

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, September 19, 2023

An open meeting of the Board of Directors of the San Antonio Water Company (SAWCo) was called to order at 5:01 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, and Kati Parker. Also in attendance were SAWCo's General Manager Brian Lee, General Legal Counsel Derek Hoffman, Senior Administrative Specialist Kelly Mitchell, and Administrative Specialist Tiffany Dickinson. President Zuniga presided.

Braden Yu, Public Works Director for the City of Upland, led all in attendance in the flag salute.

1. Recognitions and Presentations: None.
2. Additions-Deletions to the Agenda: Mr. Lee pointed out there was an additional informational item on the dais for Item 7.
3. Shareholder-Public Testimony: None.
4. Consent Calendar Items:
 - A. Approval of Board Meeting Minutes
Regular Meeting Minutes of August 15, 2023.
 - B. Planning, Resources and Operations Committee (PROC) Meeting Minutes
No meeting minutes to approve.
 - 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 June 30, 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 Elliott moved and Director Velto seconded to approve the Consent Calendar as presented. Motion carried unanimously.

5. Board Committee – Delegate Report:
 - A. **Pomona Valley Protective Association (PVPA) Representative's Report** – Director Parker advised PVPA meeting was held Wednesday, September 13, 2023.

Director Parker reported the action items were adopting fiscal year 2023/2024 budget. She stated PVPA received and filed the independent auditors report, with no other business items to report.
 - B. **Six Basins Representative Report** – Mr. Lee stated there is no update to report.
 - C. **Chino Basin Representative Report** – Mr. Lee stated there has been a lot of filings with the court of appeals and preparing for arguing with the appellate court on the three items currently being argued. He added Chino Basin is beginning the safe yield recalculation which is due in 2025. He reassured legal counsel and staff are focused on participating.
 - D. **Cucamonga Basin Representative Report** – Mr. Lee commented they are continuing to meet with the hydrogeologist providing information on the groundwater. He stated Cucamonga Basin is looking into getting grants on how to improve groundwater situations in the Cucamonga Basin.

Director Elliott inquired if increase in volume and quality were issues in Cucamonga Basin. Mr. Lee responded with both volume and quality were issues and hoped to address both depending on the grant.
 - E. **Administration and Finance Committee (AFC) Chairman's Report** – No meeting to report.

F. **Planning, Resources, and Operations Committee (PROC) Chairman's Report** – No meeting to report.

G. **Office Feasibility Study Ad Hoc Committee** – No meeting to report.

6. Proposed Change Order #2 for Well 19 Test Well

A. **Discussion and possible action regarding proposed Change Order #2** – Mr. Lee reported the change order is due to conditions in drilling for the Well 19 Test Well, and Layne Christensen reached an elevation of about 1,150 feet below ground surface. Partial of the process was slow going thus per the contract slow going changes from a footage rate to an hourly rate and the total hours combined came to about 15,000 feet for the conductor and an additional 54,000 feet for the well.

Mr. Lee requested for approval for additional testing on the ground water. Staff encountered clay and different type of material than expected, and staff would like to test for the mineral content of those findings.

Mr. Lee proposed the Board to approve Change Order #2 in the amount of \$71,639.61 to complete the test well construction.

Director Velto questioned if testing the water should have already been included in the contractor's bid. Mr. Lee responded with a certain amount of test water and the expectation of a certain quality of soil. Digging deeper, more and more clay type soil was encountered which shifted the perimeter of the water quality. Mr. Lee reassured the \$1,920 additional testing sample collection for the clay that was found to be certain that clay does not impact the well dramatically.

Director Velto moved and Director Elliott seconded to approve the proposed change order #2 for Well 19 Test Well. Motion carried unanimously.

7. Proposal to Develop Well 19 Production Well

A. **Discussion and possible action regarding construction of a new production Well 19-**

Mr. Lee stated the question that was raised after the test well was complete was, how soon did SAWCo plan to make a production well. The production well will be reaming out the test well and enlarging it and dropping in longer term components.

The proposal presented came in a little over two million dollars. Mr. Lee stated he met with the contractor and hydrogeologist to come up with solutions to decrease those costs. One solution consisted of eliminating the camera tube, which can produce images below the bowls of the well. He added SAWCo hardly uses camera tubes and if so, they are used every 10 years. A second solution is instead of using stainless steel for the screens and casing to use high strength low alloy steel, which is one level below stainless steel.

Mr. Lee then directed with these two solutions to decrease costs brings the proposal on the dais which was \$1,600,880 with a potential savings of about \$400-\$500 thousand dollars.

Director Velto moved and Director Parker seconded to approve to develop Well 19 production well. Motion carried unanimously.

8. General Manager's Report on Activities

A. **Open Director's Seat-**

Mr. Lee stated last month the board authorized staff to release applications and notifications to shareholders to submit applications for the open director's seat.

Mr. Lee reported about 6 applications that have been submitted to SAWCo office to date. He mentioned he had conversations with individual directors after the previous board meeting questioning the rush to fill the seat. He stated staff decided to extend the application process through October to generate more interest.

Mr. Lee concluded in an apology with no action tonight but rather recommended to wait until the October Board Meeting. The Board agreed to wait until October to take action.

9. Closed Session:

A. **Conference with Labor Negotiators (Gov't Code § 54957.6)**


The Board went into closed session at 5:16 PM. Upon return from the closed session at 5:53 PM, Mr. Hoffman stated with legal counsel and the Board present there was no reportable action.

B. **Initiation of Litigation (Gov't Code § 54956.9(d)(4)): One Case**

Upon return from the closed session, Mr. Hoffman stated legal counsel and staff were present and there was no reportable action.

Adjournment:

With no further business to discuss the meeting was adjourned at 5:54 p.m.


Assistant Secretary
Brian Lee

