



SAN ANTONIO WATER COMPANY

BOARD OF DIRECTORS MEETING

Tuesday, February 19, 2019

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 15, 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 December 31, 2018 and year-to-date.
- E. Investment Activity Report
Monthly Report of Investments Activity
- F. Water Production
Bi-Monthly water production [Jan/Feb, Mar/Apr, May/June, July/Aug, Sept/Oct, Nov/Dec.]
- G. Prominent Issues Update
Status summaries on certain on-going active issues.
- H. Projects and Operations Update
Status summaries on projects and operations matters.
- I. Groundwater Level Patterns [Quarterly in January, April, July, and October]
Tracking patterns of groundwater elevations relative to ground surface.
- J. Correspondence of Interest –

5. Board Committee – Delegate Report:

- A. PVPA Representative's Report
Verbal report on activities at the Pomona Valley Protective Association that have an impact on the Company.

- B. Six Basins Representative Report
Verbal report on activities at the Six Basins Watermaster that have an impact on the Company.
- C. Chino Basin Representative Report
Verbal report on activities at the Chino Basin Watermaster that have an impact on the Company.
- D. Cucamonga Basin Representative Report
Verbal update by staff.
- 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. Chino Basin Appropriative Pool Pooling Plan and CAMA Amendment Approval
Recommend approval of the 2018 Appropriative Pooling Plan and CAMA Amendments.
- B. Consideration for 9/80 Work Schedule
Recommend approval of 9/80 work schedule for employees
- C. Discussion of Upcoming Directorship Elections
Recommended the Board take no action
- D. Conservation Programs Update
Receive and file report

7. Closed Session: None.

8. Director's Comments and Future Agenda Items:

Adjournment:

The next regular Board Meeting will be held on Tuesday, March 19, 2019 at 5:00 p.m.

NOTE: All agenda report items and back-up materials are available for review and/or acquisition at the Company Office (139 No. Euclid Avenue, Upland, CA.) during regular office hours, Monday through Friday [7:30 am – 11:30 am & 12:30 pm – 4:30 pm]. The agenda is also available for review and copying at the Upland Public Library located at 450 N. Euclid Avenue.

POSTING STATEMENT: On February 14, 2019 a true and correct copy of this agenda was posted at the entry of the Company Office (139 No. Euclid Avenue), on the public bulletin board at 450 No. Euclid Avenue (Upland Public Library) and on the Company Website.

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, January 15, 2019

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, John Gerardi, Jose Sanchez, Bob Cable, and Gino Filippi. 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 led by Director John Gerardi
- 1. Recognitions and Presentations: None.
- 2. Additions-Deletions to the Agenda: Director Thomas advised of his receipt of Director Sue Sundell's Letter of Resignation effective immediately. Copies of the letter were placed on the dais. He commented a new chairman of the Administration and Finance Committee and a new Secretary/Chief Financial Officer will need to be appointed. It's possible the vacancies may not be filled prior to the upcoming SAWCo Annual Shareholder's Meeting.
- 3. Shareholder-Public Testimony: None.
- 4. Consent Calendar Items:
 - A. Approval of Board Meeting Minutes
Regular Meeting Minutes of December 18, 2018.
 - 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, 2018 and year-to-date.
 - E. Investment Activity Report
Monthly Report of Investments Activity
 - F. Water Production
Bi-Monthly water production [Jan/Feb, Mar/Apr, May/June, July/Aug, Sept/Oct, Nov/Dec]
 - G. Prominent Issues Update
Status summaries on certain on-going active issues.
 - H. Projects and Operations Update
Status summaries on projects and operations matters.
 - I. Groundwater Level patterns [Quarterly in January, April, July, and October]
Tracking patterns of groundwater elevations relative to ground surface.
 - J. Correspondence of Interest –

Mr. Lee noted the announcement of a long term employee moving from full-time employment status to part-time employment status in Item 4G. As a result, SAWCo's current part-time employee will have an increase in work hours.

Director Thomas commented positively on SAWCo accommodating loyal employees.

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

- 5. Board Committee – Delegate Report:
 - A. **Pomona Valley Protective Association (PVPA) Representative's Report** – Director Thomas reported on the January PVPA meeting. During the City of Pomona's recent election, Ginna Escobar was not re-elected. As such, Victor Preciado has assumed her role with PVPA.

As part of PVPA's Strategic Plan, an Environmental Impact Report is being compiled for the entire Six Basins. The General Manager of Chino Basin is concerned that Wildermuth Environmental, Inc. is working for both Six Basins and Chino Basin and any efforts made to retain water in Six Basins may prevent it from flowing into Chino Basin. There are, however, many parties that sit on both the Six Basins and Chino Basin.

Director Thomas reported on the concerns over revived efforts to expand the National Monument area. Previously, some renderings show the area expanding south of the dam while others have it far north of the dam. Depending on how far south it expands it could impact SAWCo and the City of Pomona.

- B. Six Basins Representative Report** – Mr. Lee advised Six Basins did not meet in December and the January meeting is forthcoming.
- C. Chino Basin Representative Report** – Ms. Layton updated the Board on the progress of the Safe Yield Court and Appeal process. She reported that on December 20, 2018, the Appropriative Pool (AP) had a special closed session which resulted in approving a resolution which stated the AP parties would not file negative comments to the Non-Agriculture's pooling plan and Non-Agricultural Pool would not file any negative comments to the AP Pooling Plan and CAMA Amendments. The City of Upland was not present at the meeting and SAWCo abstained.

A hearing on Watermaster items was held at the Court on December 28, 2018. Action items consisted of: the Court receiving and filing Watermaster's Semi-Annual Optimum Basin Management Plan (OBMP) Status Reports 2017-2 and 2018-1, approval of 2017 Recharge Master Plan Update, re-appointment of nine-member Watermaster Board for 5-year term, approval of temporary substitute rate for physical solution transfers under Exhibit "G", and receiving and filing of the 2017/2018 Annual report of the Ground Level Monitoring Committee.

The AP held their regularly scheduled annual meeting on January 10th for purposes of election. Ms. Layton announced she was elected to serve as Chair of the Advisory Committee.

On January 11, 2019 the Advisory Committee held a special meeting and approved a motion to support the 2018 Agreement to the AP Pooling Plan and CAMA Amendments and forwarded it to the Watermaster Board for their support. The Agricultural Pool voted no, motion passed with 80% approval.

Also on January 11th, the Watermaster Board held a special meeting and approved a Board Resolution that included the Agricultural Pool's desire to include the Safe Yield methodology. Watermaster felt this resulted in all parties being in support of the Pooling Plan and CAMA Amendments.

The first of many OBMP Update Workshops was held earlier in the day at Watermaster and motions were due to be filed in Court by end of the day. Opposition are due to the Court by February 13, 2019 with reply papers due to the Court on February 28, 2019 with the Court hearing scheduled for March 15, 2019 at 1:30 p.m.

- D. Cucamonga Basin Representative Report** – Ms. Layton reported that staff attended a Cucamonga Basin meeting with CVWD and West End Consolidated Water Company (WECWC) on January 8th. The revised cost sharing Memorandum of Understanding (MOU) was distributed.

The Parties are currently reviewing the modernized judgment and are providing comments. A schedule was drafted to help guide the group with an anticipated completion time of June 2019.

The next meeting is scheduled for February 5th at 1:30 p.m.

- 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.

Mr. Lee informed the Board that Senate Bill SB-845 was not approved. California Governor Newsom is said to be interested in taxing water to help support disadvantaged communities. Staff will keep the Board apprised of the happenings in Sacramento.

6. General Manager's Report on Activities:

A. Annual Shareholder's Meeting – Appointment of Inspectors of Election – Mr. Lee reported the proposed Inspectors of Election for SAWCo's Annual Shareholder's Meeting have held the position each year since 2013. Donna Hawthorne, Betty Garrison, and Peter Cherbak have agreed to perform the duties again this year with Board approval.

Director Cable moved and Director Sanchez seconded to appoint Donna Hawthorne, Betty Garrison, and Peter Cherbak as the Inspectors of Election for the upcoming Annual Shareholder's Meeting being held on April 9, 2019. Motion carried.

B. General Manager Compensation Package – Retirement Account – Mr. Lee informed the Board that Director Thomas, Ms. Layton, legal counsel and he will need to work together in order to establish his 457(b) Retirement Plan. This plan takes the place of the originally offered 401A retirement plan. Mr. Lee confirmed there is no additional cost to the company for the 457(b) retirement plan.

The Board and Mr. Lee discussed some of the details of the 457(b) retirement plan.

Director Sanchez moved and Director Cable seconded to adopt Resolution 2019-01-01 authorizing creation of a 457(b) retirement plan for SAWCo's General Manager, consistent with employment agreement and authorizing SAWCo to execute necessary documents to create a 457(b) retirement plan. Motion carried.

7. Closed Session: None.

8. Director's Comments and Future Agenda Items:

Director Sanchez again expressed his delight with the data presented in charts. He felt they tell a better story than information presented in data tables. He noted the charts appear to show the San Antonio Heights residents have an opportunity to better conserve water.

Director Sanchez questioned the expected overproduction of water in Cucamonga Basin for the year. Mr. Lee stated that if the situation does not change from 2018 it is expected SAWCo will exceed their entitlement in Cucamonga Basin. He plans to formalize a similar agreement as last year with Cucamonga Valley Water District involving water production in Cucamonga Basin and Chino Basin.

Mr. Lee also commented that dormant shareholders, those that do not have active water service accounts, are a main reason water delivery is staying under what is allocated per share of water stock.

Director Filippi commended Ms. Layton for her work in Chino Basin.

Adjournment: Seeing no further business, the meeting was adjourned at 5:19 p.m.

The next Board Meeting will be held on Tuesday, February 19, 2018 at 5:00 p.m.

Assistant Secretary
Brian Lee



San Antonio Water Company, CA

Income Statement

Group Summary

For Fiscal: 2018 Period Ending: 12/31/2018

IncomeStatement	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Category: 4 - Income					
SubCategory: 40 - Shareholder Revenue					
1185 - Domestic Water Income (Base)	230,636.01	230,636.01	29,661.78	243,142.36	-12,506.35
1215 - Domestic Water Income (Supplemental)	306,135.00	306,135.00	27,710.68	208,833.22	97,301.78
1220 - Domestic Water Income (Tier 3)	150,000.00	150,000.00	40,544.45	262,440.46	-112,440.46
1230 - Domestic Water Income (Readi/Chrg)	201,333.00	201,333.00	33,237.35	199,270.80	2,062.20
1235 - Domestic Water Availability Charge (WAC)	60,480.00	60,480.00	10,007.18	59,621.60	858.40
1245 - Municipal Water Income (Base)	2,732,080.00	2,732,080.00	92,554.57	2,480,476.25	251,603.75
1268 - Municipal Water Income (Readi/Chrg)	79,800.00	79,800.00	6,650.00	79,800.00	0.00
1274 - Misc Water Income (Base)	234,192.00	234,192.00	5,264.87	198,374.39	35,817.61
1275 - Misc Water Income (Supplemental)	256,363.00	256,363.00	10,395.48	125,881.23	130,481.77
1276 - Munnicipal Water Availability Charge (WAC)	493,536.00	493,536.00	39,710.00	476,320.00	17,216.00
1280 - Misc Water Income (Tier 3)	3,000.00	3,000.00	183.71	14,365.49	-11,365.49
1288 - Misc Water Income (Readi/Chrg)	23,500.00	23,500.00	1,860.00	24,070.00	-570.00
1290 - Misc Water Availability Charge (WAC)	44,592.00	44,592.00	1,922.00	23,064.00	21,528.00
1295 - Dormant Water Availability Charge (WAC)	14,722.00	14,722.00	8,892.00	53,696.20	-38,974.20
1300 - Sale of Water/From Storage	200,000.00	200,000.00	0.00	0.00	200,000.00
1400 - Stock Transfer	4,000.00	4,000.00	300.00	4,800.00	-800.00
1410 - Late/Re-establishment Fee	6,181.00	6,181.00	745.00	5,770.00	411.00
1420 - Return Check Fee	167.00	167.00	0.00	100.00	67.00
1430 - Stock Certificate Storage and Handling Fee	100.00	100.00	20.00	220.00	-120.00
SubCategory: 40 - Shareholder Revenue Total:	5,040,817.01	5,040,817.01	309,659.07	4,460,246.00	580,571.01
SubCategory: 42 - Non-Shareholder Revenue					
1725 - Misc. Income	1,623.00	1,623.00	50.00	51.11	1,571.89
1728 - Plans & Spec Fee	0.00	0.00	50.00	125.00	-125.00
1730 - Construction Permit & Inspection Fee	5,000.00	5,000.00	0.00	0.00	5,000.00
1750 - Service/Litigation Agreements	800.00	800.00	60.04	686.40	113.60
1753 - Ground Lease Income	55,000.00	55,000.00	4,707.84	53,645.36	1,354.64
1755 - Interest Earned	27,000.00	27,000.00	178.89	62,015.25	-35,015.25
1875 - Overhead Income	0.00	0.00	0.00	2,467.63	-2,467.63
SubCategory: 42 - Non-Shareholder Revenue Total:	89,423.00	89,423.00	5,046.77	118,990.75	-29,567.75
Category: 4 - Income Total:	5,130,240.01	5,130,240.01	314,705.84	4,579,236.75	551,003.26
Category: 5 - O & M Expense					
SubCategory: 50 - Operating Facilities					
2175 - Facility Related Field Labor	218,213.00	218,213.00	-238,041.90	207,399.69	10,813.31
2235 - Repairs to Facilities and Equipment	751,167.00	751,167.00	345,274.48	576,906.52	174,260.48
2265 - Power-Gas & Electric (utilities)	587,293.00	587,293.00	30,491.01	776,904.70	-189,611.70
SubCategory: 50 - Operating Facilities Total:	1,556,673.00	1,556,673.00	137,723.59	1,561,210.91	-4,537.91
SubCategory: 51 - Operating Activities					
2475 - Customer Service	72,327.00	72,327.00	7,449.02	94,764.49	-22,437.49
2498 - Conservation	30,000.00	30,000.00	1,676.10	33,165.44	-3,165.44
SubCategory: 51 - Operating Activities Total:	102,327.00	102,327.00	9,125.12	127,929.93	-25,602.93
SubCategory: 52 - Other Operating Expense					
2205 - Non-Facility Related Labor	88,586.00	88,586.00	2,916.30	83,899.23	4,686.77
2210 - O & M - All Other	3,201.00	3,201.00	0.00	809.46	2,391.54
2280 - Purchased Water	44,357.00	44,357.00	0.00	0.00	44,357.00
2295 - Supplies (Inventory & Tools Expense)	9,953.00	9,953.00	60.14	5,221.16	4,731.84
2565 - Depreciation/Amortization	974,807.00	974,807.00	74,051.98	881,253.96	93,553.04
2715 - Property Taxes	221,456.00	221,456.00	107,475.82	216,774.24	4,681.76
2805 - Water Resource Mgmt.	269,037.00	269,037.00	8,533.55	220,868.83	48,168.17

Income Statement

For Fiscal: 2018 Period Ending: 12/31/2018

IncomeStatement	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
SubCategory: 52 - Other Operating Expense Total:	1,611,397.00	1,611,397.00	193,037.79	1,408,826.88	202,570.12
Category: 5 - O & M Expense Total:	3,270,397.00	3,270,397.00	339,886.50	3,097,967.72	172,429.28
Category: 6 - G & A Expense					
SubCategory: 60 - Personnel					
2115 - Administrative Services	181,060.00	181,060.00	-2,462.68	232,497.66	-51,437.66
2130 - Development/Water Svc. App.	2,300.00	2,300.00	0.00	876.23	1,423.77
2325 - Payroll Taxes	67,797.00	67,797.00	5,449.21	70,872.82	-3,075.82
2355 - Worker's Compensation Insurance	15,853.00	15,853.00	1,703.00	14,996.73	856.27
2385 - Benefit Pay (Vac., sick, etc.)	136,744.00	136,744.00	34,294.61	172,648.87	-35,904.87
2415 - Benefit Insurance (Pension,Life,Medical,Vision etc)	231,805.00	231,805.00	16,338.01	207,301.47	24,503.53
2430 - Benefit Administrative Services	1,675.00	1,675.00	0.00	1,375.00	300.00
SubCategory: 60 - Personnel Total:	637,234.00	637,234.00	55,322.15	700,568.78	-63,334.78
SubCategory: 61 - Other					
2445 - Office/IT Support	75,000.00	75,000.00	4,968.76	61,979.27	13,020.73
2505 - Directors Fees & Expense	33,611.00	33,611.00	2,871.96	33,282.99	328.01
2535 - Liability Insurance	35,394.00	35,394.00	0.00	27,227.00	8,167.00
2595 - Communication	41,239.00	41,239.00	1,935.82	21,670.85	19,568.15
2625 - Dues & Publications	3,700.00	3,700.00	0.00	2,449.81	1,250.19
2655 - Outside Services	70,747.00	70,747.00	0.00	37,749.41	32,997.59
2745 - Income Tax Expense	4,700.00	4,700.00	2,430.00	9,830.00	-5,130.00
2775 - Accounting	0.00	0.00	3,517.63	62,493.59	-62,493.59
2776 - Legal	242,332.00	242,332.00	10,702.28	213,556.81	28,775.19
2790 - Human Resources Expense	59,430.00	59,430.00	2,781.15	45,398.01	14,031.99
2865 - All other	50,414.00	50,414.00	11,471.76	33,144.37	17,269.63
SubCategory: 61 - Other Total:	616,567.00	616,567.00	40,679.36	548,782.11	67,784.89
Category: 6 - G & A Expense Total:	1,253,801.00	1,253,801.00	96,001.51	1,249,350.89	4,450.11
Total Surplus (Deficit):	606,042.01	606,042.01	-121,182.17	231,918.14	

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
10 - 10	606,042.01	606,042.01	-121,182.17	231,918.14	374,123.87
Total Surplus (Deficit):	606,042.01	606,042.01	-121,182.17	231,918.14	

Balance Sheet

Account Summary

As Of 12/31/2018



San Antonio Water Company, CA

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	1,067,143.31
10-00-00-10300-00000	Savings-Money Market	1,595,574.78
10-00-00-10400-00000	Savings-CD Accounts	20,000.00
10-00-00-10415-00000	D&O Checking Account	263,381.13
10-00-00-10438-00000	Depre/Obsolescene Res (LAIF)	3,266,005.22
	Total BalSubCategory 10 - Cash:	6,212,354.44
BalSubCategory: 11 - Accounts Receivable		
10-00-00-11100-00000	Accounts Receivable-Domestic	135,365.70
10-00-00-11200-00000	Accounts Receivable-Municipal	138,914.57
10-00-00-11250-00000	Accounts Receivable-Misc.	19,618.20
10-00-00-11260-00000	Accounts Receivable - Dormant	9,111.80
10-00-00-11275-00000	Contra Accounts Receivable - Unapplied Cre	-10,861.64
10-00-00-11300-00000	Accounts Receivable-Other	3,331.64
	Total BalSubCategory 11 - Accounts Receivable:	295,480.27
BalSubCategory: 12 - Inventory		
10-00-00-12100-00000	Inventories-Materials & Supply	93,446.00
	Total BalSubCategory 12 - Inventory:	93,446.00
BalSubCategory: 13 - Prepaid		
10-00-00-13100-00000	Prepaid Insurance	8,868.75
10-00-00-13105-00000	PREPAID POSTAGE	369.00
	Total BalSubCategory 13 - Prepaid:	9,237.75
BalSubCategory: 14 - Investments		
10-00-00-14150-00000	P.V.P.A. Investment	1.00
	Total BalSubCategory 14 - Investments:	1.00
BalSubCategory: 15 - Property, Plant, & Equipment		
10-00-00-15100-00000	Land & Water Rights	924,864.03
10-00-00-15110-1507J	Work in Progress "Proj J"	41,133.01
10-00-00-15110-1601N	Work in Progress	14,050.11
10-00-00-15110-1602U	Work in Progress	163,465.11
10-00-00-15110-1701A	Work in Progress	66,744.32
10-00-00-15110-1801B	Work in Progress	345,995.62
10-00-00-15110-1802E	Work in Progress	78,286.96
10-00-00-15110-1803H	Work In Progress	67,256.75
10-00-00-15110-1804G	Work In Progress	88,693.10
10-00-00-15110-1805F	Work In Progress	119,182.19
10-00-00-15110-1806K	Work In Progress	7,419.55
10-00-00-15110-1807P	Work In Progress	22,583.84
10-00-00-15110-1808D	Work In Progress	17,809.60
10-00-00-15150-00000	Buildings & Site Improvements	1,746,624.52
10-00-00-15200-00000	Wells-Shafts, Bldgs, & Equip	4,877,875.22
10-00-00-15250-00000	Boosters-Bldgs & Equip	2,181,280.63
10-00-00-15300-00000	Reservoirs	1,644,764.98
10-00-00-15350-00000	Tunnels, Forebay, & Ponds	1,587,111.19
10-00-00-15400-00000	Spreading Works-Cucamonga Wash	54,859.53
10-00-00-15410-00000	Spreading Works-SanAntonio Wsh	50,235.18
10-00-00-15450-00000	Pipelines	15,613,893.22
10-00-00-15500-00000	Autos & Equipment	377,943.30
10-00-00-15550-00000	Tools	76,492.47
10-00-00-15600-00000	Telemetry System	482,714.06

Balance Sheet

As Of 12/31/2018

Account	Name	Balance
10-00-00-15650-00000	Office Equipment	496,625.90
10-00-00-15990-00000	Accumulated Depreciation	<u>-11,851,501.81</u>
Total BalSubCategory 15 - Property, Plant, & Equipment:		19,296,402.58
BalSubCategory: 16 - Other Assets		
10-00-00-16100-00000	Documents & Studies	867,778.67
10-00-00-16990-00000	Accumulated Amortization	<u>-574,025.49</u>
Total BalSubCategory 16 - Other Assets:		293,753.18
Total Assets:		26,200,675.22
		<u><u>26,200,675.22</u></u>

Liability

BalSubCategory: 20 - Short-term less than 1 year		
10-00-00-20100-00000	Trade Accounts Payable	140,275.92
10-00-00-20115-00000	D&O Trade Accounts Payable	144,656.96
10-00-00-20410-00000	State Franchise Tax Payable	2,430.00
10-00-00-20600-00000	Water Hydrant Meter Deposit	850.00
10-00-GN-20820-00000	Accrued Vacation Payable	20,404.60
10-00-OP-20820-00000	Accrued Vacation Payable	<u>24,818.57</u>
Total BalSubCategory 20 - Short-term less than 1 year:		333,436.05
BalSubCategory: 21 - Long-term more than 1 year		
10-00-00-21500-00000	Unclaimed Credits	<u>408,013.25</u>
Total BalSubCategory 21 - Long-term more than 1 year:		408,013.25
Total Liability:		741,449.30

Equity

BalSubCategory: 30 - Stockholder equity		
10-00-00-30200-00000	Contributed Capital - Ext. Fee	447,258.02
10-00-00-30210-00000	Contr. Property, Plant & Equip	2,404,270.37
10-00-00-30300-00000	Capital Account	1,500,000.00
10-00-00-30310-00000	Unissued Capital Stock	-861,100.00
10-00-00-30400-00000	Retained Earngs-Brd Designated	3,529,386.35
10-00-00-30410-00000	Retained Earnings-Unrestricted	<u>18,207,493.04</u>
Total BalSubCategory 30 - Stockholder equity:		25,227,307.78
Total Beginning Equity:		25,227,307.78
Total Revenue		4,579,236.75
Total Expense		<u>4,347,318.61</u>
Revenues Over/Under Expenses		231,918.14
Total Equity and Current Surplus (Deficit):		25,459,225.92
Total Liabilities, Equity and Current Surplus (Deficit):		<u><u>26,200,675.22</u></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	*Accumulated Yearly	Accumulated Yearly
			(A.P.Y.)	as of 12/31/2018	Service Fees	Interest Earnings
					thru December	thru December
Citizens Business Bank (CBB)	*Checking	N/A	No Interest	\$ 1,067,143.31	\$ 18.00	N/A
Citizens Business Bank (CBB)	*D&O Checking	N/A	No Interest	\$ 263,381.13		N/A
Citizens Business Bank	Pref. Money Mrkt	N/A	0.25%	\$1,595,574.78	\$	1,346.50
Local Agency Investment Fund	LAIF	N/A	1.66%	\$ 3,266,005.22	\$	60,588.76
Golden State Business Bank	12 Month C.D.	April 15,2019	0.40%	\$ 20,000.00	\$	79.99
TOTAL:				\$ 6,212,104.44		
TOTAL IN CD'S:				\$ 20,000.00		

A. Water Supply for 2019

- Annual entitlement for CY2019 is 12,000 AF
- Cumulative Yearly production through January was 760 AF
- Cumulative yearly consumption through January was 539 AF

Six Basins Production for 2019

- Annual production right is 932.10 AF.
- Cumulative production through January was 81.94 AF.
- Production is sent to the WFA treatment facility to meet City of Ontario and MVWD entitlement.
- The Company has spread a total of 117.06 AF through January.

Cucamonga Basin Production for 2019

- Annual production right is 6,060 AF.
- Cumulative production through January was 200.49 AF.
- The Company has spread a total of 40.49 AF through January.

Chino Basin Production for 2019

- Annual production right is 1,232 AF.
- Cumulative production through January was 3.10 AF.
- The Company has spread a total of 18.83 AF through January.

Surface Water (San Antonio Creek) flow for 2019

Total flow through January was 269.12 AF.

San Antonio Tunnel flow for 2019

Tunnel flow through January was 204.97 AF.

B. Company Stock

There are no shares of water stock moving from dormant to active this transfer period.

C. Communication and Information Activities

Company's new website went live on February 4th, 2019.

GM attended meetings:

- Supervisor Rutherford on January 18th at her request. Introductory meeting with no specific purpose or issue to address.
- SAHA monthly Board Meeting on January 24th.
- Chino Basin Watermaster Mechanic workshop on January 31st
- Water Coordination Meeting with City of Upland, City of Ontario and Monte Vista WD on February 7th

Staff is communicating on our new "Facebook" page with 170 friends liking our page. Communication is posted regularly.

D. Administration Matters

Company was served by the San Bernardino County Transportation Authority regarding eminent domain action for the property at APN 1047-272-05 (corner of S. Vallejo Way and Azure

Court, backs up to South San Antonio Avenue near Interstate 10). The SBCTA is initiating eminent domain action to obtain a 15-foot-wide easement along the back of the property, adjoining San Antonio Avenue. Staff confirmed with Legal that the Company 'might' own an easement on the subject property dating back decades (original document is difficult to read). Staff confirmed with Operations that the easement has long since been abandoned and no Company facilities are located with the area. Staff also confirmed that there are no plans to utilize subject easement. Working with Legal, staff submitted a Disclaimer of Property Interest and Compensation to the Superior Court. It is less costly to submit said disclaimer for a long-abandoned easement than to continue as a part of the legal proceedings.

E. Groundwater Basin Matters

Chino Basin

Safe Yield Court & Appeal

1. On December 20th, the Appropriative Pool had a special closed session which resulted in approving a resolution which stated the AP parties would not file negative comments to the Non-Ag's pooling plan and Non-Ag would not file any negative comments to the AP Pooling Plan and CAMA Amendments. Upland was not present at the meeting and SAWCo abstained.
2. Court had a hearing on Watermaster's items on the 28th of December and the following items were acted upon by the court:
 - a. Court received and filed Watermaster's Semi-Annual OBMP Status Reports 2017-2 and 2018-1
 - b. Approved 2017 Recharge Master Plan Update
 - c. Re-appointed nine-member Watermaster Board for 5-year term
 - d. Approved temporary substitute rate for physical solution transfers under Exhibit "G"
 - e. Received and filed 2017/18 Annual report of the Ground-Level Monitoring Committee
3. Appropriative Pool held their regularly scheduled annual meeting on January 10th for purposes of election. San Antonio Water Company's [SAWCo] assistant general manager, Teri Layton was elected to serve as chair for the Advisory Committee. Following were the elections to the Appropriative Pool Committee:
 - Chair – Van Jew with Monte Vista Water District [MVWD]
 - Vice-Chair – John Bosler with Cucamonga Valley Water District [CVWD]
 - Minor Reps to the 2019 Advisory Committee – same: MVWD & SAWCo
 - Watermaster Board – [Fontana Water Co. rotating off and City of Pomona rotating on – Darron Poulsen as rep]
4. On January 11th the Advisory Committee held a special meeting and approved a motion to support the 2018 Agreement to Appropriative Pool Pooling Plan and CAMA Amendments and forwarded it to the Watermaster Board for their support. The Ag Pool voted no and it passed by 80%.
5. On January 11th the Watermaster Board held a special meeting and approved a Board Resolution that included Ag's desire to include the Safe Yield methodology and this caused all to be in favor in Watermaster mind in order to support the Pooling Plan and CAMA Amendments.

Following are the court dates:

- a. January 15th – motions filed to the court
- b. February 13th – Oppositions due to court
- c. February 28th – Reply papers due to court
- d. March 15th – Court Hearing @ 1:30pm

Watermaster began a process for updating the Optimum Basin Management Plan on January 15th. It is a beginning of many workshops to come in the future.

Six Basins

Regular Board Meeting held on January 23, 2019. Annual election of officers saw no changes; Darron Poulsen is President, Dan Keeseey is Vice President, Tom Thomas is Secretary and Ben Lewis is Treasurer.

Discussion occurred regarding regional collaboration on Municipal Separate Storm Sewer Systems (MS4); National Pollutant Discharge Elimination System (NPDES) Stormwater Discharge from Municipal Sources permits. As the name implies, the Company has limited involvement in this issue.

Discussion occurred regarding how much capacity is available at the San Antonio Spreading Grounds for 2019. Wildermuth calculates a safe quantity of 31,000 acre-feet could be spread before high groundwater becomes a concern.

After the meeting there was a workshop to discuss groundwater model calibration results. During the workshop the Peter Kavounas, General Manager of the Chino Basin Watermaster, expressed concern that Six Basin Watermaster efforts to improve efficiency in the basin may have an adverse impact on Chino Basin. Mr. Kavounas proposed a joint-basin committee to ensure appropriate communication between the two Watermaster Boards occurred.

Cucamonga Basin

The working group met on Feb 5th.

- Developing a modernized judgement with intent to complete a draft by May 2019
- Started discussing the possibility of partnering on groundwater remediation facilities

Staff hosted a site visit with CVWD staff at the Cucamonga Crosswalls on Feb 8th.

F. Monitoring of Assembly Bills Affecting the Water Company

- In his inaugural address and subsequent budget proposal, Governor Newsom expressed interest in a State wide 'water tax' that would fund infrastructure in impoverished areas impacted by contaminated water sources or a lack of water sources. Additional details are scarce at the moment. Staff will continue to watch and update as this concept progresses.
1. AB1323, AB 1668, SB 606 - "Making Conservation a California Way of Life" Bills: - All three bills are vehicles for the implementation of Governor Brown's Executive Order B-37-16 which directed the State Water Board, the Department of Water Resources (DWR), the Department of Food and Agriculture, the Public Utilities Commission (PUC), and the

California Energy Commission (CEC) to take actions focusing on using water wisely, eliminating water waste, strengthening local drought resilience, and improving ag efficiency and planning. Of the three bills, AB 1323 is considered the “compromise” bill as it would require a stakeholder workgroup to develop, evaluate, and recommend proposals for establishing new water use targets for urban water suppliers and to report to the Governor and the Legislature by December 2019.

AB1323 currently listed as ‘In Committee: Held under submission’.

AB1668 was approved by the Governor on May 31, 2018

SB606 was approved by the Governor on May 31, 2018.

Staff continues to assess the impact of these two approved Bills and will update as new information becomes available.

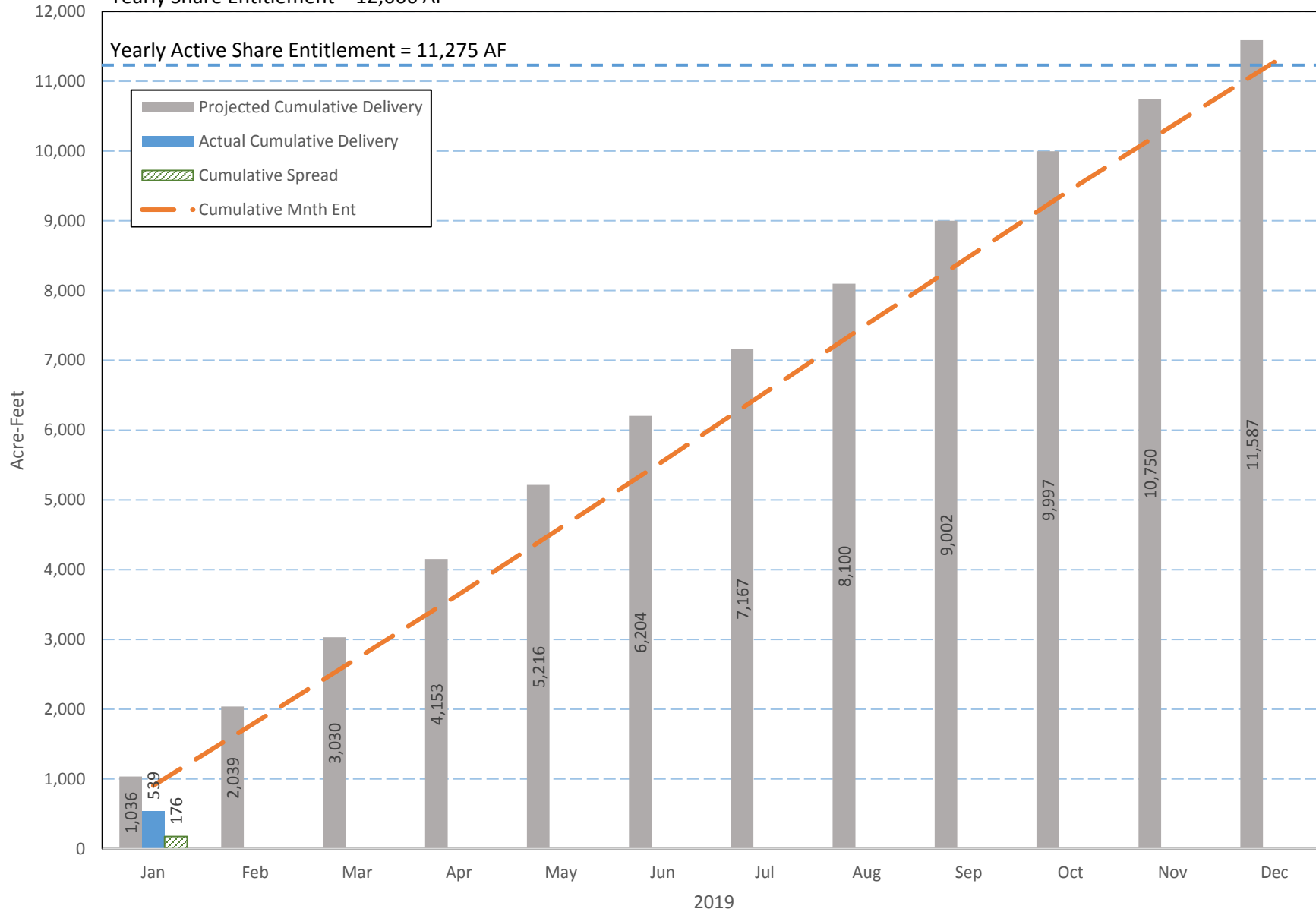
2. AB3057 – California Water Not-For-Profit Tax Rules for Mutual Water Companies
Proposed amendment to the California Revenue and Taxation Code to conform to federal income tax law by exempting not-for-profit mutual water, mutual ditch, or Irrigation corporations from California income taxes and franchise fees beginning on or after January 1, 2018. Ab3057 currently listed as ‘In Committee: Held under submission’
3. SB 998 (Dodd) - This was the most onerous bill passed by the legislature that CalMutuals opposed this year. SB 998 requires water systems, including mutual water companies, with more than 200 connections, to grant delinquent customers a 60 day grace period. If it is signed by the Governor, it will also severely limit water utilities in assessing late fees or reconnection charges on delinquent customers who fall under Federal poverty standards. SB 998 was approved by the Governor on Sept 28, 2018. Staff is assessing impact and will report back at a later date.
4. SB 845 (Monning) - CalMutuals successfully opposed SB 845 that would have imposed a “voluntary” meter tax on our shareholders and customers. The measure failed in the Assembly. Funds collected were to help disadvantaged communities, mostly in the Central Valley, meet operational and management costs. The bill included a convoluted “opt-out” provision that would have allowed customers to decline the voluntary tax. SB845 currently listed as ‘Re-referred to Com on APPR. Pursuant to Assembly Rule 96 (8/24/18)’.

2019

Production and Consumption

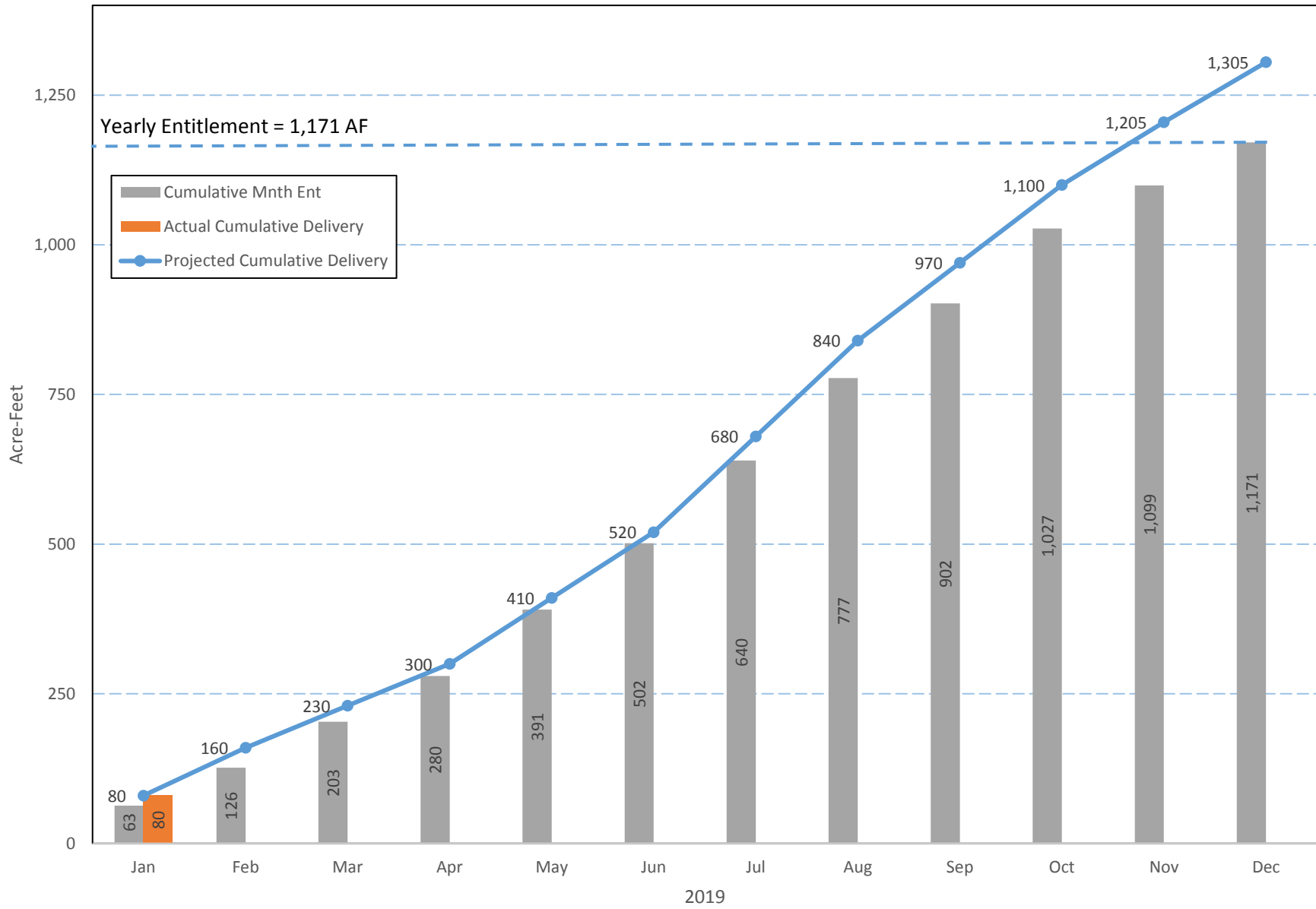
Yearly Share Entitlement = 12,000 AF

Yearly Active Share Entitlement = 11,275 AF



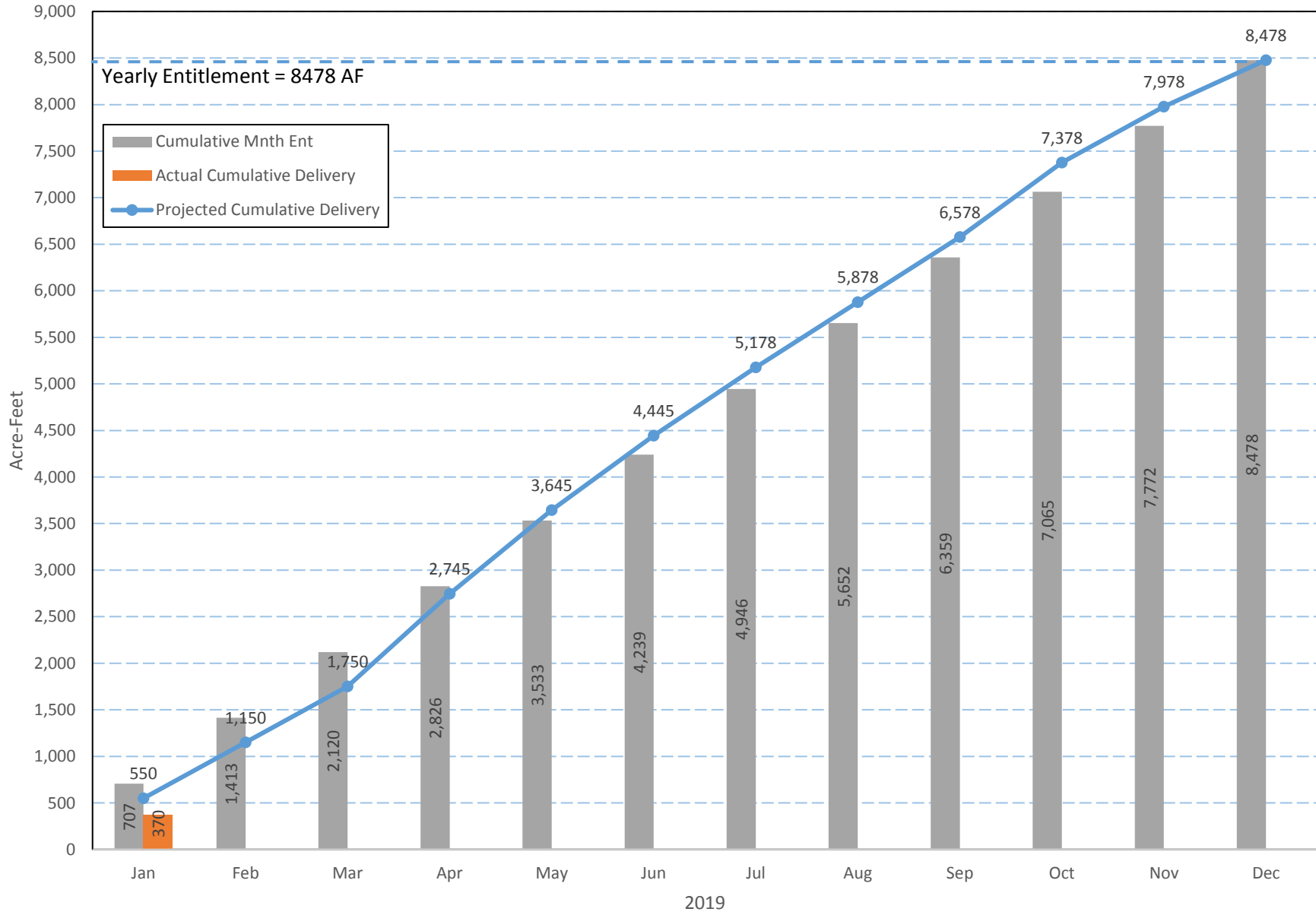
2019

Domestic Deliveries



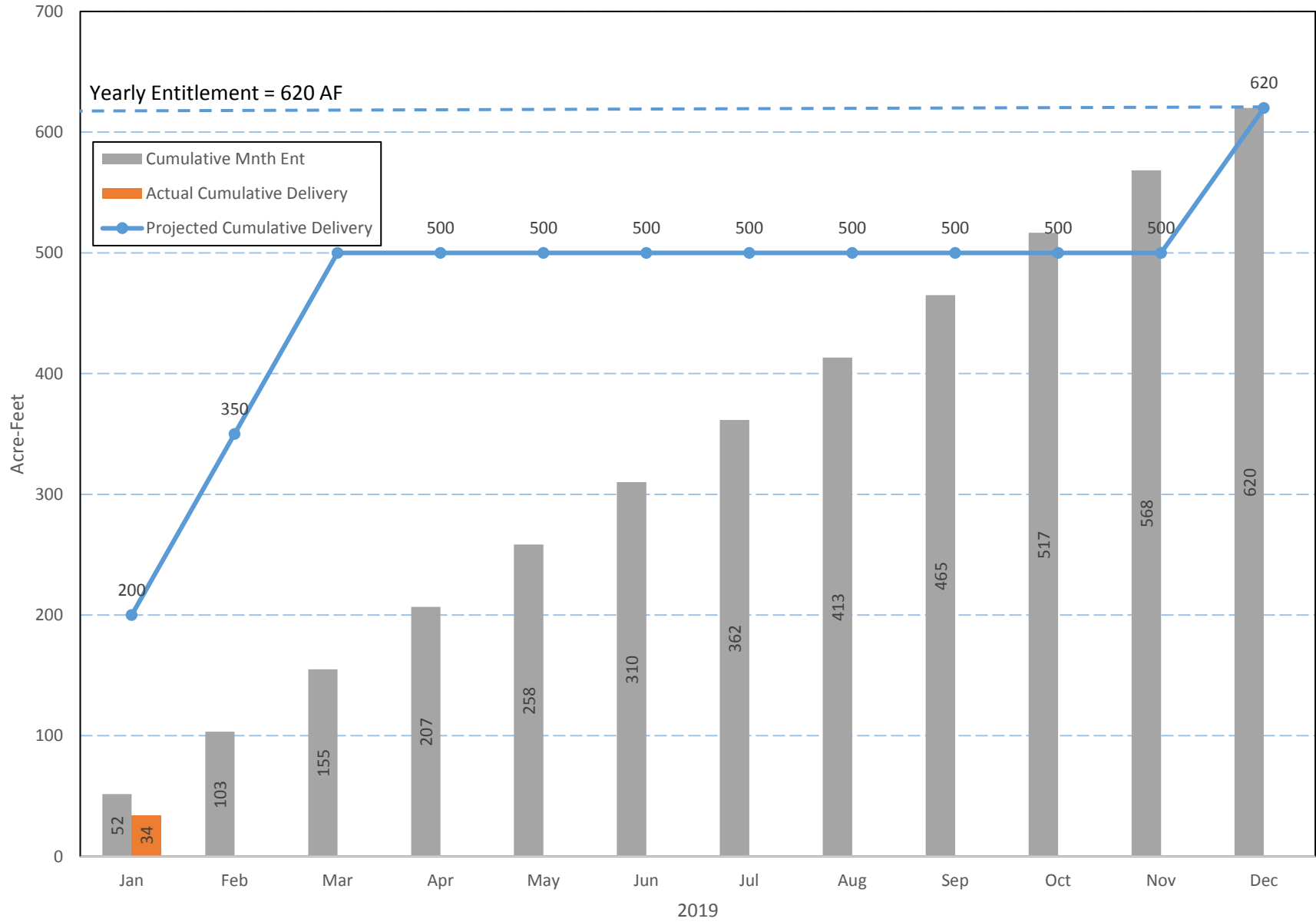
2019

City of Upland Deliveries



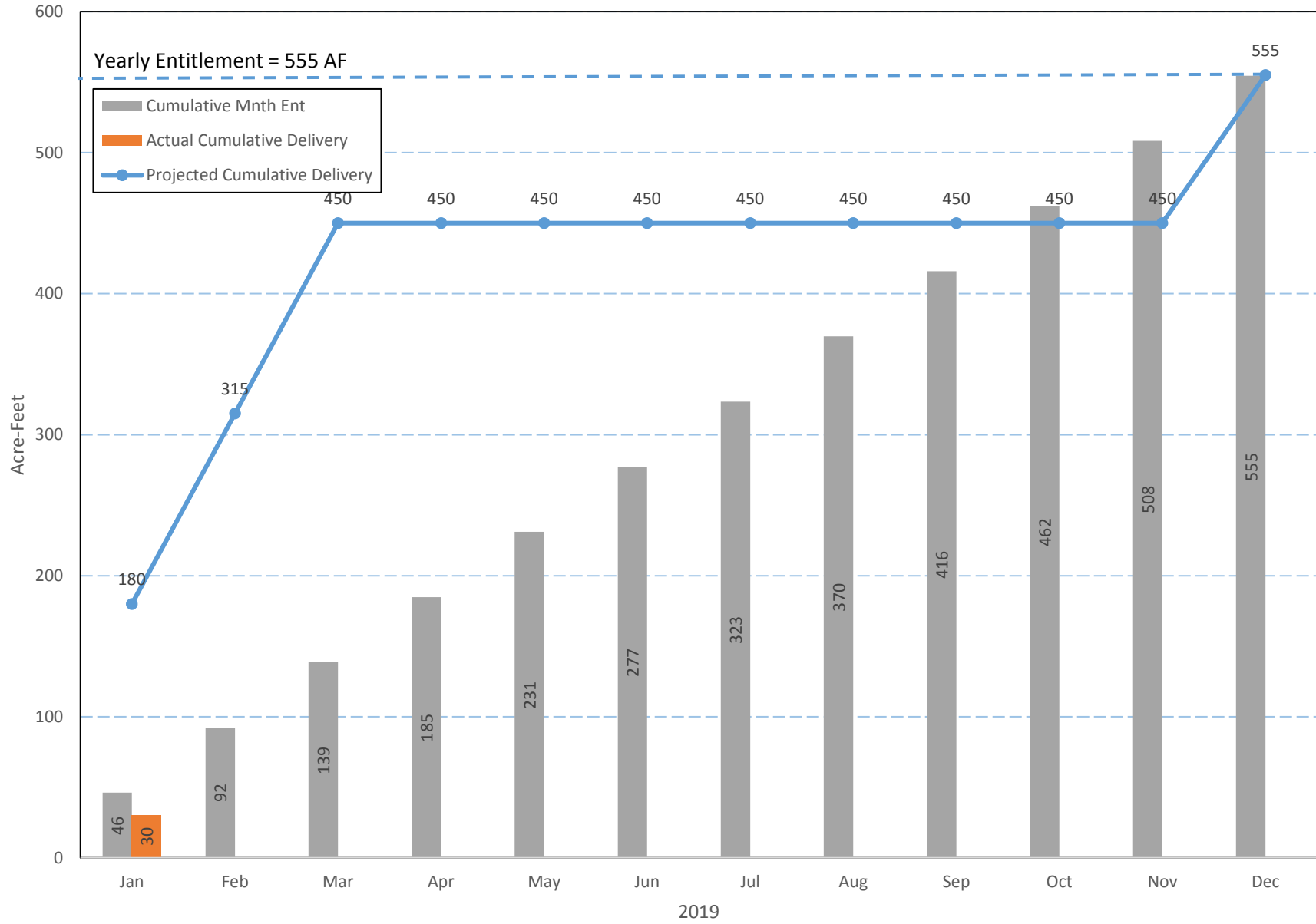
2019

Monte Vista Deliveries



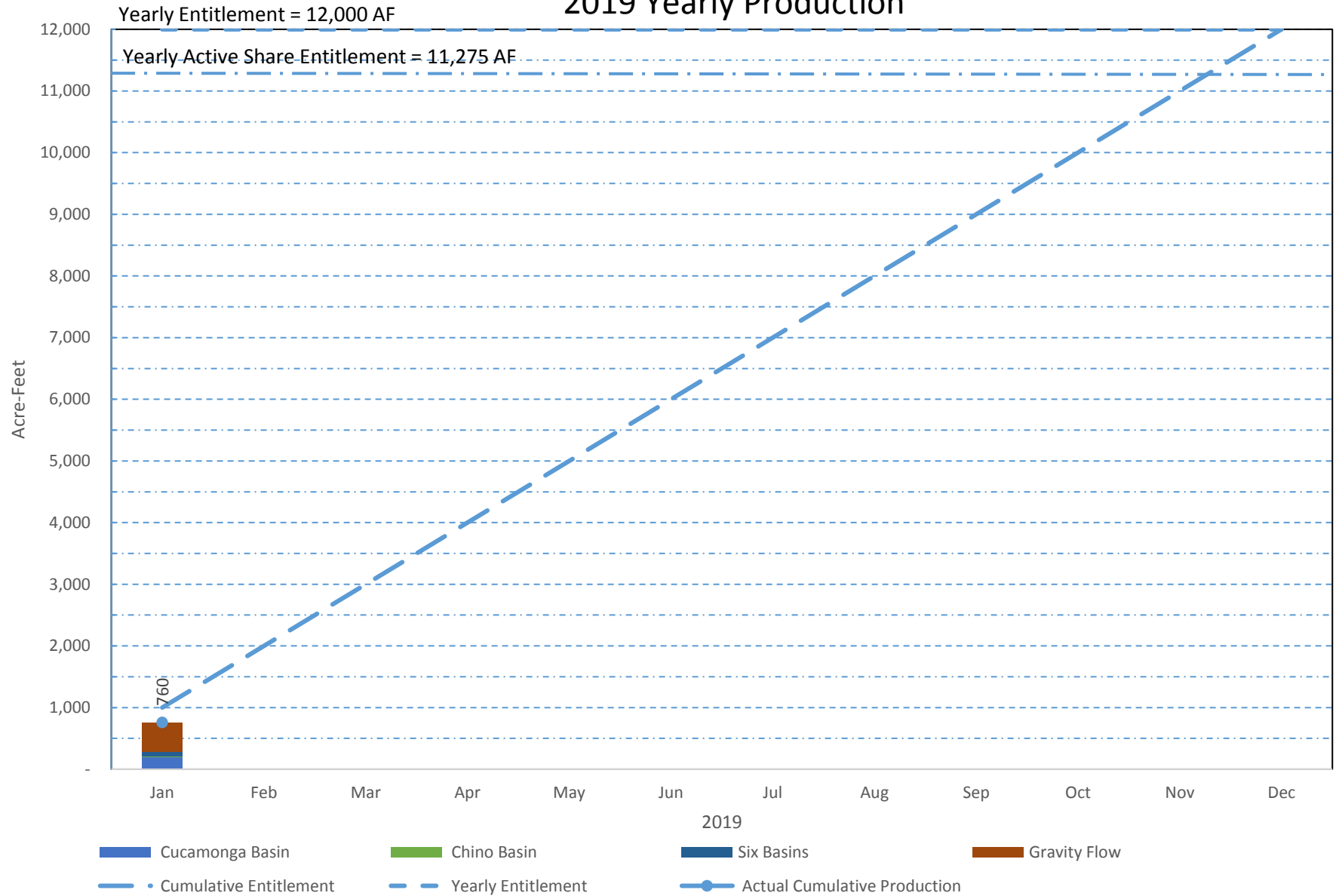
2019

Ontario Deliveries



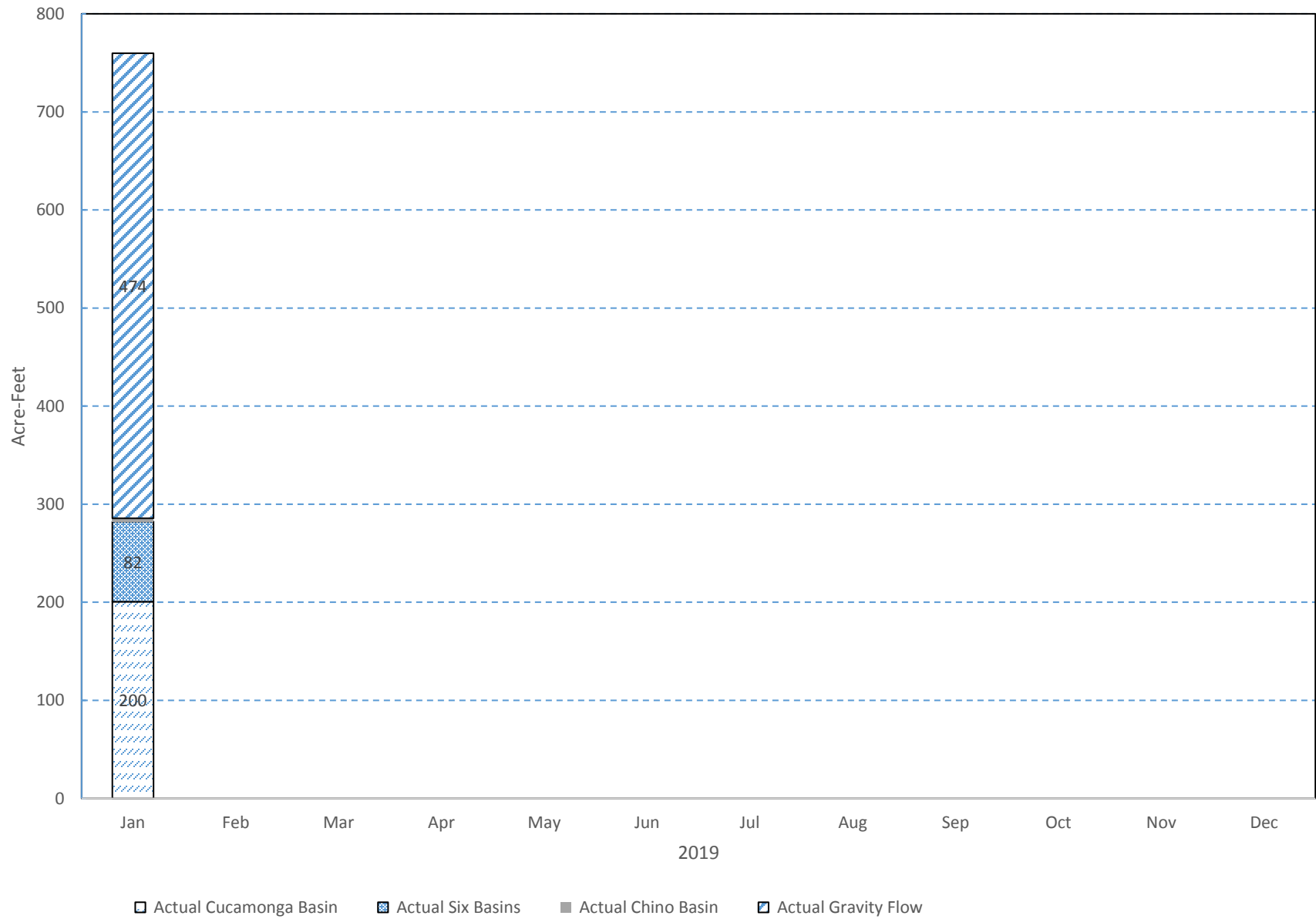
2019

2019 Yearly Production



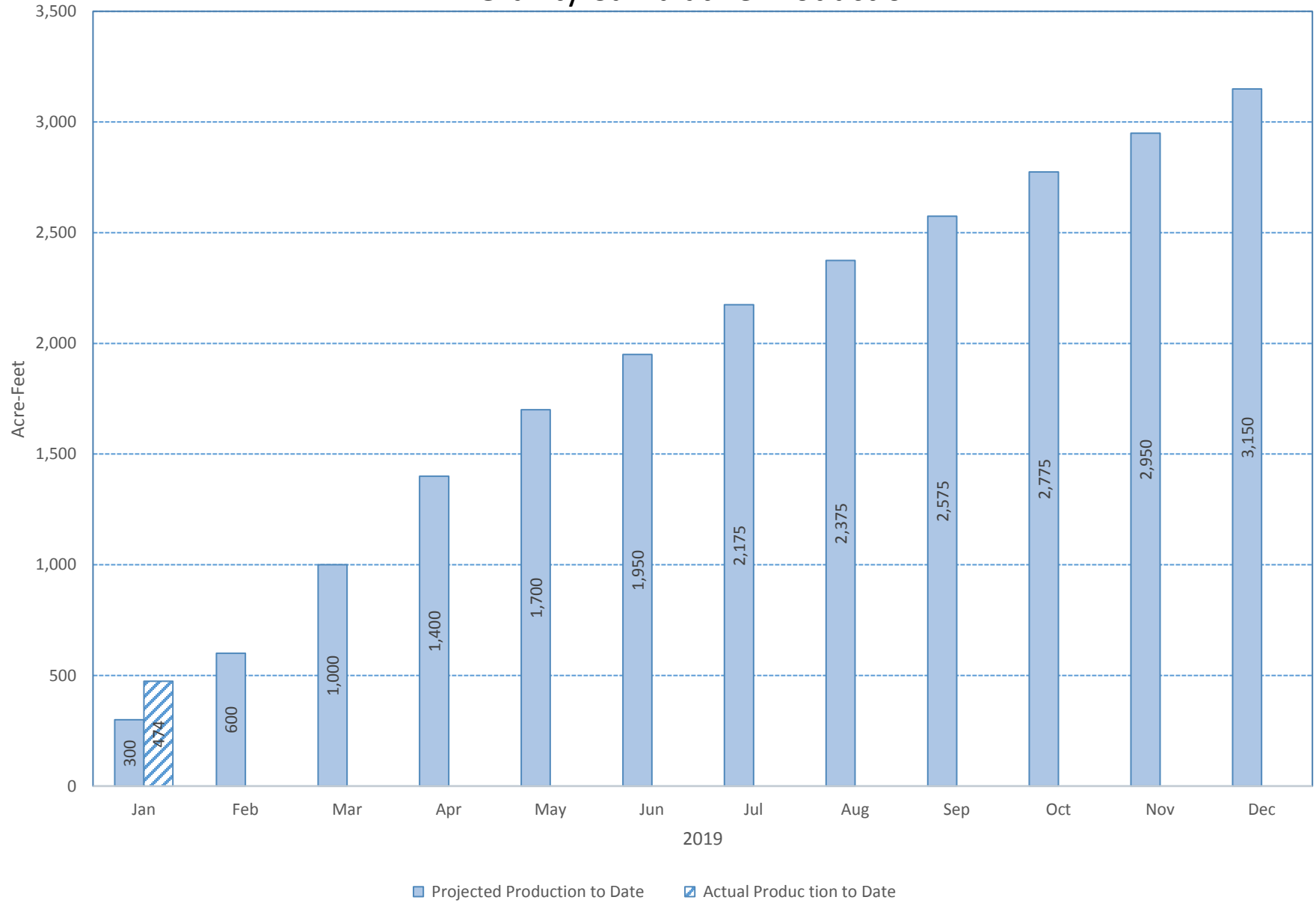
2019

Monthly Production



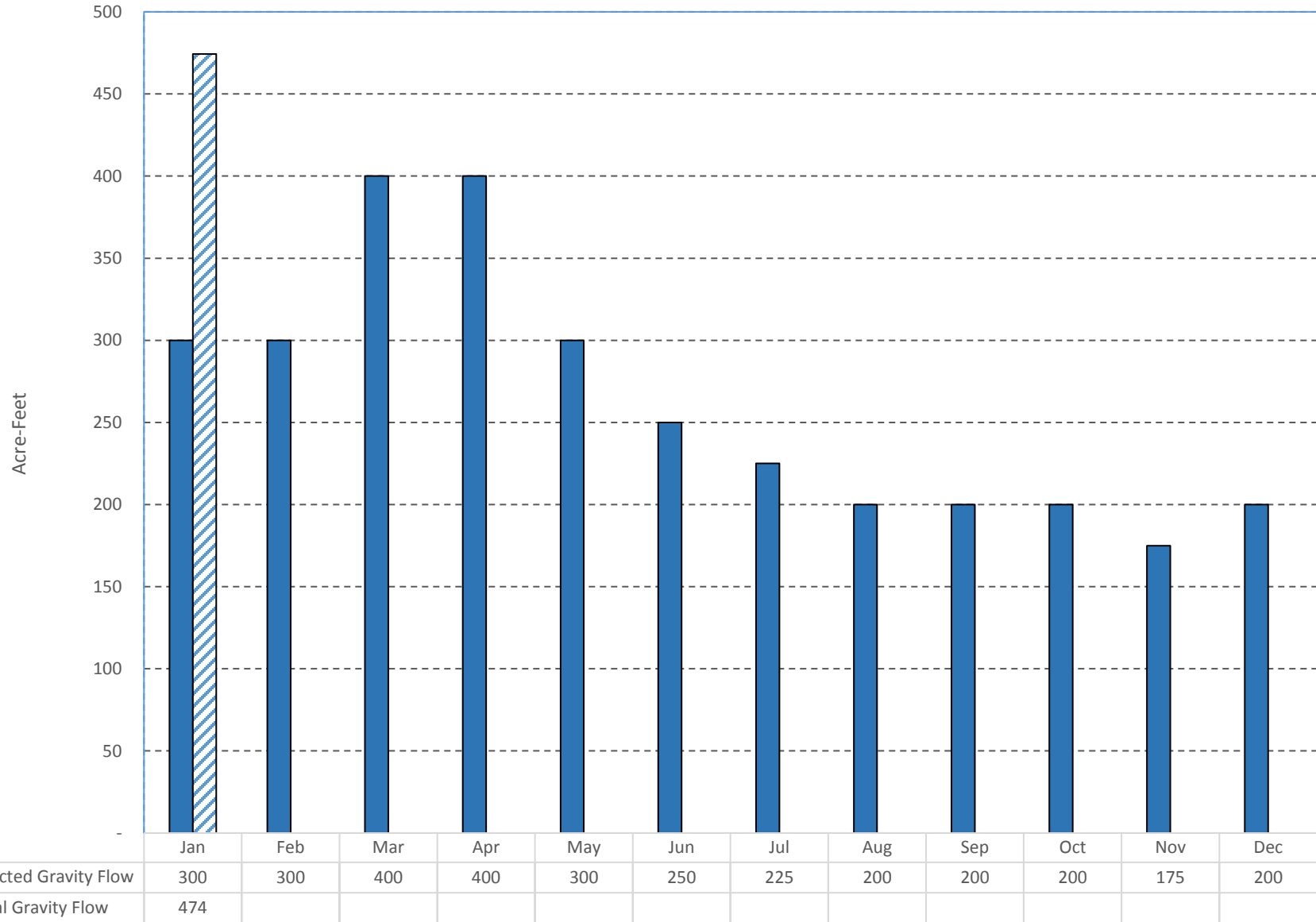
2019

Gravity Cumulative Production



2019

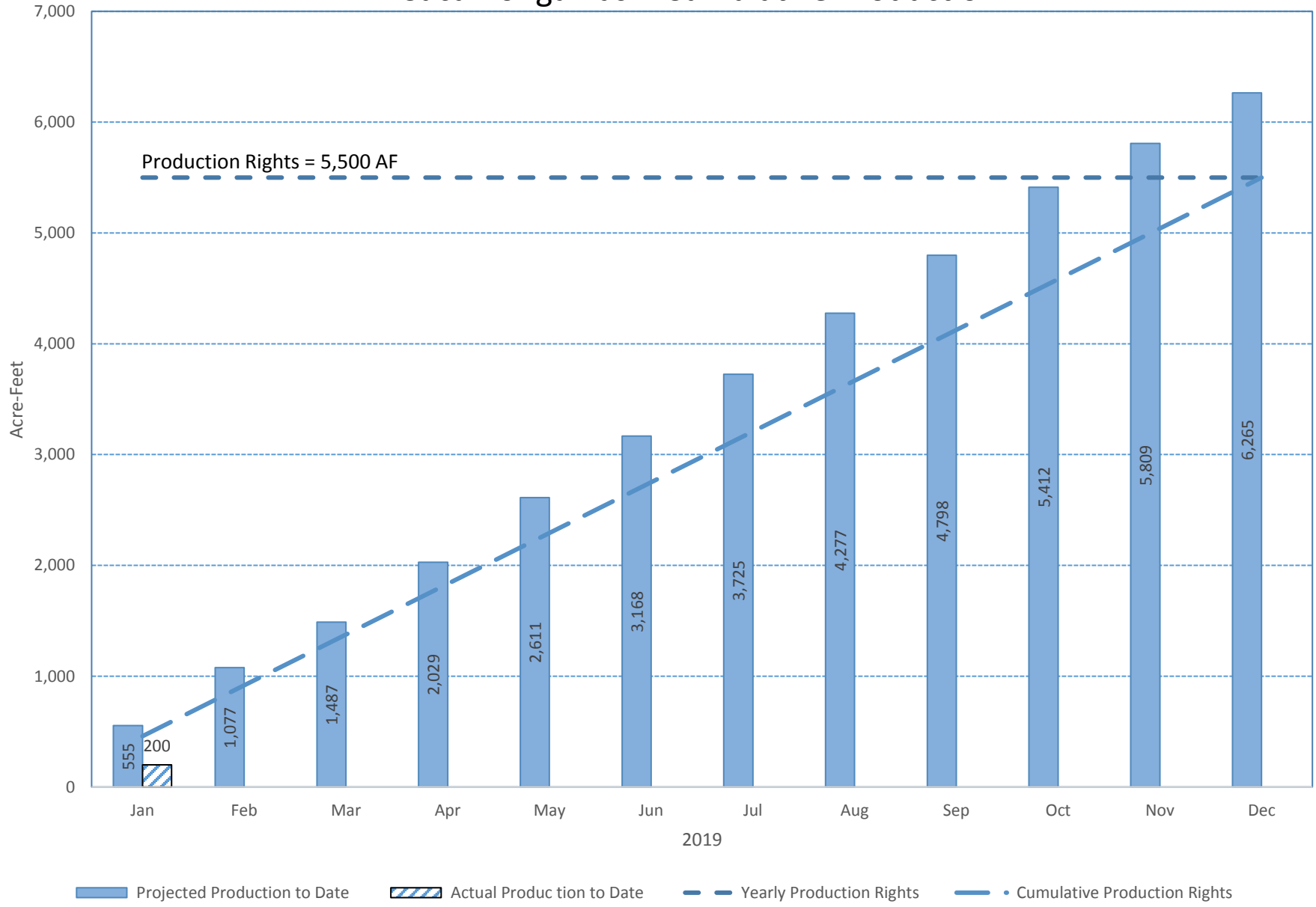
Gravity Monthly Production



2019

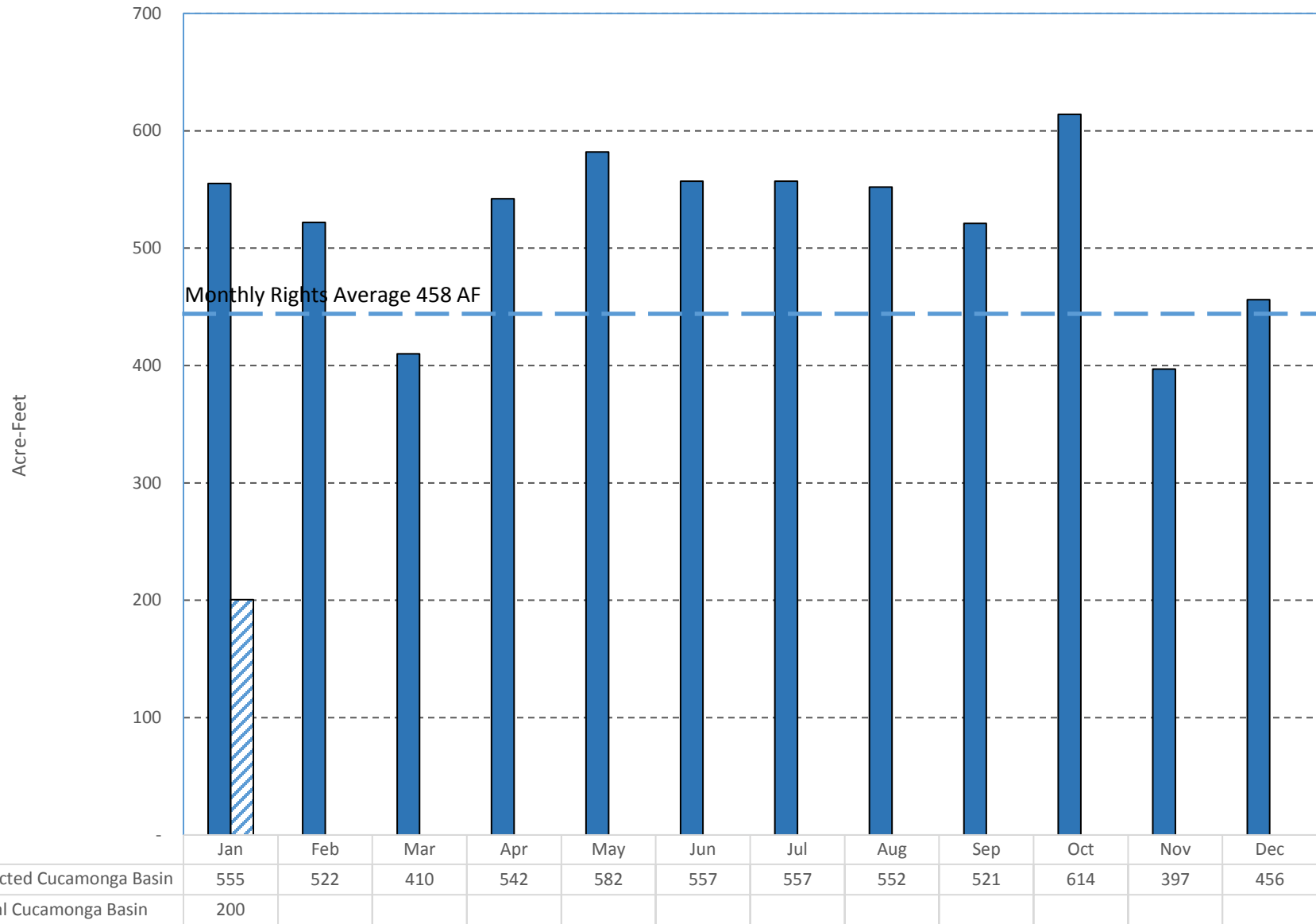
2019

Cucamonga Basin Cumulative Production



2019

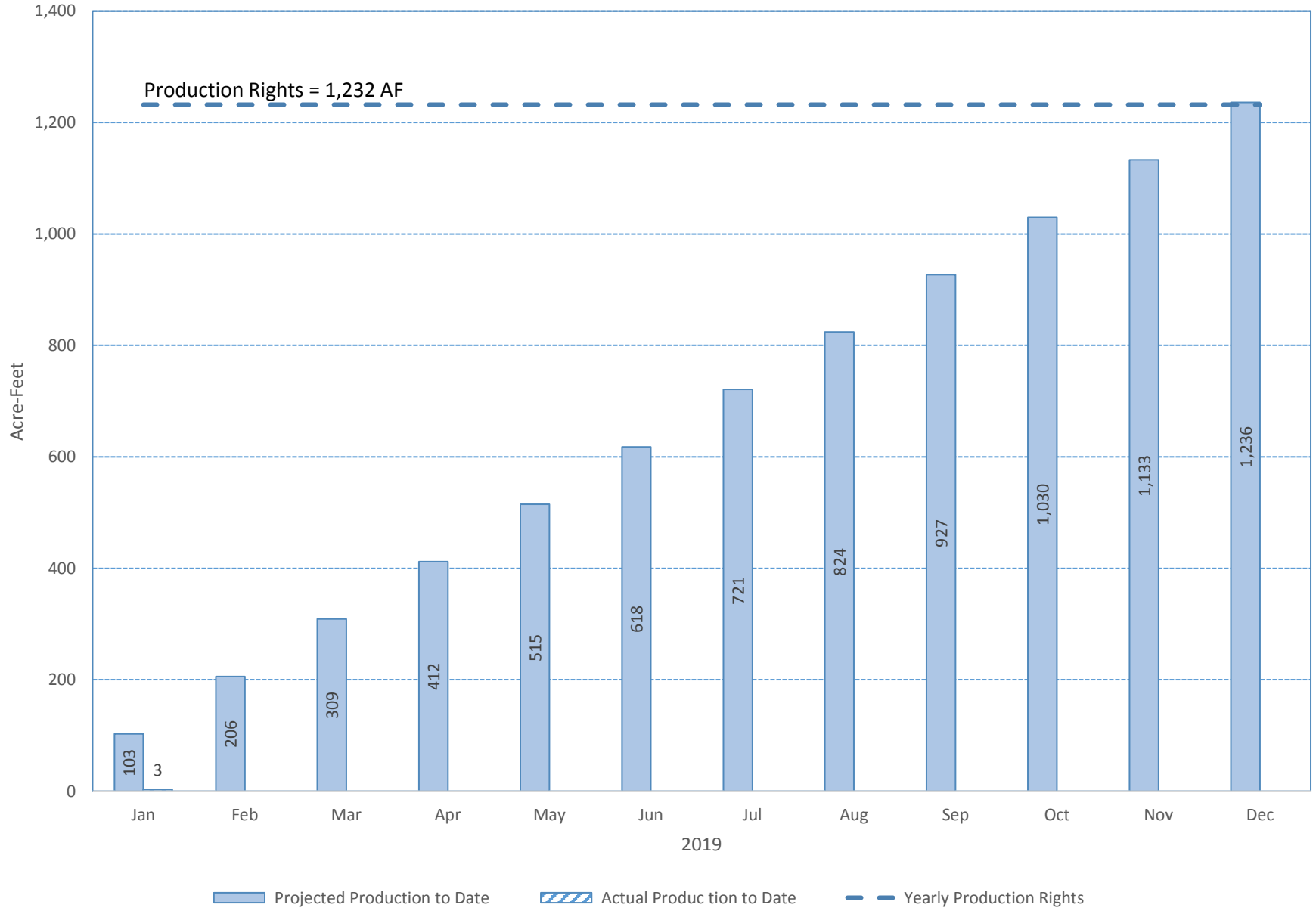
Cucamonga Basin Monthly Production



2019

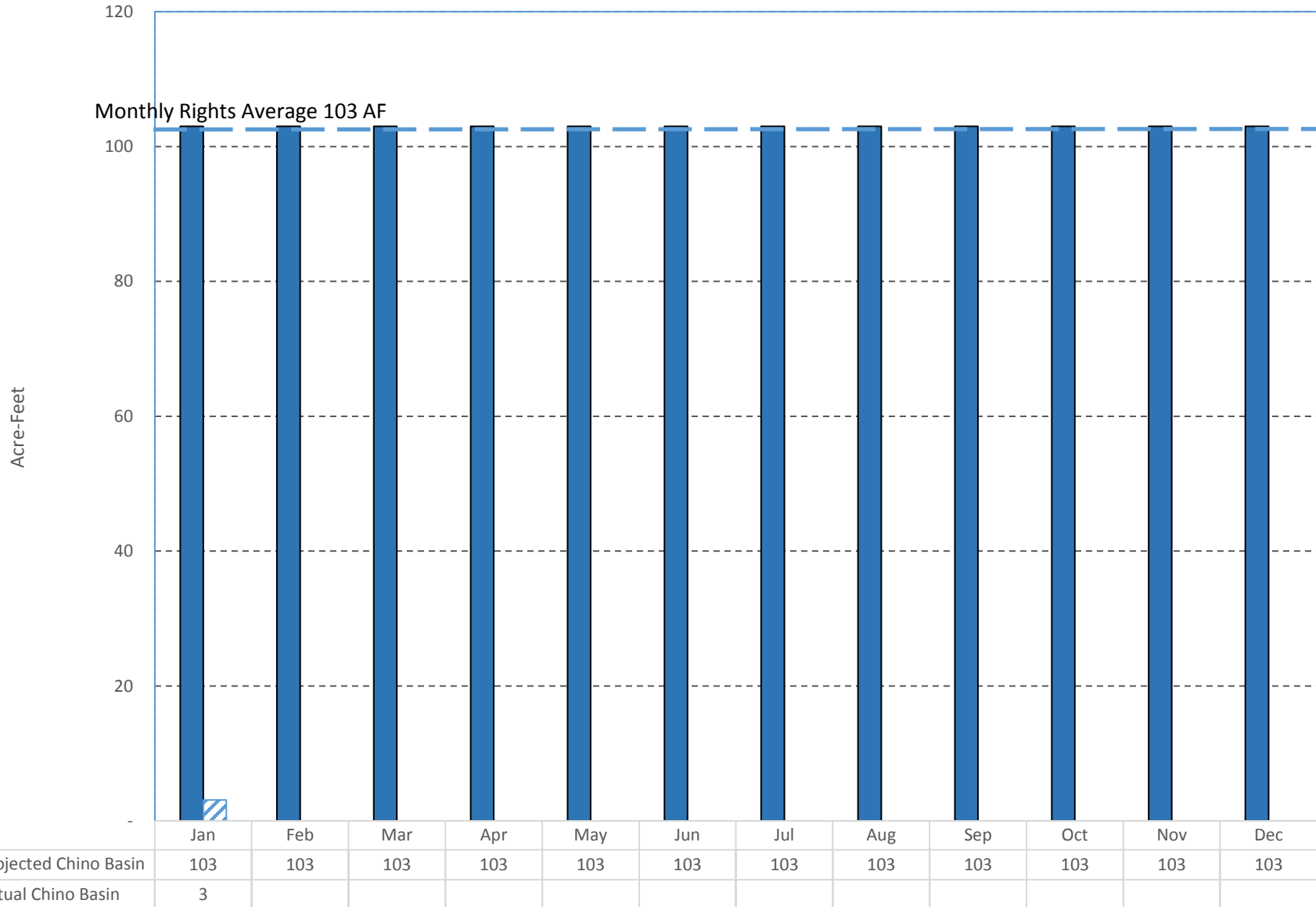
2019

Chino Basin Cumulative Production



2019

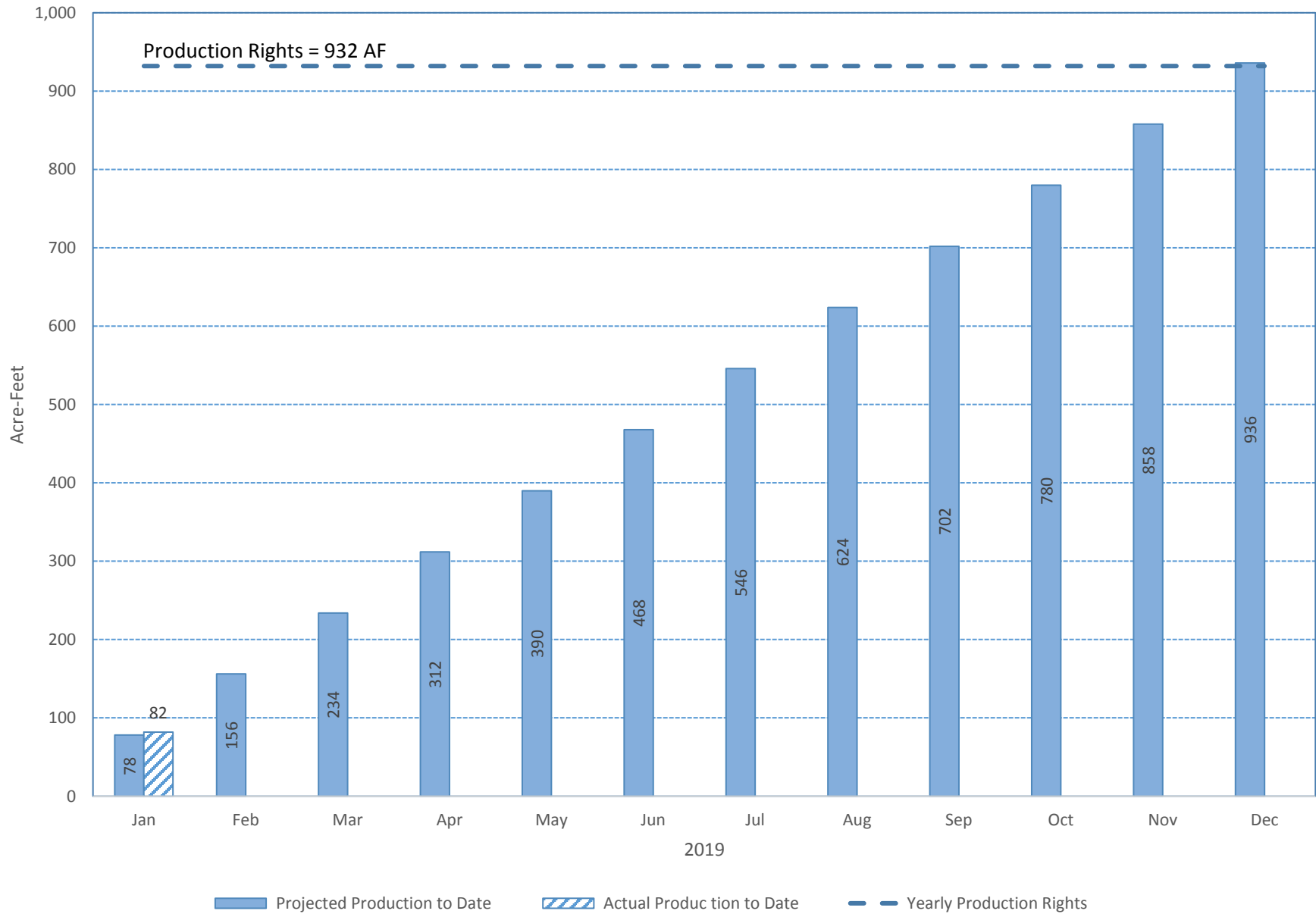
Chino Basin Monthly Production



2019

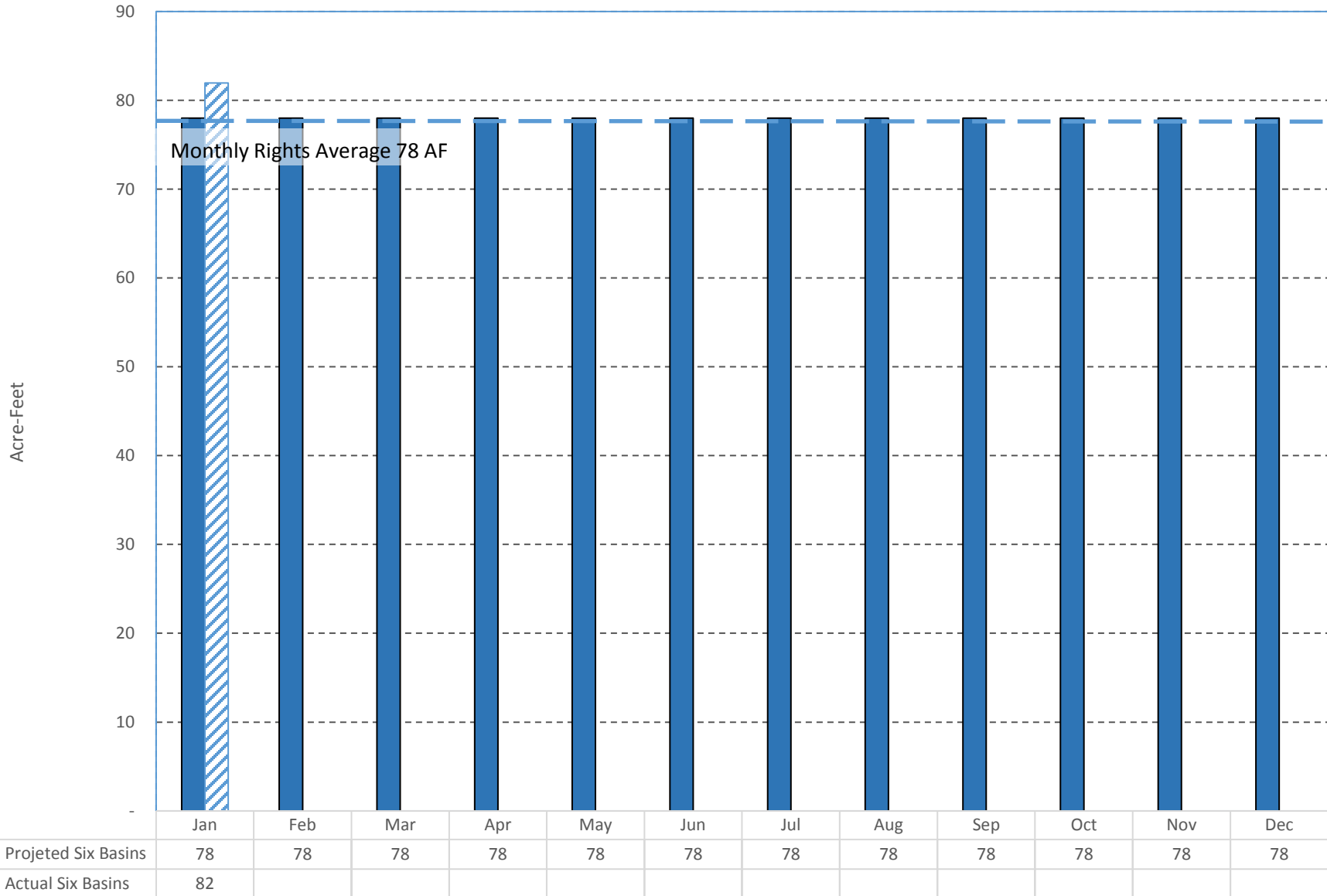
2019

Six Basins Cumulative Production



2019

Six Basins Monthly Production



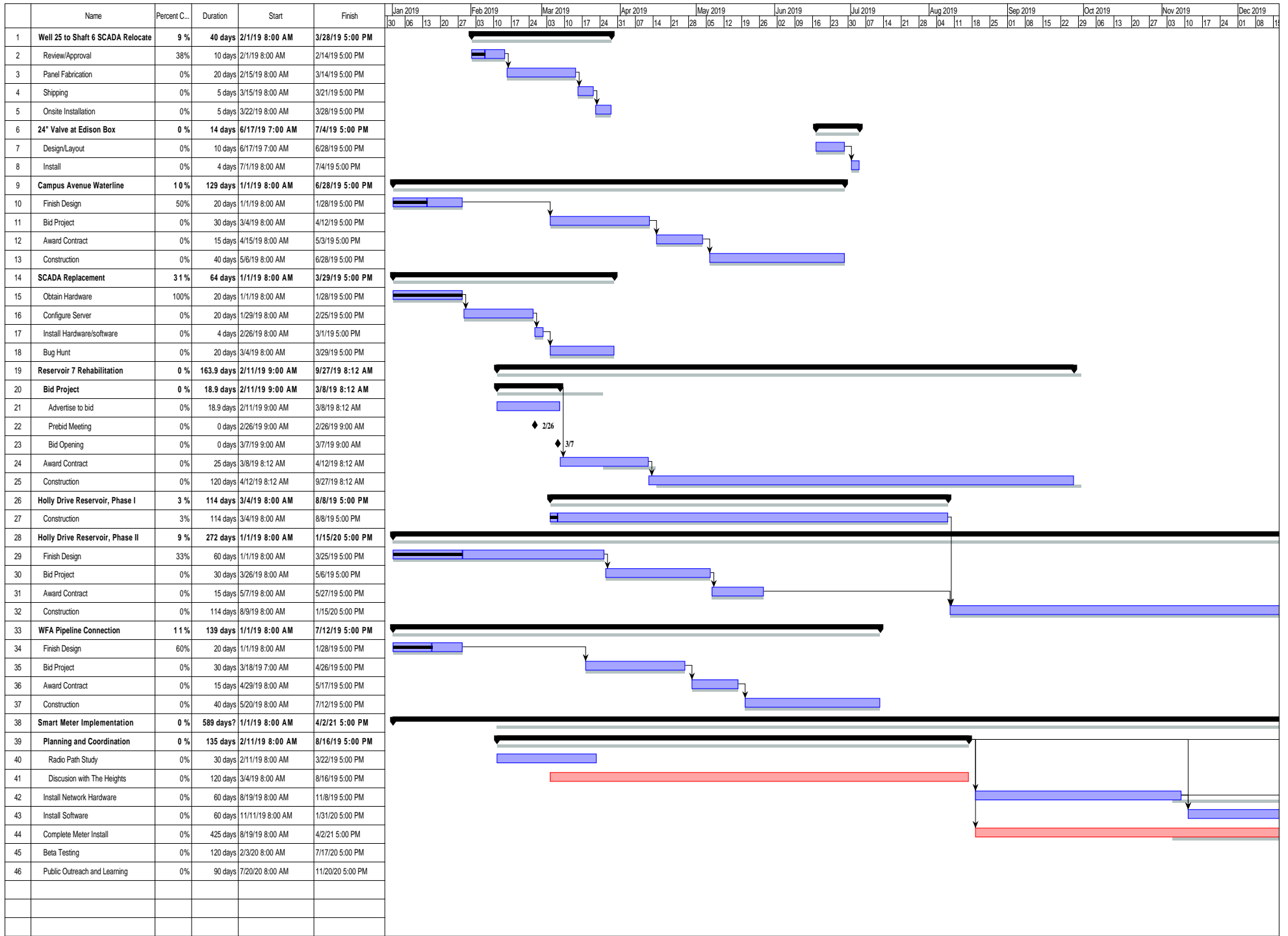
2019

Projects and Operations Update

Agenda Item No. 4H
Agenda Date: February 19, 2019

Purpose:

To review attached Project status sheets and Gantt chart.



Project Title: Cucamonga Basin 6A
 Construction Order: 1303
 Approved Budget: \$ 266,000

	Estimated	Actual
Design Start Date:		3/18/2015
Design Completion Date:		
Construction Start Date:	9/13/2017	10/1/2018
Constuction Completion Date:	11/15/2018	10/19/2018
Project Close Out Date:	12/15/2018	

Budget	Firm	Contract/Budget	Invoiced/Spent to Date	Remaining
Staff	SAWCo		\$ 10,823.63	
Permitting/CEQA			\$ 15,280.78	\$ (15,280.78)
RWQCB 401			\$ 775.00	
DFW Streambed Alteration			\$ 54,398.00	
Engineering	TKE Engineering	\$ 25,000.00	\$ 28,105.11	\$ (3,105.11)
Geotechnical	CHJ/Terracon	\$ 9,578.00	\$ 16,780.03	\$ (7,202.03)
CO#1		\$ 1,672.00	\$ 1,672.00	\$ -
CO#2		\$ 1,224.00	\$ 1,224.00	\$ -
Surveyor			\$ -	\$ -
Environmental	Altum/Baker Int	\$ 39,740.00	\$ 29,855.97	\$ 9,884.03
CO#1		\$ 31,800.00	\$ 245.00	\$ 31,555.00
Prime Contractor	CP Construction	\$ 253,030.00	\$ 258,865.50	\$ (5,835.50)
	TOTAL	\$ 362,044.00	\$ 418,025.02	\$ (55,981.02)

Project Title: Cucamonga Crosswalls
 Construction Order: 1405
 Approved Budget: \$ 20,000 *2019 mitigation

	Estimated	Actual
Design Start Date:		7/18/2014
Design Completion Date:		7/15/2018
Construction Start Date:		7/16/2018
Constuction Completion Date:		11/15/2018
Project Close Out Date:	2/1/2019	

Budget	Firm	Contract/Budget	Invoiced/Spent to Date	Remaining
Staff	SAWCo		\$ 1,605.91	\$ (1,605.91)
Permitting/CEQA			\$ -	\$ -
RWQCB		\$ 90,000.00	\$ 90,000.00	\$ -
NWP31 (5-yr maint/ plan)		\$ 11,000.00	\$ -	\$ 11,000.00
Noise Monitoring		\$ 12,145.00	\$ 12,145.00	\$ -
Engineering	TKE Engineering	\$ 65,040.00	\$ 74,867.83	\$ (9,827.83)
Geotechnical			\$ -	\$ -
Surveyor			\$ -	\$ -
Environmental	Altum/Baker Int	\$ 126,295.00	\$ 120,801.82	\$ 5,493.18
CO#1		\$ 5,012.00	\$ 7,829.00	\$ (2,817.00)
Prime Contractor	GRB	\$ -	\$ -	\$ -
	TOTAL	\$ 309,492.00	\$ 307,249.56	\$ 2,242.44

Project Title: Office Relocation
 Construction Order: 1507
 Approved Budget: \$ 100,000

	Estimated	Actual
Design Start Date:	2016	2016
Design Completion Date:	6/1/2019	
Construction Start Date:	10/1/2019	
Constuction Completion Date:	6/1/2022	
Project Close Out Date:	8/1/2022	

Budget	Firm	Contract/Budget	Invoiced/Spent to Date	Remaining
Staff	SAWCo		\$ -	\$ -
Permitting/CEQA			\$ -	\$ -
Architect	CEDG	\$ 40,060.00	\$ 32,000.00	\$ 8,060.00
Engineering			\$ -	\$ -
Geotechnical			\$ -	\$ -
Surveyor			\$ -	\$ -
Environmental			\$ -	\$ -
Prime Contractor		\$ -	\$ -	\$ -
	TOTAL	\$ 40,060.00	\$ 32,000.00	\$ 8,060.00

Project Title: WFA Connection
 Construction Order: 1601
 Approved Budget: \$ 110,000

	Estimated	Actual
Design Start Date:	7/9/1905	7/9/1905
Design Completion Date:	12/1/2018	
Construction Start Date:	5/1/2019	
Constuction Completion Date:	7/1/2019	
Project Close Out Date:	9/1/2109	

Budget	Firm	Contract/Budget	Invoiced/Spent to Date	Remaining
Staff	SAWCo		\$ -	\$ -
Permitting/CEQA			\$ -	\$ -
Engineering	CivilTech	\$ 30,895.00	\$ 14,577.50	\$ 16,317.50
Geotechnical			\$ -	\$ -
Surveyor			\$ -	\$ -
Environmental			\$ -	\$ -
Prime Contractor		\$ -	\$ -	\$ -
	TOTAL	\$ 30,895.00	\$ 14,577.50	\$ 16,317.50

Project Title: Holly Drive Reservoir, Phase 1&2
 Construction Order: 1602
 Approved Budget: \$ 621,000 12/18/2018

	Estimated	Actual
Design Start Date:		4/15/2016
Design Completion Date:		10/17/2018
Construction Start Date:	1/15/2019	
Constuction Completion Date:	1/12/2020	
Project Close Out Date:	3/1/2020	

Budget	Firm	Contract/Budget	Invoiced/Spent to Date	Remaining
Staff	SAWCo		\$ -	\$ -
Engineering	TKE Eng	\$ 186,970.00	\$ 160,327.50	\$ 26,642.50
Construction Services, P1	TKE Eng	\$ 60,000.00	\$ -	\$ 60,000.00
Prime Contractor, P1	James McMinn, Inc.	\$ 228,600.00	\$ -	\$ 228,600.00
Prime Contractor, P2			\$ -	\$ -
	TOTAL	\$ 475,570.00	\$ 160,327.50	\$ 315,242.50

Project Title: Reservoir 7 Roof Repair
 Construction Order: 1701
 Approved Budget: \$ 1,160,000 12/18/2018

	Estimated	Actual
Design Start Date:		7/2/2018
Design Completion Date:	12/1/2018	2/11/2019
Construction Start Date:	4/1/2019	
Constuction Completion Date:	8/1/2019	
Project Close Out Date:	10/1/2019	

Budget	Firm	Contract/Budget	Invoiced/Spent to Date	Remaining
Staff	SAWCo		\$ -	\$ -
Structural Inspection	Harper	\$ 51,230.00	\$ 51,230.00	
Engineer	CivilTech	\$ 62,750.00	\$ 50,454.43	\$ 12,295.57
Geologist	Geocon		\$ 6,072.50	\$ (6,072.50)
Prime Contractor			\$ -	\$ -
	TOTAL	\$ 113,980.00	\$ 107,756.93	\$ 6,223.07

Project Title: Holly Drive Booster Station
 Construction Order: 1801
 Approved Budget: \$ 290,000

	Estimated	Actual
Design Start Date:		4/16/2018
Design Completion Date:		7/13/2018
Construction Start Date:		9/26/2018
Construction Completion Date:	11/29/2018	12/30/2018
Project Close Out Date:	2/1/2019	

Budget	Firm	Contract/Budget	Invoiced/Spent to Date	Remaining
Staff	SAWCo		\$ -	\$ -
Engineering	TKE Eng	\$ 28,040.00	\$ 27,865.00	\$ 175.00
Structural	HK Structural	\$ 50,738.00	\$ 64,180.00	\$ (13,442.00)
Mechanical	KSM Mechanical	\$ 220,785.38	\$ 123,172.66	\$ 97,612.72
Material Supplier	United Fabrication Inc.	\$ 323.25	\$ 323.25	\$ -
Welding	J&K Welding	\$ 4,372.57	\$ 4,372.57	\$ -
	TOTAL	\$ 304,259.20	\$ 219,913.48	\$ 84,345.72

Project Title: Edison Pond Sluice Gate
 Construction Order: 1803
 Approved Budget: \$ 70,000

	Estimated	Actual
Design Start Date:		
Design Completion Date:		
Construction Start Date:		5/10/2018
Constuction Completion Date:	11/30/2018	12/30/2018
Project Close Out Date:	12/30/2018	

Budget	Firm	Contract/Budget	Invoiced/Spent to Date	Remaining
Staff	SAWCo		\$ -	\$ -
Prime Contractor	CP Construction	\$ 64,500.00	\$ 71,067.50	\$ (6,567.50)
CO#1		\$ 2,350.00	\$ 2,350.00	\$ -
	TOTAL	\$ 66,850.00	\$ 73,417.50	\$ (6,567.50)

Project Title: Campus Avenue Pipeine
 Construction Order: 1807
 Approved Budget: \$ 517,000 12/18/2018

	Estimated	Actual
Design Start Date:		7/2/2018
Design Completion Date:	12/1/2018	
Construction Start Date:	4/1/2019	
Constuction Completion Date:	6/1/2019	
Project Close Out Date:	8/1/2019	

Budget	Firm	Contract/Budget	Invoiced/Spent to Date	Remaining
Staff	SAWCo		\$ -	\$ -
Engineer	CivilTech	\$ 58,324.00	\$ 21,998.78	\$ 36,325.22
Prime Contractor			\$ -	\$ -
	TOTAL	\$ 58,324.00	\$ 21,998.78	\$ 36,325.22

Project Title: New Company SCADA
 Construction Order: 1808
 Approved Budget: \$ 130,000 12/18/2018

	Estimated	Actual
Design Start Date:		7/2/2018
Design Completion Date:	12/1/2018	1/15/2019
Construction Start Date:	4/1/2019	
Constuction Completion Date:	6/1/2019	
Project Close Out Date:	8/1/2019	

Budget	Firm	Contract/Budget	Invoiced/Spent to Date	Remaining
Staff	SAWCo		\$ -	\$ -
Material Supplier	Inland Productivity	\$ 17,750.09	\$ 17,809.60	\$ (59.51)
Engineer	TESCO	\$ 100,000.00	\$ -	\$ 100,000.00
Prime Contractor			\$ -	\$ -
	TOTAL	\$ 117,750.09	\$ 17,809.60	\$ 99,940.49

Project Title: Edison Box 24" Drain Valve
 Construction Order:
 Approved Budget: \$ 44,000

	Estimated	Actual
Design Start Date:	6/17/2019	
Design Completion Date:	6/30/2019	
Construction Start Date:	7/1/2019	
Constuction Completion Date:	7/30/2019	
Project Close Out Date:	9/30/2019	

Budget	Firm	Contract/Budget	Invoiced/Spent to Date	Remaining
Staff	SAWCo	\$ 44,000.00	\$ -	\$ 44,000.00
			\$ -	\$ -
	TOTAL	\$ 44,000.00	\$ -	\$ 44,000.00

Project Title: Edison Box 24" Drain Valve

Construction Order:

Total Budget: \$44,000

Construction: \$44,000

Fiscal Year 2019 Budget: \$26,400 (remainder covered by City of Pomona under 60/40 split cost share.)

Schedule:

Purchase and Install Valve: Summer 2019

Project Description

Location: Edison Box



Justification: Current drain line drop gate is damaged and unable to hold back water. Water is passing under gate and discharging back to San Antonio Creek. Proposal is to purchase and install inline drain valve downstream of drop gate.

Status:

12/06/18 – BL – Bring to Board @ Budget Workshop.

12/18/18 – BL – Board approved 2019 budget, which contains this project.

Contacts

Name

Phone / email

Total Budget: \$517,000

Construction: \$485,000

Fiscal Year 2018 Invoiced: \$21,000

Fiscal Year 2019 Budget: \$496,000

Schedule:

Design: Late 2018

Bid Project: Winter 2019

Award Contract: March 2019

Construct Pipeline: Spring – Summer 2019

Close Contract: Fall 2019

Project Description



Location: Campus Ave, between 20th and 22nd Street

Justification: Replace aging 8" and 10" pipeline that traverses over private property within backyards. Relocate pipeline alignment to Campus Ave and 20th Street.

Status:

07/2018 – Contract awarded and authorization to proceed issued.

11/30/2018 – BL – 100% plans reviewed. Engineer authorized to prepare Bid Documents.

12/18/18 – BL – Board approved 2019 budget, which contains this project.

Contacts	Name	Phone / email
Civiltec Engineering, Inc.	Terry Kerger	626.357.0588 tkerger@civiltech.com

Total Budget: \$25,000

Construction: \$25,000

Fiscal Year 2019 Budget: \$25,000

Schedule:

Purchase Meters: Winter 2019

Install Meters: Throughout 2019

Project Description

Location: Various locations within Company’s retail service area.

Justification: Best practice is to replace retail water meters every seven to ten years. Staff is recommending replacement of 141 retail water meters: 125 – ¾” meters and 16 1” meters.

Status:

12/18/18 – BL – Board approved 2019 budget, which contains this project.

02/04/19 – BL – Staff met with Aquametrics, current meter supplier and meter reading support company, to discuss what options are available for ‘smart’ meters. Currently, the District is replacing aged meters with new Sensus iPERL meters. The iPERL is a ‘smart’ meter and can be adapted to an Advanced Metering Infrastructure System (AMI) with the correct transmitter installed at the meter box. About 30% of the Company’s currently installed meters are iPERL.

An AMI system would allow the Company to read meters on a daily basis, providing early detection of leaks or other problems on customer accounts. Additionally, AMI has the potential to allow customers direct web-based access to their water consumption records.

The missing additional component of an AMI system is a service area radio communication network that would read all smart meters from a single location. Sensus’ network is called FlexNet. Staff has initiated a radio survey to determine best locations for installation of a FlexNet antenna. The survey will cost \$400. Once the survey is complete staff will be able to develop a budgetary cost proposal for implementation of an AMI system.

Contacts	Name	Phone / email
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Total Budget: \$110,000

Engineering/Project Management: \$31,000

Construction: \$79,000

Fiscal Year 2018 Invoiced: \$21,000

Fiscal Year 2019 Budget: \$89,000

Schedule:

Design Project: 2018

Bid Project: Winter 2019

Award Bid: Spring 2019

Construction: Summer 2019

Project Description

Location: WFA facilities @ Benson Avenue



Justification: Install 16" pipeline connecting Company's existing surface water pipeline on Benson Avenue to WFA Facilities. The intent of this project is to allow San Antonio Creek surface water to be delivered straight to the WFA facilities. Delivering surface water to the WFA facilities will increase the Company's ability to meet entitlement for those stockholders that are members of, and receive water from, WFA; City of Upland, City of Pomona and Monte Vista Water District.

Status:

02/19/2016 – BL – Design contract and Authorization-to-Proceed issued to CivilTech Engineering.

12/17/18 – BL – CivilTech emailed draft schematic of lab layout and pipeline design to WSA for review.

12/18/18 – BL – Board approved 2019 budget, which contains this project.

1/14/19 – BL – WFA provided comments on draft plans back to Civiltech, who will make modification and finish design.

1/15/19 – BL – Staff notified that WFA is currently reviewing water quality analyzers, which will impact location and availability of space on the lab walls. WFA states they are at least a few months away from selecting.

1/31/19 – BL – Civiltec provided modified concept drawings to WFA showing possible pipeline alignments.

2/5/19 – BL – WFA provided comments and questions regarding proposed pipeline alignments.

Contacts	Name	Phone / email
Civiltec Engineering, Inc.	Terry Kerger	626.357.0588 tkerger@civiltech.com

Total Budget: \$621,000

Engineering/Project Management: \$221,000

Construction: \$400,000

Fiscal Year 2016 Invoiced: \$62,000

Fiscal Year 2017 Invoiced: \$51,000

Fiscal Year 2018 Invoiced: \$48,000

Fiscal Year 2019 Budget: \$460,000

Schedule:

Design Project: 2016-2018

Bid Project: December 2018

Award Bid: Spring 2019

Construction: Summer 2019

Project Description

Location: Holly Drive, North of San Antonio Heights



Justification: Initially, project was conceived as a simple 60,000-gallon tank replacement. Predesign analysis determined that fire flow and storage requirements would be better served by installing two 120,000-gallon tanks at the site. Design costs jumped due, in part, to necessary surveying, geotechnical and environmental requirements enlarging site to accommodate two tanks. Project construction is currently split into three parts; geotechnical earthwork, install new second tank, demolish and replace existing tank. The first construction project (earthwork) design is completed. Bid award is scheduled for December 18, 2018. Design for the Second phase, constructing the new tank, is scheduled to be completed in the first quarter of FY 2019. Bidding the second phase is scheduled for the second quarter of FY2019, with construction beginning soon after.

The third phase, demolishing the original 60,000-gallon tank and replacing with a new 120,000-gallon tank, is not yet scheduled.

Status:

02/19/2016 – Design contract and Authorization-to-Proceed issued to TKE Engineering.

10/2018 – BL – Phase I 100% Plans and Specs reviewed. Engineer authorized to prepare bid documents.

11/2018 – BL – Phase I contract advertised for bid.

- 12/12/18 – BL – Five bids received and opened for Phase I.
- 12/18/18 – BL – Board approved 2019 budget, which contains Phase 1 & 2 for this project.
- 12/18/18 – BL – Board authorizes staff to execute construction contract with McMinn Construction for \$238,600.
- 12/26/18 – BL – Company issues Notice of Award
- 1/2/19 – BL – McMinn executes Notice of Award
- 1/2/19 – BL – McMinn executes Construction Agreement
- 1/2/19 – BL – McMinn provides Certificate of Liability Insurance
- 1/3/19 – BL – Water Board informed Dodson of new CEQA guidelines adopted by California Natural Resources Agency. Dodson reviewing to see if any changes are required to project IS/MND prior to circulation.
- 1/8/19 – BL – Company returns fully executed Construction Agreement to McMinn
- 1/23/19 – BL – MND sent to clearing house, starting the 30-day comment period. Review period ends 2/22/19
- 1/24/19 – BL - Notices posted at site, office and County Clerk. Affidavit of posting signed by BL and returned to the State.
- 2/7/19 -BL – Staff, consultant and contractor working to schedule a preconstruction meeting.

Contacts	Name	Phone / email
TKE Engineering, Inc.		
	Terry Renner Vice President	951.680.0440 trenner@tkeengineering.com
McMinn, Inc.		
	Gabriel Melgoza, Estimator	909.514.1231 gabriel@jmige.com
	Keith Archibek Project Manager	909.514.1231 keith@jmige.com
Tom Dodson & Associates		
	Kaitlyn Dodson Environmental Analyst	909.882.3612 kaitlyn@tdaenv.com
State Water Board		
	Wendy Pierce Senior Env. Planner	916.449.5178 wendy.pierce@waterboards.ca.gov
	Sara Paiva-Lowry Senior Env. Scientist	916.323.0626 sara.paiva-lowry@waterboards.ca.gov

Total Budget: \$1,160,000

Engineering/Project Management: \$160,000

Construction: \$1,000,000

Fiscal Year 2017 Invoiced: \$57,000

Fiscal Year 2018 Invoiced: \$44,000

Fiscal Year 2019 Budget: \$1,059,000

Schedule:

Design Project: 2018

Bid Project: Winter 2019

Award Bid: Spring 2019

Construction: Spring/Summer 2019

Project Description

Location: Intersection of North Mountain Avenue and North Euclid Avenue



Justification: Reservoir 7 currently has a wooden roof that is in serious disrepair. Water quality issues require secure and safe roofing on reservoirs. The Company is planning on installing an aluminum roof to replace the wood roof. Installing a new roof will require installing a concrete perimeter, new access stairways and associated appurtenances.

Status:

04/25/2017 - BL – Design contract and Authorization-to-Proceed issued to CivilTech Engineering.

11/30/2018 – BL – 100% Design reviewed. Engineer authorized to prepare bidding docs.

12/18/18 – BL – Board approved 2019 budget

1/3/19 – BL – Contract docs reviewed and returned to engineer for bidding preparation.
BL removed federal fund requirements from contract

1/9/19 – BL – BL signed County encroachment permit. Engineer to process.

1/11/19 – BL- BL eMailed plans to State Waterboard Engineer for review and comment

1/16/19 – BL – State responded by eMail with no comments.

2/7/19 – BL – Bid schedule set. Bid package available on 2/14, prebid mtg on 2/26 and bid opening on 3/7

2/12/19 – BL – Bid package uploaded an available on company website.

Contacts	Name	Phone / email
Civiltec Engineering, Inc.	Terry Kerger	626.357.0588 tkerger@civiltech.com
Sate Waterboard	Hector Cazares Water Resource Control Engineer	909.383.4312 hector.cazares@waterboards.ca.gov
	Eric Zuniga District Engineer	eric.zuniga@waterboard.ca.gov

Total Budget: \$130,000

TESCO Contract:	\$100,000
Inland Productivity Contract:	\$18,000
Contingency:	\$12,000

Fiscal Year 2018 Budget: \$130,000

Proposed Carry Over to 2019: \$130,000

Schedule:

Develop HMI Screens:	October 2018
Purchase Equipment:	December 2018
Integrate System:	December 2018 – January 2019
Install System:	January – February 2019

Project Description

Location: Various locations throughout Company service area. Primary location of servers will be at Company main office.

The Company currently has 21 remote Supervisory Control and Data Acquisition (SCADA) control sites consisting of reservoirs, booster stations and wells. A SCADA system is used to remotely monitor, record and control remote sites by computer (e.g. record reservoir levels or turn on booster stations) through radio, wifi, cellular or modem communication. A SCADA system consist of the control computer and remote Programable Logic Controllers (PLCs) at each control site. The master control and recording computer currently sits at the corner of a desk in the Company's office meeting room.

SAWCo currently uses an Iconics SCADA control system. It is an older system that has been experiencing communication issue s with the Company's remote sites.

Staff is proposing replacing the master control and recording computer with new hardware and software. The new hardware would be installed in the Company's computer closet, providing better protection and environmental control.

Staff is proposing new software from ClearSCADA. As a product of Schneider Electric, it is predominant in the industry, has a long history within the marketplace, is extremely scalable, easy to integrate, compatible and adaptable with leading industry PLC products, and is highly supported. PLCs are the computers located at remote sites that communicate with the central SCADA control computer.

Staff is working with TESCO Controls, Inc., an industry leading system integrator. A system integrator assembles all the hardware and software components into a viable system.

Status:

11/27/18 – BL / Bring TESCO proposal and Inland Productivity quote to PROC for ratification.
 11/27/18 – BL / PROC unanimously approved moving staff recommendation to the full Board.
 12/18/18 – BL – Board approved 2019 budget, which contains this project.
 12/18/18 – BL – Board authorizes \$120k for project and purchase of equipment.
 12/27/18 – BL – BL executes equipment purchase order. Emailed Inland Productivity
 1/25/18 – BL – Hardware has arrived and is being shipped to TESCO in Sacramento for integration.

Contacts	Name	Phone / email
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System Integrator: TESCO Controls Inc

Alex Leeth	aleeth@tescocontrols.com
Technical Sales	916.395.8800 ext. 2606

John Zitlau	jsitlau@tescocontrols.com
Project Manager	(O) 916.395.8800 ext. 3005 (D) 916.596.4529

Hardware Procurement: Inland Productivity

Eric Hanson	ehanson@inland-prod.com
Sr. Solution Developer	909.981.4500

Total Budget: \$250,000

Environmental Monitoring: \$100,000

Environmental Mitigation: \$150,000

Fiscal Year 2019 Budget: \$50,000

Environmental Monitoring: \$20,000

Environmental Mitigation: \$30,000

Schedule:

Mitigation Request for Proposals: Jan-Feb 2019

Mitigation for 2019: Mar- Apr 2019

Mitigation for 2020: Mar- Apr 2020

Mitigation for 2021: Mar- Apr 2021

Mitigation for 2022: Mar-Apr 2022

Mitigation for 2023: Mar-Apr 2023

Project Description



As a condition of the Cucamonga Crosswalls repair project, the Company committed to conduct mitigation and associated environmental monitoring for a period of no less than five years. This commitment was a condition of the California Department of Fish and Wildlife Streambed Alteration Agreement.

The mitigation includes yearly removal of invasive plant species and seeding of native plant species. Mitigation will occur in the late winter-early spring months. The intent is to provide enough time for native seed to germinate and invasive species to germinate but not establish strong roots or go to seed.

Status:

12/18/18 – BL – Board approved 2019 budget, which contains 2019 mitigation phase for this project.

1/9/19 – BL – BL email to Millington/Spencer regarding possible contractors for remediation work.

1/11-ish/19 – BL – earthen-fill crosswalls breached due to river flow.

1/29/19 – BL – Met with contractor and County on-site. Contractor working to make temporary repairs to the breached areas of the walls. Repairs consist of pushing rock and soil back into place with bulldozers.

2/1-ish/19 – BL – Storm breached two of the repaired crosswalls. Other repairs are holding.

Contacts	Name	Phone / email
<hr/>		
TKE Engineering, Inc.	Terry Renner Vice President	951.680.0440 trenner@tkeengineering.com
Michael Baker International	Ashley M. Spencer Biologist	949.472.3454 Ashley.spencer@mbakerintl.com
	Tom Millington Senior Biologist	949.855.5777 tommillington@mbakerintl.com

Total Budget: \$4,000,000

Engineering/Project Management: \$400,000

Construction: \$3,600,000

Fiscal Year 2016 Invoiced: \$32,000

Fiscal Year 2019 Budget: \$100,000

Out Year's Budget: \$3,868,000

Schedule:

Design Project: 2018

Bid Project: Winter 2019

Award Bid: Spring 2019

Construction: Spring/Summer 2019

Project Description

Location: Benson Ave just south of 18th Street



Justification: The Company's main office on Euclid Ave. has served as the company headquarters for almost one hundred years. When initially constructed, the main office provided a local presence for agricultural shareholders to conduct company business. Changing demographics of the surrounding area has shifted the company's retail customer base almost exclusively into the San Antonio Heights.

Current Company facilities are old and showing their age. Issues include needed modern seismic construction, energy efficiency and security. Additionally, space constraints are evident. Parking

space is inadequate. Office space is at a premium. There is no additional room for desks, much less the work space necessary for productivity. Field crew and office crew are separated on two parcels. Records storage is at a premium. Office computer servers are housed in a closet. Company SCADA hardware is located on a corner desktop in the meeting room. Due to a lack of adequate public meeting space, the Company currently utilizes the City of Upland Council chambers for its Board Meetings.

The Company has an opportunity to consolidate onto property located at Benson Avenue and 18th Street. Relocating to the Benson Property will allow the Company to build a presence closer to our retail customers while modernizing our facilities.

Status:

06/15/2016 – Needs Assessment contract and Authorization-to-Proceed issued to
Claremont Environmental Design Group.

12/18/18 – BL – Board approved 2019 budget, which includes conceptual/design
services for this project.

Contacts	Name	Phone / email
CEDG	Erik Peterson	909.973.7282 info@cedg-design.com

Agenda Item No. 6A

Title: 2018 Agreement to Appropriative Pool (AP) Pooling Plan and CAMA Amendments

Purpose:

To discuss and approve the 2018 Agreement to Appropriative Pool Pooling Plan and Court Approved Management Agreement (CAMA) Amendments associated with the adjudicated Chino Groundwater Basin.

Issue:

Does the Board wish to approve the 2018 Agreement to Appropriative Pool Pooling Plan and CAMA Amendments?

Manager's Recommendation:

It is recommended that the Board approve the 2018 Agreement to Appropriative Pool Pooling Plan and Court Approved Management Agreement (CAMA) Amendments associated with the adjudicated Chino Groundwater Basin.

Background:

The Chino Basin Judgment was ordered in 1978. This judgement adjudicated water rights within the basin and set the Safe Yield of the basin. The Safe Yield is the amount of water that can be extracted from the basin without requiring replenishment water. The initial Safe Yield of the Chino Basin was set at 140,000 AF per year, but the Court reserved the right to amend the judgement in order to re-determine the Safe Yield after the first ten years of operation of the Physical Solution established under the judgement, PEACE I dated June 29, 2000, and subsequently amended in September 2004 and December 2007.

Since the approval of the PEACE I agreement, there have been subsequent documents approved, including PEACE II (2007) & the Optimum Basin Management Plan.

The Chino Basin Judgement required that the basin safe yield be evaluated and re-established in 2010. Due to a number of complex factors and potential impacts, the parties to the judgement have been working to determine the appropriate Safe Yield and related implementation matters since 2010.

A Safe Yield Reset Agreement was submitted to the court with others expressing opposition to the agreement. On February 22, 2017, Judge Stanford E. Richert issued Revised Final Orders. His Revised Final Orders only address a portion of the 2015 Safe Yield Reset Agreement.

The following is a summary of Judge Richert's position:

- The Safe Yield Reset should be 135,000 AF/Year;

February 19, 2019

- The procedure for evaluating the Safe Yield as presented in the 2015 Safe Yield Reset Agreement shall be implemented;
- Land Use Conversions shall be 2.0 AF/AC and take priority of Early Transfers; and
- The remainder of the provisions contained within the 2015 Safe Yield Reset agreement shall not be a part of establishing the Safe Yield number;

As a result of the February 22, 2017 order, an appeal was filed with the Superior Court of the State of California for San Bernardino County. This Appeal involves six parties: Cucamonga Valley Water District, Monte Vista Water District, the City of Pomona (collectively Appellants) and Jurupa Community Services District, the City of Chino, the City of Ontario (collectively respondents). The Appealing parties are commonly referred to as the “Six Pack”.

As a result of the current appeal, the matter was placed on hold to determine whether a negotiated settlement could be developed and implemented.

On November 27, 2018, the Appropriative Pool conditionally approved the “2018 Agreement to Appropriative Pool Pooling Plan and CAMA Amendments (11/21/18 version)” **conditioned upon the subsequent approval of each of the Appropriative Pool member’s governing body’s intent to sign said agreement.**

The agreement: confirms the Judge’s Court Order determination of Land Use Conversion water rights priority (Exhibit ‘A’ – Provision 3); establishes a new accelerated schedule for authorized Controlled Overdraft desalter replenishment (Exhibit ‘A’ – Provision 4); and establishes a negotiated methodology for allocating desalter production replenishment obligations within the AP parties (Exhibit ‘A’ – Provision 6).

Legal Counsel and staff have evaluated the content of the negotiated settlement document and are recommending Board Approval of the “2018 Agreement to Appropriative Pool Pooling Plan and CAMA Amendments.”

As a note, City of Upland approved the 2018 Agreement to Appropriative Pool Pooling Plan and CAMA Amendments at their January 28, 2019 Council meeting.

Attachments:

2018 Agreement to AP Pooling Plan & CAMA Amendments

Impact on the Budget:

Unknown

2018 Agreement to Appropriative Pool Pooling Plan and CAMA Amendments

This Agreement, dated _____, 2018, regarding the Chino Basin, provides for the consensual and unopposed amendment of the Appropriative Pool Pooling Plan and the Peace Agreement and the Peace II Agreement (Court Approved Management Agreements or CAMAs).

Each Party to this Agreement is a party to the Judgment in *Chino Basin Municipal Water District vs. City of Chino*, San Bernardino Superior Court Case No. RCVRS 510100, adjudicating the water rights in the Chino Basin.

1. **Appropriative Pool Pooling Plan and CAMA Amendments.** The Parties agree to the Appropriative Pool Pooling Plan and CAMA Amendments set forth in Exhibit A.
2. **Conditions Precedent.** Each Party's obligations under this Agreement are subject to the following conditions:
 - a. A final order by the trial court (i) approving the Appropriative Pool Pooling Plan and CAMA Amendments, as written, and (ii) ordering Watermaster to implement the Judgment in accordance with the Appropriative Pool Pooling Plan and CAMA Amendments.
 - b. Dismissal of the pending appeal from the trial court order dated April 28, 2017 (Court of Appeal Case No. E068640).
3. **Continuing Jurisdiction.** Nothing in this Agreement or the Appropriative Pool Pooling Plan and CAMA Amendments alters the court's continuing jurisdiction, as set forth in Paragraph 15 of the Judgment.
4. **Authority.** The signatories represent that they have the authority to bind the Party on whose behalf they are signing below to the terms of this Agreement.
5. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original against the Party whose signature is provided, and all of which shall be considered an original and together constitute one agreement binding on all Parties. Facsimile and email copies are treated as original signatures and have the same binding effect.
6. **Advice of Counsel.** In executing this Agreement, the Parties have relied on the legal advice of their respective attorneys, who are their attorneys of their own choice, and the terms of this Agreement have been completely read and explained by the respective attorneys. The Parties fully understand and voluntarily accept those terms. The Parties have not relied on any representation or statement by any person about the subject matter, basis or effect of this Agreement, other than the express provisions contained in the Agreement.

7. Non-Severability. Each of the provisions of this Agreement, and each of the Appropriative Pool Pooling Plan and CAMA Amendments, is integrated with and integral to the whole and is not severable from the remainder of the Agreement.

**Proposed Signatories to the
2018 Agreement Judgment and CAMA Amendments**

Appropriative Pool:

San Antonio Water Company
Monte Vista Water District
Monte Vista Irrigation Company
Nestle Waters North America
City of Chino
City of Chino Hills
City of Fontana
City of Norco
City of Ontario
City of Pomona
City of Upland
County of San Bernardino
Cucamonga Valley Water District
Fontana Union Water Company
Fontana Water Company
Golden State Water Company
Jurupa Community Services District
Marygold Mutual Water Company
Niagara Bottling Company
Nicholson Trust
Santa Ana River Water Company
West End Consolidated Water Company
West Valley Water District

Non Agricultural Pool: signed by Pool Chair upon approval of the Pool

Agricultural Pool: signed by Pool Chair upon approval of the Pool

Municipals:

Inland Empire Utilities Agency
Western Municipal Water District
Three Valleys Municipal Water District

Other:

Chino Basin Water Conservation District

Exhibit A

Proposed Changes to Appropriative Pool Pooling Plan and CAMA

1. **Appropriative Pool Pooling Plan.** The introductory sentence to Exhibit H, ¶10 of the Judgment is amended to read as follows:

10. Unallocated Safe Yield Water. To the extent that, in any ~~year~~ ~~five-year~~, any portion of the share of Safe Yield allocated to the Overlying (Agricultural) Pool is not produced, such water shall be available for reallocation to members of the Appropriative Pool, as follows:

2. Early Transfer

A. Section 1.1(o) of the Peace Agreement is amended to read as follows:

(o) “Early Transfer” means the reallocation of Safe Yield not Produced by the Agricultural Pool to the Appropriative Pool on an annual basis *after the allocations in subdivisions (a)(1) and (a)(2) of* ~~rather than according to the five-year increment described in Paragraph 10 of Exhibit “H” of the Judgment;~~

B. Section 5.3(g) of the Peace Agreement is amended to read as follows:

(g) Watermaster shall approve an “Early Transfer” of water to the Appropriative Pool ~~in an amount not less than 32,800 acre-feet per year that is the expected approximate quantity of water not Produced by the Agricultural Pool~~ *on an annual basis* ~~The quantity of water subject to Early Transfer under this paragraph shall be the greater of (i) 32,800 acre-feet of (ii) 32,800 acre-feet plus the actual quantity of water not Produced by the Agricultural Pool for that Fiscal Year that is remaining after all the land use conversions are satisfied pursuant to 5.3(hi) below.~~

- (i) The Early Transfer water shall be annually allocated among the members of the Appropriative Pool in accordance with their pro-rata share of the initial Safe Yield.
- (ii) The Transfer shall not limit the Production right of the Agricultural Pool under the Judgment to Produce up to 82,800 acre-feet of water in any year or 414,000 acre-feet in any five years as provided in the Judgment.
- (iii) The combined Production of all parties to the Judgment shall not cause a Replenishment assessment on the members of the Agricultural Pool. The Agricultural Pool shall be responsible for any Replenishment obligation created by the Agricultural Pool Producing more than 414,000 acre-feet in any five-year period.
- (iv) The parties to the Judgment and Watermaster shall Produce water in accordance with the Operating Safe Yield and shall procure sufficient quantities of Replenishment Water to satisfy over-Production requirements, whatever they may be, and avoid Material Physical Injury to any party to the Judgment or the Basin;

(v) Nothing herein shall be construed as modifying the procedures or voting rights within or by the members of the Agricultural Pool.

3. **Conversion Claims.** Subparagraph (b)(3)(i) of Exhibit H, ¶ 10 of the Judgment is amended to read as follows:

(i) For the term of the Peace Agreement *and any extension thereof*, in any year in which sufficient unallocated Safe Yield from the Overlying (Agricultural) Pool is available for such conversion claims, Watermaster shall allocate to each appropriator with a conversion claim 2.0 acre-feet of unallocated Safe Yield water for each converted acre for which conversion has been approved and recorded by the Watermaster.

4. **Controlled Overdraft.** Pursuant to section 7.2(e)(ii) of the Peace II Agreement, 175,000 acre-feet of controlled overdraft (Re-Operation water) will be allocated to Desalter replenishment over a 17-year period, beginning in 2013-14 and ending in 2029-30, according to the schedule attached as Exhibit A.

5. **New Yield.** Section 7.1 of the Peace II Agreement, entitled “New Yield Attributable to Desalters,” is deleted. It is replaced by new section 6.2(b)(ii) as set forth in section 6 below.

6. **Desalter Replenishment.** Section 6.2(b) of the Peace II Agreement is amended to read as follows:

(b) To the extent available credits are insufficient to fully offset the quantity of groundwater production attributable to the Desalters, Watermaster will use water or revenue obtained by levying the following assessments among the members of the Overlying (Non-Agricultural) Pool and the Appropriative Pool to meet any remaining replenishment obligation as follows.

(i) A Special OBMP Assessment against the Overlying (Non-Agricultural) Pool as more specifically authorized and described in amendment to Exhibit “G” paragraph ~~8(e)~~ **5(c)** to the Judgment will be dedicated by Watermaster to further off-set replenishment of the Desalters. However, to the extent there is no remaining replenishment obligation attributable to the Desalters in any year after applying the off-sets set forth in 6.2(a), the OBMP Special Assessment levied by Watermaster will be distributed as provided in section 9.2 below. The Special OBMP Assessment will be assessed pro-rata on each member’s share of Safe Yield, followed by

(ii) The members of the Appropriative Pool will contribute a total of 10,000 afy toward Desalter replenishment, allocated among Appropriative Pool members as follows:

(1) 85% of the total (8,500 afy) will be allocated according to the Operating Safe Yield percentage of each Appropriative Pool member; and

(2) 15% of the total (1,500 afy) will be allocated according to each land use conversion agency’s percentage of the total land use conversion claims, based on the actual land use conversion allocations of the year.

The annual desalter replenishment obligation contribution of each Appropriative Pool member will be calculated using the following formula:

Desalter replenishment obligation contribution = (8,500 * % Appropriator's share of total initial 49,834 afy Operating Safe Yield) + (1,500 * % Appropriator's proportional share of that year's total conversion claims)

A sample calculation of the desalter replenishment obligation contribution for each Appropriative Pool member is shown on Exhibit __ to this Peace II Agreement, as amended.

- (iii) ~~(ii)~~ ***A Replenishment Assessment against the Appropriative Pool for any remaining Desalter replenishment obligation after applying both 6(b)(i) and 6(b)(ii), allocated pro-rata to each Appropriative Pool member according to the combined total of the member's share of Operating Safe Yield and the member's Adjusted Physical Production, as defined below. pro-rata based on each Producer's combined total share of Operating Safe Yield and the previous year's actual production. Desalter Production is excluded from this calculation. A sample calculation of the allocation of the remaining desalter obligation is shown in Exhibit __ to this Peace II Agreement. However, if there is a material reduction in the net cost of Desalter product water to the purchasers of product water, Watermaster may re-evaluate whether to continue the exclusion of Desalter Production but only after giving due regard to the contractual commitment of the parties.***
- (iv) ***Adjusted Physical Production is the Appropriative Pool member's total combined physical production (i.e., all groundwater pumped or produced by the Appropriative Pool member's groundwater wells in the Chino Basin, including water transferred from the Non-Agricultural Pool under Exhibit G, ¶9 of the Judgment), with the following adjustments:***
- (1) In the case of assignments among Appropriative Pool members, or between Appropriative Pool members and Non-Agricultural Pool members under Exhibit G, ¶6 of the Judgment, resulting in pumping or production by one party to the Judgment for use by another party to the Judgment, the production for purposes of Adjusted Physical Production shall be assigned to the party making beneficial use of the water, not the actual producer.***
 - (2) Production offset credits pursuant to voluntary agreements under section 5.3(i) of the Peace Agreement are calculated at 50% of the total voluntary agreement credit in the determination of Adjusted Physical Production for an Appropriative Pool member participating in a voluntary agreement for that year. In the determination of Adjusted Physical Production, the voluntary agreement credit is subtracted from physical production. Reduction of the voluntary agreement credit from 100% to 50% is applicable only to the calculation of the Adjusted Physical Production hereunder; but in all other applications, the voluntary agreement credit shall remain unchanged (i.e. remain at 100%).***

- (3) *Production associated with approved storage and recovery programs (e.g., Dry Year Yield recovery program with MWD) is not counted in Adjusted Physical Production, except for in-lieu participation in such programs: in-lieu put quantities shall be added to physical production, and in-lieu take quantities shall be subtracted from physical production.*
- (4) *Metered pump-to-waste Production that is determined by Watermaster to be subsequently recharged to the groundwater basin is deducted from physical production; unmetered pump-to-waste production that is determined by Watermaster not to be subsequently recharged to the groundwater basin is added to physical production.*
- (5) *The Appropriative Pool may approve, by unanimous vote, the inclusion of other items in the determination of Adjusted Physical Production, with the exception of Non-Agricultural Pool water assigned or transferred under Exhibit G, ¶6 or ¶10 of the Judgment.*
- (v) *Any member of the Non-Agricultural Pool that is also a member of the Appropriative Pool may elect to transfer (a) some or all of the annual share of Operating Safe Yield of the transferor in and for the year in which the transfer occurs (except that such transfer shall exclude any dedication to the Watermaster required by section 6.2(b)(1)), and (b) any quantity of water held in storage by the transferor (including without limitation carryover and excess carryover) to any member of the Appropriative Pool, in either case at any price that the transferor and transferee may deem appropriate and for the purpose of satisfying the transferee's desalter replenishment obligation. The transferee's desalter replenishment obligation shall be credited by the number of acre-feet so transferred.*
- (vi) ~~(iii)~~ *The quantification of any Party's share of Operating Safe Yield does not include either land use conversions or Early Transfers.*

7. **Allocation of Non-Agricultural Pool OBMP Special Assessment.** The introductory sentence of section 9.2(a) of the Peace II Agreement is amended to read as follows:

- a. For a period of ten years from the effective date of the Peace II Measures, any water (or financial equivalent) that may be contributed from the Overlying (Non-Agricultural) Pool in accordance with paragraph ~~8(e)~~-5(c) of Exhibit G to the Judgment (as amended) will be apportioned among the members of the Appropriative Pool in each year as follows:

Attachment: Peace Agreement, Section 7.2 (e)(ii)

Schedule for Use of Re-Operation Water**, and
 Calculation of Remaining Desalter Replenishment Obligation (DRO)
 Production from 2017-18 through 2029-30 is estimated

Production Year	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Peace I Desalter Production	29,227.997	29,541.300	27,008.810	26,275.588	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000
Peace II Desalter Production	14.555	448.690	1,154.052	1,527.215	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000
Appropriative Pool DRO Contribution	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)
Re-Operation Water**	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)	(12,500.000)
Non-Agricultural Pool Assessment	0.000	0.000	0.000	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)
Remaining DRO	6,742.552	7,489.990	5,662.862	4,567.803	16,765.000	16,765.000	16,765.000	16,765.000	16,765.000

Production Year	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Peace I Desalter Production	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000	30,000.000
Peace II Desalter Production	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000	10,000.000
Appropriative Pool "DRO Contribution	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)	(10,000.000)
Re-Operation Water**	(12,500.000)	(12,500.000)	(12,500.000)	(5,000.000)	(5,000.000)	(5,000.000)	(5,000.000)	(5,000.000)
Non-Agricultural Pool Assessment	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)	(735.000)
Remaining DRO	16,765.000	16,765.000	16,765.000	24,265.000	24,265.000	24,265.000	24,265.000	24,265.000

Attachment: Peace II Agreement, Section 6.2(b)(ii)

Allocation of Appropriative Pool Desalter Replenishment Obligation (DRO) Contributions (by agency)

Production Year 2013-14 Desalter Replenishment Obligation (DRO) Contribution:

10,000.000 AF

	Production Year 2013/14 Common Data (Headings from Approved 2014/2015 Assessment Package)			Methodology for 85/15 split between shares of Operating Safe Yield and % of Land Use Conversions		
	a	b	c = %b	d = (DRO Contrib*.85)*a	e = (DRO Contrib*.15)*c	f = d + e
Appropriative Pool Party	Percent of Operating Safe Yield (Column 2A)	Land Use Conversions (Page 12A)*	Percent of Land Use Conversions	85% DRO Contribution Based on Percent of Operating Safe Yield	15% DRO Contribution Based on Percent of Land Use Conversions	Desalter Replenishment Obligation Contribution
Arrowhead Mtn Spring Water Co	0.000%	0.000	0.000%	0.000	0.000	0.000
Chino Hills, City of	3.851%	1,133.906	4.334%	327.335	65.013	392.348
Chino, City of	7.357%	7,623.064	29.138%	625.345	437.074	1,062.419
Cucomonga Valley Water District	6.601%	598.364	2.287%	561.085	34.308	595.393
Fontana Union Water Company	11.657%	0.000	0.000%	990.845	0.000	990.845
Fontana Water Company	0.002%	834.000	3.188%	0.170	47.818	47.988
Fontana, City of	0.000%	0.000	0.000%	0.000	0.000	0.000
Golden State Water Company	0.750%	0.000	0.000%	63.750	0.000	63.750
Jurupa Community Services District	3.759%	13,876.196	53.040%	319.515	795.602	1,115.117
Marygold Mutual Water Company	1.195%	0.000	0.000%	101.575	0.000	101.575
Monte Vista Irrigation Company	1.234%	0.000	0.000%	104.890	0.000	104.890
Monte Vista Water District	8.797%	55.075	0.211%	747.745	3.158	750.903
Niagara Bottling, LLC	0.000%	0.000	0.000%	0.000	0.000	0.000
Nicholson Trust	0.007%	0.000	0.000%	0.595	0.000	0.595
Norco, City of	0.368%	0.000	0.000%	31.280	0.000	31.280
Ontario, City of	20.742%	2,041.095	7.802%	1,763.070	117.028	1,880.098
Pomona, City of	20.454%	0.000	0.000%	1,738.590	0.000	1,738.590
San Antonio Water Company	2.748%	0.000	0.000%	233.580	0.000	233.580
San Bernardino, County of (Shooting Park)	0.000%	0.000	0.000%	0.000	0.000	0.000
Santa Ana River Water Company	2.373%	0.000	0.000%	201.705	0.000	201.705
Upland, City of	5.202%	0.000	0.000%	442.170	0.000	442.170
West End Consolidated Water Co	1.728%	0.000	0.000%	146.880	0.000	146.880
West Valley Water District	1.175%	0.000	0.000%	99.875	0.000	99.875
	100.000%	26,161.700	100.000%	8,500.000	1,500.000	10,000.000

Attachment: Peace II Agreement, Section 6.2 (b)(iii)

Allocation of Appropriative Pool Remaining Desalter Replenishment Obligation (RDRO)

Production Year 2013-14:

acre-feet

CDA Production - Peace I Allocation

29,227.997

CDA Production - Peace II Allocation

14.555

Total Desalter Replenishment Obligation (Total DRO):

29,242.552

Desalter Replenishment Obligation Contribution (DROC)

(10,000.000)

Re-Operation Water

(12,500.000)

6,742.552

Appropriative Pool Party	Operating Safe Yield	Production Year 2013/14 Common Data (From Approved 2014/2015 Assessment Package - Appendix A)						Methodology for Calculation of Adjusted Physical Production (APP)	Methodology for Calculation of "RDRO"
		a	b	c	d	e	f		
Assessment Package Page 2A: Column 2D	Physical Production	Voluntary Agreements (w/Ag)	Assignments (w/Non-Ag)	Storage and Recovery Programs	Other Adjustments			Individual Party RDRO = ((a+APP)/(Total a + Total APP)) * RDRO	
Arrowhead Mtn Spring Water Co	0.000	379.111	0.000	0.000	0.000	0.000	379.111	15.905	
Chino Hills, City of	2,111.422	2,150.925	(286.221)	0.000	0.000	5,359.300	7,367.115	397.669	
Chino, City of	4,033.857	6,725.430	(6,686.440)	(104.278)	0.000	65.288	3,277.932	306.764	
Cucamonga Valley Water District	3,619.454	16,121.550	0.000	0.000	0.000	0.000	16,121.550	828.227	
Fontana Union Water Company	6,391.736	0.000	0.000	0.000	0.000	0.000	0.000	268.163	
Fontana Water Company	1.000	15,377.579	0.000	0.000	0.000	0.000	15,377.579	645.203	
Fontana, City of	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Golden State Water Company	411.476	736.362	0.000	0.000	0.000	0.000	736.362	48.157	
Jurupa Community Services District	2,061.118	18,406.630	0.000	(379.499)	0.000	(8.784)	18,018.347	842.427	
Marygold Mutual Water Company	655.317	1,314.734	0.000	0.000	0.000	0.000	1,314.734	82.653	
Monte Vista Irrigation Company	676.759	0.000	0.000	0.000	0.000	0.000	0.000	28.393	
Monte Vista Water District	4,823.954	12,521.892	(151.480)	0.000	0.000	(5,371.667)	7,074.485	499.195	
Niagara Bottling, LLC	0.000	1,342.588	0.000	0.000	0.000	0.000	1,342.588	56.328	
Nicholson Trust	4.000	0.000	0.000	0.000	0.000	0.000	0.000	0.168	
Norco, City of	201.545	0.000	0.000	0.000	0.000	0.000	0.000	8.456	
Ontario, City of	11,373.816	21,980.342	(4,428.101)	(1,855.196)	0.000	0.000	17,911.096	1,228.639	
Pomona, City of	11,215.852	12,909.293	0.000	0.000	0.000	0.000	12,909.293	1,012.163	
San Antonio Water Company	1,506.888	1,159.242	0.000	0.000	0.000	0.000	1,159.242	111.857	
San Bernardino, County of (Shooting Park)	0.000	16.390	0.000	0.000	0.000	0.000	16.390	0.688	
Santa Ana River Water Company	1,301.374	0.000	0.000	0.000	0.000	48.515	48.515	56.634	
Upland, City of	2,852.401	2,822.046	0.000	0.000	0.000	0.000	2,822.046	238.070	
West End Consolidated Water Co	947.714	0.000	0.000	0.000	0.000	0.000	0.000	39.761	
West Valley Water District	644.317	0.000	0.000	0.000	0.000	0.000	0.000	27.032	
54,834.000	113,964.114	(11,552.242)	(2,338.973)	0.000	92.652	105,876.384	6,742.552		

Agenda Item No. 6B

Item Title: Consideration for 9/80 Work Schedule

Purpose:

To consider a change in Company standard operating hours from 8-hour work days Monday thru Friday, to 9-hour work days Monday thru Thursday, and rotate working an 8-hour Friday with closing the Company on the alternate Friday.

Issue:

Shifting to a 9/80 work schedule

Manager's Recommendation:

Per AFC recommendation, authorize a 9/80 work schedule taking effect March 1, 2019 including a 6-month review and status update.

Background:

As discussed by the Board at its November 13, 2018 regular meeting, staff has requested switching to a 9/80 work schedule, whereby the Company stays open nine hours each work day Monday through Thursday and eight hours every other Friday and closes every alternate Friday. Employees work a full 80-hour two-week work schedule.

After its November discussion, the Board directed staff to conduct outreach to Company shareholders and solicit feedback. To date, staff has provided an article in the Company's December newsletter requesting feedback and met with the San Antonio Heights Association at their January Board Meeting. Staff received no feedback from the newsletter article. Staff received generally positive feedback from the SAHA Board, with concern that there always be a 'live person' to deal with any emergency situations. Staff assured the SAHA Board that there will always be a 'live person' available to handle emergency phone calls and mobilize crews when necessary – 24 hours a day, 7 days a week.

Staff is unaware of any negative feedback to date.

The proposed hours of operation are as follows:

<u>Office</u>		<u>Field*</u>	
M through Th	7 a.m. to 5 p.m.	M through Th	6:30 a.m. to 4:00 p.m.
Fri One	7 a.m. to 4 p.m.	Fri One	6:30 a.m. to 3:00 p.m.
Fri Two	Closed	Fri Two	Closed

If approved, the switch to a 9/80 work schedule would begin March 1, 2019 as the first open Friday. The first closed Friday would be March 8, 2019. Staff is prepared to make the necessary changes to the Company Office Hours notifications; front door, website, phone system, etc. Additionally, staff will conduct outreach by website, newsletter and Facebook, notifying shareholders of the new office hours.

Agenda Date: November 13, 2018

Previous Action:

Presented to the AFC on October 23, 2018. Committee recommended bringing to the Board for consideration and authorization of the 9/80 work schedule beginning 2019 with vote by staff and 6-month status update.

Presented to the full Board on November 13, 2018. Board requested that the Company conduct outreach to the San Antonio Heights and return for consideration.

Impact on Budget:

Increase of \$5,000 for On Call rounds.

Agenda Item No. 6C

Item Title: Upcoming Directorship Elections

Purpose:

Discuss current status regarding City of Upland's process to nominate individuals for the three Directorships up for election this year.

Issue:

Three directorships are up for election at this year's annual meeting, to be held April 9, 2019.

Manager's Recommendation:

Staff recommends taking no action at this time.

Background:

Pursuant to Article II of the Bylaws, Section 2.04 "Notice of Shareholders' Meetings", if the Company intends to present any nominees for election as director(s), it must present the names of those nominees with the notice of the meeting.

Current Directors with expiring terms:

- Director Will Elliott
- Director Sue Sundell (vacated)
- Director John Gerardi (retiring)

The City of Upland originally proposed the following candidates at their February 11, 2019 Council Meeting:

- Director Will Elliott (Incumbent)
- Sid Robinson
- Linden Brouse

At the Council Meeting, San Antonio Height's resident Martha Gross, Councilmember Felix, Councilmember Zuniga and Councilmember Velto expressed an interest in being a Company Director.

After debate, the Council nominated incumbent Will Elliott to continue serving as a Company Director. The remaining two positions were left without a recommendation. The City will continue discussion at the February 25, 2019 Council Meeting.

At the City's request, staff has agreed to encourage the Board to delay any action until the City has selected a full slate of nominees.

Staff intends to deliver notice of the Annual Meeting in early March. If the Company intends to present nominee's, the names must be included with the meeting notice. To include nominee names with the notice a special meeting of the Board will be required in late February or early March. Should there be no presentation of nominees by the Company, then all nominations for office of director must occur at the appropriate time during the annual meeting. Balloting will then be conducted using printed card ballots with the desired nominee's names being written-in by the voting shareholder or their designated proxy and presented for ballot counting.

Agenda Date: February 19, 2019

Impact on the Budget:

None

Previous Actions:

Historically the Company has selected and presented nominees with the notice of the Annual Meeting.

Agenda Item 6D

Item Title: Conservation Programs Update

Purpose:

Update on the Company's existing water conservation programs

Staff Report:

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

I. Local Assistance in meeting Best Management Practices

Inland Empire Utilities Agency (IEUA) Regional Conservation Workgroup

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

Conservation rebates given and programs utilized: (Fiscal year 2018-2019) – As of 11/30/2018

<i>IEUA Residential Rebate Programs-(Fiscal year)</i>	<i>Devices/ Rebates</i>	<i>Est. gallons saved/ device/year</i>	<i>Total est. gallons saved per year*</i>	<i>BMP</i>
<i>High Efficiency Clothes Washers</i>	0	11,243		3
<i>Rotating Nozzles</i>	0			
<i>Weather Based Irrigation Controllers</i>	2	105,917	211,834	
<i>Residential Landscape Retrofit Program</i>	0		n/a	5
<i>High Efficiency Toilets (premium)</i>	0	13,851		3
<i>Rain Barrels</i>	0	619		
<i>Landscape Audit</i>	0	3485	n/a	3
<i>Pressure Regulator Valve Program</i>	0		n/a	
Total Savings for calendar year – thru 11/30/2018				

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

II. SAWCo Efforts in meeting Best Management Practices as of 11/30/2018

<i>SAWCo Programs-(Calendar year)</i>	<i>Total Budget:</i>	<i>Devices/Rebates</i>	<i>Est. gallons saved per device per year</i>	<i>Total est. gallons saved per year</i>	<i>BMP</i>
<i>Leak Detection</i>	<i>Approved \$4,000 Cost: \$3,750</i>	13	n/a	n/a	
Total leak Detection		13			
<i>Toilet Direct Installation</i>	<i>Approved \$5,000 Cost: \$5,215</i>	19	15,600	296,400	1.2

February 19, 2019

SAWCo Wholesale Agencies Assistance- Toilet Direct installation	Budget: \$21,000 Cost: \$16,530	62	15,600	967,200	
TOTAL		81		1,263,600	1.1.3

BMP 1.1.2 Water waste prevention:

On 3/1/2017, the board approved the reduction from the “High Shortage Stage” to the “Moderate Shortage Stage”.

Violations recorded to date:

As of Date	Excessive Run-off (BMP 1.1.2)	Leak notices (BMP 1.2)	Incorrect irrigating time	Incorrect irrigating days	Total Notifications	Total Fines
3/31/2016	2	3	5	8	11	
6/30/2016	3	2	24	8	27	0
8/31/2016	2		22	40	41	12
9/30/2016	6		14	13	14	14
12/30/2016	4		6	4	8	1
3/31/2017	1		1	1		1
12/31/2017	4	2			4	0
3/30/18	1				1	1
5/30/18	1				1	0
11/30/2018	2				2	0

Previous Actions:

None.

Impact on the Budget:

Implementation of fines.

As of 11/30/18, San Antonio Water Company shareholders had minimal activity within the IEUA Assistance Programs and also Rebates thru Socialwatersmart.com. The following has occurred:

Design assistance – 0

Landscape assistance – 1

Pressure Regulator Valve – 0

Turf removal – 0

Residential Landscape Program – 0

MET – 2 Weather Based Irrigation Controller (WBIC) rebates for SAWCo customers