

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, May 21, 2024

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 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, Assistant General Manager Teri Layton, 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: Mr. Lee noted Item 4B Organizational Meeting Minutes, Item 5F Representatives for the Administrative and Finance Committee, there was an overlook and Director Goss was changed with Director Miller.
3. Shareholder-Public Testimony: None.
4. Consent Calendar Items:
 - A. Approval of Board Meeting Minutes
Regular Meeting Minutes of April 16, 2024.
 - B. Organizational Meeting Minutes
Approve Meeting Minutes of April 9, 2024.
 - C. Planning, Resources and Operations Committee (PROC) Meeting Minutes
No meeting minutes to approve.
 - D. Administration and Finance Committee (AFC) Meeting Minutes
No meeting minutes to approve.
 - E. AdHoc Committee for Office Feasibility Study
No meeting minutes to approve.
 - F. Financial Statement
Income Statement and Balance Sheet for February 29, 2024, and March 30, 2024.
 - G. Investment Activity Report
Monthly Report of Investments Activity for February 2024 and March 2024.
 - H. 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 Miller moved and Director Velto seconded to approve the Consent Calendar items along with the corrections. Motion carried unanimously.

5. Board Committee – Delegate Report:

- A. **Pomona Valley Protective Association (PVPA) Representative's Report** – Director Parker stated there was a meeting held Wednesday, May 8, 2024, which most was routine in nature. They did approve a contract for Crystal Waters Consulting services for an additional \$15,000, working on the new spreading basin, working alongside Six Basins Watermaster. She noted it is the San Antonio Replenishment Basin in which they hope will become the Tom Thomas Basin. She also added they have weed abatement services currently going on to remove weeds from the roads for fire hazard.
- B. **Six Basins Representative Report** – Ms. Layton stated she was out, and the alternate Tommy Hudspeth was not able to attend the meeting, therefore there is no update to report.
- C. **Chino Basin Representative Report** – Mr. Lee reported they are heading towards approval of the budget which will likely happen at the board meeting on Thursday, May 23, 2024. It is a good effort forward in terms of prior years' budget process.

Mr. Lee added at the advisory and pool committees there was discussion of a change order of \$2 million dollars for a major project. He commented he is sufficient with the information provided but not necessarily happy, but both the appropriate pool and advisory committee are recommending approval at the board level.

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

6. Key Man Insurance: Mr. Lee stated number of months ago the board had discussed looking into getting ‘key man’ insurance for himself. He explained key man insurance is if Mr. Lee becomes incapacitated in any way shape or form and he is not able to fulfill the duties as general manager, there will be an insurance policy that would provide the Company the financial where with all to backfill the position non-permanently, or for the HR efforts to hire somebody should the need arise.

Mr. Lee added staff has reached out to their insurance company and they have recommended reaching out and talking with Victor Paz of LWT Agency. Staff have since reached out and talked with Mr. Paz and he provided documents that are provided in the board packet.

Mr. Lee commented given the current situation staff is recommending a ten- year term, with prices for annual premiums ranging from \$1,600 to \$2,000. He also added Mr. Paz recommended going with a company staff is comfortable with or a company that has higher ranking in customer service.

Mr. Lee stated if the Board wishes to move forward with obtaining the key man insurance, staff is asking the Board to give direction, staff is recommending a \$1 million dollar face amount at a 10- year level term and if there are any recommendations on which company the Board would recommend or look into deeper.

Director Parker stated she feels a staff member can temporarily step into Mr. Lee’s position and staff would be able to maintain until someone else is brought in.

Director Velto explained this type of insurance is common when an organization has key personnel, this insurance acts as a buffer so when an organization does hire someone you are getting it paid for a couple of years through the insurance company. It is difficult and costly trying to hire new key personnel.

Director Zuniga added this insurance is more of a protection, hiring an outside consultant is very costly upfront, and instead of paying with funds straight from the Company this insurance will cover the costs until someone is hired.

Director Parker moved and Director Miller seconded to approve staff choosing a company that is best for key man insurance at the recommended ten-year term no more than \$2,000.00 premium. Motion carried unanimously.

7. Six Basins Groundwater Basin Watermaster Representative: Mr. Lee stated this is a request by staff to change the representation matrix on Six Basins Watermaster. Mr. Lee will take over as the primary and Ms. Layton will be the alternate. This is key to the company’s succession planning, where Mr. Lee will be looking outward and Ms. Layton will be looking inward to make sure the company is prepared for the future.

Director Velto moved and Director Cable seconded to approve appointing General Manager Brian Lee as the primary representative and appointing Assistant General Manager Teri Layton as alternate representative for Six Basins Groundwater Basin Watermaster. Motion carried unanimously.

8. New Office and Operations Yard Facilities Project: Mr. Lee commented staff’s intent is for this to be an informational item. There were discussions about contracting at the previous board meeting for CEQA, geotechnical, and engineering work for the new office and operation yard facilities. Those contracts are included in the packet for review.

There was no further discussion on this agenda item.

9. Closed Session:
 CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION [Government Code Section 54956.9(d)(1) Name of Case: San Antonio Water Company v. Foothill Irrigation Company, et al., San Bernardino Superior Court Case No. 92645

CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION [Government Code Section 54956.9(d)(1) Name of Case: Victor Asemota et al. v. City of Claremont, et al., Los Angeles County Superior Court Case 24STCV08598

The Board went into closed session at 5:28 PM. Upon return from the closed session at 5:51 PM, Director Zuniga stated Director Velto left the meeting at 6:05 PM.

Mr. Hoffman stated the Board went into closed session for the two items on the agenda and has received an update from legal counsel. He concluded there is no reportable action.

10. Director's Comments and Future Agenda Items: Director Miller complimented SAWCo staff in their leadership and the organization of the board packets. She added as a new board member she felt very informed before the start of the meeting.

Mr. Lee added he will not be in attendance for the June Board Meeting, Ms. Layton will be running the meeting.

Adjournment:

With no further business to discuss the meeting was adjourned at 6:53 p.m.



Assistant Secretary
Brian Lee

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