



SAN ANTONIO WATER COMPANY

CORPORATE COMMITMENT

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

SPRING
EDITION 2017

SAWCO WATERWORKS

INSIDE THIS

Managers Message	2
Water Supply	2
Leak Detection	3
Toilet Giveaway	3
Water Alert—Moderate Stage	3
Annual Shareholder's Meeting	3
Projects in Motion	4
Got Shares to Lease?	4



RAINFALL DATA

	2015	2016	2017
Jan	.82	5.44	14.74
Feb	1.61	.62	3.89
Mar.	.32	2.54	
April	.41	.86	
May	1.59	.06	
June	.01	.01	
July	.79	.00	
Aug.	.00	.00	
Sept.	1.20	.19	
Oct.	1.07	.53	
Nov	.41	.67	
Dec	1.30	6.00	
TOTAL	9.53	16.92	18.63

1958-2013 Annual rainfall average: 22.40"
Rainfall data collected from
www.sbcounty.gov. & www.usace.army

Upcoming New Water Rates

Many may expect relief on water bills as a result of their water conservation efforts. Of course the relief will be due to reduced water usage as a result of water conservation. As with many water utilities, the Water Company's variable rate subsidizes much of operating expenses, water conservation can be a "double-edged." Because the Water Company's current variable rates cover almost 90% of expenses, reduced water use or drought impacts revenues significantly. Those impacts over the last four years has been mitigated by using the Water Company's reserves to cover budget shortfalls.

The Water Company engaged with a rate consultant in CY2016 to prepare a rate analysis. There has been three workshops with the Board and Shareholders and one Public Hearing in developing a rate that would be equitable among all shareholders. On April 18, 2017, a Public Hearing will be held to consider the following:

- ◆ Proposed increase base rate \$0.51/hcf to \$0.71/hcf
- ◆ Proposed increase tiered rate \$1.33/hcf to \$1.78/hcf
- ◆ Proposed additional tiered rate based on double entitlement use \$3.56/hcf
- ◆ Proposed Water Availability Charge \$8.31 per share per month
- ◆ Proposed Cost Index Approach to consider 3% annual increase based on CPI Index

Proposed new rates effective July 1, 2017. (Note: These rates may be subject to change & approval.)

Ides of March

Of Weather Lore and Atmospheric Rivers

It has always been a human desire to predict the weather with such lore as:

- If March comes in line a lion, it will be out like a lamb.
- A dry March and a wet May? Fill barns and bays with corn and hay.
- As it rains in March so it rains in June.
- March winds and April showers? Bring forth May flowers.

However, the new science of our weather is brought about from atmospheric rivers (AR) such as the "Pineapple Express" bringing moisture from the tropics to the West Coast. These events accounts for almost 50% of annual precipitation with a few of these events contributing to water supply, snow pack and flooding as we see much of this in Northern California. Recently these storms came one after another making more than 43% of the state drought free at least in Northern California. This is great news but "It does not mean that the drought is over as it will take some time for the snow to melt and to find its way into the groundwater." As such we have not observed any change in ground water levels.

We may not be able to accurately predict the weather, but we can make water conservation our way of life because "We do not live in a wet climate with periods of drought, we live in a dry climate with periods of wetness."

MANAGER'S MESSAGE

Are we there yet?

Some of you have probably heard that refrain from your kids when riding any distance in our car. Of course that was before we had video screens and cell phones to keep them occupied.

With storms drenching much of California and snow blanketing the Sierra many of you may question if we are out of the drought yet. In short, “no not yet.”

But, we are on a rebound from the drought and the accumulated deficit. I suppose if one was unemployed for 5 years, one month of employment would not suffice to get out of accumulated financial debt.

So now the state's water regulators are grappling with how to shift from conservation rules devised during more than five years of drought to a long-term strategy for using water sustainably. To err on the side of caution, the state water board voted unanimously to extend the emergency drought regulations, which were set to expire at the end of February, until November 5, 2017.

Charles Moorrees



Water Supply

The amount of water the Water Company is able to produce is prorated among the outstanding shareholdings which is fixed. Therefore each share or fraction thereof carries with it a quantity of water relative to their shareholdings.

Historically, the Water Company used a 10 year running average to determine annual entitlement based on water produced. That number had hovered in and around 16,500AF of annual entitlement. However, the drought beginning in CY2012 caused that number to be overstated causing staff to reduce entitlements according to previous year production in CY2014, 2015 and 2016 to the current 10,086 AF.

It became evident that annual changes in entitlement should be considered in October of each year. However, considering the significant rainfall received to date this year, staff will be evaluating and projecting entitlement for CY2017 as early as May as surface flows to date has already provided 86% of the total annual flow last year.

Water Efficiency Corner

FREE TOILET WITH INSTALLATION



- 0.8 GPF—Stealth Flush Technology—Ultra High-Efficiency Toilet
- 12" Rough In
- Chair Height—17" with seat
- Tank with Patented Stealth Technology
- 10 year limited warranty

Would you be interested in receiving a Ultra High Efficient Toilet for FREE!!! How about FREE installation for that new UHET including haul away of your old toilet! If interested, please call the office at 909-982-4107.

GOT LEAKS?

San Antonio Water Company reads meters on a monthly basis and bill every other month. When meters are read and there has been continuous usage (water running through the meter for 24 hours straight), an alert will be generated indicating that there's a possible leak.

Customers are contacted with an automated phone call, advising that there may be a leak on the property. Please don't panic if you receive a call. Do a property check to see what may have caused this usage. You may find a broken sprinkler, maybe a hose left on, leak at the spigot, pool filler stuck in the on position or possibly a serious leak in an irrigation line.

The Water Company has a Leak Detection program available to our customers. Only a few that have been offered it have taken advantage of it. If you receive a call and you've exhausted all efforts to find the cause of the water usage/leak, please contact the water company to participate in the Leak Detection Program. All we need from you is a signed agreement, which is available in our office, and we will start the process.

Once the signed agreement is received in our office, we will have Mitchell's Plumbing contact you to set up an appointment. In this agreement, SAWCo will pay for the first 1/2 hour of the Leak Detection test and 1/2 the cost of the Mitchell's written repair bill, up to \$500. The remaining balance will be due at the time of service. This agreement must be signed by the shareholder/customer and returned to SAWCO before test or repairs are done. Any repairs done outside this agreement will not be accepted.



Annual Shareholder's Meeting

Our annual shareholder meeting will be held on April 11, 2017 at 6:00 p.m. at Upland City Council Chambers. During this time we will review 2016 Water Company business, projects and finances and elect 4 board members for a 4 year term. Up for election is Tom Thomas, Ken Willis, Glenn Bozar and Bob Cable.



Water Alert

Moderate Shortage Stage

• Outdoor Watering:

Even # address = even # days of the month

Odd # address = odd # days of the month

- No washing automobiles from noon – sundown
- No washing off driveways or sidewalks
- No pool fill between 10 am – 6 pm
- Excessive run off prohibited

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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BOARD OF DIRECTORS

Tom Thomas-President

Will Elliott-Vice Pres.

Sue Sundell-Secretary/CFO

Glenn Bozar-Director

Ken Willis -Director

Bob Cable-Director

John Gerardi-Director

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GENERAL MANAGER

Charles Moorrees

DESIGNER/EDITOR

Roberta Thomas



Projects in Motion CY 2017

Pending regulatory and institutional approval

- ▶ Cucamonga Crosswalls – Desilt & repair
- ▶ Basin 6 Desilting

Planning Documents in Progress

- ▶ Water Master Plan
- ▶ Water Rate & Fee Study
- ▶ Cucamonga Basin Management
- ▶ Office Relocation Plan

Under Design

- ▶ Holly Drive Reservoir

Operations

- ▶ Edison Pond clean up
- ▶ Wood gate replacement
- ▶ Well 19 Rehabilitation
- ▶ Well 24 Rehabilitation

Got Shares to Lease?

Do you have shares that currently are not being used? Are you not interested in selling them? Perhaps you may be interested in *leasing* those shares. What is that? Shareholders can lease (rent) shares to other shareholders that are currently in need of additional shares to help increase their monthly entitlement. The lease/rent cost will be determined amongst the two parties. Leasing your shares, will help with the cost of the new proposed *Willingness to Serve Charge* that will be assessed for each share owned. This is also a great way to get more water at the lower rate.

This is simply a signed agreement amongst the two parties. The Shareholder's Stock Lease Form is available on our website under Customer Service-Water Shares/Stock or available here in our office. The Stock Lease Form must be filled out completely and include the notarized signature of the Lessor unless the Lessor is submitting the form in person and signing it in front of SAWCo staff. Most leases are valid from 1-5 years, which is determined by the two parties.

So if this is some interest to you, ask around to see if anybody is willing to lease their unused shares. If you have any questions or need the form sent to you, please contact the office at 909-982-4107.

