

**SAN ANTONIO WATER COMPANY**  
**MINUTES OF THE SAN ANTONIO WATER COMPANY**  
**Tuesday, January 15, 2019**

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 Upland City Hall Council Chambers, 460 North Euclid Avenue, Upland, California. Directors present were Tom Thomas, John Gerardi, Jose Sanchez, Bob Cable, and Gino Filippi. Also in attendance were SAWCo's General Manager Brian Lee, Assistant General Manager Teri Layton, and Senior Administrative Specialist Kelly Mitchell. Director Thomas presided.

- Salute to the Flag led by Director John Gerardi

1. Recognitions and Presentations: None.
2. Additions-Deletions to the Agenda: Director Thomas advised of his receipt of Director Sue Sundell's Letter of Resignation effective immediately. Copies of the letter were placed on the dais. He commented a new chairman of the Administration and Finance Committee and a new Secretary/Chief Financial Officer will need to be appointed. It's possible the vacancies may not be filled prior to the upcoming SAWCo Annual Shareholder's Meeting.
3. Shareholder-Public Testimony: None.
4. Consent Calendar Items:
  - A. Approval of Board Meeting Minutes  
Regular Meeting Minutes of December 18, 2018.
  - B. Planning, Resources and Operations Committee (PROC) Meeting Minutes  
No meeting minutes to report.
  - C. Administration and Finance committee (AFC) Meeting Minutes  
No meeting minutes to report.
  - D. Financial Statement  
Income Statement and Balance Sheet for November 30, 2018 and year-to-date.
  - E. Investment Activity Report  
Monthly Report of Investments Activity
  - F. Water Production  
Bi-Monthly water production [Jan/Feb, Mar/Apr, May/June, July/Aug, Sept/Oct, Nov/Dec]
  - G. Prominent Issues Update  
Status summaries on certain on-going active issues.
  - H. Projects and Operations Update  
Status summaries on projects and operations matters.
  - I. Groundwater Level patterns [Quarterly in January, April, July, and October]  
Tracking patterns of groundwater elevations relative to ground surface.
  - J. Correspondence of Interest –

Mr. Lee noted the announcement of a long term employee moving from full-time employment status to part-time employment status in Item 4G. As a result, SAWCo's current part-time employee will have an increase in work hours.

Director Thomas commented positively on SAWCo accommodating loyal employees.

Director Gerardi moved and Director Filippi seconded to approve the Consent Calendar Items as presented. Motion carried.

5. Board Committee – Delegate Report:
  - A. **Pomona Valley Protective Association (PVPA) Representative's Report** – Director Thomas reported on the January PVPA meeting. During the City of Pomona's recent election, Ginna Escobar was not re-elected. As such, Victor Preciado has assumed her role with PVPA.

As part of PVPA's Strategic Plan, an Environmental Impact Report is being compiled for the entire Six Basins. The General Manager of Chino Basin is concerned that Wildermuth Environmental, Inc. is working for both Six Basins and Chino Basin and any efforts made to retain water in Six Basins may prevent it from flowing into Chino Basin. There are, however, many parties that sit on both the Six Basins and Chino Basin.

Director Thomas reported on the concerns over revived efforts to expand the National Monument area. Previously, some renderings show the area expanding south of the dam while others have it far north of the dam. Depending on how far south it expands it could impact SAWCo and the City of Pomona.

- B. Six Basins Representative Report** – Mr. Lee advised Six Basins did not meet in December and the January meeting is forthcoming.
- C. Chino Basin Representative Report** – Ms. Layton updated the Board on the progress of the Safe Yield Court and Appeal process. She reported that on December 20, 2018, the Appropriative Pool (AP) had a special closed session which resulted in approving a resolution which stated the AP parties would not file negative comments to the Non-Agriculture's pooling plan and Non-Agricultural Pool would not file any negative comments to the AP Pooling Plan and CAMA Amendments. The City of Upland was not present at the meeting and SAWCo abstained.

A hearing on Watermaster items was held at the Court on December 28, 2018. Action items consisted of: the Court receiving and filing Watermaster's Semi-Annual Optimum Basin Management Plan (OBMP) Status Reports 2017-2 and 2018-1, approval of 2017 Recharge Master Plan Update, re-appointment of nine-member Watermaster Board for 5-year term, approval of temporary substitute rate for physical solution transfers under Exhibit "G", and receiving and filing of the 2017/2018 Annual report of the Ground Level Monitoring Committee.

The AP held their regularly scheduled annual meeting on January 10<sup>th</sup> for purposes of election. Ms. Layton announced she was elected to serve as Chair of the Advisory Committee.

On January 11, 2019 the Advisory Committee held a special meeting and approved a motion to support the 2018 Agreement to the AP Pooling Plan and CAMA Amendments and forwarded it to the Watermaster Board for their support. The Agricultural Pool voted no, motion passed with 80% approval.

Also on January 11<sup>th</sup>, the Watermaster Board held a special meeting and approved a Board Resolution that included the Agricultural Pool's desire to include the Safe Yield methodology. Watermaster felt this resulted in all parties being in support of the Pooling Plan and CAMA Amendments.

The first of many OBMP Update Workshops was held earlier in the day at Watermaster and motions were due to be filed in Court by end of the day. Opposition are due to the Court by February 13, 2019 with reply papers due to the Court on February 28, 2019 with the Court hearing scheduled for March 15, 2019 at 1:30 p.m.

- D. Cucamonga Basin Representative Report** – Ms. Layton reported that staff attended a Cucamonga Basin meeting with CVWD and West End Consolidated Water Company (WECWC) on January 8<sup>th</sup>. The revised cost sharing Memorandum of Understanding (MOU) was distributed.

The Parties are currently reviewing the modernized judgment and are providing comments. A schedule was drafted to help guide the group with an anticipated completion time of June 2019.

The next meeting is scheduled for February 5<sup>th</sup> at 1:30 p.m.

- 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.

Mr. Lee informed the Board that Senate Bill SB-845 was not approved. California Governor Newsom is said to be interested in taxing water to help support disadvantaged communities. Staff will keep the Board apprised of the happenings in Sacramento.

6. General Manager's Report on Activities:

**A. Annual Shareholder's Meeting – Appointment of Inspectors of Election** – Mr. Lee reported the proposed Inspectors of Election for SAWCo's Annual Shareholder's Meeting have held the position each year since 2013. Donna Hawthorne, Betty Garrison, and Peter Cherbak have agreed to perform the duties again this year with Board approval.

Director Cable moved and Director Sanchez seconded to appoint Donna Hawthorne, Betty Garrison, and Peter Cherbak as the Inspectors of Election for the upcoming Annual Shareholder's Meeting being held on April 9, 2019. Motion carried.

**B. General Manager Compensation Package – Retirement Account** – Mr. Lee informed the Board that Director Thomas, Ms. Layton, legal counsel and he will need to work together in order to establish his 457(b) Retirement Plan. This plan takes the place of the originally offered 401A retirement plan. Mr. Lee confirmed there is no additional cost to the company for the 457(b) retirement plan.

The Board and Mr. Lee discussed some of the details of the 457(b) retirement plan.

Director Sanchez moved and Director Cable seconded to adopt Resolution 2019-01-01 authorizing creation of a 457(b) retirement plan for SAWCo's General Manager, consistent with employment agreement and authorizing SAWCo to execute necessary documents to create a 457(b) retirement plan. Motion carried.

7. Closed Session: None.

8. Director's Comments and Future Agenda Items:

Director Sanchez again expressed his delight with the data presented in charts. He felt they tell a better story than information presented in data tables. He noted the charts appear to show the San Antonio Heights residents have an opportunity to better conserve water.

Director Sanchez questioned the expected overproduction of water in Cucamonga Basin for the year. Mr. Lee stated that if the situation does not change from 2018 it is expected SAWCo will exceed their entitlement in Cucamonga Basin. He plans to formalize a similar agreement as last year with Cucamonga Valley Water District involving water production in Cucamonga Basin and Chino Basin.

Mr. Lee also commented that dormant shareholders, those that do not have active water service accounts, are a main reason water delivery is staying under what is allocated per share of water stock.

Director Filippi commended Ms. Layton for her work in Chino Basin.

Adjournment: Seeing no further business, the meeting was adjourned at 5:19 p.m.

The next Board Meeting will be held on Tuesday, February 19, 2018 at 5:00 p.m.

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Assistant Secretary  
Brian Lee