

MINUTES OF THE SAN ANTONIO WATER COMPANY
PLANNING, RESOURCES, and OPERATIONS COMMITTEE
September 25, 2018

An open meeting of the Planning, Resources, and Operations Committee (PROC) 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 Avenue, Upland, California. Committee members present were Will Elliott, John Gerardi, Gino Filippi, and Tom Thomas. Also in attendance were City of Upland Public Works Director Rosemary Hoerning, SAWCo Board Director Jose Sanchez, and SAWCo's outgoing General Manager Charles Moorrees, incoming General Manager Brian Lee, Assistant General Manager Teri Layton, and Senior Administrative Specialist Kelly Mitchell. Mr. Elliott presided.

1. Recognitions and Presentations – None.
2. Additions-Deletions to the Agenda – None.
3. Public Comments – None.
4. Approval of Committee Meeting Minutes:
 - A. ***Regular Committee Minutes of July 24, 2018*** – Mr. Gerardi moved and Mr. Filippi seconded to approve the meeting minutes of July 24, 2018. Motion carried.
5. Planning and Operational Issues:
 - A. ***Water Supply Projection*** - Mr. Moorrees referred to the water supply chart included in the meeting packet. With figures through the end of August, it is projected the total end of year water supply will be at 11,935 acre feet (AF). Accordingly, staff recommends maintaining the annual entitlement at 12,000AF/YR for 2019 and respective entitlement distributions as well as the current Moderate Shortage Stage Alert.

Mr. Gerardi moved and Mr. Filippi seconded to recommend the Board approve maintaining the annual entitlement at 12,000AF/YR for 2019 and respective entitlement distributions and current water conservation stage. Motion carried.
 - B. ***IEUA Water Rates & Charges*** – Mr. Moorrees reminded the Committee this item was previously presented to the Board with no official determination. SAWCo has now received an invoice for Meter Equivalent Unit (MEU) charges from Inland Empire Utilities Agency (IEUA). He inquired what value SAWCo was receiving from IEUA and whether or not the monies requested would be put to better use in SAWCo's conservation budget.

Mr. Thomas noted the invoice is retroactive from July 2018.

Mr. Filippi felt SAWCo should not upset a good relationship with IEUA.

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Ms. Hoerning recalled some of her experiences dealing with IEUA. The City of Upland received SRF program help through IEUA in the past, however, attempts for grant writing and local project assistance were rejected.

Ms. Layton suggested gathering more information on what assistance SAWCo has received from IEUA and performing a cost comparison.

Mr. Lee asked to defer the item for 30 days to allow him to meet with representatives from IEUA to discuss the topic. Being new to SAWCo, he wanted to learn more about the value they receive from partnering with IEUA.

The committee discussed the costs of the MEU charge as well as the fact that if the charges are paid there is no opting out of the program; charges will be incurred indefinitely.

Mr. Sanchez provided information on the Metropolitan Water District (MWD) parcel tax paid by San Antonio Heights property owners. The intention of the tax is that even though you may not be receiving water from MWD, you could get water service from them in the future. The idea that property owners could file an exemption from the parcel tax may not be possible as the tax is for the possibility of receiving water from MWD, not that they currently can or do receive water from them.

Mr. Sanchez also brought the Committee's attention to a report compiled and provided by IEUA. The report, titled FY 2016/17 Annual Water Use Report for IEUA Service Area, implies that SAWCo is purchasing water from IEUA. There was concern that IEUA may believe they are selling water to SAWCo and they therefore should charge SAWCo the MEU charge. He also noted that a chart provided in the report shows SAWCo having the ability to receive water from the City of Upland and Monte Vista Water District (MVWD). These entities receive water from MWD and could lend credence for a standby charge.

There was consensus on the committee to allow additional time for SAWCo staff to meet with IEUA staff and also to determine actual benefits received thru partnership.

C. Assistant Secretary/Assistant Chief Financial Officer Designation – Mr. Moorrees advised that the Company's designation of representatives and appointments is approved annually by the Board of Directors during the Organizational Meeting in April. The new General Manager of SAWCo, Mr. Lee, began work on September 17, 2018 and the Board has since voted to have him designated as the Assistant Secretary/Assistant Chief Financial Officer by way of resolution.

Mr. Moorrees requested the PROC recommend Mr. Brian Lee as the Assistant Secretary/Assistant Chief Financial Officer and the draft Resolution as appropriate.

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Mr. Filippi moved and Mr. Gerardi seconded to recommend the Board approve Mr. Brian Lee as the Assistant Secretary/Assistant Chief Financial Officer and the draft Resolution. Motion carried.

6. Planning and Operational Update -

A. Project Status Report –

- ***Basin 6 Desilting*** – The preconstruction meeting will be held the following Friday. Staff is renegotiating the price of the project due to the fact there is no water in the basin that needs to be pumped out to facilitate the project.
- ***Cucamonga Crosswalls Project*** – Five crosswalls have been completed. An extension through November 16th has been granted for the current portion of the project. There has been a dust complaint from a Rancho Cucamonga resident. The contractor has been spoken to about it and a resolution has been found and enacted.

8. Closed session: – At 3:51 p.m. the Committee went into closed session to discuss the Water Rights Investigation – Legal Complaint filed in Mt. Baldy (§54956.9(c)).

The Committee completed the closed session at 3:58 p.m.

7. Basin Issues and Updates

- ***Chino Basin*** – Ms. Layton reported on the previous Thursday meeting regarding language on the agreement. The Advisory and the Recharge Investigation Projects Committee (RIPCom) meetings followed last Thursday's Appropriative Pool meeting.
 - ***Six Basins*** – The next meeting is scheduled for Wednesday, September 26th. Water Utility Superintendent Tommy Hudspeth and Mr. Lee will attend the meeting.
 - ***Cucamonga Basin*** – A meeting with Cucamonga Valley Water District (CVWD), West End Consolidated Water Company (WECWC), and SAWCo to discuss modernizing the judgment is scheduled for October 4th.
9. Committee's Comments and Future Agenda Items: Mr. Thomas made the Committee aware of some displeasure with those wishing to bid on the upcoming stock auction. Individuals and small businesses have to submit a cashier's check when public agencies only need a check used in regular business. SAWCo's legal counsel has advised staff how to facilitate and what is required of them for stock auctions. The cashier check and public entity check were part of that legal advisement.

Adjournment: – The meeting was adjourned at 4:03 p.m. Motion carried.

Assistant Secretary
Brian Lee