

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, March 19, 2024

An open meeting of the Board of Directors of the San Antonio Water Company (SAWCo) was called to order at 5:02 p.m. on the above date at the City of Upland Council Chambers, 460 N. Euclid Ave., Upland, California. Directors present were Rudy Zuniga, Will Elliott, Bill Velto, Bob Bowcock, Kati Parker, Bob Cable, and Becky Miller. Also in attendance were SAWCo's General Manager Brian Lee, General Legal Counsel Derek Hoffman, and Administrative Specialist Tiffany Dickinson. President Zuniga presided.

Director Velto led all in attendance in the flag salute.

1. Recognitions and Presentations: None.
2. Additions-Deletions to the Agenda: None.
3. Shareholder-Public Testimony: None.
4. Consent Calendar Items:
 - A. Approval of Board Meeting Minutes
Regular Meeting Minutes of February 20, 2024.
 - B. Planning, Resources and Operations Committee (PROC) Meeting Minutes
Approve meeting minutes of October 24, 2023.
 - C. Administration and Finance Committee (AFC) Meeting Minutes
No meeting minutes to approve.
 - D. AdHoc Committee for Office Feasibility Study
No meeting minutes to approve.
 - E. Financial Statement
Income Statement and Balance Sheet for January 31, 2023.
 - F. Investment Activity Report
Monthly Report of Investments Activity.
 - G. Water Production and Consumption
Monthly water production and consumption figures.
 - H. Prominent Issues Update
Status summaries on certain on-going active issues.
 - I. Projects and Operations Update
Status summaries on projects and operations matters.
 - J. Groundwater Level Patterns [Quarterly in January, April, July, and October]
Tracking patterns of groundwater elevations relative to ground surface.
 - K. Conservation Program Update [Quarterly in January, April, July, and October]
Update on SAWCo's existing water conservation programs.
 - L. Correspondence of Interest

Director Parker stated she would like to make an amendment to pull item 4A and make a change to the Regular Board Meeting Minutes.

Director Elliott moved and Director Parker seconded to approve the Consent Calendar items 4B-4I. Motion carried unanimously.

Director Parker stated under Item 4A Regular Board Meeting Minutes, Item 6 Development of 1295 W. 25th St. the minutes currently state "Director Parker asked if this item could be taken to the PROC Committee". She requested to change the verbiage to, "Director Parker asked if this item could be taken to the PROC Committee to revisit the policy and consider other alternatives like, taking each incident on a case-by-case basis."

Director Parker moved and Director Elliott seconded to approve the change in language on Item 4A, Regular Board Meeting Minutes. Motion carried unanimously.

5. Board Committee – Delegate Report:
 - A. **Pomona Valley Protective Association (PVPA) Representative's Report** – Director Parker stated there was no meeting held this month, therefore there is nothing to report.
 - B. **Six Basins Representative Report** – Mr. Lee stated there is no update to report.
 - C. **Chino Basin Representative Report** – Mr. Lee stated he is happy to report that Chino Basin Watermaster has a new general manager.

Director Velto reported Chino Basin Watermaster has hired Todd Corbin from Riverside, and they are excited to have him on board.
 - D. **Cucamonga Basin Representative Report** – Mr. Lee stated there is no update to report.
 - E. **Administration and Finance Committee (AFC) Chairman's Report** –No meeting to report.

- F. **Planning, Resources, and Operations Committee (PROC) Chairman's Report** – Director Elliott stated the committee met and the updates on prominent issues are included in the packet.
- G. **Office Feasibility Study Ad Hoc Committee** – Mr. Lee stated the committee met on March 13, 2024. The packet for that meeting is included in the board packet under Item 4I, Projects and Operations Update. Staff is meeting with the architect tomorrow in preparation for submitting a package to the City of Upland for amendments to the zoning and CEQA process that will be necessary. SAWCo staff will be bringing CEQA contractor proposals to the board next month and an engineering geologist proposal to complete site and geotechnical work that will be required for the project.

Director Parker added the Upland Heritage received a phone call from a person in Temecula that has a lot of smudge pots that were made in Upland. She suggested it would be neat to have a couple of smudge pots in the citrus grove at the new main office site. This individual is looking to downsize and is excited to be able to donate back to the Upland community.

6. Property, Casualty, Workers Comp and Cybersecurity Insurance Renewal: Mr. Lee stated this item comes up every year, with this year being a renewal. He stated premiums are jumping in double digits, 15% this year, significantly less than the 37% increase from last year, but comparable to the 17% and 18% increase from the previous two years. The main increase is because SAWCo now has a full field staff. The other uncontrollable increase is related to property insurance and the risk of wildfire. The control that staff has is removing some SAWCo property from its insurance carriers. Mr. Lee stated the main question is does the Company really need to insure a steel tank for wildfires. Mr. Lee suggested the need for SAWCo staff to poll other agencies in similar situations and see what they do. He added the company will not remove liability just property insurance for replacement cost.

Mr. Lee added if the company does remove property during the year we will get a rebate back on those premiums.

Mr. Lee added another issue is IT insurance or cybersecurity insurance in which we have coverage in the packet, but we plan on enhancing that coverage when we complete with Inland Productivity a review of our cybersecurity protections and what is required.

Director Velto asked if a separate firm will investigate cybersecurity versus the ones that just provide technical support. He encouraged staff to reach out to other water agencies and find out what they have because as an independent small agency and not having other support, it would make sense to have a third party look at the cybersecurity from a larger firm.

Mr. Lee responded we were not planning to go to that depth at this point in time, it is more trying to fill out the form and do everything we can such as dual authentication, firewalls and having gateways in place, it is just a review of our system.

Director Elliott moved and Director Miller seconded to renew the property, casualty, workers comp and cybersecurity insurance policy. Motion carried unanimously.

7. Uniform Policy and Annual Clothing Allotment: Mr. Lee stated a revised uniform policy and clothing allotment was brought to the AFC Committee in January and was reviewed and recommended to bring to the full board for approval.

Mr. Lee recommended the approval of the revised uniform policy which primarily deals with field staff and their shirts and pants and how we get those replaced and how they maintain those policies.

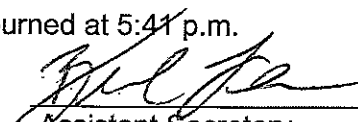
Director Velto moved and Director Cable seconded the approval of the uniform policy and the annual clothing allotment. Motion carried unanimously.

8. Closed Session:
The Board went into closed session at 5:19 PM. Upon return from the closed session at 5:40 PM, Mr. Hoffman stated there was no reportable action.

Director's Comments and Future Agenda Items: None.

Adjournment:

With no further business to discuss the meeting was adjourned at 5:41 p.m.


Assistant Secretary
Brian Lee