



# SAN ANTONIO WATER COMPANY

## BOARD OF DIRECTORS MEETING

Tuesday, October 16, 2018

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 September 18, 2018.
- B. Planning, Resources, and Operations Committee (PROC) Meeting Minutes  
Meeting Minutes of July 24, 2018.
- C. Administration and Finance Committee (AFC) Meeting Minutes  
No meeting minutes to report.
- D. Financial Statement  
Income Statement and Balance Sheet for August 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  
Next meeting will be held on October 4, 2018..
- E. Administration and Finance Committee (AFC) Chairman's Report  
No meeting to report.
- F. Planning, Resources, and Operations Committee (PROC) Chairman's Report  
Report on September 25, 2018 meeting.
- G. Office Feasibility Study Ad Hoc Committee  
No meeting to report.

6. General Manager's Report on Activities

- A. Designations and Authorities  
Approve Resolution No. 2018.10.01 appointing GM as Assistant Secretary/ Assistant CFO
- B. Water Supply Projection  
Recommendation to adopt annual entitlement for CY2019
- C. Rauch Communications PR Proposal  
Recommend engaging with PR firm
- D. Designations and Authorities  
Approve GM as alternate to Chino Basin and primary to Six Basins
- E. Conservation Programs Update  
Receive and file report
- F. Project Status Report  
Verbal report.

7. Closed Session: If needed.

Water Rights Investigation –Mt. Baldy Area (§54956.9 (c))

8. Director's Comments and Future Agenda Items:

Adjournment:

*The next regular Board Meeting will be held on Tuesday, November 13, 2018 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 October 11, 2018 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, September 18, 2018**

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, Will Elliott, Sue Sundell, John Gerardi, Bob Cable, and Gino Filippi. Also in attendance were residents Thomas McCarthy and Peter Cherback, and SAWCo's outgoing General Manager Charles Moorrees, incoming General Manager Brian Lee, Assistant General Manager Teri Layton, and Senior Administrative Specialist Kelly Mitchell. Director Thomas presided.

- Salute to the Flag led by Mr. Moorrees
- 1. Recognitions and Presentations: Mr. Moorrees recognized SAWCo's incoming General Manager, Brian Lee.

Mr. Moorrees also brought the Board's attention to a letter received from Cucamonga Valley Water District (CVWD) regarding California Water Professionals Appreciation Week which begins the first Saturday in the month of October.

A picture from the 14<sup>th</sup> Annual San Antonio Canyon Watershed Clean-up Day was shown.

Added to the agenda is Item 6I, Assistant Secretary Designation.

- 2. Additions-Deletions to the Agenda: None.
- 3. Shareholder-Public Testimony: Mr. Peter Cherbak spoke to the Board regarding SAWCo Stock Auctions. He questioned whether there was a different procedure that can be followed so that individuals and small business owners do not have to submit cashier's checks with each auction bid.

Director Thomas stated staff has been following legal counsel's recommendations for stock auctions.

Mr. Moorrees added the cashier's check guarantees the monies bid on the stock will be collected whereas an individual's or small business owner's check does not provide guaranteed payment. He also pointed out the only difference between the bidding procedure for individual's or small business owners and local government agencies are the types of checks accepted.

- 4. Consent Calendar Items:
  - A. Approval of Board Meeting Minutes  
Regular Meeting Minutes of August 21, 2018.
  - B. Planning, Resources and Operations Committee (PROC) Meeting Minutes  
No meeting minutes to report.
  - C. Administration and Finance committee (AFC) Meeting Minutes  
Meeting minutes of June 25, 2018.
  - D. Financial Statement  
Income Statement and Balance Sheet for July 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 –
- IEUA Letter 8-23-18 – Monthly MEU Charge.
  - Tolle Azalea & Rose Company – 8-31-2018 Letter to not extend current lease/20<sup>th</sup> Street Site.

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

5. Board Committee – Delegate Report:

- A. Pomona Valley Protective Association (PVPA) Representative's Report** – Director Thomas reported on the September PVPA meeting. The report item on monthly water spread shows no water is being spread at this time.

The City of Pomona is contracted to provide weed abatement on PVPA properties. The new contract submitted includes a modest rate increase.

Holliday Rock is slowly moving forward with their mining application for Pit 3 and Pit 4 with the City of Claremont. This application may not be completed until after the November elections.

For several years PVPA has contributed funds to certain components of the Six Basins Watermaster budget. This contribution helps with special projects in the basin. An expected surplus is expected again this budget year which will allow PVPA to contribute to the Six Basins Watermaster once again.

- B. Six Basins Representative Report** – Mr. Moorrees reported on the Six Basins Watermaster meeting on Mr. Tommy Hudspeth's behalf.

During the August meeting a temporary request for change of representation for Three Valleys Municipal Water District (TVMWD) was approved. Mr. Matt Lychfield, Assistant General Manager of TVMWD, will be representing the district.

An oral update on the well-siting study for new monitoring wells was provided by the Watermaster.

Mr. Darron Paulsen informed Watermaster Board there would be no Ad-Hoc Committee for the MS4 Permittee Collaboration.

Director Thomas informed all in attendance of the Six Basins Watermaster Board meeting of SAWCo's new General Manager, Brian Lee.

A welcome was given to the new representative for Pomona College. The position was open on the Six Basins Watermaster Board due to the retirement of John Giboney.

A Strategic Planning Workshop was held immediately following the Board meeting. Jericho Systems, the consultant for the Programmatic Environmental Impact Report (PEIR), provided an overview of the process. There was an update on the preliminary 2018 model calibration results. The Six Basins Watermaster Board also requested comments for the Notice of Preparation of the PEIR.

- C. Chino Basin Representative Report** – Ms. Layton reported on the Safe Yield process. At the Appropriative Pool (AP) meeting held September 13<sup>th</sup>, the AP approved the 2018 agreement to Judgment and CAMA amendments including Exhibit A. This agreement was subject to the following: 1) There is a clarification that the desalter replenishment formula, with respect to Adjusted Physical Production, includes the production of Exhibit G Section 9 transferred water from the non-agriculture Pool to the AP; 2) Non-Agriculture's Pooling Plan is refined to match the agreement; 3) Conditional of governing Party's Board approval; and 4) Watermaster understands the agreement and explains

its implementation. The AP has a closed session meeting on September 20<sup>th</sup> to discuss both Non-Agriculture's and Agriculture's comments and how to proceed.

The court hearing regarding staying the Judgment is set for December 28, 2018 at 1:30 p.m.

The Storage Framework Final Workshop recently took place with Mark Wildermuth, engineer for Chino Basin Watermaster, providing a presentation on the Storage Framework. The next phase will be the Storage Management Plan. This will be where a lot of the work will take place.

**D. Cucamonga Basin Representative Report** – Mr. Moorrees reported a management meeting is scheduled for October 4, 2018.

**E. Administration and Finance Committee (AFC) Chairman's Report** – Director Sundell reported on the AFC meeting.

**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:

**I. Assistant Secretary Designation** – Mr. Moorrees requested the Board designate Brian Lee, the incoming General Manager, as the Assistant Secretary of SAWCo.

Director Elliott advised a Corporate Resolution is needed in order to change the designation.

Director Elliott moved and Director Cable seconded to bring a resolution for a change in designation of the Assistant Secretary to the next meeting for approval. Motion carried unanimously via voice vote.

**A. Compensation Policy** – Mr. Moorrees presented a policy to the Board as part of the required Internal Revenue Service (IRS) Form 990. This policy provides an annual process for determining compensation to evaluate the Executive and his/her performance and ask for his/her input on matters of performance and compensation and to approve compensation for other highly compensated employees as well as compensation for Directors.

This item was previously brought to the AFC for recommendation to the Board.

Mr. Moorrees recommended the Board agree with the AFC by adopting the compensation policy as presented.

Director Gerardi moved and Director Elliott seconded to approve the General Manager's recommendation. Motion carried.

**B. Stock Certificate Policy** – Items 6B and 6C were combined into one vote as the items are related to one another.

Mr. Moorrees advised there are no established guidelines for pledges on water stock certificates. The presented policy provides for the removal of any mention of pledge's on water stock certificates with the ability to have a pledge when certain requirements are met.

**C. Stock Transfer Policy** – Mr. Moorrees presented a stock transfer policy change to provide guidance to shareholders and potential shareholders on how to transfer water shares.

Director Elliott moved and Director Cable seconded the approval of the Stock Certificate Policy and Stock Transfer Policy as presented. Motion carried.

- D. Nationwide 401K Investments** – Mr. Moorrees explained that although staff had received approval to move to a new 401k platform, when reviewing the contracts for the new plan questions regarding fees and penalties arose. After presenting this new information to the AFC, the Committee wanted clarification on a couple of items.

Ms. Layton reported the AFC requested staff inquire with Nationwide on two items; 1.) Instead of basing the termination fee on 15% of employees leaving the plan constituting a rate change could it be based on a dollar amount? and, 2.) What are the tax consequences for the employees if the Company were to pay the surrender fees?

Mr. Moorrees reported that Nationwide could not change the termination fee based on a percentage of employees leaving the plan. Also, according to SAWCo's tax consultant, to pay the surrender fees for those employees that would incur them would be an equity issue in his opinion.

The Board was advised that those subjected to surrender fees can choose to keep their monies in the original 401K until they reach eligibility. They can also choose to bring over the maximum amount allowed to the new plan without surrender fees and keep the remaining amount in their original 401K or pay the surrender fees and move all of their monies over to the new plan.

Mr. Moorrees recommended the Board adopt the plan as presented with termination fees based on 15% of employees leaving the plan constituting a rate change and employees who are not 59 ½ years old or have not contributed for 15 or more years being required to pay surrender fees when moving all monies to the plan.

Director Sundell moved and Director Gerardi seconded the General Manager's recommendation. Motion carried.

- E. Vacation Policy** – Mr. Moorrees advised the Board that SAWCo's current vacation policy states that new full-time employees can accrue vacation time but cannot use the accrued time until they've completed one year of employment.

Mr. Moorrees recommended the Board agree with the AFC and amend the policy to allow use of accrued vacation without having to complete one year of employment.

Director Cable moved and Director Elliott seconded to approve the General Manager's recommendation. Motion carried.

- F. Disposal of Records** – Mr. Moorrees informed the Board that SAWCo keeps record of the items they dispose. A copy of the items for approval to destroy was included in the Board Meeting Agenda Packet.

Director Elliott moved and Director Cable seconded to approve the destruction of items presented. Motion carried.

- G. CY2018 Mid-Year Budget Review** – Mr. Moorrees reported a projected positive balance for CY2018. There may be a variance of \$100,000 if SAWCo is unable to sell stored water.

Director Elliott moved and Director Sundell seconded to receive and file the Mid-Year Budget report as presented. Motion carried.

**H. Project Status Report –**

- **Holly Drive Reservoir** – Plans have been received and are being review. The item is budgeted for 2018 but may carryover to 2019.
- **WFA Pipeline Connection** – Staff is working with WFA staff who is working with the Department of Drinking Water (DDW). Once approval is received from DDW and the WFA Board, SAWCo can move forward with installing the 300 feet of pipeline.
- **Cucamonga Basin – Desilting project at crosswalls** – Staff sent an amended notice to proceed to allow for work on Task A of the project to extend to November 16<sup>th</sup>.
- **Basin 6 Desilting** – SAWC has received environmental approval and is awaiting the electronic permit. Pre-construction meeting is scheduled for September 28<sup>th</sup>. The cost of the project may be reduced due to little or no water needing to be pumped out and less silt to be removed.
- **Water Rights Investigation** – A closed session is scheduled for the next PROC to discuss the next steps for the investigation. A proposal from a public relations firm will be discussed as well.
- **Office Relocation Study** – The City of Upland will soon be receiving a loan from the State to purchase the property from SAWCo to build a reservoir. There is a possibility of reverse condemnation on the property to allow SAWCo to use the monies received over a longer period of time without it impacting the 85/15 rule.
- **Well 31 Biological Treatment** – MIH is using a different filtration system to reduce the cost of the treated water to \$330 per acre foot (AF). The cost is still not compatible with SAWCo's water rates. SAWCo also must be careful as Well 31 pumps water from Cucamonga Basin and SAWCo is near their limit for safe yield production in that basin.
- **Water Delivery Connection to the City of Upland** – Pending the City of Upland's permit amendment application approval from DDW.
- **Holly Drive Boosters** – All underground piping is complete. Electrical equipment is being installed. The project is expected to be completed by the end of the year.
- **SCADA Upgrade** – A meeting is scheduled with TESCO towards the end of the week. The project is slightly behind schedule.
- **Reservoir 7 Rehabilitation** – Staff has met with the engineer on the project. Draft plans have been received and are currently being reviewed. This item may carryover to 2019.

Mr. Moorrees advised the Board of a potential matter. A shareholder with a residence located between SAWCo's reservoir and hydro station has complained about a low frequency hum he hears when water runs through the pipeline and penstock line on the property. These facilities have been located on the property prior to the house being built. The cost to demolish the structure is \$90,000 and the cost to relocate the pipelines would range between \$200,000 and \$300,000. A records act request regarding facilities on and communication about this property and its facilities was received from the shareholder's attorney.

7. Closed Session: None.

8. Director's Comments and Future Agenda Items: Director Cable clarified that the bid process for SAWCo water stock auctions is the same for everyone that bids. There is no difference in the process for bids received by individuals, business, and municipalities except that a public agency can submit and agency check.

Ms. Layton verified Director Cable's statement.

Director Thomas expressed his enjoyment working with Mr. Moorrees over the years and wished him well in retirement.

Adjournment: Seeing no further business, the meeting was adjourned at 5:40 p.m.

September 18, 2018

The next Board Meeting will be held on Tuesday, October 16, 2018 at 5:00 p.m.

---

Assistant Secretary  
Brian Lee



MINUTES OF THE SAN ANTONIO WATER COMPANY  
PLANNING, RESOURCES, and OPERATIONS COMMITTEE  
July 24, 2018

An open meeting of the Planning, Resources, and Operations Committee (PROC) of the San Antonio Water Company (SAWCo) was called to order at 3:01 p.m. on the above date at the company office located at 139 N. Euclid Avenue, Upland, California. Committee members present were Will Elliott, Gino Filippi, and Tom Thomas. Also in attendance were SAWCo's General Manager Charles Moorrees, Assistant General Manager Teri Layton, and Senior Administrative Specialist Kelly Mitchell. Mr. Elliott presided.

1. Recognitions and Presentations – None.
2. Additions-Deletions to the Agenda – None.
3. Public Comments – None.
4. Approval of Committee Meeting Minutes:
  - A. ***Regular Committee Minutes of May 22, 2018*** – Mr. Thomas moved and Mr. Filippi seconded to approve the meeting minutes of May 22, 2018. Motion carried.
5. Planning and Operational Issues:
  - A. ***Calmat – Water Service Agreement*** - Mr. Moorrees explained that last year Calmat/Vulcan Materials requested transfer of its entitlement from its Chino Basin stored water account. Though not a party in the Appropriative Pool in Chino Basin at that time, Calmat/Vulcan Materials has since successfully intervened into the Appropriative Pool. Recently, SAWCo approved a request to transfer 4.375 acre feet (AF) of water. As such, legal counsel has asked staff to consider a water service agreement with Calmat/Vulcan Materials.

The Committee reiterated policy that requires a minimum of 100 shares in the water company in order to warrant the possibility of a water service agreement. There was consensus on the Committee that a water service agreement with Calmat/Vulcan Materials was not necessary.

The item was received and filed with no action.

- B. ***Mt. Baldy Agency Water Use*** – Mr. Moorrees advised the Committee that staff monitors San Antonio Canyon Mutual Service Company and Chapman Ranch water usage. Last year staff noticed the entities were using more water than they have rights to use. At that time, staff prepared a letter to both entities but held off sending it because SAWCo staff was meeting with the State Water Resources Control Board regarding water rights issues.

Staff presented the letter to the PROC for discussion and recommendation on the appropriate next steps.

The Committee discussed a few revisions and edits to the letter and advised it be mailed certified, return receipt.

Mr. Thomas moved and Mr. Filippi seconded to recommend the Board approve updating the letter as discussed and sending it certified, return receipt to the recipients. Motion carried.

**C. *Water Rights Investigation*** – Mr. Moorrees updated the PROC on the status of the water rights investigation. He gave a brief recap of the steps taken thus far in the investigation and asked the Committee to provide their recommendations for the next steps to take.

Mr. Elliott recommended this item be discussed in closed session with special counsel at the next Board meeting.

There was consensus on the Committee to bring this item to the next Board meeting as a closed session with special counsel.

6. Planning and Operational Update -

**A. *Project Status Report*** –

- ***Cucamonga Crosswalls Repair & Desilt*** – Grubbing began the previous Wednesday. A portion of the haul route has been graded.
- ***Basin 6 Desilting*** – The 401 permit was rejected again. SAWCo was asked if they would like to apply for the permit separate from the San Bernardino County. SAWCo will likely apply for the permit on their own to speed up the approval process.
- ***Santa Rosa Waterline & 24<sup>th</sup> Street Waterline Installation*** – Work on both projects began earlier in the day. A hydrant will be placed at the end of 24<sup>th</sup> Street at the completion of the projects which will allow for a water source for the Cucamonga Crosswalls project.
- ***WFA Pipeline Connection*** – SAWCo's engineering consultant, Civiltec Engineering, is still working with WFA to gather all requirements needed to complete the design of the project.
- ***Holly Drive Booster*** – Engineering design is complete. Electrical proposal has been received.
- ***Holly Drive Reservoir*** – Environmental documents and structural forms are being prepared. Ninety percent plans are expected shortly.
- ***SCADA System Upgrade*** – Management approved software submittal. Projected start date is October 4<sup>th</sup>.
- ***Interstate 10 Corridor Project*** – San Bernardino County Transportation Authority plans to add lanes to the I-10 freeway. They will be appraising the property SAWCo owns that is impacted by the expansion and paying SAWCo for the access to the site.
- ***Edison Pond*** - New Sluice Gate Replacement – Staff is working with South Bay Foundry to design the trash gate.
- ***Forebay Surface Waterline*** – The project is complete sans paving.

Mr. Moorrees advised the Committee that the Board previously approved an additional operational expense to replace the motor for Well 24 and the air conditioning unit at Well 31. A new motor has been installed in Well 24 and the old motor is being repaired. Staff is waiting on the new air conditioning unit for Well 31.

Mr. Moorrees informed the Committee SAWCo's Truck #5, the pump truck, is having transmission problems. They have found metal shavings in the oil pan. The motor needs to be replaced at a cost of \$10,000.

Mr. Moorrees brought to the attention of the Committee the draft funding strategy for the proposed office relocation. The City of Upland is in the process of obtaining SR Funding for the reservoir they plan to build on the southeast corner of SAWCo's property at Benson Avenue and 17<sup>th</sup> Street. Mr. Moorrees stated he will inquire with the City of Upland Public Works Director, Rosemary Hoerning, whether they will do an inverse condemnation on the property to allow SAWCo three years to spend the money they receive for the property.

Mr. Thomas felt the funds from the sale of the property could instead go towards a water treatment facility. He questioned whether gaining the efficiency of having both the office and yard facilities at the same location and the convenience for the San Antonio Heights shareholders is worth the money. He thought it may be possible that the money could be better spent building facilities.

7. Basin Issues and Updates

- ***San Antonio Canyon Watershed*** – The Watershed Clean Up Day is scheduled for Saturday, September 8<sup>th</sup>.
- ***Six Basins*** – The Six Basins Board meeting is scheduled for July 25, 2018.
- ***Cucamonga Basin*** – A meeting is scheduled with Cucamonga Valley Water District, West End Consolidated Water Company, and SAWCo to discuss basin management.
- ***Chino Basin*** – Ms. Layton reported the court hearing for the Annual Report and staying the judgment was moved to August 17<sup>th</sup>.

Watermaster drafted an agreement that has upset some of the parties in the Appropriative Pool. The item will be discussed at the meeting this week. A Tolling Agreement is also being proposed.

8. Committee's Comments and Future Agenda Items: – None.

Adjournment: – The meeting was adjourned at 3:49 p.m. Motion carried.

---

Assistant Secretary  
Brian Lee



San Antonio Water Company, CA

# Item 4D Income Statement

## Group Summary

For Fiscal: 2018 Period Ending: 08/31/2018

IncomeStatement	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>Category: 4 - Income</b>					
<b>SubCategory: 40 - Shareholder Revenue</b>					
1185 - Domestic Water Income (Base)	230,636.01	230,636.01	59,885.23	162,601.38	68,034.63
1215 - Domestic Water Income (Supplemental)	306,135.00	306,135.00	53,224.96	139,827.18	166,307.82
1220 - Domestic Water Income (Tier 3)	150,000.00	150,000.00	69,218.37	177,722.97	-27,722.97
1230 - Domestic Water Income (Readi/Chrg)	201,333.00	201,333.00	33,180.63	132,828.59	68,504.41
1235 - Domestic Water Availability Charge (WAC)	60,480.00	60,480.00	9,979.80	39,603.91	20,876.09
1245 - Municipal Water Income (Base)	2,732,080.00	2,732,080.00	203,001.12	1,804,230.53	927,849.47
1268 - Municipal Water Income (Readi/Chrg)	79,800.00	79,800.00	6,650.00	53,200.00	26,600.00
1274 - Misc Water Income (Base)	234,192.00	234,192.00	28,566.46	136,960.47	97,231.53
1275 - Misc Water Income (Supplemental)	256,363.00	256,363.00	5,074.15	92,554.36	163,808.64
1276 - Munnicipal Water Availability Charge (WAC)	493,536.00	493,536.00	39,690.00	317,520.00	176,016.00
1280 - Misc Water Income (Tier 3)	3,000.00	3,000.00	0.00	13,555.81	-10,555.81
1288 - Misc Water Income (Readi/Chrg)	23,500.00	23,500.00	2,070.00	16,210.00	7,290.00
1290 - Misc Water Availability Charge (WAC)	44,592.00	44,592.00	1,922.00	15,376.00	29,216.00
1295 - Dormant Water Availability Charge (WAC)	14,722.00	14,722.00	8,890.13	35,901.75	-21,179.75
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	510.00	3,150.00	850.00
1410 - Late/Re-establishment Fee	6,181.00	6,181.00	715.00	4,110.00	2,071.00
1420 - Return Check Fee	167.00	167.00	0.00	75.00	92.00
1430 - Stock Certificate Storage and Handling Fee	100.00	100.00	60.00	160.00	-60.00
<b>SubCategory: 40 - Shareholder Revenue Total:</b>	<b>5,040,817.01</b>	<b>5,040,817.01</b>	<b>522,637.85</b>	<b>3,145,587.95</b>	<b>1,895,229.06</b>
<b>SubCategory: 42 - Non-Shareholder Revenue</b>					
1725 - Misc. Income	1,623.00	1,623.00	0.09	1.11	1,621.89
1728 - Plans & Spec Fee	0.00	0.00	0.00	75.00	-75.00
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	58.21	423.93	376.07
1753 - Ground Lease Income	55,000.00	55,000.00	4,707.84	34,814.00	20,186.00
1755 - Interest Earned	27,000.00	27,000.00	154.32	41,837.27	-14,837.27
1875 - Overhead Income	0.00	0.00	0.00	1,861.92	-1,861.92
<b>SubCategory: 42 - Non-Shareholder Revenue Total:</b>	<b>89,423.00</b>	<b>89,423.00</b>	<b>4,920.46</b>	<b>79,013.23</b>	<b>10,409.77</b>
<b>Category: 4 - Income Total:</b>	<b>5,130,240.01</b>	<b>5,130,240.01</b>	<b>527,558.31</b>	<b>3,224,601.18</b>	<b>1,905,638.83</b>
<b>Category: 5 - O &amp; M Expense</b>					
<b>SubCategory: 50 - Operating Facilities</b>					
2175 - Facility Related Field Labor	218,213.00	218,213.00	17,297.01	156,252.56	61,960.44
2235 - Repairs to Facilities and Equipment	751,167.00	751,167.00	56,624.10	163,232.89	587,934.11
2265 - Power-Gas & Electric (utilities)	587,293.00	587,293.00	95,459.55	544,108.21	43,184.79
<b>SubCategory: 50 - Operating Facilities Total:</b>	<b>1,556,673.00</b>	<b>1,556,673.00</b>	<b>169,380.66</b>	<b>863,593.66</b>	<b>693,079.34</b>
<b>SubCategory: 51 - Operating Activities</b>					
2475 - Customer Service	72,327.00	72,327.00	7,458.59	63,748.52	8,578.48
2498 - Conservation	30,000.00	30,000.00	995.63	19,937.37	10,062.63
<b>SubCategory: 51 - Operating Activities Total:</b>	<b>102,327.00</b>	<b>102,327.00</b>	<b>8,454.22</b>	<b>83,685.89</b>	<b>18,641.11</b>
<b>SubCategory: 52 - Other Operating Expense</b>					
2205 - Non-Facility Related Labor	88,586.00	88,586.00	5,978.50	56,799.79	31,786.21
2210 - O & M - All Other	3,201.00	3,201.00	0.00	424.66	2,776.34
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	372.64	3,872.91	6,080.09
2565 - Depreciation/Amortization	974,807.00	974,807.00	75,372.62	582,151.71	392,655.29
2715 - Property Taxes	221,456.00	221,456.00	0.00	109,298.42	112,157.58
2805 - Water Resource Mgmt.	269,037.00	269,037.00	26,935.21	77,046.14	191,990.86

Income Statement

For Fiscal: 2018 Period Ending: 08/31/2018

IncomeStatement	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>SubCategory: 52 - Other Operating Expense Total:</b>	<b>1,611,397.00</b>	<b>1,611,397.00</b>	<b>108,658.97</b>	<b>829,593.63</b>	<b>781,803.37</b>
<b>Category: 5 - O &amp; M Expense Total:</b>	<b>3,270,397.00</b>	<b>3,270,397.00</b>	<b>286,493.85</b>	<b>1,776,873.18</b>	<b>1,493,523.82</b>
<b>Category: 6 - G &amp; A Expense</b>					
<b>SubCategory: 60 - Personnel</b>					
2115 - Administrative Services	181,060.00	181,060.00	16,865.63	130,686.95	50,373.05
2130 - Development/Water Svc. App.	2,300.00	2,300.00	199.38	688.20	1,611.80
2325 - Payroll Taxes	67,797.00	67,797.00	5,649.81	47,241.42	20,555.58
2355 - Worker's Compensation Insurance	15,853.00	15,853.00	476.00	8,184.73	7,668.27
2385 - Benefit Pay (Vac., sick, etc.)	136,744.00	136,744.00	13,578.81	100,816.21	35,927.79
2415 - Benefit Insurance (Pension,Life,Medical,Vision etc)	231,805.00	231,805.00	13,170.71	137,831.93	93,973.07
2430 - Benefit Administrative Services	1,675.00	1,675.00	0.00	100.00	1,575.00
<b>SubCategory: 60 - Personnel Total:</b>	<b>637,234.00</b>	<b>637,234.00</b>	<b>49,940.34</b>	<b>425,549.44</b>	<b>211,684.56</b>
<b>SubCategory: 61 - Other</b>					
2445 - Office/IT Support	75,000.00	75,000.00	19,739.47	48,620.51	26,379.49
2505 - Directors Fees & Expense	33,611.00	33,611.00	3,232.61	23,831.69	9,779.31
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	2,071.19	15,733.33	25,505.67
2625 - Dues & Publications	3,700.00	3,700.00	254.56	1,779.81	1,920.19
2655 - Outside Services	70,747.00	70,747.00	378.12	31,406.63	39,340.37
2745 - Income Tax Expense	4,700.00	4,700.00	0.00	7,400.00	-2,700.00
2775 - Accounting & Legal Expense	242,332.00	242,332.00	23,828.32	185,875.04	56,456.96
2790 - Human Resources Expense	59,430.00	59,430.00	2,424.08	33,234.02	26,195.98
2865 - All other	50,414.00	50,414.00	2,640.42	17,842.22	32,571.78
<b>SubCategory: 61 - Other Total:</b>	<b>616,567.00</b>	<b>616,567.00</b>	<b>54,568.77</b>	<b>392,950.25</b>	<b>223,616.75</b>
<b>Category: 6 - G &amp; A Expense Total:</b>	<b>1,253,801.00</b>	<b>1,253,801.00</b>	<b>104,509.11</b>	<b>818,499.69</b>	<b>435,301.31</b>
<b>Total Surplus (Deficit):</b>	<b>606,042.01</b>	<b>606,042.01</b>	<b>136,555.35</b>	<b>629,228.31</b>	<b>-23,186.30</b>

**Fund Summary**

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
10 - 10	606,042.01	606,042.01	136,555.35	629,228.31	-23,186.30
<b>Total Surplus (Deficit):</b>	<b>606,042.01</b>	<b>606,042.01</b>	<b>136,555.35</b>	<b>629,228.31</b>	<b>-23,186.30</b>



Account	Name	Balance
<b>Fund: 10 - 10</b>		
<b>Assets</b>		
<b>BalSubCategory: 10 - Cash</b>		
<a href="#">10-00-00-10100-00000</a>	Petty Cash	250.00
<a href="#">10-00-00-10200-00000</a>	Checking Account	1,718,651.52
<a href="#">10-00-00-10300-00000</a>	Savings-Money Market	694,984.41
<a href="#">10-00-00-10400-00000</a>	Savings-CD Accounts	20,000.00
<a href="#">10-00-00-10415-00000</a>	D&O Checking Account	462,758.67
<a href="#">10-00-00-10438-00000</a>	Depre/Obsolescene Res (LAIF)	3,596,464.35
	<b>Total BalSubCategory 10 - Cash:</b>	<b>6,493,108.95</b>
<b>BalSubCategory: 11 - Accounts Receivable</b>		
<a href="#">10-00-00-11100-00000</a>	Accounts Receivable-Domestic	216,279.59
<a href="#">10-00-00-11200-00000</a>	Accounts Receivable-Municipal	249,341.12
<a href="#">10-00-00-11250-00000</a>	Accounts Receivable-Misc.	38,054.22
<a href="#">10-00-00-11260-00000</a>	Accounts Receivable - Dormant	9,420.87
<a href="#">10-00-00-11275-00000</a>	Contra Accounts Receivable - Unapplied Cre	-12,494.85
<a href="#">10-00-00-11300-00000</a>	Accounts Receivable-Other	198.05
	<b>Total BalSubCategory 11 - Accounts Receivable:</b>	<b>500,799.00</b>
<b>BalSubCategory: 12 - Inventory</b>		
<a href="#">10-00-00-12100-00000</a>	Inventories-Materials & Supply	89,958.52
	<b>Total BalSubCategory 12 - Inventory:</b>	<b>89,958.52</b>
<b>BalSubCategory: 13 - Prepaid</b>		
<a href="#">10-00-00-13100-00000</a>	Prepaid Insurance	8,868.75
<a href="#">10-00-00-13105-00000</a>	PREPAID POSTAGE	369.00
	<b>Total BalSubCategory 13 - Prepaid:</b>	<b>9,237.75</b>
<b>BalSubCategory: 14 - Investments</b>		
<a href="#">10-00-00-14150-00000</a>	P.V.P.A. Investment	1.00
	<b>Total BalSubCategory 14 - Investments:</b>	<b>1.00</b>
<b>BalSubCategory: 15 - Property, Plant, &amp; Equipment</b>		
<a href="#">10-00-00-15100-00000</a>	Land & Water Rights	924,864.03
<a href="#">10-00-00-15110-1507J</a>	Work in Progress "Proj J"	41,133.01
<a href="#">10-00-00-15110-1601N</a>	Work in Progress	7,435.42
<a href="#">10-00-00-15110-1602U</a>	Work in Progress	116,562.21
<a href="#">10-00-00-15110-1701A</a>	Work in Progress	13,536.66
<a href="#">10-00-00-15110-1801B</a>	Work in Progress	26,323.25
<a href="#">10-00-00-15110-1802E</a>	Work in Progress	69,012.62
<a href="#">10-00-00-15110-1803H</a>	Work In Progress	46,858.08
<a href="#">10-00-00-15110-1804G</a>	Work In Progress	80,173.10
<a href="#">10-00-00-15110-1805F</a>	Work In Progress	83,864.17
<a href="#">10-00-00-15110-1806K</a>	Work In Progress	7,419.55
<a href="#">10-00-00-15110-1807P</a>	Work In Progress	299.06
<a href="#">10-00-00-15150-00000</a>	Buildings & Site Improvements	1,745,708.81
<a href="#">10-00-00-15200-00000</a>	Wells-Shafts, Bldgs, & Equip	4,877,875.22
<a href="#">10-00-00-15250-00000</a>	Boosters-Bldgs & Equip	2,172,880.63
<a href="#">10-00-00-15300-00000</a>	Reservoirs	1,635,164.98
<a href="#">10-00-00-15350-00000</a>	Tunnels, Forebay, & Ponds	1,587,111.19
<a href="#">10-00-00-15400-00000</a>	Spreading Works-Cucamonga Wash	54,859.53
<a href="#">10-00-00-15410-00000</a>	Spreading Works-SanAntonio Wsh	50,235.18
<a href="#">10-00-00-15450-00000</a>	Pipelines	15,613,893.22
<a href="#">10-00-00-15500-00000</a>	Autos & Equipment	377,943.30
<a href="#">10-00-00-15550-00000</a>	Tools	76,492.47
<a href="#">10-00-00-15600-00000</a>	Telemetry System	482,714.06
<a href="#">10-00-00-15650-00000</a>	Office Equipment	488,936.41

## Balance Sheet

As Of 08/31/2018

Account	Name	Balance
<a href="#">10-00-00-15990-00000</a>	Accumulated Depreciation	-11,571,928.03
	<b>Total BalSubCategory 15 - Property, Plant, &amp; Equipment:</b>	<b>19,009,368.13</b>
<b>BalSubCategory: 16 - Other Assets</b>		
<a href="#">10-00-00-16100-00000</a>	Documents & Studies	867,778.67
<a href="#">10-00-00-16990-00000</a>	Accumulated Amortization	-554,497.02
	<b>Total BalSubCategory 16 - Other Assets:</b>	<b>313,281.65</b>
	<b>Total Assets:</b>	<b>26,415,755.00</b>
		<b><u>26,415,755.00</u></b>
<b>Liability</b>		
<b>BalSubCategory: 20 - Short-term less than 1 year</b>		
<a href="#">10-00-00-20100-00000</a>	Trade Accounts Payable	157,650.18
<a href="#">10-00-00-20115-00000</a>	D&O Trade Accounts Payable	112,744.80
<a href="#">10-00-00-20260-00000</a>	Sec.125/Cafeteria Plan Withhld	-1,374.01
<a href="#">10-00-GN-20820-00000</a>	Accrued Vacation Payable	20,404.60
<a href="#">10-00-OP-20820-00000</a>	Accrued Vacation Payable	24,818.57
	<b>Total BalSubCategory 20 - Short-term less than 1 year:</b>	<b>314,244.14</b>
<b>BalSubCategory: 21 - Long-term more than 1 year</b>		
<a href="#">10-00-00-21500-00000</a>	Unclaimed Credits	244,974.77
	<b>Total BalSubCategory 21 - Long-term more than 1 year:</b>	<b>244,974.77</b>
	<b>Total Liability:</b>	<b>559,218.91</b>
<b>Equity</b>		
<b>BalSubCategory: 30 - Stockholder equity</b>		
<a href="#">10-00-00-30200-00000</a>	Contributed Capital - Ext. Fee	447,258.02
<a href="#">10-00-00-30210-00000</a>	Contr. Property, Plant & Equip	2,404,270.37
<a href="#">10-00-00-30300-00000</a>	Capital Account	1,500,000.00
<a href="#">10-00-00-30310-00000</a>	Unissued Capital Stock	-861,100.00
<a href="#">10-00-00-30400-00000</a>	Retained Earnings-Brd Designated	3,626,009.43
<a href="#">10-00-00-30410-00000</a>	Retained Earnings-Unrestricted	18,110,869.96
	<b>Total BalSubCategory 30 - Stockholder equity:</b>	<b>25,227,307.78</b>
	<b>Total Beginning Equity:</b>	<b>25,227,307.78</b>
Total Revenue		3,224,601.18
Total Expense		2,595,372.87
<b>Revenues Over/Under Expenses</b>		<b>629,228.31</b>
	<b>Total Equity and Current Surplus (Deficit):</b>	<b>25,856,536.09</b>
	<b>Total Liabilities, Equity and Current Surplus (Deficit):</b>	<b><u>26,415,755.00</u></b>



**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 8/31/2018	Service Fees	Interest Earnings
					thru August	thru August
Citizens Business Bank (CBB)	*Checking	N/A	No Interest	\$ 1,718,651.52	\$ 18.00	N/A
Citizens Business Bank (CBB)	*D&O Checking	N/A	No Interest	\$ 462,758.67		N/A
Citizens Business Bank	Pref. Money Mrkt	N/A	0.25%	\$694,984.41	\$	736.13
Local Agency Investment Fund	LAIF	N/A	1.66%	\$ 3,596,464.35	\$	41,047.89
Golden State Business Bank	12 Month C.D.	April 15,2019	0.40%	\$ 20,000.00	\$	53.25
<b>TOTAL:</b>				\$ 6,492,858.95		
<b>TOTAL IN CD'S:</b>				\$ 20,000.00		

**A. Water Supply**

Annual entitlement for CY2018 is currently at 12,000 AF.

**Six Basins Production**

As of September 30, 2018, the Water Company produced a total of 728.413 AF (78% of production rights). The OSY for CY2018 is 13,000 AF with the Water Company's annual production right is 932.10AF based on the CY2018 OSY of 13,000 (7.17%). This water is currently produced and delivered proportionately to the WFA for the City of Ontario and MVWD entitlement.

The Water Company spread a total of 169.255 AF in Six Basins to date.

**Cucamonga Basin Production**

As of September 30, 2018, the Water Company produced a total 5,239.40 AF [86% of the production rights based on the 10-year running average recharge]. A total of 218.431AF was recharged into Cucamonga Basin.

**Chino Basin Production**

As of September 30, 2018, the Water Company produced 371.459 AF [21% of production rights in the Chino Basin based on OSY for FY2017/2018].

There has been no water recharged into Chino Basin in this calendar year to date.

**Surface Water (San Antonio Creek)**

Total flows to date are 1,027.38 AF.

**San Antonio Tunnel**

Tunnel flows to date are 1,600.608 AF for the domestic system.

**B. Company Stock**

On October 9, 2018 the company facilitated a silent stock auction. A total of ten ¼-shares and one ½-share were up for auction. Bids were received for all shares available (see below).

<b>STOCK CERTIFICATE NUMBER</b>	<b>SHARE AMOUNT</b>	<b>WINNING BID AMOUNT</b>
A10544	1/4 share	\$14,000.00
A10569	1/4 share	\$14,000.00
A10531	1/4 share	\$14,000.00
A10676	1/4 share	\$14,000.00
A10510	1/4 share	\$13,800.00
A10451	1/4 share	\$15,231.00
A8006	1/4 share	\$13,800.00
A10302	1/4 share	\$13,600.00
A5062	1/2 share	\$27,500.00
A8055	1/4 share	\$14,231.00
A10277	1/4 share	\$13,600.00

Average price for ¼-share was \$14,026.20.

Price for the ½-share was \$27,500.

C. **Communication and Information Activities**

Fall Newsletter was mailed on September 27, 2018. Staff currently working on the Winter Newsletter which will mail the end of December.

Staff is communicating on “Facebook” with 169 friends liking our page. Communication is posted regularly.

D. **New Billing and Accounting Software**

The implementation of the inventory module is up and running. Work order module is installed but is not being utilized. Staff was trained with Tyler on the inventory system and has developed month end procedures for inventory control.

E. **San Antonio Creek Canyon - Water Usage**

Staff is reviewing the situation to date and developing a proposed schedule of actions going forward for discussion at a later date. Due to potential litigation, staff encourages the Board to hold discussions regarding this item in closed session.

F. **Groundwater Basin Matters**

**Chino Basin**

**Safe Yield Court & Appeal -**

At the Appropriative Pool meeting on September 13, 2018, the Pool approved the 2018 agreement to Judgment and CAMA amendments including Exhibit A subject to the following:

1. That there is a clarification that the desalter replenishment formula with respect to Adjusted Physical Production includes the production of Exhibit G section 9 transferred water from the non-ag Pool to the Appropriative Pool.
2. Non-Ag’s Pooling Plan is refined to match agreement
3. Conditional of governing Party’s Board approval
4. Watermaster understands agreement and explains implementation

Court hearing regarding staying the Judgment is set for December 28, 2018 @ 1:30 pm.

**Storage Framework Final Workshop** – Mark Wildermuth engineer for Watermaster gave a presentation on the Storage Framework. The next phase will be the Storage Management Plan. This will be where a lot of the work will take place.

**Six Basins**

Board meeting on September 26, 2018.

H. Monitoring of Assembly Bills Affecting the Water Company

1. Draft AB3057 to amend California Revenue and Taxation Code to conform to federal income tax law (i.e., Section 501(c)(12) of the Internal Revenue Code) by exempting not-for-profit mutual water corporations from California income taxes and franchise fees on or after January 1, 2018. Currently listed as 'In Committee: Held under submission'.
2. Making Conservation a California Way of Life" Bills: AB 1323, AB 1668, SB 606 . 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. To date, no action has been taken on the bills.

AB1323 currently listed as 'In Committee: Held under submission'.

SB606 was approved by the Governor on May 31, 2018

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

Staff is assessing impact of these two approved Bills and will report back at a later date.

3. 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'
4. 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.
5. 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)'.

1. Meter Replacement

[CY2018 Budget \$12,000]

62 meters are budgeted to replace the old Sensus “multi-jet meters” that have been in place for 15 years with the new Sensus Mag Meters. 53 meters have been replaced to date.

2. Water Delivery Connection to the City of Upland

[CY2018 Budget \$14,145]

Construct connection at the San Antonio Park. Construction pending DDW approval of the City’s permit amendment.

3. Holly Drive Booster

[CY2018 Budget \$290,000]

TKE completed engineering plans for the building, foundation, walls and piping.

TKE Engineering provided structural and mechanical engineering. Underground piping modifications are currently being done by JK Welding.

Obligated to date	CY2018	
\$ 25,800	5,958	TKE Engineering
\$220,785	33,351	KSM/Electrical & Mechanical
\$ 50,240		HK Construction/Structural
		J.K. Welding/Pipeline
	39,309	<b>= Total to Date</b>

First phase of pipeline installation is complete. KSM installing mechanical equipment. Booster header and discharge pipelines installed. Contractor starting work on foundation and electrical.

4. SCADA System Upgrade

[CY2018 Budget \$100,000]

Staff coordinated the upgrade with TESCO and the Company’s IT Consultant [Inland Productivity.

The schedule for the upgrade is as follows:

- ✓ Approved software submittals 6/27/18
- ✓ Approved screen submittals September
- Equipment Installation by ~~10/3/18~~ TBD
- Startup ~~10/4/18 to 10/10/18~~ TBD
- 

Company has provided contractor current programming documentation. Final PLC programing should be completed this month. Installation of servers scheduled to follow in November

Obligated to date	CY2018	
\$90,000		TESCo
		<b>= Total to Date</b>

5. Interstate 10 Corridor Project

Prior to the end of last year, staff met with the engineering consultant (HNTB) for the State of California Department of Transportation /San Bernardino County Transportation Authority (SBCTA) to coordinate pipeline conflicts with the proposed project. The project will impact portions of the Water Company’s pipeline crossing at east of 6<sup>th</sup> Street in Ontario

from the Company's Well 12 site on 6<sup>th</sup> Street north of the freeway to the Company's site on Council Avenue on the south side.

Due to the Water Company's prior rights, the waterline relocation project will be at no cost to the Water Company with reimbursement for plan check and construction inspection based on the current established Company fees and charges. On February 20, 2018, the Board approved the Utility Agreement with SBCTA to cover the cost for staff's time reviewing and inspecting the work in association with protection of the Company's existing facility.

~~The design/build contractor is anticipated to be on board in August 2018.~~ HNTB has notified staff that they will contact us when project advances again. Pending appraiser for Temporary Construction Easement along the frontage of SAWCo's Well 12 on Sixth Street.

**6. Reservoir 7 Rehabilitation/Design**

[CY2017 Budget \$826,500]

~~A kick off meeting was held with CivilTec Engineering on July 17, 2018. Construction is slated for October/November of this year. Pending plan submittal for review. Staff has reviewed the 90% plans and specs and directed consultant to prepare bidding documents. Project should go out to bid in November with a January mobilization date.~~

Obligated to date	CY2017	CY2018	
\$51,230	\$ 5,140		Harper & Associates
\$62,750			CivilTec Engineering
\$ 7,150			GeoCon - Geotechnical
			CST – Aluminum dome
	\$ 5,140	<b>\$ 5,140</b>	<b>= Total to Date</b>

**7. Office Relocation Feasibility Study– [Carry over] [Currently on Hold]**

[CY2017 Budget \$176,000]

AdHoc committee created to review project processes. CEDG prepared a site plan and conceptual layout on the north half property in advance of preparing preliminary design drawings.

The City of Upland requested the purchase the south half of the property for construction of a reservoir which should be constructed within a two year time frame. The City agreed to consider the \$494,000 owed by the Water Company to the City of Upland as a down payment towards purchasing the property.

Obligated to date	CY2016	CY2017	CY2018	
\$ 34,560	\$ 9,000		N/A	CEDG
Task 2 – Pre Design	16,000	7,000		
	\$ 25,000	32,000		<b>= Total to Date</b>

CEDG presented the conceptual office layout to the Board in March.

The City of Upland appraised value is submitted for Board approval on this agenda. Since the City is seeking SRF funding, they request that the valuation is locked in for 1 year until they receive appropriate funds in November of CY2018.

The Water Company’s plan for developing the office project is to fund it entirely from the sale of the Water Company’s 17<sup>th</sup> Street property, Office and Yard property. The AdHoc Committee will be currently on hold until the City’s funding mechanism is in place; however, staff proposes a “draft” funding strategy to determine the proposed receipt of sale of assets as it pertains to the Company’s 85/15 tax exemption.

**8. WFA Pipeline Connection– [Carry over]**

[CY2018 Budget – \$110,000]

On October 30, 2017, the Water Company received a letter from the DDW regarding the BIN Classification determination from BIN 2 to BIN 1. The project is now dependent on approval by the WFA Board to construct the connection for delivery. All of the current JPA members are also entity shareholders [Upland, Ontario, MVWD, Chino and latest shareholder, Chino Hills].

In coordination with the WFA staff the plans and specs are being finalized by CivilTec Engineering. Pending WFA TAC/Board approval and DDW permit amendment.

Obligated to date	CY2017	CY2018	
\$ 30,895	\$ 1,290	\$ 1,290	Civiltec Eng.
	\$ 4,375	\$ 5,665	<b>= Total to Date</b>

**9. Holly Drive Reservoir– [Carry over]**

[CY2018 Budget \$196,124]

Engineering design and environmental documents for two 120,000 gallon reservoirs to replace the existing 60,000 gallon reservoir in order to accommodate 1) operational capacity, 2) fire flow @ 1,500 gpm for 2-hour duration, 3) and emergency storage.

Site Improvements budgeted for CY2018 with subsequent phase to construct two 120,000 gallon reservoirs. Phase construction of site improvements in this calendar year and tank construction in subsequent years. Staff received a budgetary quote from Superior Tank for a 128,436 gallon bolted tank in the amount of \$99,890.

Staff has reviewed the 90% design drawings and specifications. Comments returned to consultant. Project bid package will be ready for a Nov/Dec bid. Construction will be scheduled in the first half of the new year depending on winter weather.

~~Environmental review and documentation. The AB-52 process is dependent on the Tribe being able to get their input to the Lead Agency. The State Board will act as the “lead agency”. Once the conclusion of the tribal cultural resources is drafted, it will be included in the Initial Study and circulated 30 days for public comment period.~~

Obligated to date	CY2016	CY2017	CY2018	
\$ 74,500	\$ 62,000	\$ 43,856	1,558	TKE Engineering
\$ 45,070				Add'l Structural Eng. reqmt.
	\$ 62,000	\$ 43,856		<b>= Total to Date</b>

**10. Basin 6 Desilting – [Carry over]**

[CY2018 Budget – \$266,000]

Environmental Document - Initial Study

SBCFCD is the Lead Agency for the environmental document “piggy backed” onto the Water Company’s document for their minimum maintenance requirement. We received the Notice of Determination of the environmental document.

Army Corps Nationwide permit

On February 7, 2018, the Water Company received the Nationwide permit that is contingent on receiving the 401 permit from RWQCB Santa Ana Region.

CDFW Streambed Alteration Agreement Notification

Received Streambed Alteration Permit.

RWQCB 401 Permit

Received 401 Certification on August 30, 2018. Conditions of 401 permit included percolation sampling of upstream basin A2. Staff authorized a change order in the amount of \$1,224 to the geotechnical firm CHJ. Change order was needed to deal with restricted vehicle access to basin A2. Equipment for percolation test needed to be hand carried to site.

SBCFCD Permit

~~Pending City of Upland Haul Route Approval.~~ Received SBCFCF Permit

Construction

A preconstruction meeting was held on September 28. Construction began the week of October 1<sup>st</sup>. Contractor has stockpiled all silty spoils and is currently ‘ripping’ remaining surface to achieve better infiltration. Hauling of spoils will begin next week and should be completed within two weeks.

Obligated to date	CY2015	CY2016	CY2017	CY2018	
\$ 47,940	\$ 14,869	\$17,227	\$1,440	\$13,389	Altum Group/Baker Int.
\$ 5,000	\$ 4,127		\$5,530		TKE – Project Mgmt.
\$ 7,200	\$ 0	\$0			CHJ/Terracon –Geotech.
	\$ 117				Plan Check
			\$54,398		RWQCB 401 Permit
	\$ 26		\$ 144		Reimbursable
			\$ 5,000		DFW Stream Bed Alt. Permit
	\$19,139	\$ 17,227	\$ 66,512	<b>\$116,312</b>	<b>= Total to Date</b>

11. Cucamonga Crosswalls Repair & Desilt – [Carry over]

[CY2018 Budget – \$103,232]

A pre-construction meeting was held on May 23, 2018 at the Chino Basin Water Conservation District. Staff received the final permit from San Bernardino County Flood Control District.

GRB Equipment was issued a Notice to Proceed to begin work on July 16, 2018 with a 5-year completion date of July 16, 2023.

Conservation project signage has been erected at the entrance to Holliday Rock on 20<sup>th</sup> Street and on each side of the Cucamonga Dam.



Residential notices were sent out on July 10, 2018 to residents within the 500 foot radius of the project.

The pre-construction environmental bird clearing survey performed by the Company's environmental consultant (Baker International) on July 13, 2018. GRB began mobilizing on July 16 and began grubbing on July 18 and desilting process behind the crosswalls.

Clearing of Crosswall basins continues through to November 15, 2018, barring any significant rainfall.

Obligated to date	Previous Years	CY2015	CY2016	CY2017	CY2018	
\$ 26,920		\$ 35,524	\$ 12,952	\$4,243	\$ 7,410	Altum Group
\$ 50,040		\$ 10,305	\$ 33,972	\$1,525	\$ 1,277	TKE/Proj. Mgmt. /Noise Monitoring
\$103,700					\$ 3,245	Baker International
\$23,425						ECORP. – On-call Archaeologist
			\$ 90,000			RWQCB fee
			\$ 96			Reimbursable
\$100,385	\$ 62,286	\$ 34,537	\$ 137,020	\$5,768	\$ 252,542	= Total to Date

12. Well 31 Biological Treatment Pilot – Requested 60-day extension to pilot a new filtration system that would reduce cost as much as 30%. There has been a delay in DDW approval to begin the new pilot that would start the 60-day trial. On August 9, DDW approved MIH to begin their small scale pilot protocol for a 60-day trial.

13. Water Rights Investigation [See Prominent Issues]

14. San Antonio Canyon Watershed

[The San Antonio Canyon drainage area (26.7 sq. mi.) upstream from the San Antonio dam]

The watershed overlies both San Bernardino and Los Angeles Counties within the Angeles National Forest. There are many permitted public and some private uses within the canyon, and the canyon stream flow is a source of water supply for downstream communities.

As of this report the Mt. Baldy Ski Area (MBSA) submitted their plan for diverting the water at the San Antonio Falls to the US Forest Service for the purpose of making snow pursuant to their agreement with the Water Company which expired in CY2015. The Board approved extending the current agreement with Mt. Baldy Ski Area to December 31, 2035. MBSA has been authorized by the USFS to do the work for the diversion of the Water Company's rights from the San Antonio Falls and anticipate the work to begin in the fall of this year.

The 14<sup>th</sup> Annual Watershed Clean Up Day event was held on September 8, 2018.

**CY2018 COMPLETED PROJECTS:**

- Santa Rosa Waterline & 24<sup>th</sup> Street Waterline [Budget \$135,000]  
**C.P. Construction \$189,000**
- Transfer Switch/V-Screen and Tunnel Shaft 6 [Budget \$7,000]  
**KSM \$8,048.**
- Truck mounted crane [Budget \$8,000]  
**\$9,011.39**
- Forebay Overflow & Riser [Budget \$30,000]  
**Norstar Plumbing \$17,800**
- Forebay Surface Waterline [Budget \$180,000]  
**C.P. Construction \$85,200**
- Edison Pond Sluice Gate [Budget \$70,000] (Pending Trash Gate)  
**C.P. Construction \$51,000 [\$15,440 Pomona Share]**

**GROUNDWATER LEVELS**  
(feet below ground surface)

JFM    AMJ    JAS    OND  
1st Qtr   2nd Qtr   3rd Qtr   4th Qtr

	2011				2012				2013				2014				2015				2016				2017				2018							
<b>CUCAMONGA BASIN</b>	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr
	-219	-190	-201	-191	-211	-192	-202	-195	-191	-199	-210.5	-213	-202	-230	-255	-238	-239	-239	-249	-259	-251	-251	-261	-280	-301	-296	-312	-298	-305	-313	-321					
<b>CHINO BASIN</b>	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr
	-333	-295	-289	-296	-309	-307	-341	-328	-368	-353	-341.3	-385	-357	-391	-409	-418	-423	-424	-427	-427	-430	-452	-462	-466	-451	-441	-441	-442	-450	-451	-468					
<b>SIX BASINS</b>	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr	1qtr	2qtr	3qtr	4qtr
Six Basins																																				
Well 26 & 27A & 25A	-306	-262	-279	-271	-282	-322	-358	-347	-380	-385	-448	-421	-477	-425	-439	-454	-450	-428	-459	-439	-467	-472	-528	-482	-447	-463	-547	-451	-525	-432	-506					
Well 28	-256	-240	-262	-262	-265	-268	-271	-273	-277	-278	-279.4	-280	-281	-280	-280		-277	-281	-282	-283	-283	-283	-284	-286	-283	-270	-270	-272	-267	-277	-281					

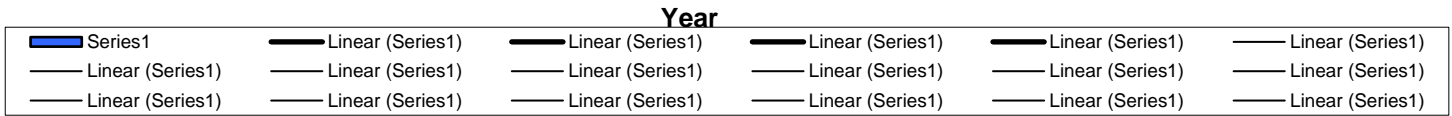
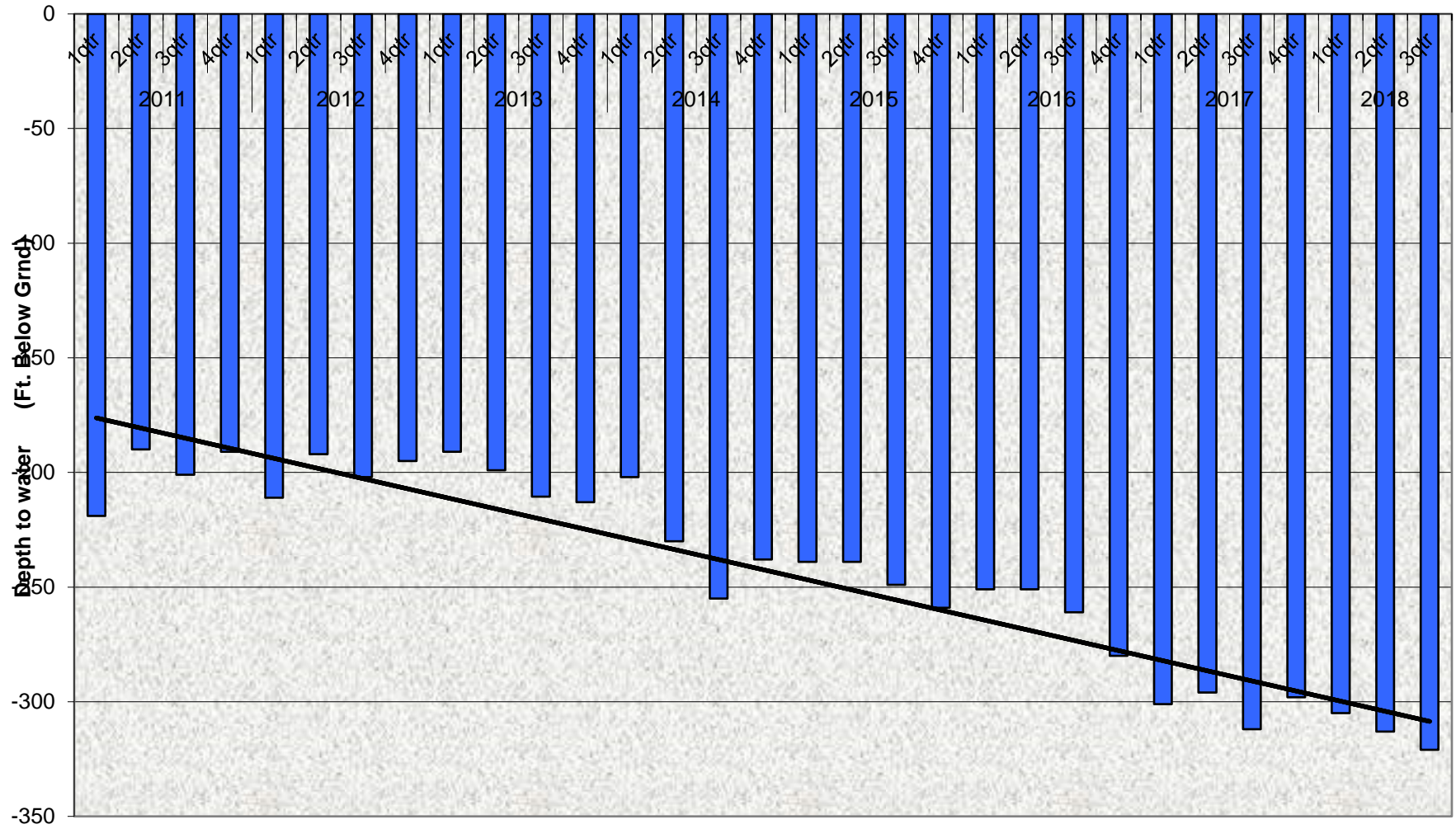
\* six basin levels come from well 25A only, the other wells (26&27A) were not shut down during the third quarter 2017.

Static water levels for Cucamonga Basin wells 2, 3, 22, 24, 31, 32

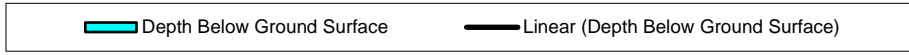
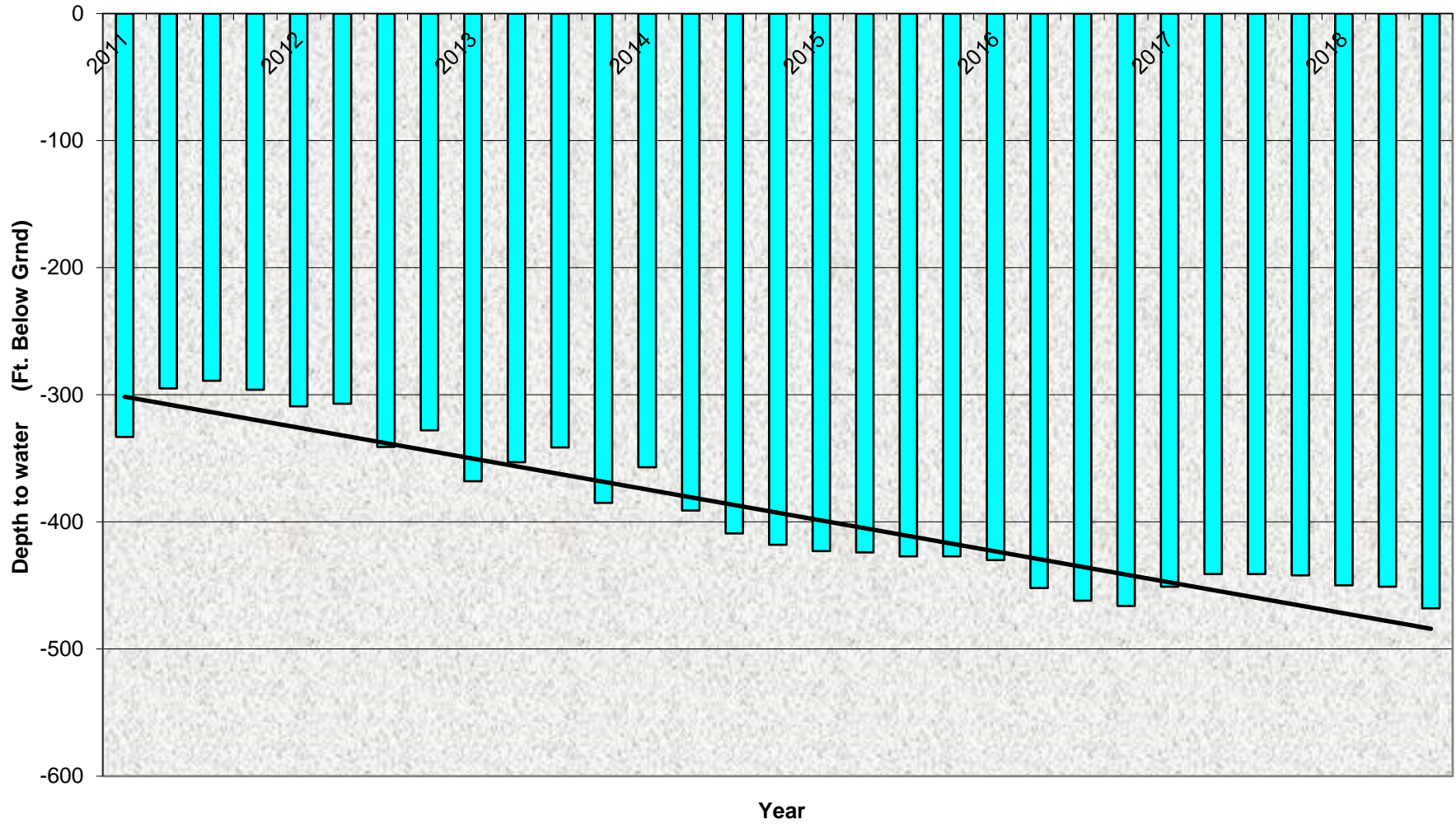
Static water levels for Chino Basin wells 15, 16

Static water levels for 6 Basin wells 25a, 26 and 27a

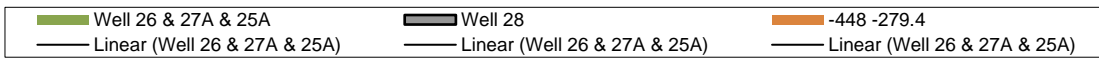
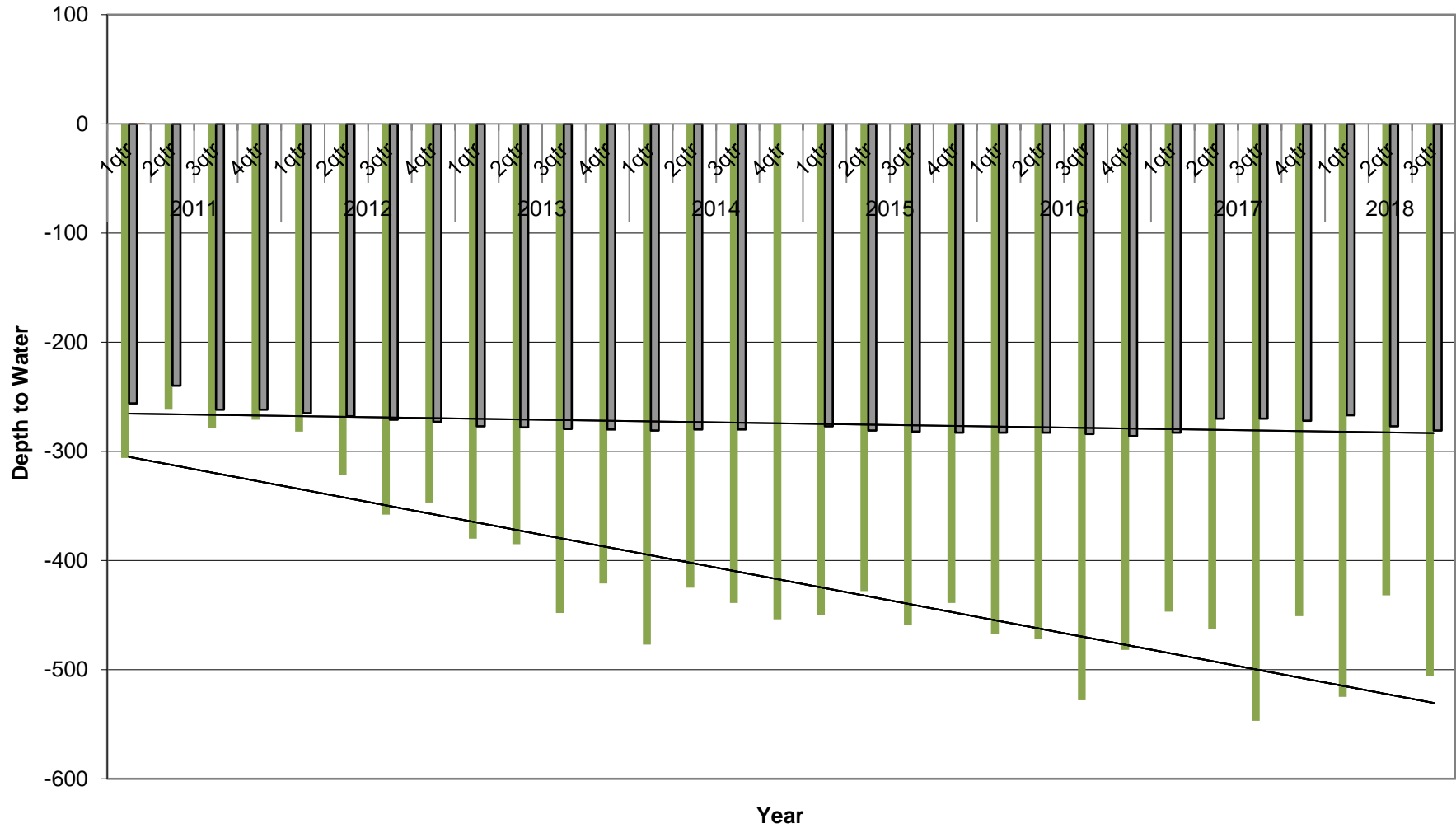
### Cucamonga Basin Water Levels



# Chino Basin Water Levels



# Six Basins



October 16, 2018

**Agenda Item 6A**

Item Title: Designations and Authorities

Purpose:

To appoint the General Manager, Mr. Brian Lee as the Assistant Secretary/Assistant Chief Financial Officer of the Company.

Issue:

It is customary for the Company's General Manager to be appointed as the Assistant Secretary / Assistant Chief Financial Officer.

Upon approval of Resolution 2018.10.01 staff will update the Company's signatory authorization for the Local Area Investment Fund (LAIF) and Citizen's Bank Accounts listing Mr. Lee as an authorized signatory.

Manager's Recommendation:

Adopt Resolution 2018.10.01 appointing Mr. Brian Lee as the Assistant Secretary / Assistant Chief Financial Officer.

Background:

At the April 2018 Organization meeting the Board appointed the Assistant General Manager, Ms. Teri Layton, as the Assistant Secretary/Assistant Chief Financial Officer due to the planned upcoming retirement of the Charles Moorrees.

Mr. Brian Lee began work as the Company's General Manager on September 17, 2018.

Assignment of the Assistant Secretary / Assistant Chief Financial Officer may be changed or re-designated by resolution of the Board of Directors.

Impact on the Budget:

None

Previous Actions:

Resolution 2006-06-01 states, ... NOW THEREFORE, BE IT FURTHER RESOLVED, that the following San Antonio Water Company officers and designated employees or their successors in the office/position shall be

October 16, 2018

authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund.

Mr. Tom Thomas	President
Judge Ellen Brodie	Vice-President
Mr. Kenneth Willis	Secretary/Chief Financial Officer
Mr. Charles Moorrees	Assistant Secretary /Assistant Chief Financial Officer
Ms. Theresa Layton	Office Manager/Accountant



RESOLUTION NO. 2018-10-01

A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SAN ANTONIO WATER COMPANY  
APPOINTING BRIAN LEE AS ASSISTANT SECRETARY AND  
ASSISTANT CHIEF FINANCIAL OFFICER

WHEREAS, Brian Lee was hired as of September 17, 2018 as General Manager of the Company,

NOW THEREFORE, The Board of Directors of the San Antonio Water Company, in Upland, California, appoint Brian Lee as Assistant Secretary of the Company as of October 6, 2018, and

FURTHERMORE, The Board of Directors appoint Brian Lee as Assistant Chief Financial Officer of the Company as of October 6, 2018.

I, Sue Sundell, Secretary of the San Antonio Water Company, do hereby certify that the foregoing Resolution was adopted on October 16, 2018, at a regular meeting of the Directors of the San Antonio Water Company by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

SAN ANTONIO WATER COMPANY

---

**Agenda Item No. 6B**

Item Title: Water Supply Projection

Purpose:

To present to the Board staff's water supply projection and the PROC recommendation for next year's annual water supply entitlement to take effect on January 1, 2019.

Issue:

Water supply projection supports no change in the existing 12,000 AF/YR entitlement.

Manager's Recommendation:

That the Board agree with the committee to approve Staff's projection and recommendation to maintain the annual entitlement at 12,000AF/YR for FY2019 and respective entitlement distributions and ongoing Moderate Shortage water conservation stage.

Background:

Provided that FY2019 provides no significant rainfall, staff offers the following:

2018	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	YTD
TOTAL SUPPLY	729.86	827.00	910.43	1268.74	1182.40	1030.53	1003.83	1003.97	7956.762

Based on current year to date water supply through August at 7,957AF, staff projects the total end of the year supply at 11,935AF. [ $7,957 \div 8 \text{ months} = 994.72 \times 12 \text{ months} = 11,937 \text{ AF}$ ].

Presented to the PROC on September 25, 2018 along with the recommendation to maintain the current Moderate Shortage Stage Alert.

Impact on the Budget:

None.

Previous Actions:

The Board approved total annual entitlement of 12,000AF for FY2018

October 16, 2018

**Agenda Item 6C**

Item Title: Rauch Communications PR Proposal

Purpose:

To expand the public understanding of water rights issues and specifically provide learning opportunities for individuals and organizations living and working within the Company's operating sphere to understand and appreciate the Company's water rights, their history and importance.

Issue:

Protecting the Company's water rights are vital to the continued healthy operation of the Organization.

Manager's Recommendation:

Authorize staff to execute a time and material contract with Rauch Communications for a not to exceed cost of \$60,000.

Background:

The Company holds significant local water rights, some that predate the State of California. Most of the Company's water rights are senior to water rights of other agencies or individuals. To protect the Company, it is important for shareholders and others to understand those rights.

California water rights laws are complex, to say the least. Staff is requesting authorization to contract with Rauch Communications to assist the Company in elevating the public's understanding of water rights in California and specifically the Company's water rights.

Increasing the public's understanding of the Company's water rights now will assist in future efforts when the Company needs to protect those rights.

Impact on the Budget:

\$60,000 contract with Rauch Communications  
Limited staff time to coordinate and monitor consultant

Previous Actions:

None

**Dynamic Public Outreach, Smart Strategic Planning***For local governments, special districts, and the engineering, environmental and law firms that support them.***P R O P O S A L****DATE:** September 17, 2018**NO OF PAGES:** 10**TO:** Brian Lee**FROM:** Martin Rauch**RE:** Scope for Water Rights

This document provides a response to your request to assist the Company in communicating to the public regarding the Company's history and water rights:

**OUR UNDERSTANDING OF THE ISSUES**

**Rights to the waters from the San Antonio Creek and San Antonio Canyon Watershed within the Angeles National Forest are owned by San Antonio Water Company (SAWCo) and the City of Pomona.** Each traces its water rights back to rancho grants from the Mexican government, which pre-date the 1848 Treaty of Guadalupe Hidalgo. These water rights have been confirmed in a series of court judgments and are the highest priority water rights in the Watershed.

**OUR UNDERSTANDING ABOUT WHAT THE WATER COMPANY WANTS**

The Water Company wants to conduct public outreach regarding its history and water rights. An educated public may assist the Company when planning over the long-term to serve its many thousands of water customers reliably into the future.

**HOW WE PROPOSE TO HELP**

We believe that a step-by-step strategic approach that utilizes the Water Company's legal, legislative and stakeholder resources is most likely to accomplish the Company's goal. The following steps are proposed:

**Step 1: Research and Plan Development**

- **Research.** Gather and review background materials and interview key involved parties. It is our understanding that staff is conducting a review of Board minutes through the years on this topic.
- **Develop a concise and detailed history of the situation** to serve as a solid reference that provides accurate backup to the Company's history.
- **Write the Story:** Write a brief, clear and compelling story that is an easy-to-understand summary of the Company's history. This brief document contains the company's message and its principal talking points.

- **Develop a list of key stakeholders** who are integral to the Company's history and may have information, contacts or can provide support that can reinforce the company's story.
- **Assist with facilitation of a Strategy Team.** The team could be formed in a variety of ways. One options would consist of one or more board members; the manager; legal counsel, outreach consultant, and; perhaps others. The Strategy Team's purpose would be to steer the program as it is implemented and report to the Board.
- **Develop a communication plan** detailing the outreach methods, timing, etc.

## Step 2. Plan Implementation and Adjustment

- **Implement the strategy.** We are prepared to assist the Company with any or all these steps, including responding to opportunities and changing circumstances, by updating the strategy, formulating responses to challenges, assisting with press management, implementing social media, facilitating meetings, and undertaking related activities.

### Our Proposed Goals:

1. **Develop understanding and support among your customers and partners.** Your customers and partners need the information necessary to understand and support the Company's mission.
2. **Build a strong collaborative communication campaign with the local area including these impacted parties.** The Company can, hopefully, gain the direct support of the organizations you serve in supporting the Company's mission.

### Our Proposed Approach and Strategy

Form a team to actively plan and implement a strategy as described above.

A strong, success-oriented plan and strategy will increase the likelihood of success and improve the public's understand and respect for the Company and its history. Results come from being well-prepared and proceeding with a well thought out, yet flexibly-implemented plan.

### EXAMPLES OF EXPERIENCE

In addition to general facilitation and planning skills, our facilitators have extensive experience statewide with water issues. Further, we understand water rights, the realities of politics and personalities, and how to bring groups together. We have extensive experience working in complex settings. Over the past 40 years we have served over 200 clients. We also have specific local experience for this task, having worked with SAWATERCO, as well as numerous agencies in the region and throughout the state. Some examples of related experience follows:

**Friant Water Users Authority, *Facilitated Dispute Among Members.*** RCC Facilitated discussions on how to settle a long-running dispute between dozens of water users represented by the Friant Water Users Authority and environmental organizations. The farmers, represented by the Authority, had been at a stalemate and participated in several meetings facilitated by Rauch Communication Consultants. All the members but one ultimately reached consensus and a solution was developed that allowed them to move forward.

**Conjunctive Use Working Group, *Use of Vacant Storage Space.*** RCC facilitated discussions among numerous water agencies and other stakeholders about the use of vacant storage space in the Central and West Coast Basin of Los Angeles County. The project was funded by the State Department of Water Resources. Political and economic issues prevented fulfillment of an agreement, but substantial progress was made toward clarifying a large number of key technical, economic, legal and governance issues that had previously not been agreed upon.

**Pajaro Valley Water Management District, *Basin Management Plan.*** RCC helped this regional water management agency recover from a lost election and intensive attacks by local groups. RCC's program for the District included public outreach as well as development and refinement of strategy with staff, consultants and the Board of Directors; as they worked with supporters, opponents and uncommitted stakeholders toward development of a program that ultimately developed support, was approved, and won a public election.

**Monterey Peninsula Water Management District, *Adjudication.*** Facilitated a series of stakeholder meetings on this intensely divisive subject. Extensive progress was made in obtaining a common understanding and agreement on a number of technical issues. The process was completed by the Judge overseeing the adjudication.

**San Diego County Water Authority, *Water Treatment Plan.*** RCC facilitated monthly discussion meetings with over 20 agencies and the Water Authority in developing a countywide water treatment plan. Although relationships among the various factions were difficult at first, a successful consensus was reached

**Big Bear Municipal Water District / San Bernardino Valley Municipal Water District, *Legal Dispute.*** RCC facilitated a solution to a long-simmering water dispute between the two agencies following years of court fights.

**North of the River Municipal Water District and Oildale Water Company *Legal Dispute.*** Facilitated resolution to a long running legal battle over water service during a series of meetings, over several months.

**Sheffield Reservoir *Citizens Committee.*** Facilitated a series of stakeholders meetings about building a sensitive public facility. Developed a unanimous consensus on options for a solution, followed by an extensive outreach program and unanimous approval by city officials without appeal or lawsuit

**Cambria Desalination Plant *Facilitate Citizens Committee.*** Facilitated a committee of 25 stakeholders on a contentious community issue that had previously resulted in election losses for the District and sacking of the General Manager. Developed consensus on a project that later won a majority election victory.

**San Gabriel Valley Basin Agencies. *Strategic Planning and Public Outreach.*** We facilitated the annual strategic planning sessions of the Main San Gabriel Basin Watermaster Board for many years, and the San Gabriel Valley Water Association Board, as well as providing public involvement services in the area for private and public water agencies.

**San Juan Water District *Regional Pipeline and Conjunctive Use Plan.*** Facilitated planning and agreements among five water agencies, leading to construction of a major 20-mile-long jointly

developed pipeline. Also helped facilitate first steps that grew into a major regional conjunctive use program.

**Association of California Water Agencies (ACWA) Strategic Plan.** Facilitated development of long-range strategic plan and two updates for the Association of California Water Agencies. Began with 25 representatives from water agencies around the state, resulting in a complete overhaul of ACWA's structure, and a set of specific goals for the future.

**Three Valleys Water District Regional Water Supply Plan.** Assisted agency to build consensus on regional conjunctive use plan with numerous member agencies. Involves, strategizing, planning, communicating, facilitating both internally with the Board and externally with member agencies and press.

**Arcade Water District, Citizens Committee.** Planned and facilitated this committee that helped refine and support a successful water supply plan to raise rates 200% over 4 years.

**Big Bear Airport District Improve Board Dynamics.** The District suffered from very difficult Board dynamics that was deeply impacting Board productivity and the staff's morale and productivity. RCC worked with the Board to develop solutions that have substantially alleviated the problems.

**San Antonio Water Company, Citizens Committee.** Planned and facilitated a citizens committee that helped develop a new rate structure that was later adopted.

**Cambria Community Services District, Citizens Committee** Following a failed election and firing of a general manager, a citizens Committee helped refine a plan leading to a successful majority election for a desalination project.

**El Toro Water District, Citizens Committee.** Citizens committee helped District succeed in consolidation issue.

**Castaic Lake Water District, Citizens Committee.** Citizens Committee worked with financial consultant to develop major water plan.

**City Of Santa Barbara Water: Citizens Committee.** Citizens Committee helped guide successful effort to design and approve major capital improvements on reservoir.

**City of Santa Barbara Citizen and Business Engagement Program on Roads.** Facilitated small and large group citizen engagement program that developed community consensus on traffic calming programs in congested areas of the City.

We appreciate the opportunity to propose on this important matter. Please let me know if we can provide additional information or if there is anything else we can do to help.

## THE CONSULTANTS

The work will be carried out principally by Martin Rauch. Martin is experienced in strategic planning, group dynamics, developing consensus, and facilitation. His formal training in this area includes completion of Business Mediation Training at UC Berkeley, as well as courses in Facilitating and Mediating Effective Environmental Agreements. Mr. Rauch also possesses extensive experience with water agencies and water issues throughout the state.

He would be assisted by Viveca Hess who is an expert in social media and other members of his team as needed.

**SOCIAL MEDIA: Viveca Hess, *Affiliate.***

Viveca has overseen digital media for RCC for several years, integrating web content and social media platforms with the non-digital portion of the program. She also contributes to creative development. Combining a decade of her legal background, transactional work and marketing, Viveca offers a solid track record in creating, developing and executing digital and social communications. Initiating online presence based on well-researched source information, Viveca has provided successful content strategies for clients ranging from private water resource consultants, World Trade Center water initiatives for developing countries, United States Department of Commerce International Trade Administration, various Chambers of Commerce across the U.S. and non-profit organizations. Viveca has helped modernize and update media platforms for private and public-sector interests by utilizing her fluency in Twitter, Facebook, LinkedIn, YouTube, Foursquare, Blogs, Excel, PowerPoint, Word, Photoshop, Analytics, Constant Contact, WordPress, along with various webinar programs and mobile applications.

**Amanda Green, CONSULTING SUPPORT, RESEARCH AND WRITING, *affiliate***

With a Master's Degree in Public Administration from Harvard University School of Government and seven years' experience, Amanda provides a range of support in researching, planning and writing. Her experience includes several years working on strategic planning and communication projects for RCC. and in the past with numerous government and industry clients

**GRAPHIC DESIGNER. Laurie Severy, *Affiliate.***

Laurie has over 20 years' experience as a creative graphic designer. Her expertise includes identity, branding, design and production of traditional printed media, including: logos, brochures, catalogs, newsletters, packaging, presentation materials, and displays. Designing with usability and functionality in mind, her media capabilities include: website and interface design, presentations and computer-based training. Laurie's formal education was at UCLA, with coursework in computer graphics. She has worked for a wide array of clients including the L.A. Times, Universal Studios, Walt Disney Company, The Disney Channel, Buena Vista Pictures, Xerox, Kinko's, Hughes Electronics, TRW, Epson, Amgen, Answer Financial, Sams Club, Union Bank of California, Sears, Microsoft and others.

**Graphic Designer: Christopher Crimi, *Affiliate.***

Christopher has over two decades of experience producing graphic materials from simple reports, to full-color brochures, web graphics, newsletters, and slide presentations. He has worked with RCC on dozens of public outreach projects over two decades, bringing a high degree of graphic sophistication to every piece he works on.

**WEBMASTER: Jay Zeballos and Mike Zeballos, *Affiliate.***

Rauch Communication Consultants develops, maintains and upgrades numerous websites for public agencies around the state. Our webmasters have many years of experience with all



aspects of web design and development, with a special expertise in meeting the needs of public agencies. Jay and Mike are not only technically expert, but they have a flair for developing sites that load fast, look great and communicate effectively.

**Lynda Boyd, RAUCH COMMUNICATIONS CONSULTANTS, *Staff***

Lynda manages all the production of documents for Rauch Communication Consultants, coordinating the writing, printing and mailing of materials, setting up schedules and coordinating project team activities to keep projects moving smoothly and on-schedule. Lynda has extensive experience mapping and developing accurate and cost-effective mail lists.

**ESTIMATED COSTS**

Recognizing that this situation has persisted for a long time, it is not possible to delineate a specific solution and scope of work to implement it. The costs below are estimates for decision-making purposes. We propose to bill time and materials for this project since the specific needed scope may vary.

**Summary of Estimated Costs**

- Phase 1 Planning about \$22,000
- One-Time Setup of Key Elements about \$11,00
- Monthly Social Media Implementation And 2x Per Month Coordination Meetings with strategy team about \$5,500. There may be additional monthly costs depending on the scope of the implementation plan.

**Details of Cost Estimate Below**

<b>PHASE 1 RESEARCH, DEVELOP PLAN AND INITIAL DELIVERABLES</b>				
	<b>Viveca</b>	<b>Martin</b>	<b>Lynda</b>	
HOURLY RATE	90	225	70	
<b>INITIAL RESEARCH AND COORDINATION</b>				
HOURS	12	12	1	
Research and Review Documents	\$1,080	\$2,700	\$70	<b>\$3,850</b>
HOURS	8	20	1	
Two onsite meetings: prepare for and participate in planning meeting and strategy team meeting	\$720	\$4,500	\$70	<b>\$5,290</b>
HOURS	2	1	1	
Review social media, identify local media, etc, develop stakeholders list.	\$180	\$225	\$70	<b>\$475</b>
HOURS	6	8	1	
Coordination and support	\$540	\$1,800	\$70	<b>\$2,410</b>
<b>DELIVERABLES</b>				
HOURS	8	6	6	
Compile and write detailed history to-date	\$720	\$1,350	\$420	<b>\$2,490</b>
HOURS	20	6	1	
Prepare outreach plan, including detailed FB ad campaign	\$1,800	\$1,350	\$70	<b>\$3,220</b>
HOURS	5	6	2	
Write "Story" providing succinct history and messaging	\$450	\$1,350	\$140	<b>\$1,940</b>
HOURS	4	8	1	
Prepare coordinated strategy and implementation plan incorporating outreach, legal, legislative, representation, etc.	\$360	\$1,800	\$70	<b>\$2,230</b>
<b>Hours and Total</b>	<b>65</b>	<b>67</b>	<b>14</b>	<b>\$21,905</b>

Continued on next page.

<b>ONE-TIME SETUP OF KEY OUTREACH ELEMENTS</b>				
	<b>Viveca</b>	<b>Martin</b>	<b>Lynda</b>	
HOURLY RATE	90	225	70	
<b>INITIAL RESEARCH AND COORDINATION</b>				
HOURS	5	5	1	
Fact Sheets	\$450	\$1,125	\$70	<b>\$1,645</b>
HOURS	10	5	1	
Slide Deck	\$900	\$1,125	\$70	<b>\$2,095</b>
HOURS	25	2	1	
Setup editorial calendar for FB, Twitter and LinkedIn. Set up Twitter and LinkedIn Company pages	\$2,250	\$450	\$70	<b>\$2,770</b>
HOURS	20	2	1	
Facebook, Twitter, LinkedIn: Management (2-3 weekly posts on each platform based on existing graphic assets and license free graphics), adjustments, tracking of each platform,	\$1,800	\$450	\$70	<b>\$2,320</b>
HOURS	20	2	1	
Facebook Ad Campaign. Set up business manager, gathers (existing) assets, creates copy, graphics, x 4 variations (ad sets), split tests, adjusts, optimizes, and tracks over a 3 month period (minimum) ca 20 hours	\$1,800	\$450	\$70	<b>\$2,320</b>
<b>Hours and Total</b>	<b>80</b>	<b>16</b>	<b>5</b>	<b>\$11,080</b>

<b>MONTHLY SOCIAL MEDIA AND COORDINATION ACTIVITIES</b>				
	<b>Viveca</b>	<b>Martin</b>	<b>Lynda</b>	
HOURLY RATE	90	225	70	
<b>CARRY OUT PLAN</b>				
HOURS	20	1	1	
Social media: Facebook, LinkedIn, Twitter. management (to include 2-3 weekly posts/each platform based on existing graphic assets and license free graphics), adjustments, tracking of each platform.	\$1,800	\$225	\$70	<b>\$2,095</b>
HOURS	12	1	1	
Facebook ad campaign. Management adjustments	\$1,080	\$225	\$70	<b>\$1,375</b>
HOURS	3	4	0	
Plan and participate in online meetings with strategy team	\$270	\$900	\$0	<b>\$1,170</b>
HOURS	10	0	0	
2 @ long form LinkedIn Publications (500 to 1,000 words). Search engine optimized and based on most relevant/current issues important to SAWCO	\$900	\$0	\$0	<b>\$900</b>
<b>Hours and Total</b>	<b>45</b>	<b>6</b>	<b>2</b>	<b>\$5,540</b>

**Six Month Minimum for Social Media.** Social media cannot be turned off and on. It needs to be ongoing to be credible and effective. Also, our media specialists must reserve time weekly to carry it out. We, therefore, propose a six-month minimum for social media at \$2,500 per month with actual time being billed for any work above that amount.

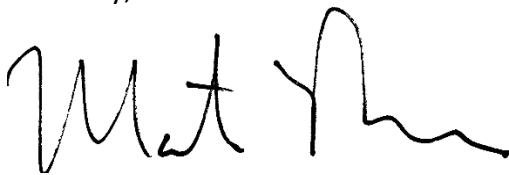
**Travel and Expenses Additional.** Basic material expenses, including, travel expense (transportation and lodging), office printing and sales tax are additional and passed on at cost. Car mileage is at the IRS California rate at the time or actual rental car cost plus fuel.

**More Cost Estimate Details.** The Company will only be charged for work actually done. It is possible that more work will need to be done or that final costs will be less. No out-of-scope work will be undertaken without prior written approval from the Agency. Out-of-scope work includes new tasks, or extra work not due to inefficiencies on our part on existing tasks, which is requested for reasons beyond RCC's control.

**Our Rates.** Consulting rate for the senior consultant is \$225 per hour. Outreach and public involvement programs rate for associate consultants is \$90 to \$115 per hour. Graphic designer and webmaster services rate is \$105 per hour. Social media and writing specialist's rate is \$45 to \$90 per hour. Rate for Administration and Production Manager, is \$70 per hour.

**Travel and Expenses Additional.** Basic material expenses, including, travel expense (transportation and lodging), office printing and sales tax are additional and passed on at cost. Car mileage is at the IRS California rate at the time or actual rental car cost plus fuel.

Sincerely,

A handwritten signature in black ink, appearing to read 'Martin Rauch', with a stylized flourish at the end.

Martin Rauch

Rauch Communication Consultants, Inc.

October 16, 2018

**Agenda Item 6D**

Item Title: Designations and Authorities

Purpose:

To assign the new General Manager, Mr. Brian Lee as representative to the Chino Basin and Six Basins watermasters.

Issue:

On April 10, 2018, the representatives to the Chino Basin were determined to be Teri Layton as primary and Tommy Hudspeth as alternate. In addition, the representatives for Six Basins were determined to be Tommy Hudspeth as primary and Teri Layton as alternate.

Manager's Recommendation:

That the Board appoint the following:

Chino Basin: Teri Layton – primary  
Brian Lee – alternate

Six Basins: Brian Lee – primary  
Tommy Hudspeth - alternate

Background:

Considered annually by the Directors during the Organizational Meeting in April, the Company's designation of representatives and appointments were approved on behalf of the Company.

The new General Manager, Mr. Brian Lee began work on September 17, 2018.

Upon approval of the Board staff will send appropriate letters to each Watermaster notifying them of the changes.

Impact on the Budget:

None

Previous Actions:

Designations and authorities are considered at the annual Organizational Meeting.

**Agenda Item 6E**

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 8/31/2018***

<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	<b>11,243</b>		3
<i>Rotating Nozzles</i>	0			
<i>Weather Based Irrigation Controllers</i>	0	<b>105,917</b>		
<i>Residential Landscape Retrofit Program</i>	0		<i>n/a</i>	5
<i>High Efficiency Toilets (premium)</i>	0	<b>13,851</b>		3
<i>Rain Barrels</i>	0	619		
<i>Landscape Audit</i>	0	3485	<i>n/a</i>	3
<i>Pressure Regulator Valve Program</i>	0		<i>n/a</i>	
<b><i>Total Savings for calendar year – thru 8/31/2018</i></b>				

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

II. SAWCo Efforts in meeting Best Management Practices as of 8/31/2018

<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</i>	<b>2</b>	<i>n/a</i>	<i>n/a</i>	
<i>Toilet Direct Installation</i>	<i>Approved \$5,000</i>	<b>18</b>	<b>15,600</b>	<b>280,800</b>	1.2
<b><i>SAWCo Wholesale Agencies Assistance-</i></b>	<i>Budget:\$21,000</i>	<b>44</b>	<b>15,600</b>	<b>686,400</b>	

October 16, 2018

<b>Toilet Direct installation</b>					
<b>TOTAL</b>		<b>64</b>		<b>998,400</b>	<b>1.1.3</b>

**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”. In 2017 a total of 4 Customer Notifications were sent.*

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

**Previous Actions:**

None.

**Impact on the Budget:**

Implementation of fines.

## FY2018 Budget Projects

PROJECTS IN PROGRESS	Capital	Expense	Total	YTD	Previous Years	Budget Placement	Start Date	End Date
<b>Holly Drive Reservoir</b> - staff has complete review of the 90% Plans and Specs. TKE is working on Bidding Documents. Staff anticipates bidding the site prep project (foundation ring and retaining wall) later thisfiscal year. Construction will carry over into next fiscal year.	\$118,000		\$118,000	\$36,237	\$112,758	D&O	7/1/2016	Dec-18
<b>Enviromental Document [TKE] PSA amendment</b>	\$23,900							
			\$0					
<b>Sub-Total =</b>	\$141,900	\$0	\$141,900	\$36,237	\$112,758			
<b>WFA Pipeline Connection</b> - Pending the WFA Board approval to construct the physical connection. Staff is working with CivilTec and coordinating final plans & specifications with the WFA staff. .	\$110,000		\$110,000	\$5,375	\$4,375	D&O	5/6/2016	Dec-18
			\$0					
<b>Sub-Total =</b>	\$110,000	\$0	\$110,000	\$5,375				
<b>Basin 6 Desilting</b> Contractor started first week in October and has completed collecting silt material. Hauling of spoils should begin the week of October 15, 2018  TKE Engineering - Project Management CHJ Geotechnical Evaluation	\$266,000	\$0	\$266,000	\$18,439	\$102,923	Carry-over Facilities  Facilities	03/04/15	Rev. date 10-1-18
<b>Sub-Total =</b>	\$266,000	\$0	\$266,000	\$18,439				
<b>Cucamonga Basin - Desilting project at crosswalls</b>  Altum Group/Baker International - Environmental Document TKE - Project Mgmt. & Noise Monitoring Contract executed with GRB Equipment.  Extraction and stockpiling of spoils should continue to November 15, 2018. Processing of spoils is exptect to start within the next two weeks. Processing should be completed within five years.	\$103,232		\$103,232	\$41,432	\$239,610	Carry-over Facilities	07/16/18	07/16/23
<b>Sub-Total =</b>	\$103,232	\$0	\$103,232	\$41,432	\$0			
<b>Office Relocation Feasibility Study</b> Staff has initiated conversations with the City in regards to how property sale is expected to be completed. Staff recommends reactivating committee	\$176,000		\$176,000	\$7,000	\$25,000	Facility	07/23/15	7/1/2018  ON HOLD
<b>Sub-Total =</b>	\$25,000		\$176,000	\$7,000				
<b>Well 31 Biological Treatment</b> - End product cost currently not compatible with current rate structure MIH was approved 60 Day extension to try an alternative filtration system; the pilot was delayed pending DDW approval.1. On August 9, DDW approved MIH to begin their small scale pilot protocol for a 60-day trial. Request the Board approve the extension as a result of the delayed DDW response.	\$4,200,000			\$0		Facility	09/13/16	HOLD
<b>Sub-Total =</b>			\$0	\$0				



PROJECTS IN PROGRESS	Capital	Expense	Total	YTD	Previous Year	Budget Placement	Start Date	End Date
<b>Water Delivery Connection to City of Upland</b> - Pending City's permit amendment application approval from DDW to begin construction.	\$14,145		\$14,145	\$0		D&O	1/1/2018	Dec-18
			\$0		\$0			
<b>Sub-Total =</b>	\$14,145	\$0	\$14,145	\$0	\$0			
<b>Holly Drive Boosters -In ground piping installation complete. Demo existing vault structure. Mechanical/Electrical installation KSM.</b>	\$290,000		\$290,000	\$5,958		D&O	1/1/2018	Dec-18
TKE Engineering	\$30,740		\$30,740	\$5,958				
J&K Welding	\$5,693		\$5,693	\$4,373				
KSM /Mechanical & Electrical	\$74,085		\$74,085	\$74,085				
HK/Structural	\$50,738		\$50,738		\$0			
<b>Sub-Total =</b>	\$451,256		\$451,256	\$90,374	\$0			
<b>SCADA Upgrade from Iconics to Clear Scada / Tesco</b> - Tesco coordinated software upgrade with the Company's IT provider (Inland Productivity). SCADA Submittal approved 6/27, SCADA Screen pending. Equipment installation 10/3, Start up 10/4.	\$100,000		\$100,000	\$0		D&O	1/1/2018	Nov-18
			\$0		\$0			
<b>Sub-Total =</b>	\$100,000	\$0	\$100,000		\$0			
<b>Res 7 Rehabilitation - Engaged with CivilTec Engineering to prepare</b> Design/specifications, administration, inspection for constructing aluminum dome. Terracon to perform geotechnical boring at the site. 50% plan review submittal as of this report.	\$180,000		\$180,000			D&O	6/1/2017	Dec-18
Harper & Associates					\$5,140			
CivilTec Engineering			\$0	\$13,541	\$0			
<b>Sub-Total =</b>	\$180,000	\$0	\$180,000	\$13,541	\$5,140			
<b>TOTAL =</b>	<b>\$1,517,488</b>			<b>#REF!</b>				

CY2018 PROJECTS COMPLETED	Capital	Expense	Total	YTD	Previous Year	Budget Placement	Start Date	End Date
<b>Transfer switch at V-Screen &amp; Shaft 6 - KSM.</b>	\$7,000		\$7,000	\$8,048		D&O	2/5/2018	Mar-18
<b>Truck mounted crane - Phonix</b>	\$8,000		\$8,000	\$9,011		D&O		
<b>Forebay Overflow &amp; Riser - Norstar Construction</b>	\$30,000		\$30,000	\$17,800		D&O	3/6/2018	May-18
<b>Edison Pond - New Sluice Gate Replacement -C.P. Construction</b> [\$15,440 is Pomona's share] Pending trash rack from South Bay Foundry.	\$70,000		\$70,000	\$51,000		D&O	3/16/2016	Jul-18
<b>Forebay Surface Waterline - C.P. Construction</b>	\$180,000		\$180,000	\$85,200		D&O	4/1/2018	Jul-18
<b>Santa Rosa Waterline and 24th Street waterline installation</b> - C.P. Construction. Waterline installation complete. Pending compaction testing and paving.	\$189,000	0	\$189,000	\$189,000			7/23/2018	8/6/2018
			\$0		\$0			
<b>Sub-Total =</b>	\$484,000	\$0	\$484,000	#REF!				