SAN ANTONIO WATER COMPANY

CORPORATE COMMITMENT

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

SAWCO WATERWORKS

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Welcome Alec!

Find us on Facebook

	2018	2019	2020		
Jan	3.38	8.63	.17		
Feb	.57	12.02	.24		
Mar.	6.26	9.13			
April	.02	.41			
May	.83	3.16			
June	.00	.20			
July	.01	.00			
Aug.	.00	*.22			
Sept.	.00	.00			
Oct.	.98	.00			
Nov	3.21	3.7			
Dec	2.54	6.38			
TOTAL	17.80	43.85	.41		

1958-2013 Annual rainfall average: 22.40" Rainfall data collected from www.usace.armv

correction

In 2020, we have increased the entitlement from 12,000 AF to 13,000 AF per year. This is all conditioned on the amount of water available to shareholders. Your entitlement on your bi-monthly billing will increase slightly and is displayed below. These amounts can change as available water supply dictates.

ENTITLEMENT INCREASE

Bi-monthly	1 Share	3/4 Share	1/2 share	1/4 share
Jan - Feb	9,568	7,176	4,784	2,392
Mar - Apr	11,609	8,706	5,804	2,902
May - Jun	16,784	12,588	8,392	4,196
Jul - Aug	20,864	15,648	10,432	5,216
Sept - Oct	18,904	14,178	9,452	4,726
Nov - Dec	10,905	8,177	5,452	2,726

Online Payment Convenience Fees

Effective 3/1/2020, online convenience fees were implemented for all payments made on our website with a credit or debit card. This does not affect any payments made through your bank website or for customers signed up for auto pay/auto draft.

The convenience fees for online payments made on our website with a credit or debit card are:

- \$1.25 municipal online fee (paid directly to billing software Tyler
- 1% of the payment amount (recovers some online merchant account costs)

To avoid these fees you can sign up for auto pay which will draft the payment on the due date directly from your checking account. An Autopay application and a voided check is all we need. You can obtain the application on our website at www.sawaterco.com and can mail or drop off the application with the voided check at our office.



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GENERAL MANAGER'S CORNER

As most of you know, San Antonio Water Company does not import any water. Our shareholders rely on local sources to provide year-round water. The San Antonio Canyon has remained a wonderful provider for the last 148 years. But in years when canyon water is reduced due to limited rainfall the Company relies heavily on our local groundwater sources to meet shareholder needs.

The Company pumps water from three different groundwater sources; Chino Basin, Cucamonga Basin and Six-Basins Basin. Many other companies also draw water from these basins. Because of the multiple demands, each basin is 'adjudicated', meaning a court has determined how much water each company can remove from each basin in any one year. The technical term for how much yearly water can be withdrawn from a basin is called the Operating Safe Yield (OSY). For SAWCo, our 2020 yearly OSY for each basin is:

Chino Basin 1,232 Acre Feet per Year (AFY)

Cucamonga Basin ~6,000 AFY, depending on 10-year average spreading (see below)

Six-Basin 932 AFY TOTAL 8,164 AFY

In addition to OSY, the Company may also store additional water in Chino, Cucamonga and Six-Basin basins. This storage water typically comes from 'spreading' excess canyon water during years when rainfall exceeds local demand. Storage space is limited and managed by the Watermaster of each basin.

The Company currently operates ten wells scattered over our three shared basins. Obviously, drilling more wells is an expensive undertaking and will not increase our water supply. Given the limited storage available and restrictions on pumping rights, the Company continues to manage its groundwater resources carefully, looking beyond any single year for our groundwater needs. Over the long run, mother nature provides enough local water for our shareholders, provided we manage it appropriately.

Just like the last 148 years, SAWCo intends to continue successfully managing our groundwater resources for the benefit of our shareholders. And we will continue to pray for rain...

Blim Cote

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What's Happening?

Company's Geographical Information System

In December of 2019 the Company hired Water Systems Consulting, Inc. (WSC) to develop a much -needed Geographical Information System (GIS)



detailing the location and pertinent information of Company facilities. The new GIS system will be replacing our paper maps used for locating facili-

ties. The Company's system will be built using industry standard software by ESRI, the leading GIS Company in the world. Our database will be available to office staff on desktop computers and field staff on handheld tablets. We expect the new system to be ready for use in the Spring of 2020.

Annual Shareholder Meeting

Our annual shareholder meeting is scheduled for Tuesday April 7th at 6:00 p.m. at Upland City Hall. We will present an overview of 2019 during this time. Hope to see you all there!



Power Outages

It appears that California's new norm is to shut off a modern public necessity (electricity) during times of high fire risk. Unfortunately, the Company's pumps and wells run off of electricity.... and require lots of it. Our 2020 budget includes \$600,000 for paying electrical bills. What happens to the Company's ability to deliver water, not only for regular use but also for firefighting, when Southern California Edison (SCE) cuts electricity during a time of high fire risk?

The good news is that fighting fires requires water, not electricity. Like most water companies, we pump water up hill and into steel reservoirs. Those reservoirs store the water until it is needed by our shareholders. The Compa-



ny currently has 6.6 Million Gallons of water reservoir capacity. Engineering design standards encourage a minimum of 240,000 gallons of water to fight a fire. That equates to 2,000 gallons per minute for a 2-hour firefight. Even if firefighting standards were doubled to 500,000 gallons, the Company's storage tanks have ample capacity to provide the water in an emergency.

The Company's biggest concern is the duration of SCE's Public Safety Power Shut Offs. In extreme situations SCE may not restore electricity for multiple days. Without electricity the Company is unable to refill our reservoirs. Under 'normal' consumption

the Company has at least two days of water available in storage at all times. If it looks like electricity will remain off for longer, the Company has arrangements to rent generators, get key facilities running and get some water into the system.

In conclusion, the Company has reservoirs to store water for emergency electrical outages. We also have contingency plans (generators) if those outages last longer than a couple days. But generators are a stop-gap measure and it remains imperative to conserve water in the event of a neighborhood power outage. During SCE Public Safety Power Shut Off periods please limit water to indoor use only, saving our stored water for fire safety.

SAWCo Waterworks

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

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Let's Welcome Our New Team Member, Alec!

Alec is energetic and eager to learn. He says he likes working at our

water company because it has a close family feeling and every day is different. You may see him out fixing leaks, taking samples or reading meters. Alec has been dating Amanda since high school and tells us that marriage is in the future. Meanwhile, he enjoys hiking, camping, fishing and playing hockey. He says it is pretty cool that we truly get our water straight from the mountain sources. Please help us to welcome our newest field member.

