE PERIOD
4/1/2020 - 4/1/2021**

**PRESENTED BY:
Edgewood Partners Insurance Center**



**Insurance Administrator
www.alliedpublicrisk.com
Allied Community Insurance Services, LLC
CA License Number: 0L01269
National Producer Number: 17536322**



PREMIUM SUMMARY

NOTE: This proposal is prepared from information supplied to us on the application submitted by you or insurance broker. It may or may not contain all terms requested on the application. Coverage is provided by the JPRIMA Memorandum of Coverage (MOC) and subject to its terms, exclusions, conditions and limitations. A specimen MOC is available for your review, as is the JPRIMA Member Agreement. Enrollment in the JPRIMA requires execution of the JPRIMA Member Agreement as well as membership in the California Association of Mutual Water Companies (Cal Mutuals).

PAGE	COVERAGE SECTION		PREMIUM
3-7	SECTION 1. PROPERTY (Property, Equipment Breakdown & Mobile Equipment)	\$	5,999.00
8	SECTION 2. COMMERCIAL CRIME	\$	450.00
9-10	SECTION 3. COMMERCIAL GENERAL LIABILITY	\$	3,361.00
11	SECTION 4. PUBLIC OFFICIALS & MANAGEMENT LIABILITY (Wrongful Acts, Employment Practices & Employee Benefits, Privacy and Network Risk)	\$	3,266.00
12	SECTION 5. BUSINESS AUTO	\$	7,007.00
13	SECTION 6. COMMERCIAL EXCESS LIABILITY	\$	7,003.00
		MEMBER CONTRIBUTION	\$ 27,086.00
		JPRIMA ADMINISTRATION FEES	\$ 2,808.00
		TOTAL AMOUNT DUE*	\$ 29,894.00
*Payment is due within thirty (30) days of binding.			

NOTES:

The JPRIMA MOC has a common anniversary date of April 1, 2020.

Terrorism coverage is automatically included for Property and General Liability.

COVERAGE PROPOSAL FOR MEMBER: San Antonio Water Company

EFFECTIVE DATE: 4/1/2020 - 4/1/2021

DISCLAIMER: Actual coverage is subject to the language of the MOC as issued.



SECTION 1. PROPERTY*

***PROPERTY IS INCLUDED IN THE PROPOSAL: Yes**

ISSUER:

- California Association of Mutual Water Companies
Joint Powers Risk and Insurance Management Authority (JPRIMA)
- No Joint and Several Liability for Members
- 100% Reinsured

REINSURER:

- Allied World Insurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Proprietary & Integrated

LIMITS:

Blanket Property: (Real Property & Business Personal Property)	\$9,579,240
Blanket Coverage Extension: A separate blanket limit that applies to the following coverages: Business Income, Extended Business Income, Commandeered Property, Civil Authority, Extra Expense, Tenant Leasehold Interest, Electronic Data, Preservation of Property.	\$2,000,000
Equipment Breakdown / Boiler & Machinery:	Included
Mobile Equipment (scheduled):	\$197,415
Mobile Equipment (unscheduled, maximum \$10,000 any one item):	\$61,602
Mobile Equipment (borrowed, rented & leased):	N/A
Flood Zone X: (shaded/unshaded)	N/A

DEDUCTIBLES:

\$1,000	Property
\$1,000	Mobile Equipment
\$1,000	Equipment Breakdown (aboveground & less than 50 feet belowground)
\$2,500	Equipment Breakdown (greater than 50 feet belowground)
N/A	Flood Zone X (per occurrence)

COVERAGE HIGHLIGHTS:

- Blanket Property Limits & Blanket Coverage Extension Limits
- No Coinsurance Penalty
- Equipment Breakdown
- Foundations as Covered Property

VALUATION:

- Replacement Cost: Real Property & Business Personal Property
- Actual Cash Value: Mobile Equipment
- Actual Loss Sustained: Loss of Income & Expenses
- Market Price: Fine Arts

KEY EXCLUSIONS:

- Earthquake & Earth Movement
- Flood (unless coverage is designated above, such coverage would be limited to locations in Zone X only)

COVERAGE PROPOSAL FOR MEMBER: San Antonio Water Company

EFFECTIVE DATE: 4/1/2020 - 4/1/2021

DISCLAIMER: Actual coverage is subject to the language of the MOC as issued.

SPECIAL COVERAGES:

- **New Locations or Newly Constructed Property:**
Pays up to \$1,000,000 for your new real property while being built on or off described premises as well as real property you acquire, lease or operate at locations other than the described premises; and business personal property located at new premises.
- **Utility Services – Direct Damage, Business Income & Expense:**
Pays up to \$250,000 for covered property damaged by an interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss and does not apply to loss or damage to electronic data, including destruction or corruption of electronic data. Separate limits apply to Direct Damage and Business Income/Expense.
- **Pollution Remediation Expenses:**
Pays up to \$100,000 or \$250,000 for remediation expenses resulting from a Covered Causes of Loss or Specified Cause of Loss occurring during the coverage period and reported within 180 days. Covered Causes of Loss means risks of direct physical loss unless the loss is excluded or limited by the Property Coverage Form. Specified Cause of Loss means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow; ice or sleet; water damage; and equipment breakdown.
- **SCADA Upgrades:**
Pays up to \$100,000 to upgrade your scheduled SCADA system after direct physical loss from a Covered Cause of Loss. The upgrade is in addition to its replacement cost. SCADA means the Supervisory Control and Data Acquisition system used in water and wastewater treatment and distribution to monitor leaks, waterflow, water analysis, and other measurable items necessary to maintain operations.
- **Contract Penalties:**
Pays up to \$100,000 for contract penalties you are required to pay due to your failure to deliver your product according to contract terms solely as a result of direct physical loss or damage by a Covered Cause of Loss to Covered Property.
- **Contamination:**
Pays up to \$250,000 for loss or damage to covered property because of contamination as a result of a Covered Cause of Loss. Contamination means direct damage to real property and business personal property caused by contact or mixture with ammonia, chlorine, or any chemical used in the water and / or wastewater treatment process.
- **Property In Transit:**
Pays up to \$100,000 for direct physical loss or damage to covered property while in transit more than 1000 feet from the described premises. Shipments by mail must be registered for covered to apply. Electronic data processing property and fine arts are excluded.
- **Unintentional Errors:**
Pays up to \$250,000 for any unintentional error or omission you make in determining or reporting values or in describing the covered property or covered locations.

KEY DEFINITIONS

■ **Real Property:**

The buildings, items or structures described in the Declarations that you own or that you have leased or rented from others in which you have an insurable interest. This includes:

- Aboveground piping;
- Aboveground and belowground penstock;
- Additions under construction;
- Alterations and repairs to the buildings or structures;
- Buildings;
- Business personal property owned by you that is used to maintain or service the real property or structure or its premises, including fire-extinguishing equipment; outdoor furniture, floor coverings and appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- Completed additions;
- Exterior signs, meaning neon, automatic, mechanical, electric or other signs either attached to the outside of a building or structure, or standing free in the open;
- Fixtures, including outdoor fixtures;
- Foundations;
- Glass which is part of a building or structure;
- Light standards;
- Materials, equipment, supplies and temporary structures you own or for which you are responsible, on the premises or in the open (including property inside vehicles) within 1000 feet of the premises, used for making additions, alterations or repairs to buildings or structures at the premises;
- Paved surfaces such as sidewalks, patios or parking lots;
- Permanently installed machinery and equipment;
- Permanent storage tanks;
- Solar panels;
- Submersible pumps, pump motors and engines;
- Underground piping located on or within 100 feet of premises described in the Declarations;
- Underground vaults and machinery.

■ **Business Personal Property:**

The property you own that is used in your business including:

- Furniture and fixtures;
- Machinery and equipment;
- Computer equipment;
- Communication equipment;
- Labor materials or services furnished or arranged by you on personal property of others;
- Stock;
- Your use interest as tenant in improvements and betterments.
- Leased personal property for which you have a contractual responsibility to insure.

■ **Pollution Conditions:**

The discharge, dispersal, release, seepage, migration, or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, minerals, chemical elements and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

KEY DEFINITIONS (continued)

■ **Remediation Expenses:**

Expenses incurred for or in connection with the investigation, monitoring, removal, disposal, treatment, or neutralization of pollution conditions to the extent required by: (1) Federal, state or local laws, regulations or statutes, or any subsequent amendments thereof enacted to address pollution conditions; and (2) a legally executed state voluntary program governing the cleanup of "pollution conditions."

■ **Outdoor Property:**

Fixed or permanent structures that are outside covered real property including but not limited to:

- Historical markers or flagpoles;
- Sirens, antennas, towers, satellite dishes, or similar structures and their associated equipment;
- Exterior signs not located at a premises;
- Fences or retaining walls;
- Storage sheds, garages, pavilions or other similar buildings or structures not located at a premises;
- Dumpsters, concrete trash containers, or permanent recycling bins; or
- Hydrants.

■ **Equipment Breakdown:**

Direct damage to mechanical, electrical or pressure systems as follows:

- Mechanical breakdown including rupture or bursting caused by centrifugal force;
- Artificially generated electrical current, including electrical arcing, that disturbs electrical devices, appliances or wires;
- Explosion of steam boilers, steam piping, steam engines or steam turbines owned or leased by you, or operated under your control;
- Loss or damage to steam boilers, steam pipes, steam engines or steam turbines; or
- Loss or damage to hot water boilers or other water heating equipment;
- If covered electrical equipment requires drying out as a result of a flood, we will pay for the direct expenses for such drying out.
- None of the following are covered objects as respects to equipment breakdown:
 - a. Insulating or refractory material;
 - b. Buried vessel or piping;
 - c. Sewer piping, piping forming a part of a fire protection system or water piping other than:
 - (1) Feed water piping between any boiler and its feed pump or injector;
 - (2) Boiler condensate return piping; or
 - (3) Water piping forming a part of refrigerating and air conditioning vessels and piping used for cooling, humidifying or space heating purposes;
 - d. Structure, foundation, cabinet or compartment containing the object;
 - e. Power shovel, dragline, excavator, vehicle, aircraft, floating vessel or structure, penstock, draft tube or well-casing;
 - f. Conveyor, crane, elevator, escalator or hoist, but not excluding any electrical machine or electrical apparatus mounted on or used with this equipment; and
 - g. Felt, wire, screen, die, extrusion, late, swing hammer, grinding disc, cutting blade, cable chain, belt, rope, clutch late, brake pad, non-metallic part or any part or tool subject to frequent, periodic replacement.



PROPERTY SUBLIMITS:

Coverage			Limit		
Accounts Receivable	X	\$500,000	<input type="checkbox"/>	\$1,000,000	\$2,000,000
Valuable Papers and Records	X	\$500,000	<input type="checkbox"/>	\$1,000,000	\$2,000,000
Contamination	X	\$250,000			
Tools and Equipment Owned by Your Employees	X	\$5,000	<input type="checkbox"/>	\$10,000	\$25,000
Personal Effects and Property of Others	X	\$5,000	<input type="checkbox"/>	\$10,000	\$25,000
New Locations or Newly Constructed Property		\$1,000,000			
Business Personal Property at New Locations		\$1,000,000			
Backup/Overflow of Water from Sewer, Drain, Sump		\$250,000			
Utility Services - Direct Damage		\$250,000			
Utility Services –		\$250,000			
Business Income and Extra Expense					
Dependent Business Premises		\$250,000			
Property at Other Locations		\$250,000			
Pollution Remediation Expense (specified cause of loss)		\$250,000			
Outdoor Property (unscheduled)		\$100,000			
Contract Penalties		\$100,000			
Pollution Remediation Expense (covered cause of loss)		\$100,000			
Property in Transit		\$100,000			
SCADA Upgrades		\$100,000			
Indoor and Outdoor Signs (unscheduled)		\$50,000			
Limited Coverage for “Fungus”, Wet Rot or Dry Rot		\$50,000			
Fine Arts		\$25,000			
Fire Department Service Charge		\$25,000			
Fire Protection Devices		\$25,000			
Key and Lock Replacement Expenses		\$25,000			
Trees, Shrubs & Plants (maximum \$1,000 any one item)		\$25,000			
Arson Reward		\$10,000			
Rental Reimbursement – Mobile Equipment		\$10,000			
Cost of Inventory or Adjustment		\$5,000			
Non-Owned Detached Trailers		\$5,000			
Water Contamination Notification Expenses		\$5,000			
Patterns, Dies, Molds, Forms		\$2,500			
Debris Removal		25% of scheduled limit plus \$250,000			
Ordinance or Law Provision		100% of scheduled limit plus 25%			

NOTES:

Contribution is calculated from attached property schedule; review property schedule for coverage and limit adequacy.

Flood and Earthquake coverages are excluded.

COVERAGE PROPOSAL FOR MEMBER: San Antonio Water Company

EFFECTIVE DATE: 4/1/2020 - 4/1/2021

DISCLAIMER: Actual coverage is subject to the language of the MOC as issued.



SECTION 2. COMMERCIAL CRIME*

***COMMERCIAL CRIME IS INCLUDED IN THE PROPOSAL: Yes**

ISSUER:

- California Association of Mutual Water Companies
Joint Powers Risk and Insurance Management Authority (JPRIMA)
- No Joint and Several Liability for Members
- 100% Reinsured

REINSURER:

- Allied World Insurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Proprietary & Integrated

RATING BASIS:

- On file with underwriter
- Non auditable

LIMITS:

COVERAGE GROUP SELECTED	EMPLOYEE THEFT	FORGERY OR ALTERATION	INSIDE THE PREMISES Theft of Money and Securities	INSIDE THE PREMISES Robbery or Safe Burglary or Other Property	OUTSIDE THE PREMISES	COMPUTER FRAUD	FUNDS TRANSFER FRAUD	MONEY ORDERS & COUNTERFEIT PAPER CURRENCY
	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
X	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
	\$500,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
	\$1,000,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
	\$2,000,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000

DEDUCTIBLE:

\$1,000 each claim

DESIGNATED EMPLOYEE BENEFIT PLAN(S):

COVERAGE HIGHLIGHTS:

- Separate Limits Apply to Each Coverage
- Coverage Extended to Directors and Authorized Volunteers
- Faithful Performance

NOTES:

COVERAGE PROPOSAL FOR MEMBER: San Antonio Water Company

EFFECTIVE DATE: 4/1/2020 - 4/1/2021

DISCLAIMER: Actual coverage is subject to the language of the MOC as issued.



SECTION 3. GENERAL LIABILITY*

***GENERAL LIABILITY IS INCLUDED IN THE PROPOSAL: Yes**

ISSUER:

- California Association of Mutual Water Companies
Joint Powers Risk and Insurance Management Authority (JPRIMA)
- No Joint and Several Liability for Members
- 100% Reinsured

REINSURER:

- Allied World Insurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Occurrence
- Defense Costs Outside the Limit
- Proprietary & Integrated

RATING BASIS:

- On file with underwriter
- Non auditable

LIMITS:

Per Occurrence	\$ 1,000,000
General Aggregate	\$10,000,000
Products & Completed Operations Aggregate	\$10,000,000
Personal & Advertising Injury Limit	\$ 1,000,000
Damage to Premises Rented to You	\$ 1,000,000
Medical Payments	\$ 10,000

DEDUCTIBLE:

N/A

COVERAGE HIGHLIGHTS:

- Duty to Defend
- Broad Definition of Enrolled Named Member
- Blanket Additional Enrolled Named Member
- **Water & Wastewater Testing Errors & Omissions**
- Expanded Pollution Liability
- Failure to Supply (no ISO limitation)
- Lead (potable water)
- Waterborne Asbestos (potable water)
- Product Recall
- Impaired Property
- Fungi & Bacteria

OPTIONAL COVERAGES:

- Hired & Non Owned Automobile Liability
- Employee Benefits Liability
- Dam, Levee & Dike Structural Failure

COVERAGE PROPOSAL FOR MEMBER: San Antonio Water Company

EFFECTIVE DATE: 4/1/2020 - 4/1/2021

DISCLAIMER: Actual coverage is subject to the language of the MOC as issued.

SPECIAL COVERAGES:

■ **Water & Wastewater Testing Errors & Omissions:**

Coverage is provided for damages arising out of an act, error or omission which arises from your water or wastewater testing.

■ **Failure To Supply:**

Coverage is provided for bodily injury or property damage arising out of the failure of any Enrolled Named Member to adequately supply water.

■ **Waterborne Asbestos:**

Coverage is provided for bodily injury or property damage from waterborne asbestos arising out of potable water which is provided by you to others.

■ **Contractual Liability - Railroads:**

Coverage is provided for any contract or agreement that indemnifies a railroad for bodily injury or property damage arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing.

■ **Pollution:**

Coverage is provided for bodily injury or property damage which occurs or takes place as a result of your operations and arises out of the following:

- Potable water which you supply to others;
- Chemicals you use in your water or wastewater treatment process;
- Natural gas or propane gas you use in your water or wastewater treatment process;
- Urgent response for the protection of property, human life, health or safety conducted away from premises owned by or rented to or regularly occupied by you;
- Your application of pesticide or herbicide chemicals if such application meets all standards of any statute, ordinance, regulation or license requirement of any federal, state or local government;
- Smoke drift from controlled or prescribed burning that has been authorized and permitted by an appropriate regulatory agency.
- Fuels, lubricants or other operating fluids needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of mobile equipment or its parts
- Escape or back-up of sewage or waste water from any sewage treatment facility or fixed conduit or piping that you own, operate, lease, control or for which you have the right of way, but only if property damage occurs away from land you own or lease.
- Sudden and accidental events that are neither expected nor intended by an Enrolled Named Member. However, no coverage is provided under this exception for petroleum underground storage tanks.

■ **Damage to Impaired Property or Property Not Physically Injured**

Coverage is provided for bodily injury or property damage arising from your potable water, nonpotable water, or wastewater as well as any loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

■ **Fungi or Bacteria**

Coverage is provided for bodily injury or property damage arising from any "fungi" or bacteria that are, are on, or are contained in a good or product intended for consumption; or to any injury or damage arising out of or caused by your water, irrigation, or wastewater intake, outtake, reclamation, treatment and distribution processes.

■ **Recall of Products, Work or Impaired Property**

Coverage applies to any injury or damage arising out of or caused by your potable water, nonpotable water, or wastewater for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of: "Your product"; "Your work"; or "Impaired property"; if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

NOTES:

Additional Designated Enrolled Named Member endorsement to be added with PNC wording for San Bernardino County Flood Control District and County of San Bernardino and Holliday Rock Co., Inc. .



SECTION 4. PUBLIC OFFICIALS & MANAGEMENT LIABILITY*

***PUBLIC OFFICIALS & MANAGEMENT LIABILITY IS INCLUDED IN THE PROPOSAL: Yes**

ISSUER:

- California Association of Mutual Water Companies
Joint Powers Risk and Insurance Management Authority (JPRIMA)
- No Joint and Several Liability for Members
- 100% Reinsured

REINSURER:

- Allied World Insurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Proprietary & Integrated
- Occurrence
- Defense Costs Outside the Limits

RATING BASIS:

- On file with underwriter
- Non auditable

LIMITS:

Wrongful Acts	\$1,000,000 per act
Employment Practices (including third party discrimination)	\$1,000,000 per offense
Employee Benefit Plans	\$1,000,000 per act
Injunctive Relief	\$5,000 per act
	\$10,000,000 aggregate limit

PRIVACY LIABILITY AND NETWORK RISK¹:

Privacy & Network Security Wrongful Acts	1,000,000 per act
Breach Consultation Services	1,000,000 per offense
Breach Response Services	100,000 per offense
Public Relations & Data Forensics	100,000 per act

¹Coverage provided for Privacy Liability & Network Risk Coverage is issued on a claims made basis with defense inside the limit of liability. Privacy Retroactive Date:6/1/2012. Privacy Deductible: None.
*\$1,000,000 maximum annual aggregate applies per Enrolled Named Member, with a \$2,000,000 coverage form aggregate applicable to all participating Enrolled Named Members.

SPECIAL COVERAGE:

- Inverse Condemnation

RETROACTIVE DATE:

N/A

DEDUCTIBLE:

\$1,000 each claim including expenses

COVERAGE HIGHLIGHTS:

- Duty To Defend
- Broad Definition of Enrolled Named Member including Past and Future Employees
- Outside Directorship

NOTES:

COVERAGE PROPOSAL FOR MEMBER: San Antonio Water Company

EFFECTIVE DATE: 4/1/2020 - 4/1/2021

DISCLAIMER: Actual coverage is subject to the language of the MOC as issued.



SECTION 5. BUSINESS AUTO*

***BUSINESS AUTO IS INCLUDED IN THE PROPOSAL: Yes**

ISSUER:

- California Association of Mutual Water Companies
Joint Powers Risk and Insurance Management Authority (JPRIMA)
- No Joint and Several Liability for Members
- 100% Reinsured

REINSURER:

- Allied World Insurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Proprietary & Integrated
- Occurrence
- Defense Costs Outside the Limits

PORTFOLIO:

Coverage	Symbol	Limit
Combined Single Limit for Bodily Injury & Property Damage (each accident)	1	\$1,000,000
Hired Auto Liability	8	\$1,000,000
Non-Owned Auto Liability	9	\$1,000,000
Medical Payments	2	\$5,000
Uninsured / Underinsured Motorists	2	\$1,000,000
Hired Physical Damage	8	\$100,000
Owned Physical Damage – Comprehensive	2	ACV
Owned Physical Damage – Collision	2	ACV
Towing & Rental Car Reimbursement (covered accident)		\$75 per Day up to 30 Days
Fleet Automatic		Included

DEDUCTIBLE:

Liability: None
 Comprehensive: \$500
 Collision: \$500

NOTES:

**Please refer to auto terms provided for per unit coverage.
 Additional Designated Enrolled Named Member endorsement to be added with PNC wording for San Bernardino County Flood Control District and County of San Bernardino and Holliday Rock Co., Inc. .**



SECTION 6. EXCESS LIABILITY*

***EXCESS LIABILITY IS INCLUDED IN THE PROPOSAL: Yes**

ISSUER:

- California Association of Mutual Water Companies
Joint Powers Risk and Insurance Management Authority (JPRIMA)
- No Joint and Several Liability for Members
- 100% Reinsured

REINSURER:

- Allied World Insurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Following Form
- Occurrence
- Defense Costs Outside the Limits

LIMITS:

\$10,000,000/\$10,000,000

SCHEDULED UNDERLYING POLICIES:

Commercial General Liability - Yes
 Hired and Non-Owned Auto Liability - Yes
 Owned Auto Liability - Yes
 Public Officials & Management Liability - Yes
 Wrongful Acts - Yes
 Employment Practices - Yes
 Employee Benefit Plans - Yes
 Employers' Liability: *(minimum underlying limit requirement of \$500,000 / \$500,000 / \$500,000)* - Yes
 Other:

NOTABLE EXCLUSION:

- Workers' Compensation
- Uninsured Motorists / Underinsured Motorists
- Underlying Limits < \$1,000,000 except for Employers' Liability

NOTES:

Employers' Liability subject to JPRIMA security requirements.

Proposal Letter

POLICY NUMBER	Coverage is provided by:	Agency Code
	Joint Powers Risk and Insurance Management Authori	
POLICY PERIOD:		
From: 04/01/2020 To: 04/01/2021 (12:01 AM Standard time at the address shown in Named Insured)		
NAMED INSURED:		
San Antonio Water Company 139 N. Euclid Avenue Upland, CA 91786		AGENT:

Location 1

139 N. Euclid Avenue
Upland, CA 91786

Territories	
Liability	012
Property	1
Business Auto	059
Location Totals	
Business Auto	\$7,007
Total Premium	\$7,007

Business Auto		
139 N. Euclid Avenue Upland, CA 91786		
Liability Limit	Liability Deductible	Type of Fleet
\$1,000,000		Fleet

Non-Owned Auto		
Coverage	Limit / Deductible	Premium
Liability	See Above	
Number of Employees	25	\$90
NOA Premium :		\$90

Vehicle Schedule				
Vehicle #	Year Make/Model	Class Code	VIN #	Type
1	2012 Ford/F350	21499	1FD8W3E64CEC78287	Truck
2	2012 Ford/F550	21499	1FDUF5GT4GEA43661	Truck
3	2008 International/4300	21479	1HTMMAAL18H565023	Truck
4	2004 Chevrolet/Pickup	01499	1GBHC2928E311490	Truck
5	2014 Ford/F-250	01499	1FT7X2BT9EEA97514	Truck
6	2019 Ford/F-250	01499	1FT7X2BT4KEC70321	Truck

Vehicles				
Vehicle #	Cost New:	Territory:	Total Premum:	
1	\$41,188	059	\$1,162	
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$826	
Medical	\$5,000		\$57	
Comp	\$500		\$34	
Collision	\$500		\$140	
Uninsured	\$1,000,000		\$105	
Underinsured	\$1,000,000		Incl	

Vehicle # 2	Cost New: \$62,479	Territory: 059	Total Premium:	\$1,162
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$826	
Medical	\$5,000		\$57	
Comp	\$500		\$34	
Collision	\$500		\$140	
Uninsured	\$1,000,000		\$105	
Underinsured	\$1,000,000		Incl	

Vehicle # 3	Cost New: \$44,577	Territory: 059	Total Premium:	\$959
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$669	
Medical	\$5,000		\$57	
Comp	\$500		\$21	
Collision	\$500		\$107	
Uninsured	\$1,000,000		\$105	
Underinsured	\$1,000,000		Incl	

Vehicle # 4	Cost New: \$33,750	Territory: 059	Total Premium:	\$1,090
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$787	
Medical	\$5,000		\$57	
Comp	\$500		\$36	
Collision	\$500		\$105	
Uninsured	\$1,000,000		\$105	
Underinsured	\$1,000,000		Incl	

Vehicle # 5	Cost New: \$48,429	Territory: 059	Total Premium:	\$1,219
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$787	
Medical	\$5,000		\$57	
Comp	\$500		\$52	
Collision	\$500		\$218	
Uninsured	\$1,000,000		\$105	
Underinsured	\$1,000,000		Incl	

Vehicle # 6	Cost New: \$57,723	Territory: 059	Total Premum:	\$1,325
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$787	
Medical	\$5,000		\$57	
Comp	\$500		\$64	
Collision	\$500		\$312	
Uninsured	\$1,000,000		\$105	
Underinsured	\$1,000,000		Incl	

Business Auto Policy Level Totals

Liability	\$4,772
Medical	\$342
Uninsured	\$630
Comprehensive	\$241
Collison	\$1,022
Total	\$7,007
Vehicle Totals	\$6,917
Drive Other / Hired Auto / Non Owned Total	\$90

Policy Totals	
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Business Auto	\$7,007.00
Policy Total	\$7,007.00

Loc #	Description	Street	City	State	Zip	Building	Contents
1-1	Booster #1A	400 E. 20th	Upland	CA	91786	\$950,000.00	
1-2	Reservoir #1	400 E. 20th	Upland	CA	91786	\$130,000.00	
1-3	Carport Structure	400 E. 20th	Upland	CA	91786	\$26,000.00	
2-1	Booster #9	1572 Golf Club Drive	Upland	CA	91786	\$130,000.00	
2-2	Well Site #3	1572 Golf Club Drive	Upland	CA	91786	\$78,000.00	
2-3	Well Site #24	1572 Golf Club Drive	Upland	CA	91786	\$26,000.00	
2-4	Control Pannel	1572 Golf Club Drive	Upland	CA	91786	\$400,000.00	
3-1	Booster #14	2570 Mesa Terrace	Upland	CA	91786	\$134,000.00	
4-1	Forebay Bldg	2570 Mesa Terrace	Upland	CA	91786	\$270,000.00	\$336,000.00
5-1	Miox Bldg.	2570 Mesa Terrace	Upland	CA	91786	\$152,000.00	\$45,000.00
6-1	Booster #16	2510 N. Euclid	Upland	CA	91786	\$104,000.00	
7-1	Booster #17	2790 Mountain Ave.	Upland	CA	91786	\$89,440.00	
8-1	Booster #19	2602 Holly Drive	Upland	CA	91786	\$343,000.00	\$150,000.00
9-1	Edison Box	San Antonio/Shin Rd.	Upland	CA	91786	\$103,700.00	\$40,000.00
10-1	Reservoir #4	2345 Paloma Curve	Upland	CA	91786	\$156,000.00	
10-2	Reservoir #6	Mtn & San Antonio Dam	Upland	CA	91786	\$572,000.00	
11-1	Reservoir #5	Mtn & San Antonio Dam	Upland	CA	91786	\$285,000.00	
12-1	Reservoir #7	2575 E. Spring Terrace	Upland	CA	91786	\$130,000.00	
13-1	Well Site #25a	1715 Benson Avenue	Upland	CA	91786	\$135,200.00	
14-1	Reservoir #9	1519 W. 24th Street	Upland	CA	91786	\$104,000.00	
14-2	Reservoir #12	885 E. 26th Street	Upland	CA	91786	\$2,600,000.00	
15-1	Well #32	885 E. 26th Street	Upland	CA	91786	\$38,400.00	
16-1	Reservoir #14	Holly Dr. & 26th St.	Upland	CA	91786	\$78,000.00	
17-1	Well Site #2	1464 Golf Club Drive	Upland	CA	91786	\$46,800.00	
18-1	Well Site #12	980 E. 6th Street	Upland	CA	91786	\$83,200.00	
19-1	Well Site #15	2294 4th Ave.	Upland	CA	91786	\$41,600.00	
19-2	Well Site #16	2294 4th Ave.	Upland	CA	91786	\$213,200.00	
19-3	Booster #18	2294 4th Ave.	Upland	CA	91786	\$182,000.00	
20-1	Well Site #22	1540 Red Hill N. Drive	Upland	CA	91786	\$124,800.00	
21-1	Well Site #26	1759 W. 17th St.	Upland	CA	91786	\$67,600.00	
22-1	Well Site #27a	1813 W. 17th St.	Upland	CA	91786	\$135,200.00	\$151,000.00
23-1	Well Site #31	1680 Hunningbird Ln.	Upland	CA	91786	\$31,200.00	\$5,000.00
24-1	Office	139 N. Euclid	Upland	CA	91786	\$260,000.00	\$100,000.00
24-2	Garage	139 N. Euclid	Upland	CA	91786	\$20,800.00	\$4,000.00
25-1	Yard Bldg/Cont	172 S. 1st Ave.	Upland	CA	91786	\$140,400.00	
25-2	Storage Bldg	172 S. 1st Ave.	Upland	CA	91786	\$20,800.00	
26-1	Booster #20 - Pump	885 East 26th St.	Upland	CA	91786	\$104,000.00	
26-2	Booster #20 - Control Pannel	885 East 26th St.	Upland	CA	91786	\$104,000.00	
27-1	Tunnel Shaft 6 Miox Building	2777 N. Mountain Ave. 'C'	Upland	CA	91786	\$137,900.00	
						\$ 8,748,240.00	\$ 831,000.00

Total Combined Insurance Value:

\$ 9,579,240.00

Valuation	Description (No punctuation)	Serial #/ ID #	Model Year	Value (Cost new)
ACV	Misc. Tools & Equipment/\$10K Max Item			\$61,602.00
ACV	CONEQ / Airman Compressor	5773108802		\$11,962.00
ACV	CONEQ / Case Backhoe	JJGO191391		\$39,404.00
ACV	CONEQ / Fork Lift	AF17A00304		\$10,236.00
ACV	Excavator - John Deer 17G	1FF017GXAFK225723	2016	\$29,160.00
ACV	Backhoe - 2019 ca	NJC753266		\$106,653.00

Scheduled Inland Marine

Total Value **\$259,017.00**

Your **EPIC** EPIC Account Team & Contact Information

David McNeil, ARM

Principal

909.919.7508

david.mcneil@epicbrokers.com

Overall Account Management

Shelly Birdzell

Account Manager

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Daily Account Management

Marie Engstrom, CPCU

Claims Consultant

Property & Casualty

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Max Rodriguez, WCCA, SIA

Claims Analyst

Workers Compensation

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Dan Ryan, CIC

Managing Principal

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Overall Client Satisfaction

Certificate Requests

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Fax: 888.789.5971

909.919.7904

Margaret Thorsen

Surety Bonds

626.583.2439

Fax 626.577.8940

General Contact Information

Main Number909.919.7880

Fax Number.....888.789.5971

P&C Claims949.417.9118

WC Claims.....909.919.7502

Private Client.....415.356.3940

Employee Benefits.....949.417.9176

EPIC's Service Commitment

EPIC will provide you with the following services:

- Return all telephone calls within 24 hours.
- Issue Certificates of Insurance on a 24-hour turnaround or same day if received before 3:00 PM (as needed).
- Process requests for insurance program changes promptly.
- Track the status of all open claims.
- Review estimated payrolls and receipts.
- Review coverages with you as needed or at least.
- Present renewal insurance program in a timely manner.
- Keep you up-to-date about important insurance industry developments throughout the year.

When to Notify

It is very important that we are informed whenever a significant change in your operation takes place.

We should be notified promptly of any change, such as:

- Additional locations, new construction/projects
- Change in property values
- Change of ownership
- Sudden changes in sales/income/payroll
- Change in hazards (increase or decrease)
- Change in security or protection
- Change in product line
- New contractual obligations
- Change of vehicles/drivers
- Change of operation
- Change in shipment
- Leased, rented and borrowed equipment

The above are listed *as examples* of situations we should be made aware of; there are many others as well. If any questions arise, please call us.

EPIC's Claims Advocacy

Claim reporting is simple!

Choose the most convenient method to report your claim:

- **Telephone:** 909.919.7880
- **Fax:** Complete your paperwork and fax it to EPIC at 888.789.5971

- **Internet:** Property & Casualty Claims and questions
Marie Engstrom
Direct Line - 949.417.9118
Email – marie.engstrom@epicbrokers.com

- **Internet:** Workers Compensation Claims and questions
Max Rodriguez
Direct Line - 909.919.7502
Email – max.rodriguez@epicbrokers.com

Your EPIC Claims Team...second to none.

We have highly effective Claims Advocacy and Specialists with extensive depth and breadth. They have held positions with insurance carriers, insurance brokers and managing general agents representing reinsurance carriers. This experience provides our clients with broad-based claims expertise in multiple areas of insurance. Because of this diversity they are successful in communicating with all parties including claims adjusters, attorneys and you.

Our dedicated team responds to all of your Commercial Insurance claims needs including:

- Assisting you with reporting of Property & Casualty claims
- Providing you with Workers' Compensation claims reviews & advocacy
- Acting as liaison between you and the insurance carrier
- Reviewing summons and complaints prior to insurance carrier submission