



# SAN ANTONIO WATER COMPANY

## BOARD OF DIRECTORS MEETING

Tuesday, June 20, 2023 at 5:00 p.m.

In the Upland City Hall Council Chambers

460 N. Euclid Avenue, Upland, CA 91786

And Virtual/Online or Teleconference

**Members of the public may join the meeting by computer, tablet or smartphone.**

<https://meet.goto.com/997912085>

**You can also dial in using your phone.**

Access Code: 997-912-085

United States: [+1 \(224\) 501-3412](tel:+12245013412)

- Call to Order
- Salute to the Flag

1. Recognitions and Presentations:
2. Additions-Deletions to the Agenda:
3. Shareholder-Public Testimony:

This is the time for any shareholder or member of the public to address the board members on any topic under the jurisdiction of the Company, which is on or not on the agenda. Please note, pursuant to the Brown Act the board is prohibited from taking actions on items not listed on the agenda. For any testimony, speakers are requested to keep their comments to no more than four (4) minutes, including the use of any visual aids, and to do so in a focused and orderly manner. Anyone wishing to speak is requested to voluntarily fill out and submit a speaker's form to the manager prior to speaking.

4. Consent Calendar Items:

All items listed hereunder are considered to be routine and there will be no separate discussion of these items unless members of the board request specific items to be removed from the consent calendar for separate action. All items listed or remaining will be voted upon in a single action.

- A. Approval of Board Meeting Minutes  
Regular Meeting Minutes of May 16, 2023.
- B. Planning, Resources, and Operations Committee (PROC) Meeting Minutes  
No meeting minutes to approve.
- C. Administration and Finance Committee (AFC) Meeting Minutes  
Approve Meeting Minutes of March 28, 2023
- D. AdHoc Committee for Office Feasibility Study  
No meeting minutes to approve.
- E. Financial Statement  
Income Statement and Balance Sheet for April 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

5. Board Committee – Delegate Report:
  - A. PVPA Representative Report  
Verbal report by representative.
  - B. Six Basins Representative Report  
Verbal report by representative.
  - C. Chino Basin Representative Report  
Verbal report by representative.
  - D. Cucamonga Basin Representative Report  
Verbal update by representative.
  - E. Administration and Finance Committee (AFC) Chairman’s Report  
Verbal report on May 23, 2023 meeting.
  - F. Planning, Resources, and Operations Committee (PROC) Chairman’s Report  
No meeting to report.
  - G. Office & Yard Feasibility Study Ad Hoc Committee  
No meeting to report.
  
6. General Manager’s Report on Activities
  - A. Investment Advisor Proposal Response  
Discussion and possible action regarding Investment Advisor proposals.
  - B. Information Technology Proposal Response  
Discussion and possible action regarding IT services proposals.
  - C. Stock Auction - November 2023  
Possible action regarding timeline for proposed stock auction.
  - D. Update of Fee Schedule  
Discussion and possible action regarding current fee schedule.
  - E. Adjust Online Payment Transaction Charges  
Discussion and possible action to adjust current online payment transaction charges.
  - F. Adjust Tier 2 Rates for Remainder of Calendar Year  
Discussion and possible action regarding Tier 2 rate setting proposal.
  
7. Closed Session:
  - A. Initiation of Litigation Pursuant to Paragraph (4) of Subdivision (D) of Government Code Section 54956.9: One Case.
  
8. Director’s Comments and Future Agenda Items:

Adjournment:

*The next regular Board Meeting will be held on Tuesday, July 18, 2023 at 5:00 p.m.*

**NOTE:** All agenda report items and back-up materials are available for review and/or acquisition from the Company Office (139 N. Euclid Avenue, Upland, CA.) during regular office hours, Monday through Thursday [8:00a – 11:30a and 12:30p – 4:00p] and alternating Fridays [8:00a – 11:30a and 12:30p – 3:00p] and on the Company’s website [www.sawaterco.com](http://www.sawaterco.com). The agenda is also available for review and copying at the Upland Public Library located at 460 N. Euclid Avenue.

**POSTING STATEMENT:** On June 15, 2023, a true and correct copy of this agenda was posted at the entry of the Water Company’s office (139 N. Euclid Avenue), on the City of Upland public bulletin board (450 N. Euclid Ave.), Public Library (460 N. Euclid Ave.), and on the Water Company’s website.

**SAN ANTONIO WATER COMPANY**  
**MINUTES OF THE SAN ANTONIO WATER COMPANY**  
**Tuesday, May 16, 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, Bob Cable, Martha Goss, Bill Velto, Kati Parker, and Bob Bowcock. Also in attendance were SAWCo's General Manager Brian Lee, Assistant General Manager Teri Layton, General Legal Counsel Derek Hoffman, and Senior Administrative Specialist Kelly Mitchell. President Zuniga presided.

Director Parker 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 April 18, 2023.
  - B. Organizational Meeting Minutes  
Approve Meeting Minutes of April 11, 2023.
  - C. Planning, Resources and Operations Committee (PROC) Meeting Minutes  
Approve Meeting Minutes of March 28, 2023.
  - 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 March 31, 2023.
  - G. Investment Activity Report  
Monthly Report of Investments Activity.
  - H. Water Production and Consumption  
Monthly water production and consumption figures.
  - I. Prominent Issues Update  
Status summaries on certain on-going active issues.
  - J. Projects and Operations Update  
Status summaries on projects and operations matters.
  - K. Groundwater Level Patterns [Quarterly in January, April, July, and October]  
Tracking patterns of groundwater elevations relative to ground surface.
  - L. Conservation Program Update [Quarterly in January, April, July, and October]  
Update on SAWCo's existing water conservation programs.
  - M. Correspondence of Interest

Director Velto moved and Director Elliott 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 reported PVPA met the previous Wednesday. She stated there was nothing noteworthy to report from the meeting.
  - B. **Six Basins Representative Report** – Ms. Layton reported a meeting was held in April regarding the Stone Canyon community located in Claremont that is dealing with rising groundwater. It was

reported out of closed session that the Six Basins Board would address the questions raised by the residents in a Q&A posted on their company website. Chris Diggs with the City of Pomona and Six Basins Watermaster Board President also spoke with the affected residents at the City of Pomona City Council Meeting a few weeks prior. A Six Basins/Claremont City Council Workshop is scheduled for June 7<sup>th</sup>.

A Six Basins Watermaster Meeting is scheduled for May 24<sup>th</sup>.

- C. Chino Basin Representative Report** – Mr. Lee reported the judge has entered a tentative ruling against the City of Ontario’s motion on the Dry Year Yield line item in the 2022/2023 assessment package. The item was scheduled to be heard in court the previous Friday; however, it was deferred to August 10<sup>th</sup>.
- D. Cucamonga Basin Representative Report** – Mr. Lee stated the parties had a meeting in April that included an update from the hydrogeologist regarding the water model. Staff from each of the three agencies is meeting with the hydrogeologist the following day to get more in-depth information on the water model and to determine how they are going to run the model to determine how the safe yield will be impacted by future water events. In the future, the Board of Directors from each of the three agencies will be invited to a meeting with the hydrogeologist for a review of the model.
- 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 advised the items discussed at the April PROC meeting are included in the General Manager’s Report on Activities.
- G. Office Feasibility Study Ad Hoc Committee** – No meeting to report.

6. General Manager’s Report on Activities:

- A. Well 31 Pipeline Replacement Proposal Review** - Mr. Lee stated staff and the PROC recommend awarding the Well 31 Pipeline Replacement Project to TKE Engineering in the amount of \$86,500. The proposed professional services contract was placed on the dais at the request of Mr. Hoffman. It was not included in the Board meeting agenda packet but is considered a standard contract utilized by SAWCo for projects.

Director Elliott moved and Director Goss seconded to approve awarding the design services contract for the Well 31 Pipeline Replacement Project to TKE Engineering for a not-to-exceed amount of \$86,500. Motion carried unanimously.

- B. Paloma Curve Hydraulic Break Modernization Proposal Review** – Mr. Lee stated staff and the PROC recommend the Board award the Paloma Curve Hydraulic Break Modernization Project to Civiltec Engineering for a not-to-exceed amount of \$123,470. Again, the proposed professional services contract was placed on the dais.

Director Bowcock moved and Director Elliott seconded to approve awarding the design services contract for the Paloma Curve Hydraulic Break Modernization Project to Civiltec Engineering for a not-to-exceed amount of \$123,470. Motion carried unanimously.

7. General Manager’s Employment Agreement:

Mr. Hoffman highlighted some of the key provisions in the proposed employment agreement with the General Manager, Mr. Brian Lee. The agreement provides for a seven-year term with a base salary of \$264,000. Paid vacation hours of up to 160 hours per year with a vacation accrual cap of 300 hours. Paid sick time of up to 96 hours per year with sick leave accrual cap of 144 hours. Paid administrative leave of 40 hours per year which does not roll over to the next year and cannot accrue. Holiday pay and other leave is pursuant to Company policy for executive level employees. Health and welfare insurance



and other fringe benefits are also consistent with Company policy. Included is an automobile allowance of \$820 per month. Deferred compensation for the Company's 457B plan with limits and caps pursuant to law. Termination provisions are included both for cause and without cause. Without cause, subject to a general release signed by Mr. Lee, would include severance pay which is delineated in Section 13.8. Two exhibits are included in the agreement; one is a confidentiality and conflicts of interest agreement and the other is an alternative dispute resolution agreement.

Mr. Hoffman recommended the Board consider and approve the agreement as presented.

Director Elliott moved and Director Cable seconded to approve the General Manager's Employment Agreement as presented. Motion carried unanimously.

Mr. Lee thanked the Board for continuing to place their trust in him to manage SAWCo.

8. Closed Session: None.

9. Director's Comments and Future Agenda Items: None.

Adjournment:

With no further business to discuss the meeting was adjourned at 5:13 p.m.

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Assistant Secretary  
Brian Lee

SAN ANTONIO WATER COMPANY  
ADMINISTRATION and FINANCE COMMITTEE (AFC)  
MINUTES  
March 28, 2023

An open meeting of the Administration and Finance Committee (AFC) of the San Antonio Water Company (SAWCo) was held at the Company office and called to order at 3:00 p.m. on the above date as noticed. Committee Members present were Bob Cable, Bill Velto, Martha Goss (virtually) and ex-officio Rudy Zuniga. Also in attendance were SAWCo's General Legal Counsel Derek Hoffman, General Manager Brian Lee, Assistant General Manager Teri Layton, and Senior Administrative Specialist Kelly Mitchell. Mr. Lee presided.

The Committee gave approval for Director Martha Goss to participate virtually as her street was being paved and she was unable to drive her vehicle to the office.

1. Recognitions and Presentations: None.
2. Additions-Deletions to the Agenda: None.
3. Public Comments: None.
4. Approval of Committee Meeting Minutes: Director Zuniga moved and Director Cable seconded to approve the meeting minutes of November 22, 2022. Motion carried unanimously.
5. Administrative and Financial Issues:
  - A. **Salary Range Adjustment** – Mr. Lee explained that every year SAWCo looks at the cost of living based on the Consumer Price Index (CPI) for Riverside/San Bernardino/Ontario region Urban Wage Earners and Clerical Workers. This year the index rose 7%, down from last year's more than 9% increase. Mr. Lee reminded the Committee that the increase is not automatically given to employees, it would simply shift the pay ranges up 7% allowing employees to earn higher pay at their annual review. SAWCo does have a newer employee working at the base end of their pay scale that will need to be adjusted to reflect the 7% shift. The expected impact on the budget is an increase of \$2,580.

Director Velto moved and Director Cable seconded to recommend the Board approve adjusting the salary ranges to reflect the 7% cost of living increase determined by the CPI for the Riverside/San Bernardino/Ontario Urban Wage Earners and Clerical Workers and allow for the pay increase of the one newer employee to place their pay rate in the newly adjusted pay range. Motion carried unanimously.

- B. **Clothing Allotment** – Mr. Lee stated it was brought to his attention the clothing allotment for field staff was last increased to \$330 in 2014. The amount is meant to cover steel-toed boots and blue jeans for field staff. Staff is requesting the allotment be raised to \$600 annually due to the rise in cost of these items. Expected cost for SAWCo is upwards to \$1,350 annually.

Director Cable moved and director Velto seconded to recommend the Board approve increasing the clothing allotment for field staff to \$600 annually. Motion carried unanimously.

- C. **Condolence Policy Update** – Mr. Lee stated that within the last year staff has discovered the current dollar amount for floral or plant arrangements in the condolence policy is insufficient.

Staff is seeking to increase the dollar amount from \$100 to \$200 for plant or flower arrangement to or charitable donation on behalf of company staff and board, and a card for member agencies. A language change is also requested to include staff and board/council members of SAWCo's affiliated agencies.

Director Cable moved and Director Goss seconded to recommend the Board approve the proposed revisions to SAWCo's Condolence Policy increasing the dollar amount to \$200 to send arrangements to, or charitable donations on behalf of, company staff and board, and a card for member agencies as well as a language change to include staff and board/council members of SAWCo's affiliated agencies. Motion carried unanimously.

- D. *Property and Casualty Insurance Renewal*** – Mr. Lee advised the insurance package has risen significantly this year; up 37% from the previous year. This figure is up from 17.5% the previous year, and 18% the year prior. The renewal is due April 1<sup>st</sup> therefore staff is unable to bring the item to the AFC for recommendation to the Board and then to the Board for approval as the Board does not meet again until the third Tuesday of April. As such, staff is looking for the AFC to approve SAWCo renew the property and casualty insurance as presented and bring it to the Board at the April Board meeting for ratification.

Director Velto inquired about the deductible amounts in the policy. It was determined the deductibles ranged from zero to \$1,000. Director Velto encouraged staff to look at a plan with higher deductibles to lower the cost of the policy.

Director Cable moved and Director Velto seconded to approve the renewal of the property and casualty insurance as presented with the caveat staff is looking into other brokers for a lower cost package. Motion carried unanimously.

Mr. Lee brought the attention of the Committee to page 45 of the AFC agenda packet regarding the EPA's upcoming requirements regarding systems cybersecurity. He advised SAWCo will need to have significant upgrades to its IT infrastructure to be in compliance.

- E. *Property and Casualty Insurance Broker RFP*** – Mr. Lee stated this item is in response to the significant increase in the cost of SAWCo's property and casualty insurance policy. Mr. Hoffman reviewed the RFP and recommended the addition of verbiage for clarity. With the addition of that verbiage, staff would like to release the RFP and bring proposals back to the AFC for possible recommendation to the Board.

Director Velto moved and Director Zuniga seconded to approve the release of the property and casualty insurance broker RFP with additional verbiage provided by Mr. Hoffman. Motion carried unanimously.

- F. *Investment Advisors*** – Ms. Layton gave a brief history of SAWCo's retirement offerings. After offering various types of retirement accounts, SAWCo currently offers a 401k plan. Staff would like to see what type of offerings investment advisors can provide SAWCo employees compared to what they are currently provided. As such, they would like to issue out the included RFP to a select number of investment advisors. Staff will bring back the proposals to the AFC for review and possible recommendation to the Board.

Mr. Lee advised the AFC that Mr. Hoffman reviewed the RFP and recommended the addition of the same verbiage added to the previous RFP for clarity. The footer in the document will be updated with the additional verbiage.

Director Zuniga moved and Director Goss seconded to approve the release of the investment advisor RFP with additional verbiage provided by Mr. Hoffman for investment advisors. Motion carried unanimously.

- G. *Community Events*** – Mr. Lee advised this item was requested by Director Zuniga. The Committee members discussed various events for possible participation, sponsorship, or donation.

Director Cable suggested that rather than create a policy, if there is an event that a Board member would like SAWCo to participate in, it should be brought to the Committee for discussion and possible recommendation to the Board.

There was consensus on the AFC to discuss participation in events on a case-by-case basis.

- H. *Bank Deposits*** – Mr. Lee spoke about the turmoil in the banking industry over the past couple of weeks. SAWCo currently has two checking accounts with the same bank. Should there be a bank run on their particular bank the entire amount in the two checking accounts would not be fully covered by FDIC funds.

Ms. Layton advised that SAWCo has signed in the past a collateral agreement with their bank for up to \$2 million. She will need to revisit the agreement and verify it is current.

The Committee continued to discuss options and offer suggestions on how to protect and manage the money SAWCo has in its checking accounts.

6. Closed Session: None.
7. Committee Comments and Future Agenda Items: None.
8. Adjournment: Seeing no further business, the meeting was adjourned at 3:40 p.m.

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Assistant Secretary  
Brian Lee



San Antonio Water Company, CA

# Income Statement Group Summary

For Fiscal: 2023 Period Ending: 04/30/2023

IncomeStatement	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>Category: 4 - Income</b>					
<b>SubCategory: 40 - Shareholder Revenue</b>					
1185 - Water Sales - Domestic	730,000.00	730,000.00	47,486.93	98,223.71	631,776.29
1230 - Water Fixed Charges - Domestic	261,000.00	261,000.00	43,990.66	88,040.24	172,959.76
1245 - Water Sales - Municipal	3,100,000.00	3,100,000.00	251,734.96	877,243.54	2,222,756.46
1268 - Water Fixed Charges - Municipal	554,000.00	554,000.00	46,156.00	184,624.00	369,376.00
1274 - Water Sales - Misc.	260,000.00	260,000.00	61,495.34	95,606.71	164,393.29
1288 - Water Fixed Charges - Misc.	46,000.00	46,000.00	3,802.00	15,148.00	30,852.00
1295 - Water Fixed Charges - Inactive Shareholders	52,000.00	52,000.00	8,563.80	17,106.65	34,893.35
1309 - Shareholder Fees	8,800.00	8,800.00	440.00	2,115.00	6,685.00
<b>SubCategory: 40 - Shareholder Revenue Total:</b>	<b>5,011,800.00</b>	<b>5,011,800.00</b>	<b>463,669.69</b>	<b>1,378,107.85</b>	<b>3,633,692.15</b>
<b>SubCategory: 42 - Non-Shareholder Revenue</b>					
1725 - Misc. Income	2,000.00	2,000.00	338.22	314.35	1,685.65
1750 - Service/Litigation Agreements	0.00	0.00	102.19	1,510.44	-1,510.44
1753 - Ground Lease Income	70,000.00	70,000.00	7,523.64	25,662.96	44,337.04
1755 - Interest Earned	20,000.00	20,000.00	34,889.62	53,991.53	-33,991.53
1785 - Gain on Sale of Asset	344,000.00	344,000.00	0.00	0.00	344,000.00
1815 - Quitclaim of Easements	0.00	0.00	1,485.00	4,455.00	-4,455.00
<b>SubCategory: 42 - Non-Shareholder Revenue Total:</b>	<b>436,000.00</b>	<b>436,000.00</b>	<b>44,338.67</b>	<b>85,934.28</b>	<b>350,065.72</b>
<b>Category: 4 - Income Total:</b>	<b>5,447,800.00</b>	<b>5,447,800.00</b>	<b>508,008.36</b>	<b>1,464,042.13</b>	<b>3,983,757.87</b>
<b>Category: 5 - O &amp; M Expense</b>					
<b>SubCategory: 50 - Operating Facilities</b>					
2175 - Field Labor	280,000.00	280,000.00	30,002.67	135,808.14	144,191.86
2235 - Repairs to Facilities and Equipment	420,000.00	420,000.00	29,608.94	126,091.55	293,908.45
2265 - Power-Gas & Electric (utilities)	900,000.00	900,000.00	60,085.09	217,784.48	682,215.52
<b>SubCategory: 50 - Operating Facilities Total:</b>	<b>1,600,000.00</b>	<b>1,600,000.00</b>	<b>119,696.70</b>	<b>479,684.17</b>	<b>1,120,315.83</b>
<b>SubCategory: 51 - Operating Activities</b>					
2475 - Customer Service	79,000.00	79,000.00	105.82	3,950.96	75,049.04
2498 - Conservation	26,000.00	26,000.00	2,682.00	4,023.00	21,977.00
<b>SubCategory: 51 - Operating Activities Total:</b>	<b>105,000.00</b>	<b>105,000.00</b>	<b>2,787.82</b>	<b>7,973.96</b>	<b>97,026.04</b>
<b>SubCategory: 52 - Other Operating Expense</b>					
2210 - O & M - All Other	3,500.00	3,500.00	1,763.06	1,863.06	1,636.94
2295 - Supplies (Inventory & Tools Expense)	10,000.00	10,000.00	125.25	5,528.94	4,471.06
2565 - Depreciation/Amortization	1,100,000.00	1,100,000.00	0.00	274,564.10	825,435.90
2715 - Property Taxes	240,000.00	240,000.00	0.00	130,350.71	109,649.29
2805 - Water Resource Mgmt.	143,000.00	143,000.00	2,856.62	22,299.67	120,700.33
<b>SubCategory: 52 - Other Operating Expense Total:</b>	<b>1,496,500.00</b>	<b>1,496,500.00</b>	<b>4,744.93</b>	<b>434,606.48</b>	<b>1,061,893.52</b>
<b>Category: 5 - O &amp; M Expense Total:</b>	<b>3,201,500.00</b>	<b>3,201,500.00</b>	<b>127,229.45</b>	<b>922,264.61</b>	<b>2,279,235.39</b>
<b>Category: 6 - G &amp; A Expense</b>					
<b>SubCategory: 60 - Personnel</b>					
2115 - Administrative Labor	300,000.00	300,000.00	46,177.02	178,823.07	121,176.93
2325 - Payroll Taxes	78,000.00	78,000.00	6,548.64	32,153.00	45,847.00
2355 - Worker's Compensation Insurance	15,000.00	15,000.00	0.00	623.55	14,376.45
2385 - Benefit Pay (Vac., sick, etc.)	190,000.00	190,000.00	6,957.73	60,071.25	129,928.75
2415 - Benefit Insurance (Pension,Life,Medical,Vision etc)	295,000.00	295,000.00	20,273.05	81,758.10	213,241.90
2430 - Benefit Administrative Services	2,000.00	2,000.00	100.00	100.00	1,900.00
<b>SubCategory: 60 - Personnel Total:</b>	<b>880,000.00</b>	<b>880,000.00</b>	<b>80,056.44</b>	<b>353,528.97</b>	<b>526,471.03</b>
<b>SubCategory: 61 - Other</b>					
2445 - Office/IT Support	60,000.00	60,000.00	32,517.32	37,024.38	22,975.62
2505 - Directors Fees & Expense	32,000.00	32,000.00	3,833.00	11,657.03	20,342.97
2535 - Liability Insurance	41,000.00	41,000.00	58,989.00	58,989.00	-17,989.00

**Income Statement**

**For Fiscal: 2023 Period Ending: 04/30/2023**

<b>IncomeStatement</b>	<b>Original Total Budget</b>	<b>Current Total Budget</b>	<b>MTD Activity</b>	<b>YTD Activity</b>	<b>Budget Remaining</b>
2595 - Communication	43,000.00	43,000.00	1,502.90	20,433.67	22,566.33
2625 - Dues & Publications	3,500.00	3,500.00	0.00	8,089.00	-4,589.00
2655 - Outside Services	20,000.00	20,000.00	281.29	16,047.31	3,952.69
2745 - Income Tax Expense	12,500.00	12,500.00	0.00	9,700.00	2,800.00
2775 - Accounting	65,000.00	65,000.00	0.00	19,447.69	45,552.31
2776 - Legal	150,000.00	150,000.00	22,560.90	114,669.03	35,330.97
2790 - Human Resources Expense	60,000.00	60,000.00	0.00	296.95	59,703.05
2865 - All other	30,000.00	30,000.00	765.26	2,247.12	27,752.88
<b>SubCategory: 61 - Other Total:</b>	<b>517,000.00</b>	<b>517,000.00</b>	<b>120,449.67</b>	<b>298,601.18</b>	<b>218,398.82</b>
<b>Category: 6 - G &amp; A Expense Total:</b>	<b>1,397,000.00</b>	<b>1,397,000.00</b>	<b>200,506.11</b>	<b>652,130.15</b>	<b>744,869.85</b>
<b>Total Surplus (Deficit):</b>	<b>849,300.00</b>	<b>849,300.00</b>	<b>180,272.80</b>	<b>-110,352.63</b>	

Income Statement

For Fiscal: 2023 Period Ending: 04/30/2023

**Fund Summary**

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
10 - 10	849,300.00	849,300.00	180,272.80	-110,352.63	959,652.63
<b>Total Surplus (Deficit):</b>	<b>849,300.00</b>	<b>849,300.00</b>	<b>180,272.80</b>	<b>-110,352.63</b>	

**Balance Sheet****Account Summary**

As Of 04/30/2023



San Antonio Water Company, CA

Account	Name	Balance
<b>Fund: 10 - 10</b>		
<b>Assets</b>		
<b>BalSubCategory: 10 - Cash</b>		
<a href="#">10-00-00-10100-00000</a>	Petty Cash	250.00
<a href="#">10-00-00-10201-00000</a>	Checking Account-8431	943,651.31
<a href="#">10-00-00-10415-00000</a>	D&O Checking Account	1,863,979.54
<a href="#">10-00-00-10438-00000</a>	Depre/Obsolescene Res (LAIF)	5,210,475.58
	<b>Total BalSubCategory 10 - Cash:</b>	<b>8,018,356.43</b>
<b>BalSubCategory: 11 - Accounts Receivable</b>		
<a href="#">10-00-00-11100-00000</a>	Accounts Receivable-Domestic	92,364.25
<a href="#">10-00-00-11200-00000</a>	Accounts Receivable-Municipal	490,973.95
<a href="#">10-00-00-11250-00000</a>	Accounts Receivable-Misc.	65,054.87
<a href="#">10-00-00-11260-00000</a>	Accounts Receivable - Dormant	9,059.22
<a href="#">10-00-00-11275-00000</a>	Contra Accounts Receivable - Unapplied C	-21,600.45
<a href="#">10-00-00-11300-00000</a>	Accounts Receivable-Other	217,009.92
<a href="#">10-00-00-11301-00000</a>	Note Receivable	344,000.00
	<b>Total BalSubCategory 11 - Accounts Receivable:</b>	<b>1,196,861.76</b>
<b>BalSubCategory: 12 - Inventory</b>		
<a href="#">10-00-00-12100-00000</a>	Inventories-Materials & Supply	169,454.83
	<b>Total BalSubCategory 12 - Inventory:</b>	<b>169,454.83</b>
<b>BalSubCategory: 13 - Prepaid</b>		
<a href="#">10-00-00-13100-00000</a>	Prepaid Insurance	8,868.75
<a href="#">10-00-00-13105-00000</a>	PREPAID POSTAGE	369.00
	<b>Total BalSubCategory 13 - Prepaid:</b>	<b>9,237.75</b>
<b>BalSubCategory: 14 - Investments</b>		
<a href="#">10-00-00-14150-00000</a>	P.V.P.A. Investment	1.00
<a href="#">10-00-00-14151-00000</a>	457B Plan Investment	61,726.75
	<b>Total BalSubCategory 14 - Investments:</b>	<b>61,727.75</b>
<b>BalSubCategory: 15 - Property, Plant, &amp; Equipment</b>		
<a href="#">10-00-00-15100-00000</a>	Land & Water Rights	920,161.26
<a href="#">10-00-00-15110-1507J</a>	Work in Progress "Proj J"	126,245.00
<a href="#">10-00-00-15110-1602U</a>	Work in Progress	1,215,557.46
<a href="#">10-00-00-15110-2109</a>	Work In Progress	11,232.00
<a href="#">10-00-00-15110-2201</a>	Work in Progress	15,070.38
<a href="#">10-00-00-15110-2202</a>	Work in Progress CO#2202	438,961.23
<a href="#">10-00-00-15110-2203</a>	Work in Progress-Proj 2203	256.30
<a href="#">10-00-00-15110-2301</a>	WIP-Well#16 Conversion	87.02
<a href="#">10-00-00-15150-00000</a>	Buildings & Site Improvements	1,827,589.96
<a href="#">10-00-00-15200-00000</a>	Wells-Shafts, Bldgs, & Equip	4,910,918.85
<a href="#">10-00-00-15250-00000</a>	Boosters-Bldgs & Equip	2,629,884.62
<a href="#">10-00-00-15300-00000</a>	Reservoirs	3,081,787.33
<a href="#">10-00-00-15350-00000</a>	Tunnels, Forebay, & Ponds	1,587,111.19
<a href="#">10-00-00-15400-00000</a>	Spreading Works-Cucamonga Wash	54,859.53
<a href="#">10-00-00-15410-00000</a>	Spreading Works-SanAntonio Wsh	50,235.18
<a href="#">10-00-00-15450-00000</a>	Pipelines	19,228,760.46
<a href="#">10-00-00-15500-00000</a>	Autos & Equipment	660,917.94
<a href="#">10-00-00-15550-00000</a>	Tools	110,727.03
<a href="#">10-00-00-15600-00000</a>	Telemetry System	639,245.52
<a href="#">10-00-00-15650-00000</a>	Office Equipment	507,141.72
<a href="#">10-00-00-15990-00000</a>	Accumulated Depreciation	-15,592,701.06
	<b>Total BalSubCategory 15 - Property, Plant, &amp; Equipment:</b>	<b>22,424,048.92</b>
<b>BalSubCategory: 16 - Other Assets</b>		
<a href="#">10-00-00-16100-00000</a>	Documents & Studies	1,009,546.33



**Balance Sheet**

**As Of 04/30/2023**

Account	Name	Balance
<a href="#">10-00-00-16100-1905</a>	WIP- Master Plan and Asset Management F	221,703.38
<a href="#">10-00-00-16105-2204</a>	Work in Progress (Docs)	4,315.00
<a href="#">10-00-00-16990-00000</a>	Accumulated Amortization	-772,573.93
	<b>Total BalSubCategory 16 - Other Assets:</b>	<b>462,990.78</b>
	<b>Total Assets:</b>	<b>32,342,678.22</b>
		<b><u>32,342,678.22</u></b>

**Liability**

<b>BalSubCategory: 13 - Prepaid</b>		
<a href="#">10-00-00-20650-00000</a>	Deferred Revenue Deposit	2,400.00
	<b>Total BalSubCategory 13 - Prepaid:</b>	<b>2,400.00</b>

<b>BalSubCategory: 20 - Short-term less than 1 year</b>		
<a href="#">10-00-00-20100-00000</a>	Trade Accounts Payable	206,216.87
<a href="#">10-00-00-20115-00000</a>	D&O Trade Accounts Payable	412,715.10
<a href="#">10-00-00-20261-00000</a>	Section 125 - Dental	0.24
<a href="#">10-00-00-20262-00000</a>	Section 125 - Vision	0.33
<a href="#">10-00-00-20263-00000</a>	Section 125 - Medical	0.12
<a href="#">10-00-00-20600-00000</a>	Water Hydrant Meter Deposit	2,550.00
<a href="#">10-00-GN-20820-00000</a>	Accrued Vacation Payable	20,404.60
<a href="#">10-00-OP-20820-00000</a>	Accrued Vacation Payable	24,818.57
	<b>Total BalSubCategory 20 - Short-term less than 1 year:</b>	<b>666,705.83</b>

<b>BalSubCategory: 21 - Long-term more than 1 year</b>		
<a href="#">10-00-00-20152-00000</a>	457B Deferred Comp Liability	61,726.75
<a href="#">10-00-00-21500-00000</a>	Unclaimed Credits	464,368.37
<a href="#">10-00-00-22100-00000</a>	Deferred Gain	343,059.43
	<b>Total BalSubCategory 21 - Long-term more than 1 year:</b>	<b>869,154.55</b>
	<b>Total Liability:</b>	<b>1,538,260.38</b>

**Equity**

<b>BalSubCategory: 30 - Stockholder equity</b>		
<a href="#">10-00-00-30200-00000</a>	Contributed Capital - Ext. Fee	447,258.02
<a href="#">10-00-00-30210-00000</a>	Contr. Property, Plant & Equip	2,432,256.77
<a href="#">10-00-00-30300-00000</a>	Capital Account	1,500,000.00
<a href="#">10-00-00-30310-00000</a>	Unissued Capital Stock	-861,100.00
<a href="#">10-00-00-30400-00000</a>	Retained Earngs-Brd Designated	7,231,692.92
<a href="#">10-00-00-30410-00000</a>	Retained Earnings-Unrestricted	20,164,662.76
	<b>Total BalSubCategory 30 - Stockholder equity:</b>	<b>30,914,770.47</b>

	<b>Total Beginning Equity:</b>	<b>30,914,770.47</b>
Total Revenue		1,464,042.13
Total Expense		1,574,394.76
<b>Revenues Over/Under Expenses</b>		<b>-110,352.63</b>
	<b>Total Equity and Current Surplus (Deficit):</b>	<b>30,804,417.84</b>

**Total Liabilities, Equity and Current Surplus (Deficit): 32,342,678.22**

Monthly Investment Activity Summary - Compiled from Banking Statements for Correlation with Monthly Financials								
	Institution	Type of Investment	Date of Maturity	Rate of Interest	Account Balance as of 4/30/2023	Reserves		
						Operating target: \$875k-\$1.75M	Depreciation & Obsolescence target: \$1.2M-\$4.6M	
Undesignated	Citizens Business Bank (CBB)	Checking	N/A	None	\$ 943,651.31	\$ 943,651.31	Capital Investment & Depreciation	Modernization
Designated	Citizens Business Bank (CBB)	Checking	N/A	None	\$ 1,863,979.54		\$ 1,863,979.54	
	Local Agency Investment Fund	LAIF	N/A	2.870%	\$ 5,210,475.58		\$ 3,777,780.58	\$ 1,432,695.00
				TOTAL	\$ 8,018,106.43	\$ 943,651.31	\$ 5,641,760.12	\$ 1,432,695.00

2023 Production

Item 4G

CHINO BASIN	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Yearly Production Rights = 1232	39.43%	39.43%	39.43%	39.43%	39.43%	39.43%	-	-	-	-	-	-	-
Well #12 - inactive	-	-	-	-	-	-	-	-	-	-	-	-	-
Well #15 - Domestic	0.08	-	-	-	-	-	-	-	-	-	-	-	0.08
Well #16 - Domestic	0.11	-	-	-	-	-	-	-	-	-	-	-	0.11
Well#18 - inactive	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>0.19</b>	-	-	-	-	-	-	-	-	-	-	-	<b>0.19</b>
CUCAMONGA BASIN	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Yearly Production Rights = 5601 (1101 10-yr Average Spread)	9.31%	14.21%	18.70%	23.37%	30.26%	34.74%	40.00%	45.12%	50.31%	55.49%	60.68%	65.87%	-
Well #2	105.05	96.42	104.20	89.05	129.12	-	-	-	-	-	-	-	523.84
Well #3	0.31	-	-	0.49	-	-	-	-	-	-	-	-	0.81
Well#19 - inactive	-	-	-	-	-	-	-	-	-	-	-	-	-
Well #22	2.96	10.70	0.76	29.98	31.39	-	-	-	-	-	-	-	75.77
Well #24	206.11	-	38.93	1.18	0.01	-	-	-	-	-	-	-	246.24
Well #31	-	-	-	0.15	-	-	-	-	-	-	-	-	0.15
Well #32 - Domestic	-	-	-	-	-	-	-	-	-	-	-	-	-
Upl. # 15 (SAWCo's Rts)	206.92	167.58	107.58	140.67	225.49	-	-	-	-	-	-	-	848.24
<b>Subtotal</b>	<b>521.34</b>	<b>274.70</b>	<b>251.47</b>	<b>261.53</b>	<b>386.01</b>	-	-	-	-	-	-	-	<b>1,695.05</b>
Upl. # 15 (WECWCo's Rts) Memo Only	-	-	-	-	-	-	-	-	-	-	-	-	-
SIX BASINS	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Yearly Production Rights = 932	8.24%	15.82%	24.37%	35.08%	46.19%	55.04%	64.86%	74.50%	84.17%	93.85%	103.53%	113.21%	-
Well #25-A	-	-	0.00	21.65	17.03	-	-	-	-	-	-	-	38.68
Well #26	38.41	33.78	38.49	38.83	45.61	-	-	-	-	-	-	-	195.12
Well 27-A	38.42	36.85	41.18	39.37	40.96	-	-	-	-	-	-	-	196.77
<b>Subtotal</b>	<b>76.82</b>	<b>70.63</b>	<b>79.67</b>	<b>99.86</b>	<b>103.60</b>	-	-	-	-	-	-	-	<b>430.57</b>
<b>TOTAL PUMPED</b>	<b>598.36</b>	<b>345.32</b>	<b>331.14</b>	<b>361.38</b>	<b>489.61</b>	-	-	-	-	-	-	-	<b>2,125.81</b>
GRAVITY FLOW	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
V screen	510.96	893.27	627.64	1,205.35	1,120.76	-	-	-	-	-	-	-	4,357.99
backwash from city treatment plant	0.59	0.80	0.70	1.04	1.03	-	-	-	-	-	-	-	4.15
San Antonio Tunnel (forebay)	195.50	226.19	265.77	255.93	247.97	-	-	-	-	-	-	-	1,191.37
<b>Frankish &amp; Stamm Tunnel 8" PRODUCTION</b>	<b>82.79</b>	<b>80.18</b>	<b>112.79</b>	<b>121.83</b>	<b>117.62</b>	-	-	-	-	-	-	-	<b>515.22</b>
San Ant. Tunnel Connect to City	-	-	-	-	-	-	-	-	-	-	-	-	-
Discharge to waste	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL GRAVITY</b>	<b>789.85</b>	<b>1,200.44</b>	<b>1,006.91</b>	<b>1,584.16</b>	<b>1,487.38</b>	-	-	-	-	-	-	-	<b>6,068.73</b>
<b>Monthly</b>													
San Antonio Tunnel	195.50	226.19	265.77	255.93	247.97	-	-	-	-	-	-	-	1,191.37
V Screen, Frankish & Stamm Tunnel and TP Backwash	594.34	974.25	741.13	1,328.23	1,239.41	-	-	-	-	-	-	-	4,877.36
Gravity Production	789.85	1,200.44	1,006.91	1,584.16	1,487.38	-	-	-	-	-	-	-	6,068.73
<b>Cumulative</b>													
San Antonio Tunnel	195.50	421.69	687.46	943.40	1,191.37	-	-	-	-	-	-	-	1,191.37
V Screen, Frankish & Stamm Tunnel and TP Backwash	594.34	1,568.59	2,309.72	3,637.95	4,877.36	-	-	-	-	-	-	-	4,877.36
Gravity Production	789.85	1,990.28	2,997.19	4,581.35	6,068.73	-	-	-	-	-	-	-	6,068.73
Purchased Water - Upl. City to Dom. Sys.	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Production</b>	<b>1,388.20</b>	<b>1,545.76</b>	<b>1,338.05</b>	<b>1,945.54</b>	<b>1,976.99</b>	-	-	-	-	-	-	-	<b>8,194.54</b>
<b>Total Cumulative Production</b>	<b>1,388.20</b>	<b>2,933.96</b>	<b>4,272.01</b>	<b>6,217.55</b>	<b>8,194.54</b>	-	-	-	-	-	-	-	-
Domestic Production	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Domestic Production	195.70	226.19	265.77	255.93	247.97	-	-	-	-	-	-	-	1,191.56
Irrigation Production	1,192.51	1,319.57	1,072.28	1,667.96	1,711.99	-	-	-	-	-	-	-	6,964.30
<b>Rainfall (Inches)</b>													
RainFall (Inches)	6.26	5.99	10.86	1.44	1.14	-	-	-	-	-	-	-	-
Cumulative (Inches)	6.26	12.25	23.11	24.55	25.69	-	-	-	-	-	-	-	-

## 2023 Consumption

<b>DOMESTIC</b>	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Dom. Sys. - Base	36.04	32.27	17.09	63.42	75.88	-	-	-	-	-	-	-	224.70
Dom. Sys. - Supplemental	3.78	12.42	1.20	14.07	4.79	-	-	-	-	-	-	-	36.26
Dom Sys - Tier 3	1.21	9.97	0.37	6.81	0.40	-	-	-	-	-	-	-	18.76
Dom. Sys. - Del. to Upland(24th/Campus)	44.54	41.72	9.30	21.00	29.84	-	-	-	-	-	-	-	146.41
Dom. Sys. -Del. To Upland ( Well 16/15)	0.00	-	-	-	-	-	-	-	-	-	-	-	0.00
Dom. Sys. - Del. to Upland(24th/Mtn)-installed 4/2/19	-	-	-	-	-	-	-	-	-	-	-	-	-
Tunnel meter to the Upland	-	-	-	-	-	-	-	-	-	-	-	-	-
Discharge to waste	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>85.57</b>	<b>96.38</b>	<b>27.96</b>	<b>105.30</b>	<b>110.91</b>	-	-	-	-	-	-	-	<b>426.13</b>

Truck Loads - note only crosswall projects	-	-	-	-	-	-	-	-	-	-	-	-	-
Well 32 Hydrant Mtr. - note only( started 8/6/18)Crosswalls	0.19	0.49	0.09	0.65	1.02	-	-	-	-	-	-	-	2.43

Irr. Note only Del. to MVWD(wheeled through Upland)	87.49	66.54	0.85	-	-	-	-	-	-	-	-	-	154.88
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<b>IRRIGATION</b>	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Irrig. Sys.-Upland(Pump & Rec'd) (City W#15)	206.92	167.58	107.58	140.67	225.49	-	-	-	-	-	-	-	848.24
Irrig. Sys. - Upl. City - Tier 1	444.32	462.84	396.92	601.58	620.16	-	-	-	-	-	-	-	2,525.81
Irrig. Sys. - Upl. City - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Monte Vista - Tier 1	40.60	37.80	43.30	45.90	49.30	-	-	-	-	-	-	-	216.90
Irrig. Sys. - Monte Vista - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Ont. City - Tier 1	36.30	33.50	38.40	40.70	43.80	-	-	-	-	-	-	-	192.70
Irrig. Sys. - Ont. City - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Cucamonga Valley - Tier 1	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Cucamonga Valley - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Holiday Rock Co - Tier 1	0.48	14.52	16.67	18.58	22.86	-	-	-	-	-	-	-	73.11
Irrig. Sys. - Holiday Rock Co - Tier 2	-	14.52	11.31	18.59	22.86	-	-	-	-	-	-	-	67.28
Irrig. Sys. - Holiday Rock Co - Tier 3	-	0.20	-	19.81	10.48	-	-	-	-	-	-	-	30.48
Irrig. Sys. - Red Hill Golf Course - Tier 1	1.99	10.31	0.73	28.57	30.23	-	-	-	-	-	-	-	71.82
Irrig. Sys. - Red Hill Golf Course - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Red Hill Golf Course - Tier 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Red Hills HOA - Tier 1	0.05	0.30	0.04	0.63	1.32	-	-	-	-	-	-	-	2.34
Irrig. Sys. - Red Hills HOA - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Red Hills HOA - Tier 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Minor Irrigators - Tier 1	0.75	0.38	0.22	0.83	2.97	-	-	-	-	-	-	-	5.14
Irrig. Sys. - Minor Irrigators - Tier 2	-	-	-	0.09	0.13	-	-	-	-	-	-	-	0.22
Irrig. Sys. - Minor irrigators - Tier 3	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>731.40</b>	<b>741.94</b>	<b>615.17</b>	<b>915.95</b>	<b>1,029.59</b>	-	-	-	-	-	-	-	<b>4,034.05</b>

<b>COMPANY TOTALS</b>	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
San Antonio Heights	41.03	54.66	18.66	84.30	81.07	-	-	-	-	-	-	-	279.72
City of Upland	695.78	672.14	513.80	763.26	875.48	-	-	-	-	-	-	-	3,520.46
Monte Vista Water District	40.60	37.80	43.30	45.90	49.30	-	-	-	-	-	-	-	216.90
City of Ontario	36.30	33.50	38.40	40.70	43.80	-	-	-	-	-	-	-	192.70
Cucamonga Valley Water District	-	-	-	-	-	-	-	-	-	-	-	-	-
Holiday Rock Company	0.48	29.24	27.98	56.98	56.19	-	-	-	-	-	-	-	170.88
Red Hills Golf Course	1.99	10.31	0.73	28.57	30.23	-	-	-	-	-	-	-	71.82
Red Hill HOA	0.05	0.30	0.04	0.63	1.32	-	-	-	-	-	-	-	2.34
Minor Irrigators	0.75	0.38	0.22	0.92	3.10	-	-	-	-	-	-	-	5.36
<b>TOTAL</b>	<b>816.98</b>	<b>838.33</b>	<b>643.13</b>	<b>1,021.26</b>	<b>1,140.50</b>	-	-	-	-	-	-	-	<b>4,460.18</b>

<b>IRRIGATORS</b>	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Irrigator Emberton	0.23	0.22	0.22	0.28	0.37	-	-	-	-	-	-	-	1.32
Irrigator McMurray	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrigator Mistretta	-	-	-	0.48	0.60	-	-	-	-	-	-	-	1.08
Irrigator Nisbit	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrigator Scheu	-	-	-	-	1.59	-	-	-	-	-	-	-	1.59
Irrigator Pfister	0.51	0.15	-	0.16	0.54	-	-	-	-	-	-	-	1.37

2023 Spread and Storage

**Cucamonga Basin**

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
23rd St. (Meter) - Basin 6 - A	79.32	156.63	61.51	114.06	83.38	-	-	-	-	-	-	-	494.90
15th Street Basin	8.79	32.39	-	-	-	-	-	-	-	-	-	-	41.18
Basin 3 meter (23rd street Clock)	170.96	203.41	175.86	11.15	203.56	-	-	-	-	-	-	-	764.94
Frankish & Stamm Tunnel to Basin 3	85.21	81.53	114.19	103.41	117.62	-	-	-	-	-	-	-	501.95
Vscreen via Frankish & Stamm Meter to Basin 3	106.81	159.03	110.95	180.45	137.01	-	-	-	-	-	-	-	694.26
PRV Station (res 1)(basin 6)	3.12	2.82	-	7.12	-	-	-	-	-	-	-	-	13.06
<b>Monthly Spread</b>	<b>454.22</b>	<b>635.81</b>	<b>462.51</b>	<b>416.19</b>	<b>541.56</b>	-	-	-	-	-	-	-	<b>2,510.29</b>
<b>Cumulative Spread</b>	<b>454.22</b>	<b>1,090.03</b>	<b>1,552.54</b>	<b>1,968.73</b>	<b>2,510.29</b>	-	-	-	-	-	-	-	-

**Six Basins**

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
<b>Monthly Spread</b>	<b>125.79</b>	<b>180.38</b>	<b>148.36</b>	<b>217.34</b>	<b>0.01</b>	-	-	-	-	-	-	-	<b>671.87</b>
<b>Cumulative Spread</b>	<b>125.79</b>	<b>306.16</b>	<b>454.53</b>	<b>671.86</b>	<b>671.87</b>	-	-	-	-	-	-	-	-

Note: City of Upland Well Exercising may contribute to spread

Note: Maximum end of year storage limit: 2,000 AF

Previous Storage	2,247.00	2,373.63	2,554.01	2,702.37	2,919.71	-	-	-	-	-	-	-	-
Spread	125.79	180.38	148.36	217.34	0.01	-	-	-	-	-	-	-	-
Unused Monthly OSY	0.85	-	-	-	-	-	-	-	-	-	-	-	-
<b>Current Storage Estimate</b>	<b>2,374</b>	<b>2,554</b>	<b>2,702</b>	<b>2,920</b>	<b>2,920</b>	-	-	-	-	-	-	-	-

932 yearly OSY = 77.67 monthly OSY

**Chino Basin**

<b>Monthly Spread</b>	-	<b>96.79</b>	<b>71.55</b>	<b>124.62</b>	<b>332.45</b>	-	-	-	-	-	-	-	<b>625.41</b>
<b>Cumulative Spread</b>	-	<b>96.79</b>	<b>168.34</b>	<b>292.96</b>	<b>625.41</b>	-	-	-	-	-	-	-	-

Local Supplemental Account (Spreading)*	3,923.25	3,923.25	3,923.25	3,923.25	3,923.25	-	-	-	-	-	-	-	-
Carry Over Account	1,232.00	1,232.00	1,232.00	1,232.00	1,232.00	-	-	-	-	-	-	-	-
Excess Carry Over Account*	2,104.00	2,206.48	2,309.14	2,411.81	2,514.48	-	-	-	-	-	-	-	-
Preemptive Replenishment Account	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Storage</b>	<b>7,259.25</b>	<b>7,361.73</b>	<b>7,464.39</b>	<b>7,567.06</b>	<b>7,669.73</b>	-	-	-	-	-	-	-	-
Spread	-	96.79	71.55	124.62	332.45	-	-	-	-	-	-	-	-
Unused Monthly OSY	102.48	102.67	102.67	102.67	102.67	-	-	-	-	-	-	-	-
<b>Current Storage Estimate*</b>	<b>7,362</b>	<b>7,561</b>	<b>7,639</b>	<b>7,794</b>	<b>8,105</b>	-	-	-	-	-	-	-	-

1,232 yearly OSY = 102.67 monthly OSY

\* Does not include yearly storage losses calc of 0.07%

**Company Wide**

<b>Monthly Spread</b>	<b>580.00</b>	<b>912.98</b>	<b>682.42</b>	<b>758.15</b>	<b>874.02</b>	-	-	-	-	-	-	-	<b>3,807.57</b>
<b>Cumulative Spread</b>	<b>580.00</b>	<b>1,492.99</b>	<b>2,175.40</b>	<b>2,933.55</b>	<b>3,807.57</b>	-	-	-	-	-	-	-	-
<b>Total Current Storage Estimate</b>	<b>9,735</b>	<b>10,115</b>	<b>10,341</b>	<b>10,714</b>	<b>11,025</b>	-	-	-	-	-	-	-	-

Meter to spread ponds (NOTE ONLY)	-	-	-	-	-	-	-	-	-	-	-	-	-
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## 2023 GW Production Rights

Yearly %	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
	8%	17%	25%	33%	42%	50%	58%	67%	75%	83%	92%	100%

### Cucamonga Basin Production

Yearly Production Rights = 5601 (4,500AF + 1101AF 10-yr Average Spread)

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Production	521.34	274.70	251.47	261.53	386.01	-	-	-	-	-	-	-	
Cumulative Production	521.34	796.04	1,047.52	1,309.04	1,695.05	-	-	-	-	-	-	-	<b>1,695.05</b>
Cumulative Production Rights	466.79	933.58	1,400.37	1,867.17	2,333.96	-	-	-	-	-	-	-	<b>5,601</b>
<b>% of Production Rights*</b>	<b>9.31%</b>	<b>14.21%</b>	<b>18.70%</b>	<b>23.37%</b>	<b>30.26%</b>	<b>34.74%</b>	<b>40.00%</b>	<b>45.12%</b>	<b>50.31%</b>	<b>55.49%</b>	<b>60.68%</b>	<b>65.87%</b>	<b>30.3%</b>

### Six Basins Production

Yearly Production Rights = 932AF

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Production	76.82	70.63	79.67	99.86	103.60	-	-	-	-	-	-	-	
Cumulative Production	76.82	147.45	227.12	326.97	430.57	-	-	-	-	-	-	-	<b>430.57</b>
Cumulative Production Rights	77.68	155.35	233.03	310.70	388.38	-	-	-	-	-	-	-	<b>932</b>
<b>% of Production Rights*</b>	<b>8.24%</b>	<b>15.82%</b>	<b>24.37%</b>	<b>35.08%</b>	<b>46.19%</b>	<b>55.04%</b>	<b>64.86%</b>	<b>74.50%</b>	<b>84.17%</b>	<b>93.85%</b>	<b>103.53%</b>	<b>113.21%</b>	<b>46.2%</b>

### Chino Basin Production

Note: Chino Basin production rights are calculated from July through June.

Yearly Production Rights = 1232AF

	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Production		0.19	-	-	-	-	-	-	-	-	-	-	-	0.19
Cumulative Production for 2022		0.19	0.19	0.19	0.19	0.19	-	-	-	-	-	-	-	
<b>Water Year 22-23</b>														
Cumulative Production	485.54	485.73	485.73	485.73	485.73	485.73	-							485.73
Cumulative Rights	616.00	718.67	821.33	924.00	1,026.67	1,129.33	1,232.00							1,232.00
<b>% of Production Rights 22-23*</b>	<b>39.43%</b>	<b>39.43%</b>	<b>39.43%</b>	<b>39.43%</b>	<b>39.43%</b>	<b>39.43%</b>	<b>39.43%</b>							
<b>Water Year 23-24</b>														
Cumulative Production								-	-	-	-	-	-	-
Cumulative Rights								102.67	205.33	308.00	410.67	513.33	616.00	1,232.00
<b>% of Production Rights 22-23*</b>								-	-	-	-	-	-	-

\* - Out months are Exponential Smoothing (ETS) forecasts based on basin production to date

Chino Basin	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	WY19-20
<b>Water Year 19-20</b>													
Cumulative Production	5.24	110.22	227.03	351.18	470.30	470.30	470.53	470.80	470.80	471.09	486.34	614.43	
Cumulative Rights	102.67	205.33	308.00	410.67	513.33	616.00	718.67	821.33	924.00	1,026.67	1,129.33	1,232.00	1,232.00
<b>% of Production Rights 19-20</b>	<b>5.10%</b>	<b>53.68%</b>	<b>73.71%</b>	<b>85.51%</b>	<b>91.62%</b>	<b>76.35%</b>	<b>65.47%</b>	<b>57.32%</b>	<b>50.95%</b>	<b>45.89%</b>	<b>43.06%</b>	<b>49.87%</b>	

## 2023 Production v Consumption

Yearly %	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
	8%	17%	25%	33%	42%	50%	58%	67%	75%	83%	92%	100%

### Consumption versus Entitlement, Company Wide **Active Shares**

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Consumption	816.98	838.33	643.13	1,021.26	1,140.50	-	-	-	-	-	-	-	-
Cumulative Consumption	816.98	1,655.30	2,298.43	3,319.68	4,460.18	-	-	-	-	-	-	-	<b>4,460.18</b>
<i>Cumulative Entitlement (straight line)</i>	<i>1,048.23</i>	<i>2,096.47</i>	<i>3,144.70</i>	<i>4,192.94</i>	<i>5,241.17</i>	-	-	-	-	-	-	-	<b>12,579</b>
<b>% of Entitlement*</b>	<b>6.49%</b>	<b>13.16%</b>	<b>18.27%</b>	<b>26.39%</b>	<b>35.46%</b>	<b>41.85%</b>	<b>49.19%</b>	<b>56.37%</b>	<b>63.63%</b>	<b>70.90%</b>	<b>78.16%</b>	<b>85.42%</b>	<b>35.5%</b>

### Consumption versus Entitlement, Company Wide **Total Shares**

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Consumption	816.98	838.33	643.13	1,021.26	1,140.50	-	-	-	-	-	-	-	-
Cumulative Consumption	816.98	1,655.30	2,298.43	3,319.68	4,460.18	-	-	-	-	-	-	-	<b>4,460.18</b>
<i>Cumulative Entitlement (straight line)</i>	<i>1,083.33</i>	<i>2,166.67</i>	<i>3,250.00</i>	<i>4,333.33</i>	<i>5,416.67</i>	-	-	-	-	-	-	-	<b>13,000</b>
<b>% of Entitlement*</b>	<b>6.28%</b>	<b>12.73%</b>	<b>17.68%</b>	<b>25.54%</b>	<b>34.31%</b>	<b>40.49%</b>	<b>47.59%</b>	<b>54.54%</b>	<b>61.57%</b>	<b>68.60%</b>	<b>75.63%</b>	<b>82.66%</b>	<b>34.3%</b>

### Production versus Consumption, Company Wide

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Production	1,388.20	1,545.76	1,338.05	1,945.54	1,976.99	-	-	-	-	-	-	-	8,194.54
Consumption	816.98	838.33	643.13	1,021.26	1,140.50	-	-	-	-	-	-	-	4,460.18
Spread	580.00	912.98	682.42	758.15	874.02	-	-	-	-	-	-	-	3,807.57
Total Consumption	1,396.98	1,751.31	1,325.54	1,779.41	2,014.52	-	-	-	-	-	-	-	8,267.75
Difference	(8.78)	(205.55)	12.51	166.13	(37.53)	-	-	-	-	-	-	-	(73.21)
<b>% of Production</b>	<b>-0.6%</b>	<b>-13.3%</b>	<b>0.9%</b>	<b>8.5%</b>	<b>-1.9%</b>	<b>0.0%</b>	<b>0.00%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>-0.9%</b>

### Production versus Consumption, Domestic System

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Production	195.70	226.19	265.77	255.93	247.97	-	-	-	-	-	-	-	1,191.56
Consumption	85.57	96.38	27.96	105.30	110.91	-	-	-	-	-	-	-	426.13
Monthly Difference	110.12	129.80	237.81	150.63	137.07	-	-	-	-	-	-	-	765.43
<b>% difference</b>	<b>128.69%</b>	<b>134.67%</b>	<b>850.55%</b>	<b>143.04%</b>	<b>123.59%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>179.6%</b>

### Production versus Consumption, Irrigation System

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR
Production	1,192.51	1,319.57	1,072.28	1,667.96	1,711.99	-	-	-	-	-	-	-	6,964.30
Addition from Domestic	110.12	129.80	237.81	150.63	137.07	-	-	-	-	-	-	-	765.43
Total Production	1,302.63	1,449.38	1,310.09	1,818.59	1,849.05	-	-	-	-	-	-	-	7,729.73
Consumption	1,311.41	1,654.92	1,297.58	1,674.10	1,903.61	-	-	-	-	-	-	-	7,841.63
Monthly Difference	(8.78)	(205.55)	12.51	144.48	(54.56)	-	-	-	-	-	-	-	(111.90)
<b>% difference</b>	<b>-0.67%</b>	<b>-12.42%</b>	<b>0.96%</b>	<b>8.63%</b>	<b>-2.87%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>-1.4%</b>

\* - Out months are Exponential Smoothing (ETS) forecasts based on consumption to date

## 2023 Consumption Analysis

Yearly %	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
		8%	17%	25%	33%	42%	50%	58%	67%	75%	83%	92%

### COMPANY TOTALS

#### Active Shares

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR	Shares
Consumption	816.98	838.33	643.13	1,021.26	1,140.50	-	-	-	-	-	-	-		6,182
Cumulative Consumption	816.98	1,655.30	2,298.43	3,319.68	4,460.18	-	-	-	-	-	-	-	4,460.18	
Cumulative Entitlement	984.59	1,969.17	2,970.38	3,986.40	5,035.63	-	-	-	-	-	-	-	12,578.81	
<b>% of Yearly Entitlement*</b>	<b>6.49%</b>	<b>13.16%</b>	<b>18.27%</b>	<b>26.39%</b>	<b>35.46%</b>	<b>41.85%</b>	<b>49.19%</b>	<b>56.37%</b>	<b>63.63%</b>	<b>70.90%</b>	<b>78.16%</b>	<b>85.42%</b>	<b>35.46%</b>	

### COMPANY TOTALS

#### All Shares

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR	Shares
Consumption	816.98	838.33	643.13	1,021.26	1,140.50	-	-	-	-	-	-	-		6,389
Cumulative Consumption	816.98	1,655.30	2,298.43	3,319.68	4,460.18	-	-	-	-	-	-	-	4,460.18	
Cumulative Entitlement	1,083.33	2,166.67	3,250.00	4,333.33	5,416.67	-	-	-	-	-	-	-	13,000.00	
<b>% of Yearly Entitlement*</b>	<b>6.28%</b>	<b>12.73%</b>	<b>17.68%</b>	<b>25.54%</b>	<b>34.31%</b>	<b>40.49%</b>	<b>47.59%</b>	<b>54.54%</b>	<b>61.57%</b>	<b>68.60%</b>	<b>75.63%</b>	<b>82.66%</b>	<b>34.31%</b>	

### San Antonio Heights

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR	Shares
Consumption	41.03	54.66	18.66	84.30	81.07	-	-	-	-	-	-	-		632
Cumulative Consumption	41.03	95.69	114.35	198.65	279.72	-	-	-	-	-	-	-	279.72	
Cumulative Entitlement	69.41	138.82	218.47	307.25	416.49	-	-	-	-	-	-	-	1,285.96	
<b>% of Yearly Entitlement*</b>	<b>3.19%</b>	<b>7.44%</b>	<b>8.89%</b>	<b>15.45%</b>	<b>21.75%</b>	<b>25.56%</b>	<b>30.42%</b>	<b>34.97%</b>	<b>39.70%</b>	<b>44.42%</b>	<b>49.13%</b>	<b>53.84%</b>	<b>21.75%</b>	

### City of Upland

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR	Shares
Consumption	695.78	672.14	513.80	763.26	875.48	-	-	-	-	-	-	-		4,516.50
Cumulative Consumption	695.78	1,367.92	1,881.71	2,644.97	3,520.46	-	-	-	-	-	-	-	3,520.46	
Cumulative Entitlement	765.83	1,531.66	2,297.48	3,063.31	3,829.14	-	-	-	-	-	-	-	9,189.94	
<b>% of Yearly Entitlement*</b>	<b>7.57%</b>	<b>14.88%</b>	<b>20.48%</b>	<b>28.78%</b>	<b>38.31%</b>	<b>45.11%</b>	<b>52.90%</b>	<b>60.47%</b>	<b>68.16%</b>	<b>75.85%</b>	<b>83.54%</b>	<b>91.22%</b>	<b>38.31%</b>	

### Monte Vista Water District

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR	Shares
Consumption	40.60	37.80	43.30	45.90	49.30	-	-	-	-	-	-	-		331
Cumulative Consumption	40.60	78.40	121.70	167.60	216.90	-	-	-	-	-	-	-	216.90	
Cumulative Entitlement	56.04	112.08	168.12	224.16	280.20	-	-	-	-	-	-	-	672.48	
<b>% of Yearly Entitlement*</b>	<b>6.04%</b>	<b>11.66%</b>	<b>18.10%</b>	<b>24.92%</b>	<b>32.25%</b>	<b>38.52%</b>	<b>45.22%</b>	<b>51.84%</b>	<b>58.47%</b>	<b>65.11%</b>	<b>71.74%</b>	<b>78.38%</b>	<b>32.25%</b>	

### City of Ontario

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR	Shares
Consumption	36.30	33.50	38.40	40.70	43.80	-	-	-	-	-	-	-		295
Cumulative Consumption	36.30	69.80	108.20	148.90	192.70	-	-	-	-	-	-	-	192.70	
Cumulative Entitlement	50.06	100.13	150.19	200.25	250.32	-	-	-	-	-	-	-	600.76	
<b>% of Yearly Entitlement*</b>	<b>6.04%</b>	<b>11.62%</b>	<b>18.01%</b>	<b>24.79%</b>	<b>32.08%</b>	<b>38.30%</b>	<b>44.95%</b>	<b>51.52%</b>	<b>58.11%</b>	<b>64.70%</b>	<b>71.29%</b>	<b>77.88%</b>	<b>32.08%</b>	

\* - Out months are Exponential Smoothing (ETS) forecasts based on consumption to date



## 2023 Consumption Analysis

Yearly %	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
	8%	17%	25%	33%	42%	50%	58%	67%	75%	83%	92%	100%

### Cucamonga Valley Water District

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR	Shares	4
Consumption	-	-	-	-	-	-	-	-	-	-	-	-			
Cumulative Consumption	-	-	-	-	-	-	-	-	-	-	-	-	-		
Cumulative Entitlement	-	-	-	-	-	-	-	-	-	-	-	-	8.14		
% of Yearly Entitlement*															

### Holiday Rock Company

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR	Shares	132
Consumption	0.48	29.24	27.98	56.98	56.19	-	-	-	-	-	-	-			
Cumulative Consumption	0.48	29.73	57.71	114.69	170.88	-	-	-	-	-	-	-	170.88		
Cumulative Entitlement	14.52	29.05	45.72	64.29	87.15	-	-	-	-	-	-	-	269.10		
% of Yearly Entitlement*	0.18%	11.05%	21.44%	42.62%	63.50%	77.14%	93.95%	110.19%	126.53%	142.90%	159.29%	175.68%	63.50%		

### Red Hills Golf Course

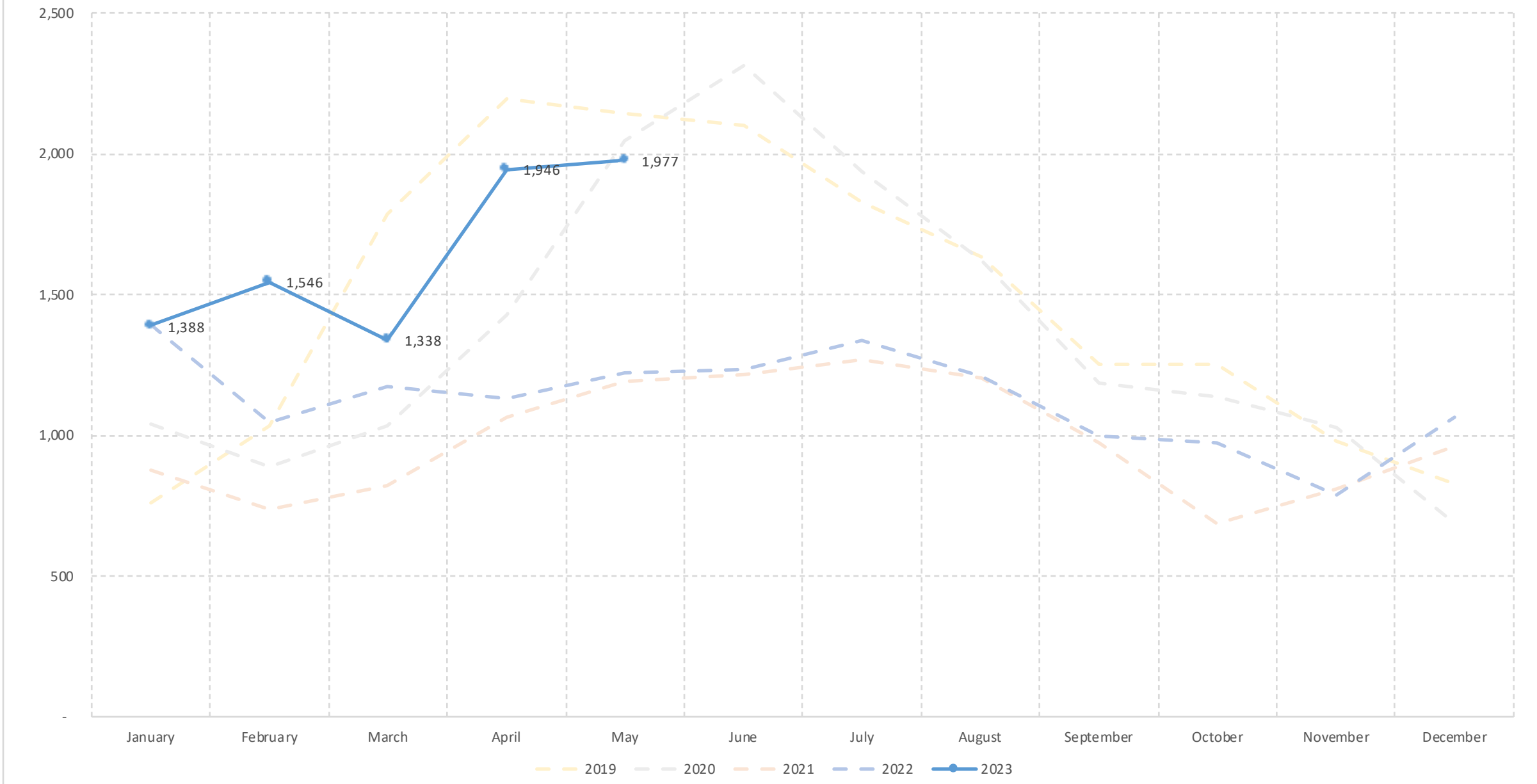
	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR	Shares	211
Consumption	1.99	10.31	0.73	28.57	30.23	-	-	-	-	-	-	-			
Cumulative Consumption	1.99	12.30	13.03	41.60	71.82	-	-	-	-	-	-	-	71.82		
Cumulative Entitlement	23.20	46.40	73.03	102.70	139.21	-	-	-	-	-	-	-	429.84		
% of Yearly Entitlement*	0.46%	2.86%	3.03%	9.68%	16.71%	19.37%	23.87%	27.90%	32.13%	36.36%	40.58%	44.82%	16.71%		

### Minor Irrigators

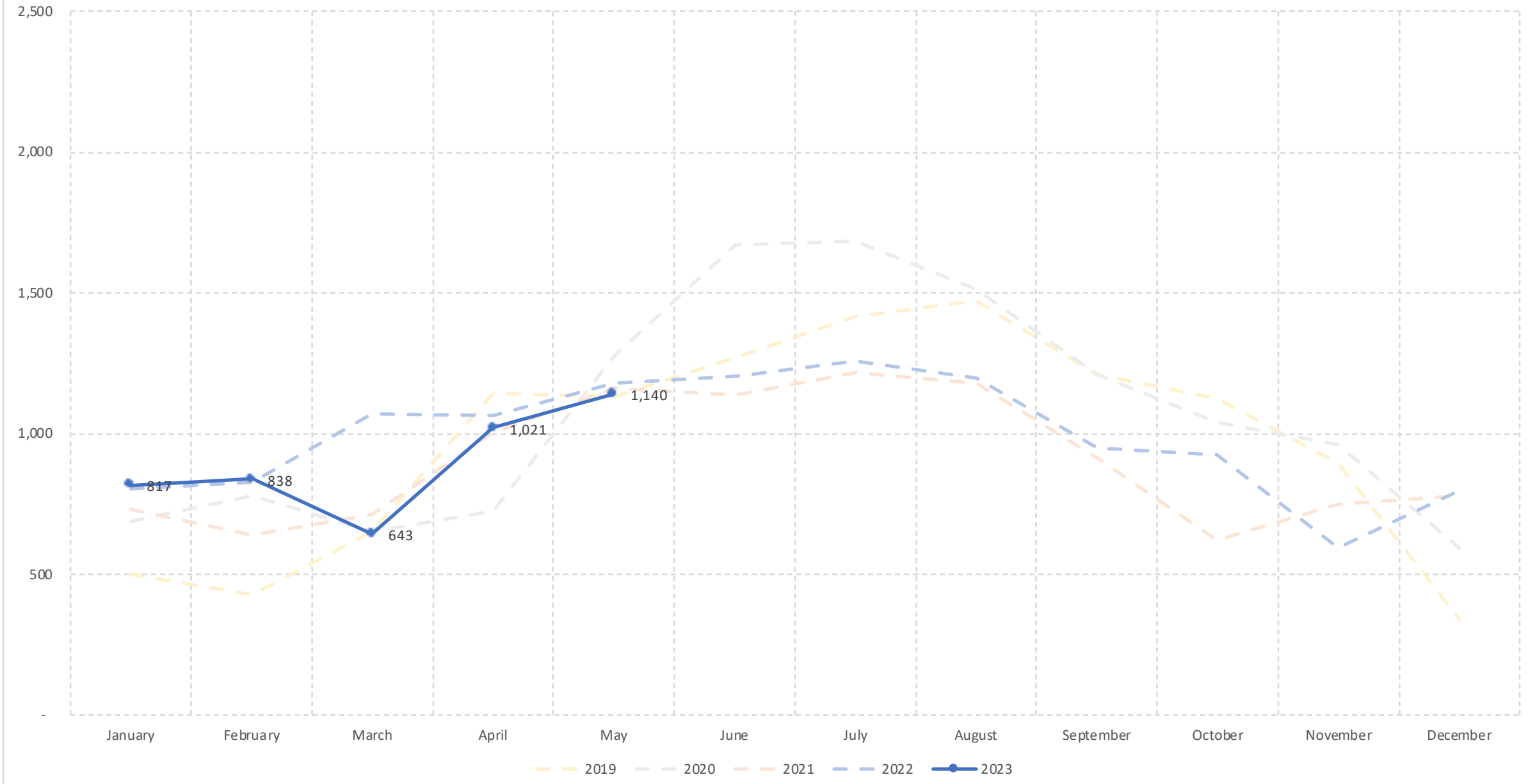
	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	THIS YEAR	Shares	50
Consumption	0.75	0.38	0.22	0.92	3.10	-	-	-	-	-	-	-			
Cumulative Consumption	0.75	1.12	1.34	2.26	5.36	-	-	-	-	-	-	-	5.36		
Cumulative Entitlement	5.52	11.04	17.37	24.43	33.11	-	-	-	-	-	-	-	102.25		
% of Yearly Entitlement*	0.73%	1.10%	1.31%	2.21%	5.24%	5.55%	6.75%	7.81%	8.93%	10.05%	11.18%	12.30%	5.24%		

\* - Out months are Exponential Smoothing (ETS) forecasts based on consumption to date

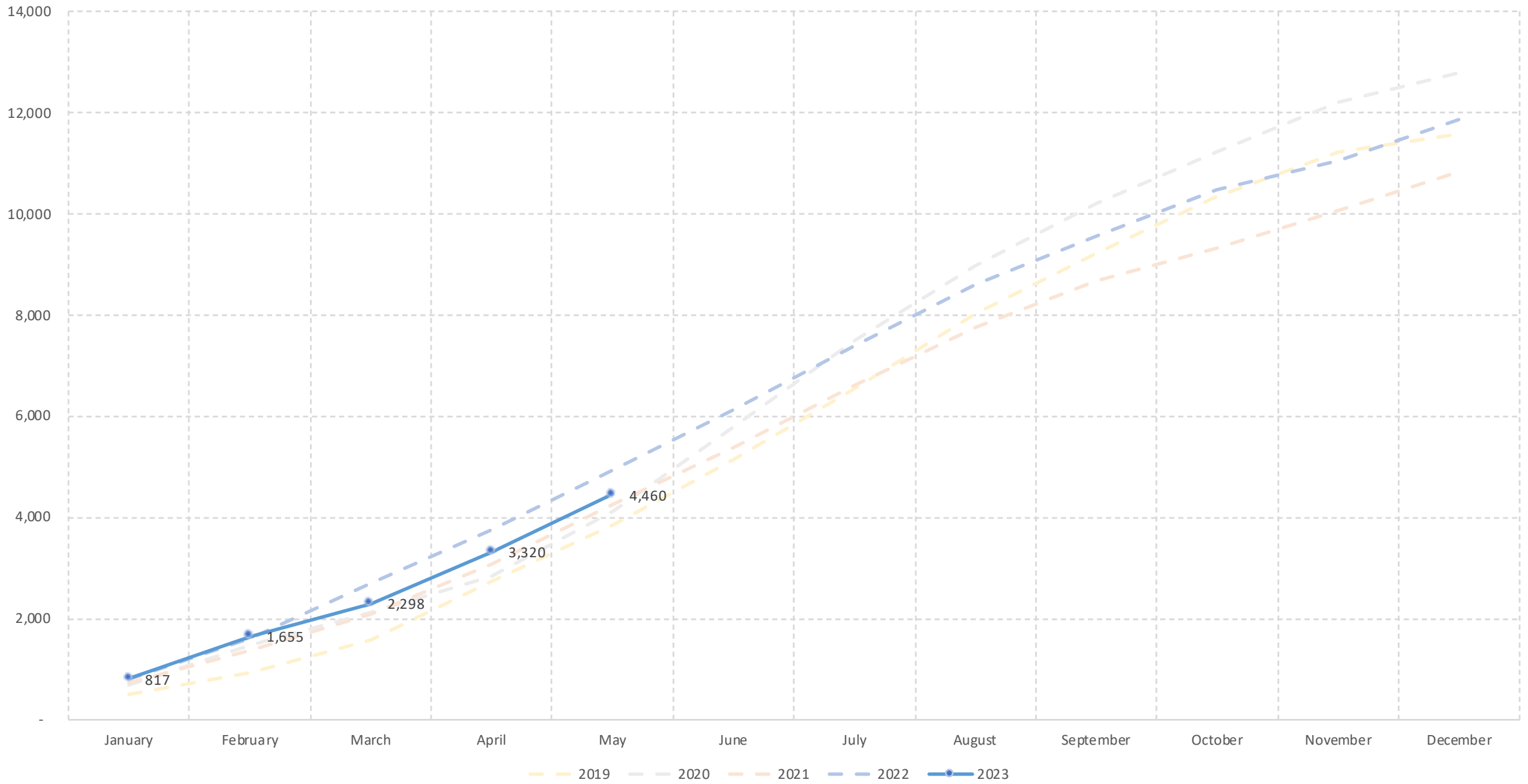
5 Year Production (AF)



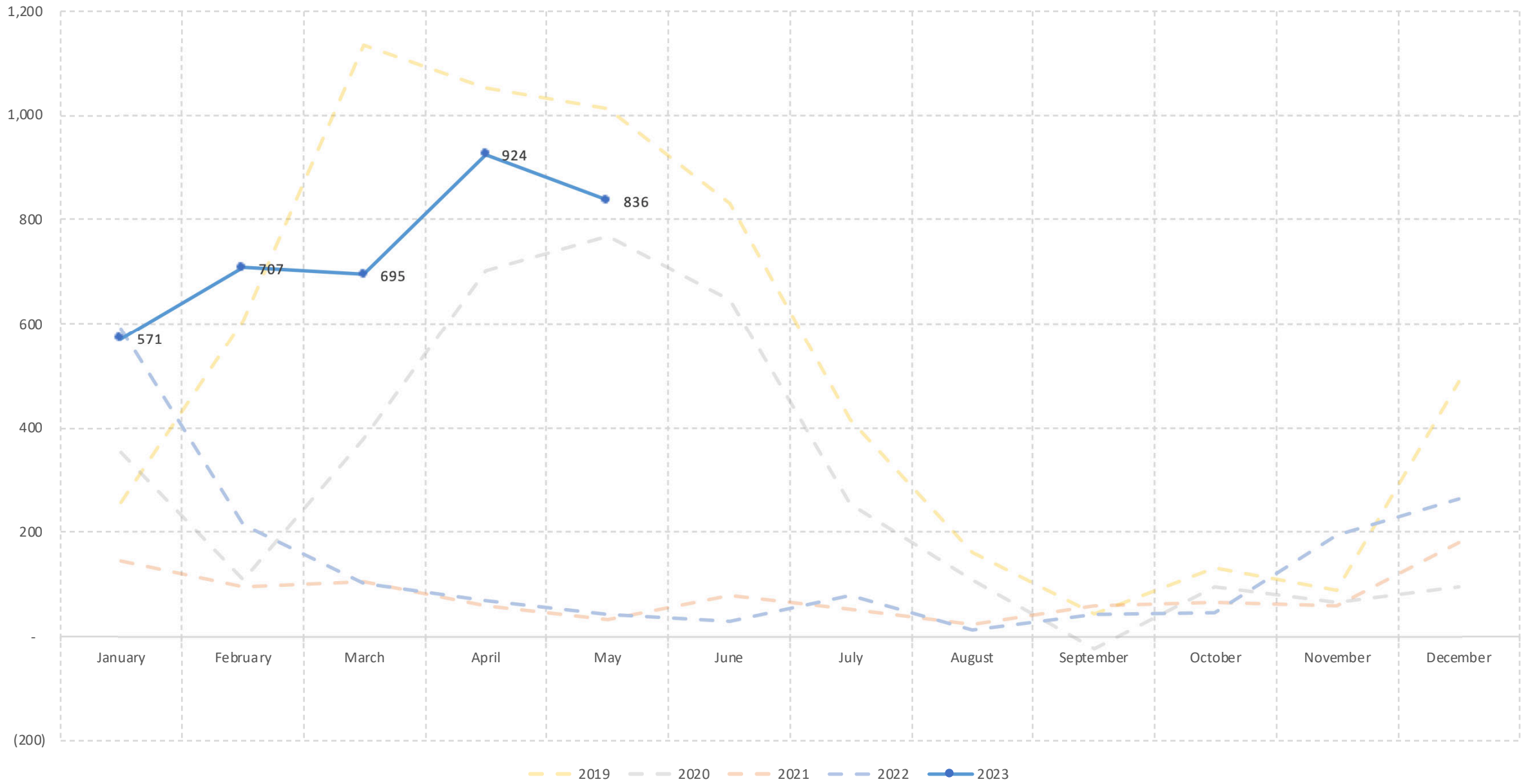
5 Year Consumption (AF)



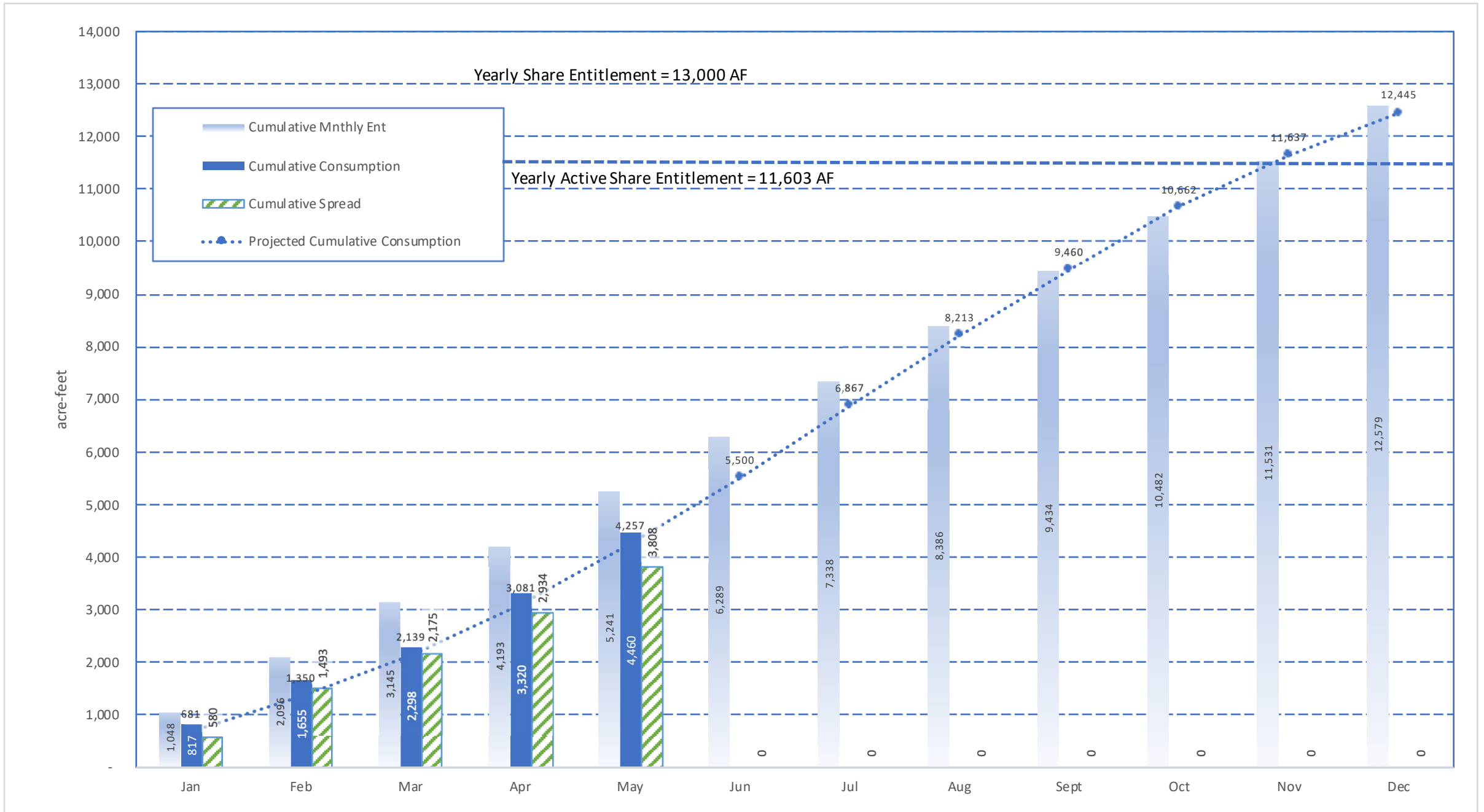
Cumulative Consumption (AF)



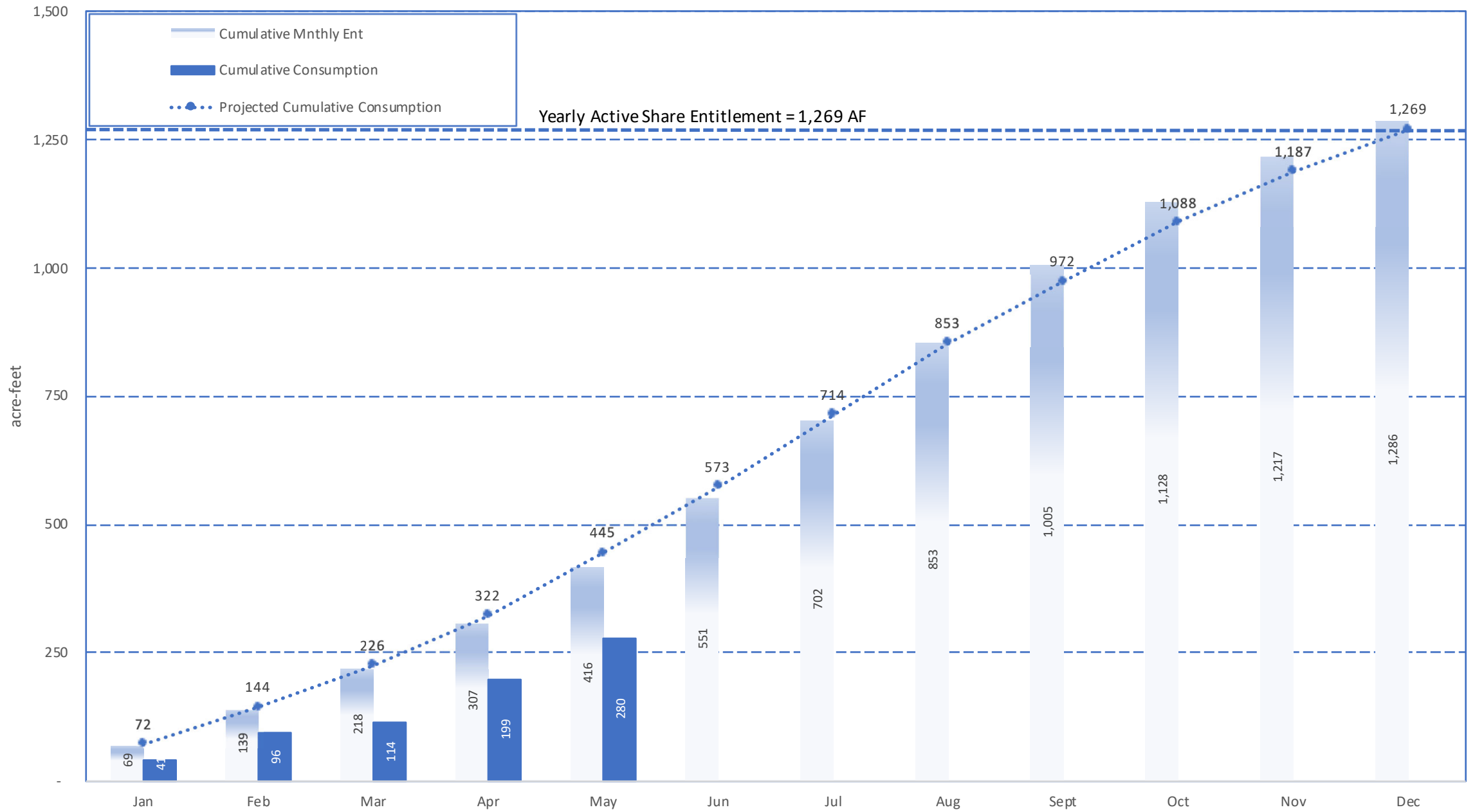
Production minus Consumption (AF)



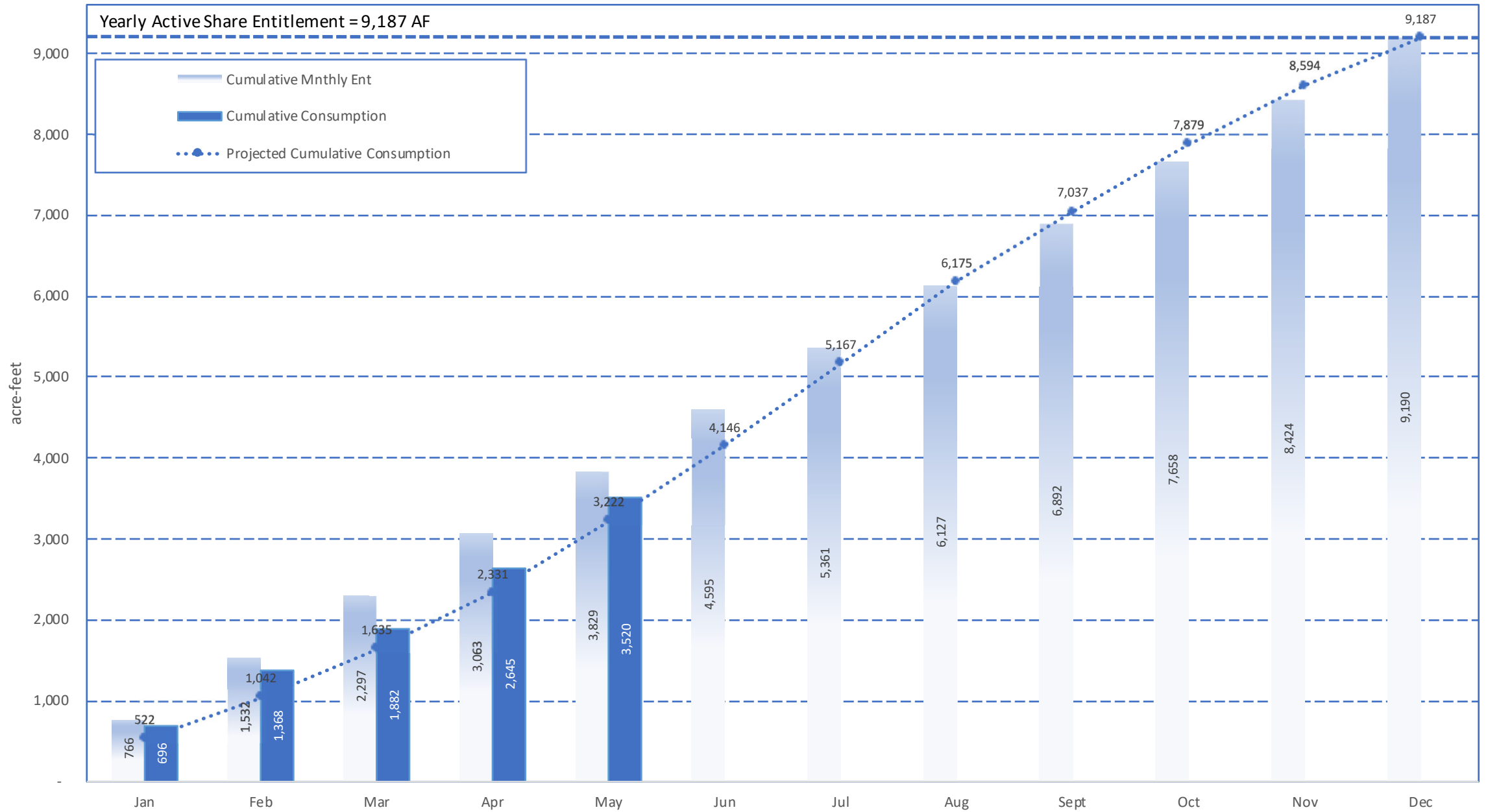
# 2023 Consumption Chart



# 2023 Domestic Consumption

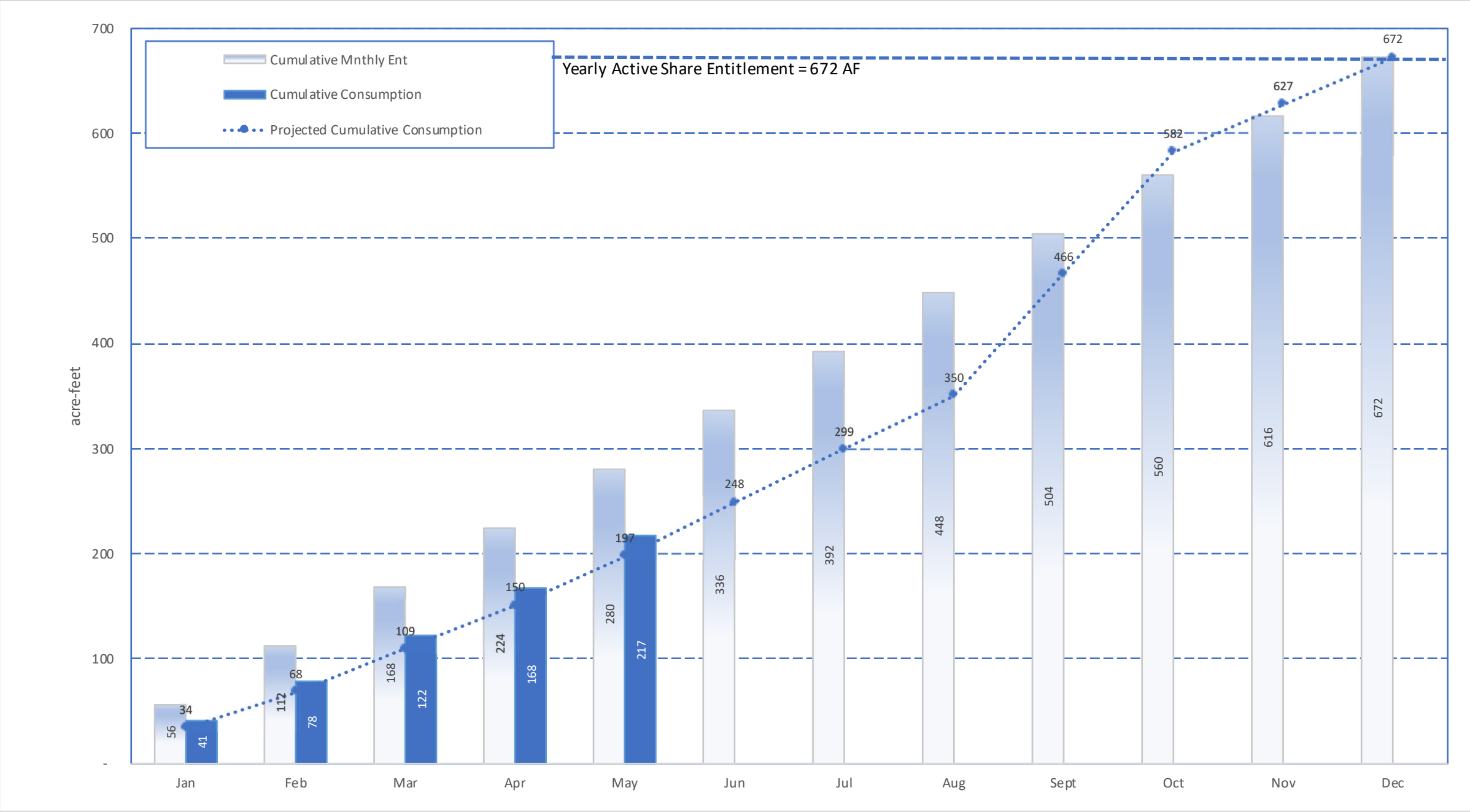


# 2023 Upland Consumption

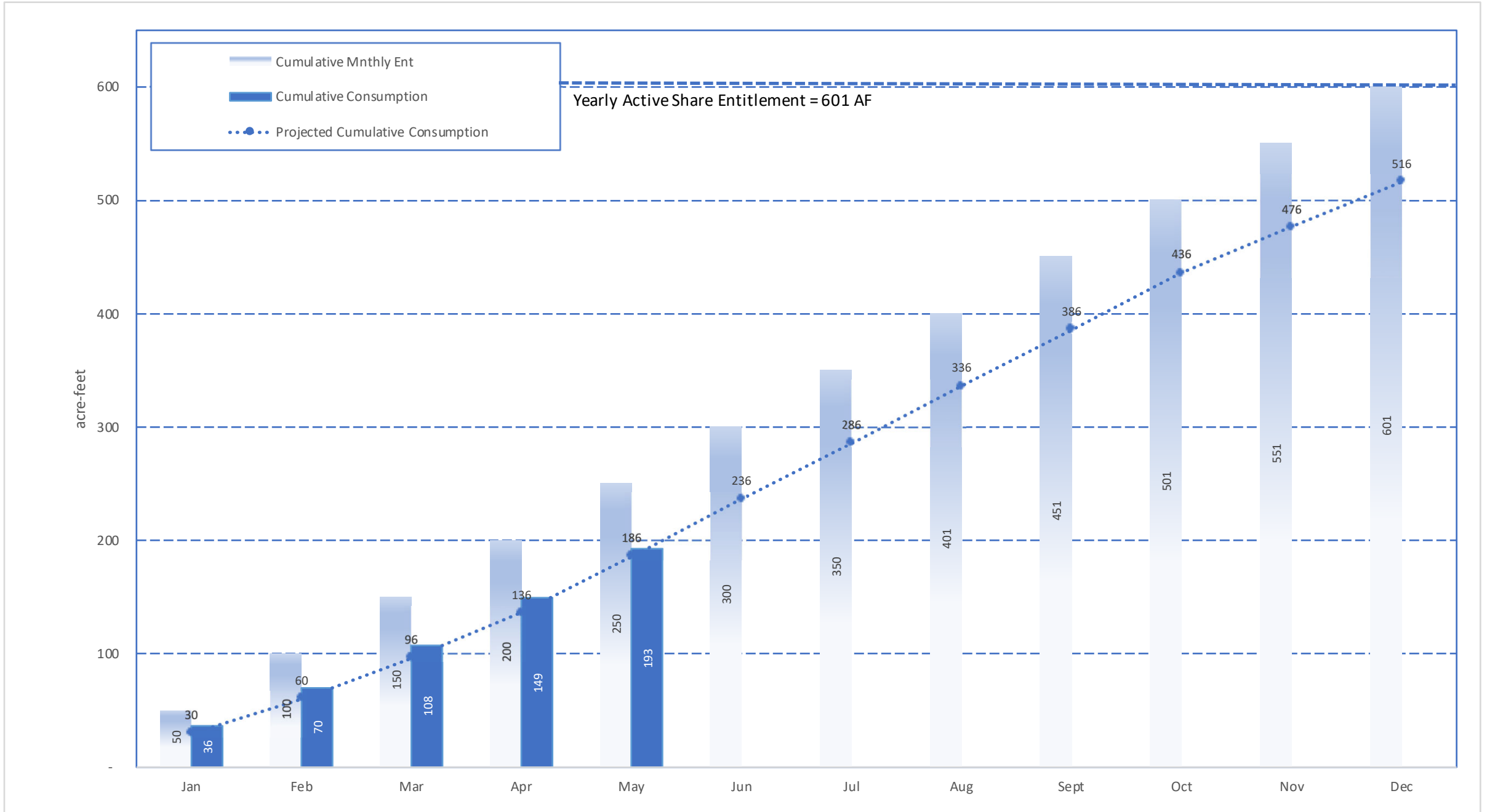




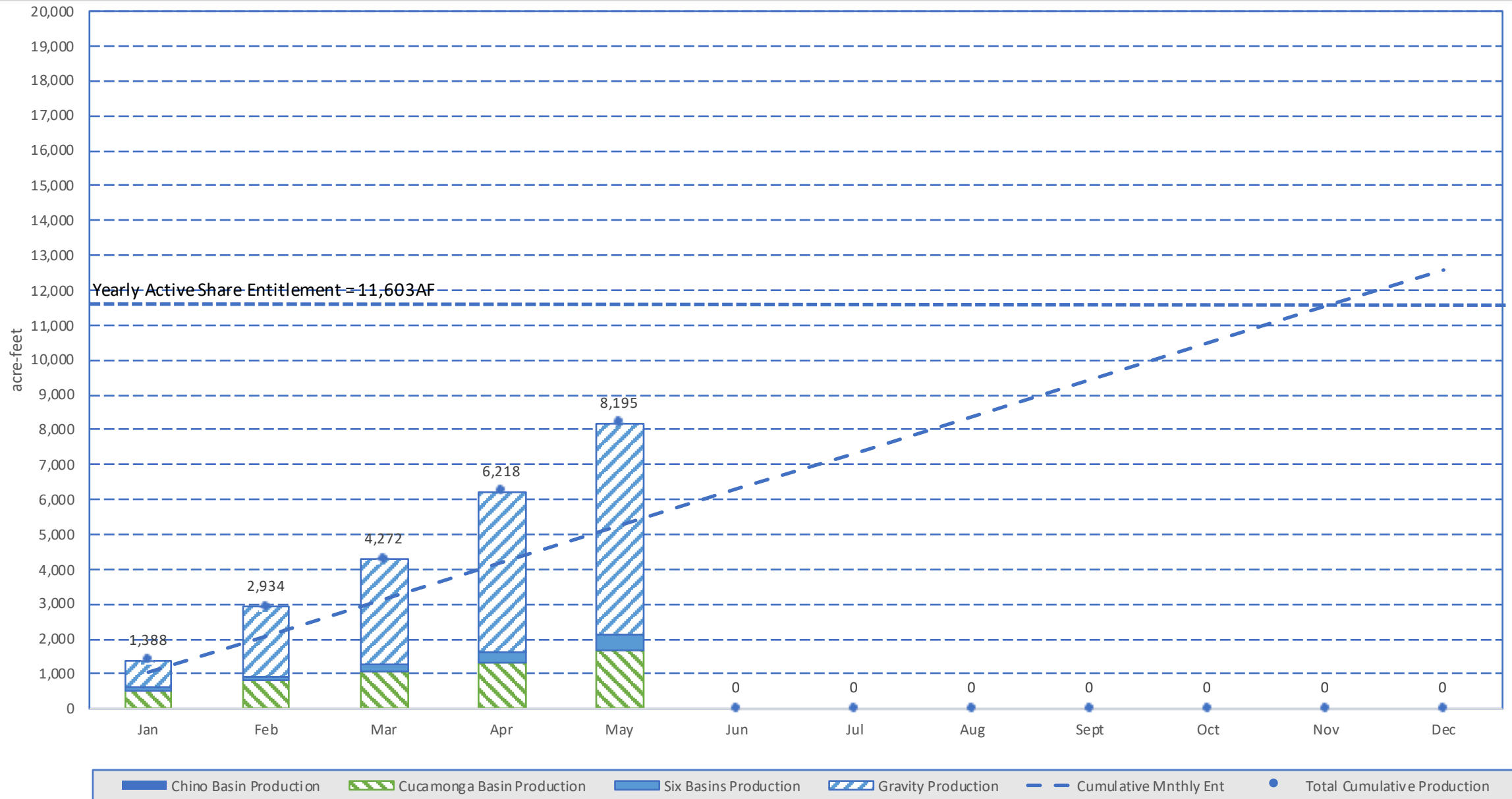
# 2023 Monte Vista Consumption



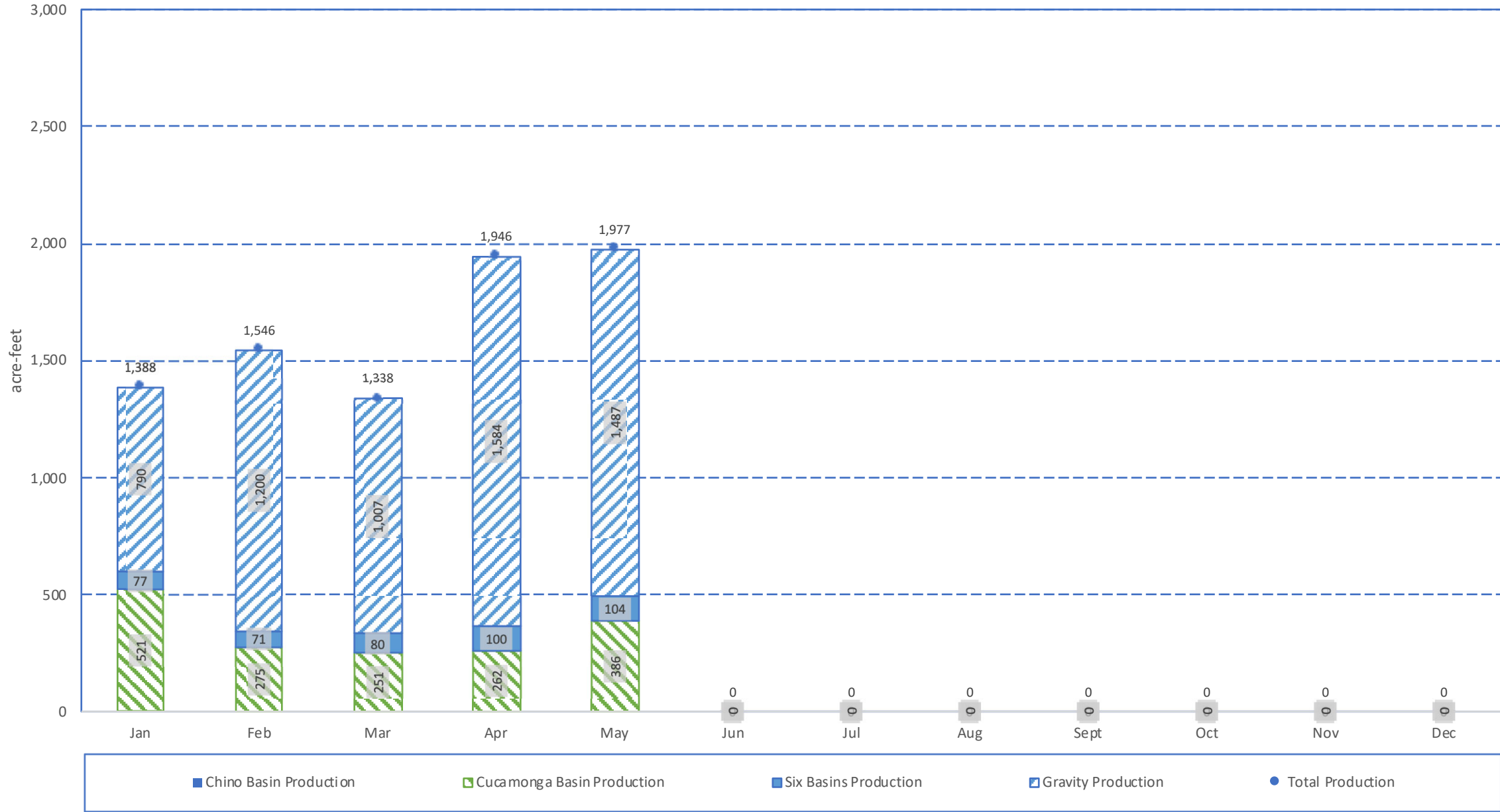
# 2023 Ontario Consumption



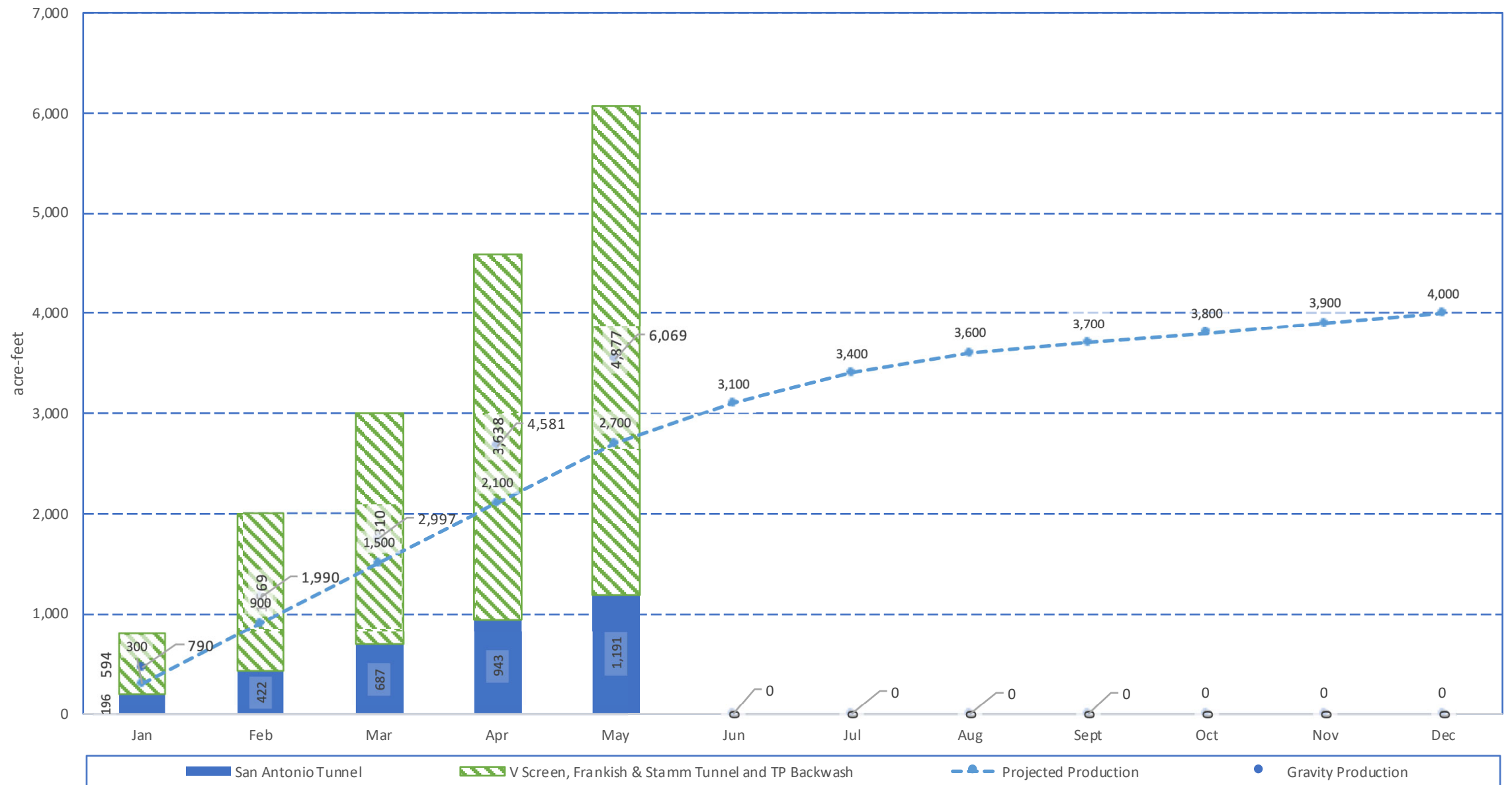
# 2023 Total Yearly Production



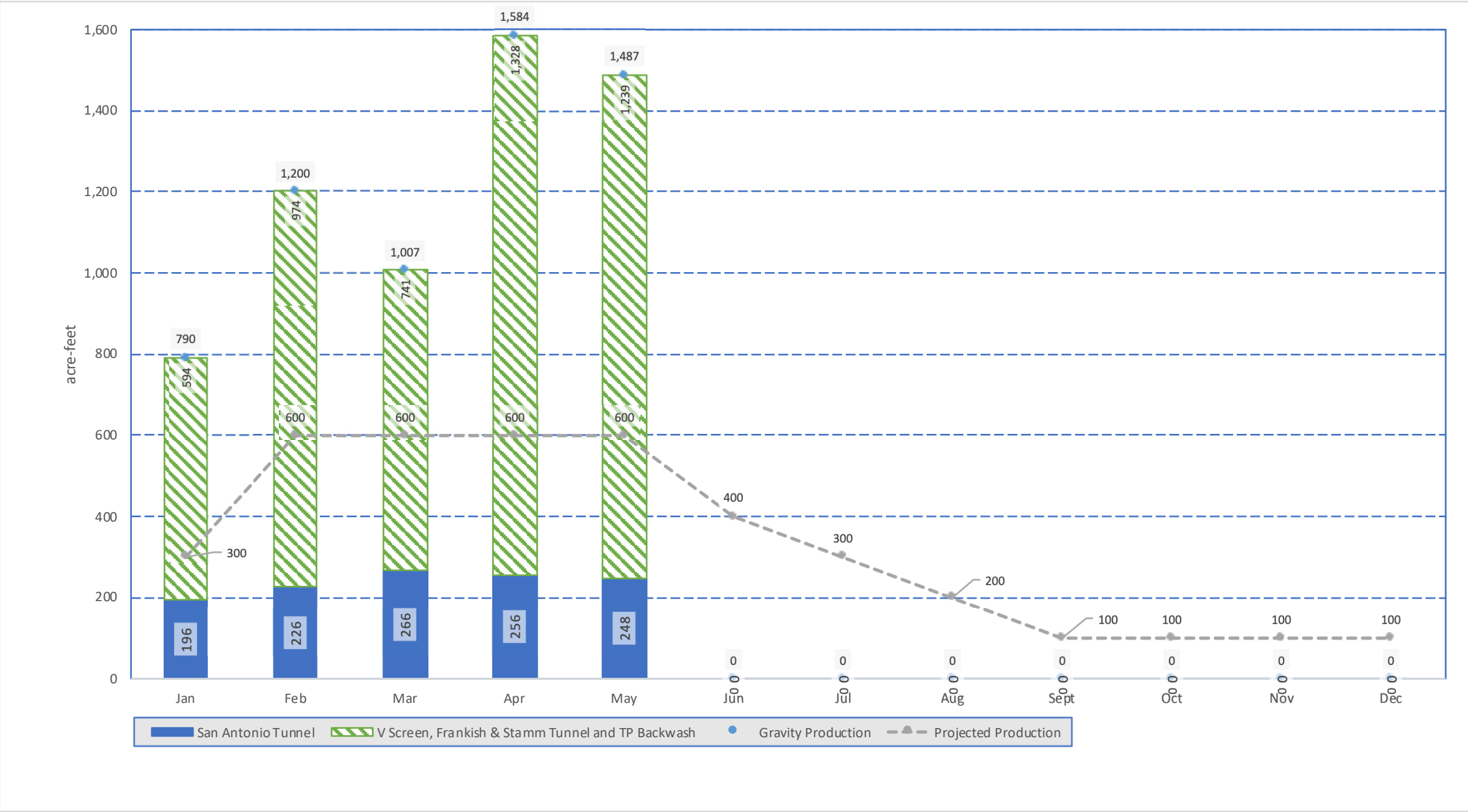
# 2023 Monthly Production



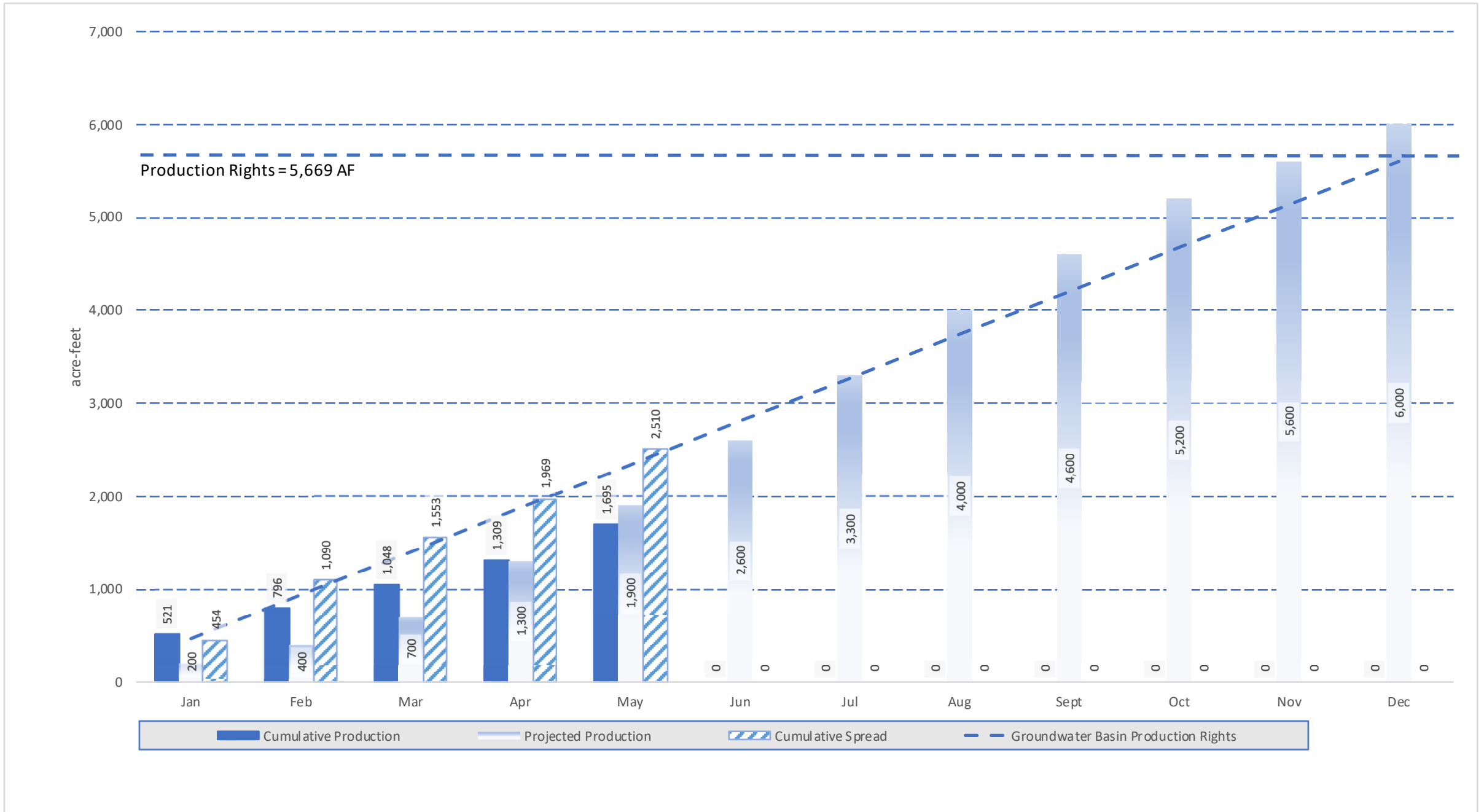
# 2023 Gravity Cumulative



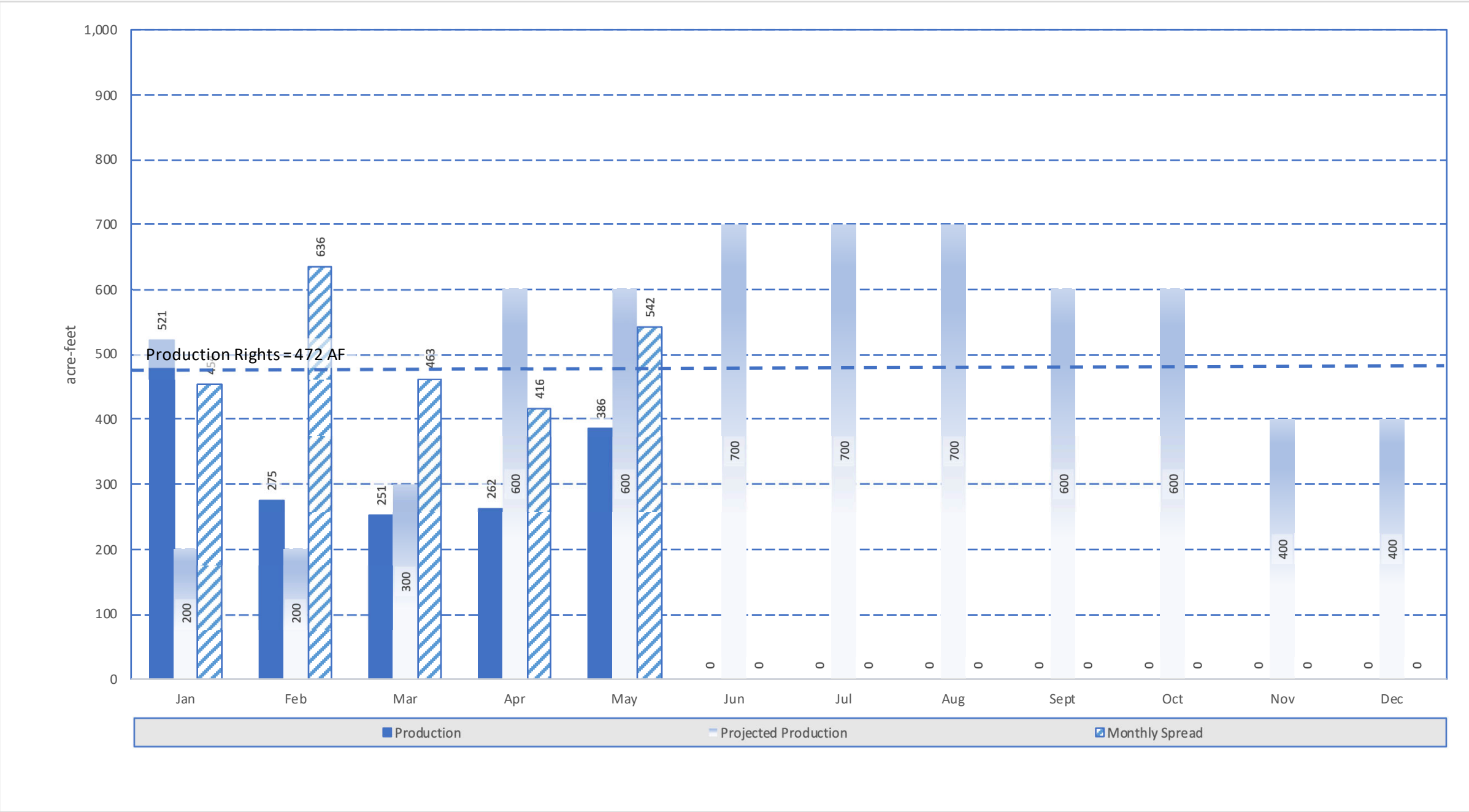
# 2023 Gravity Monthly



# 2023 Cucamonga Basin Cumulative

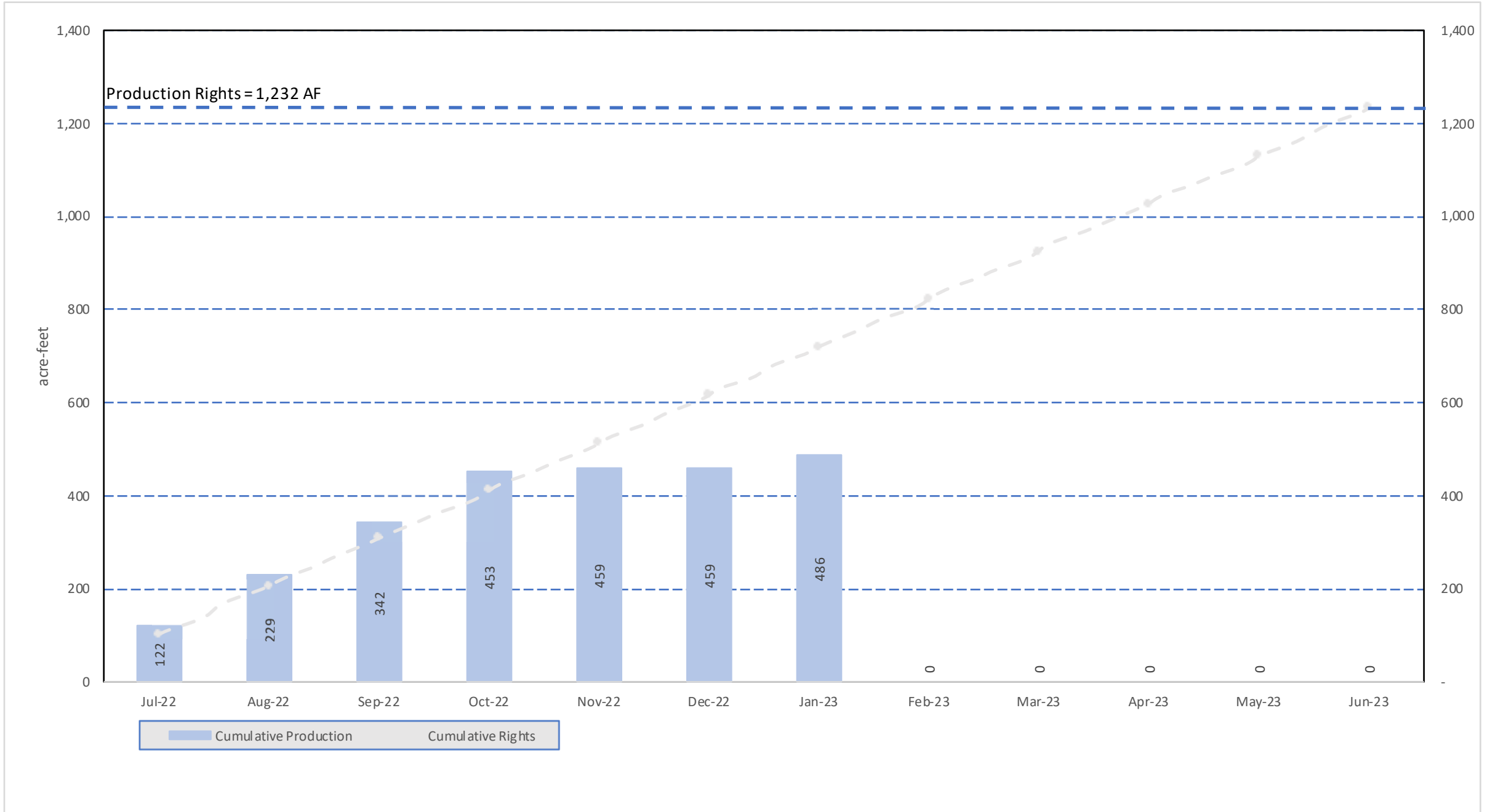


# 2023 Cucamonga Basin Monthly

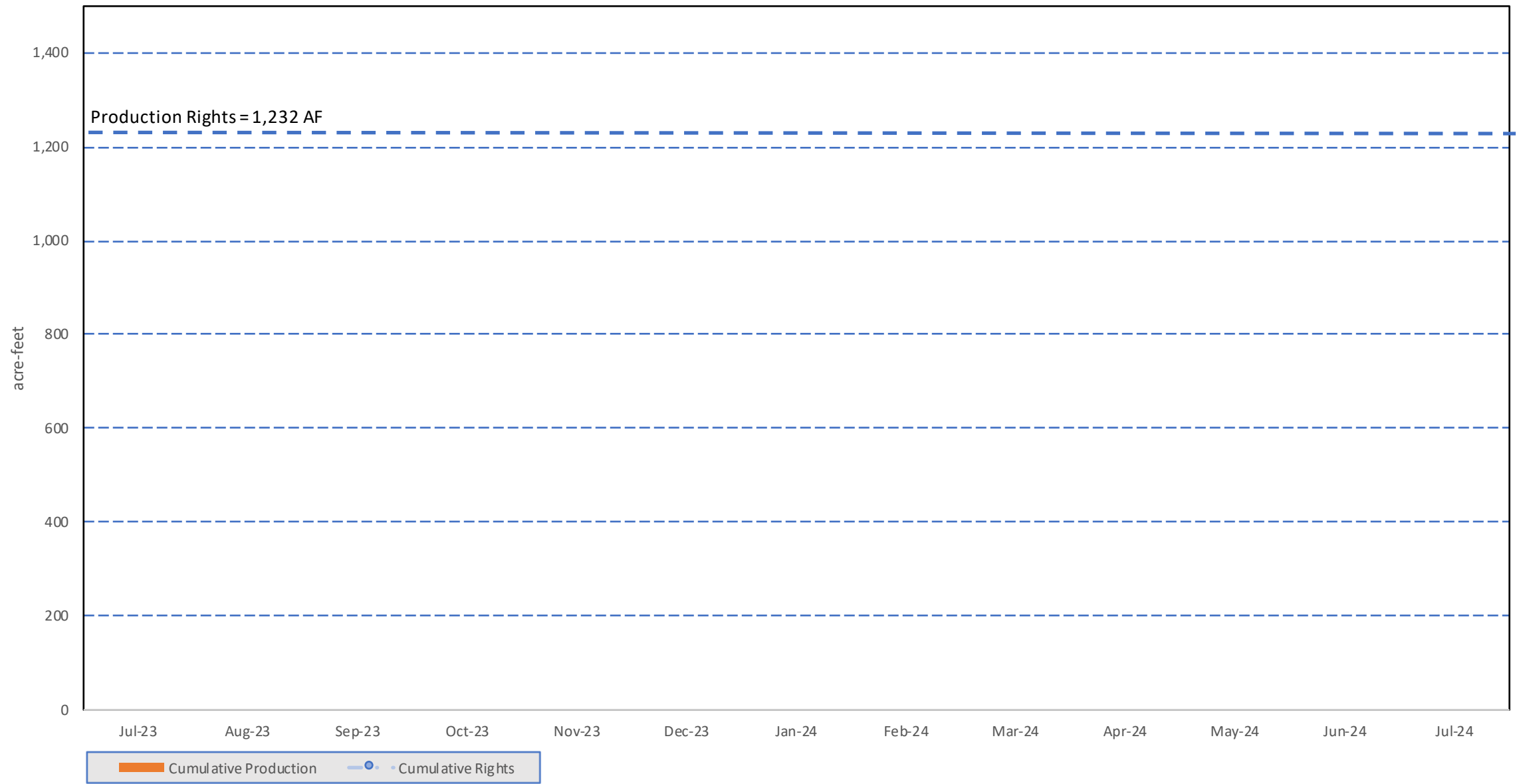




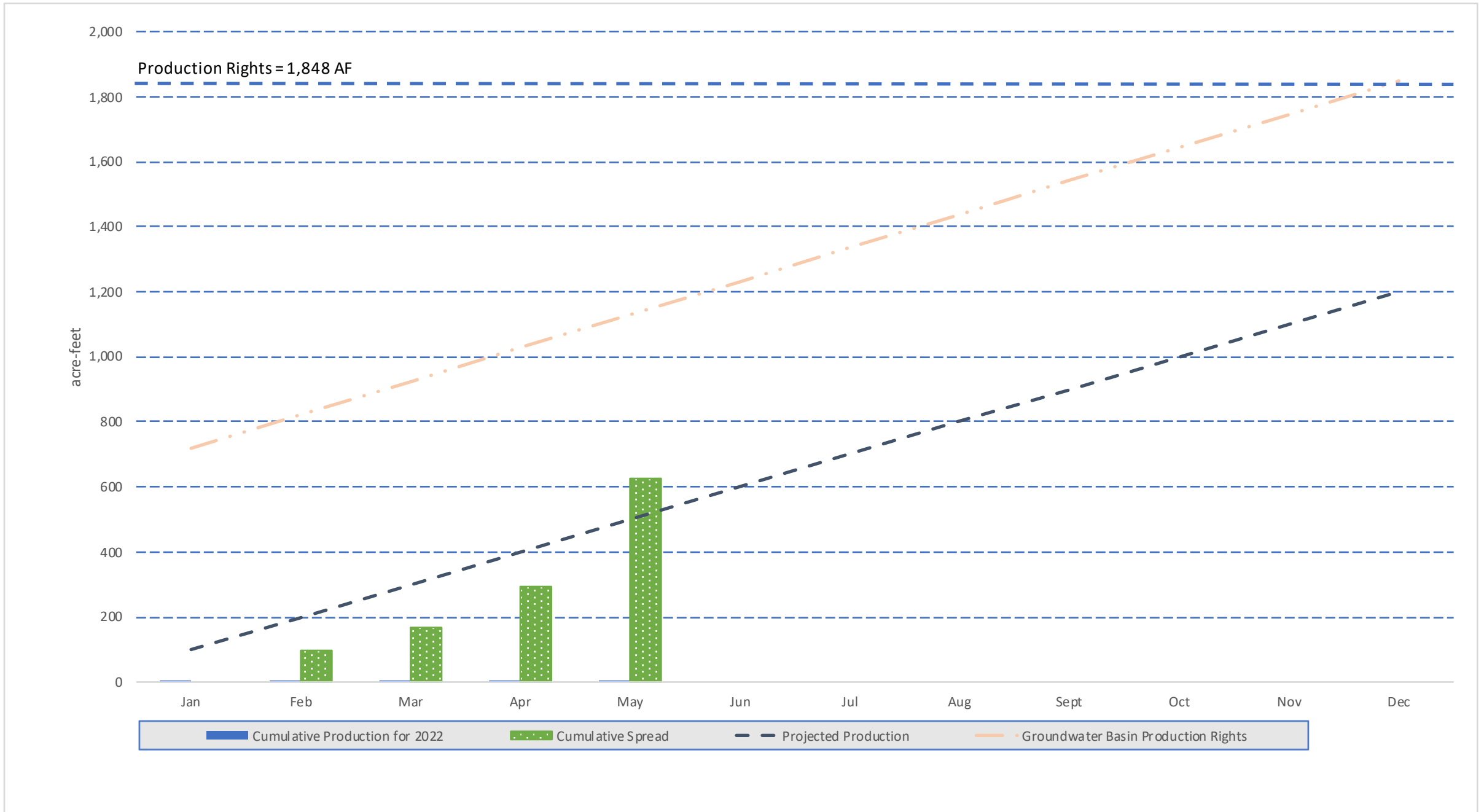
# 22-23 Chino Basin Cumulative



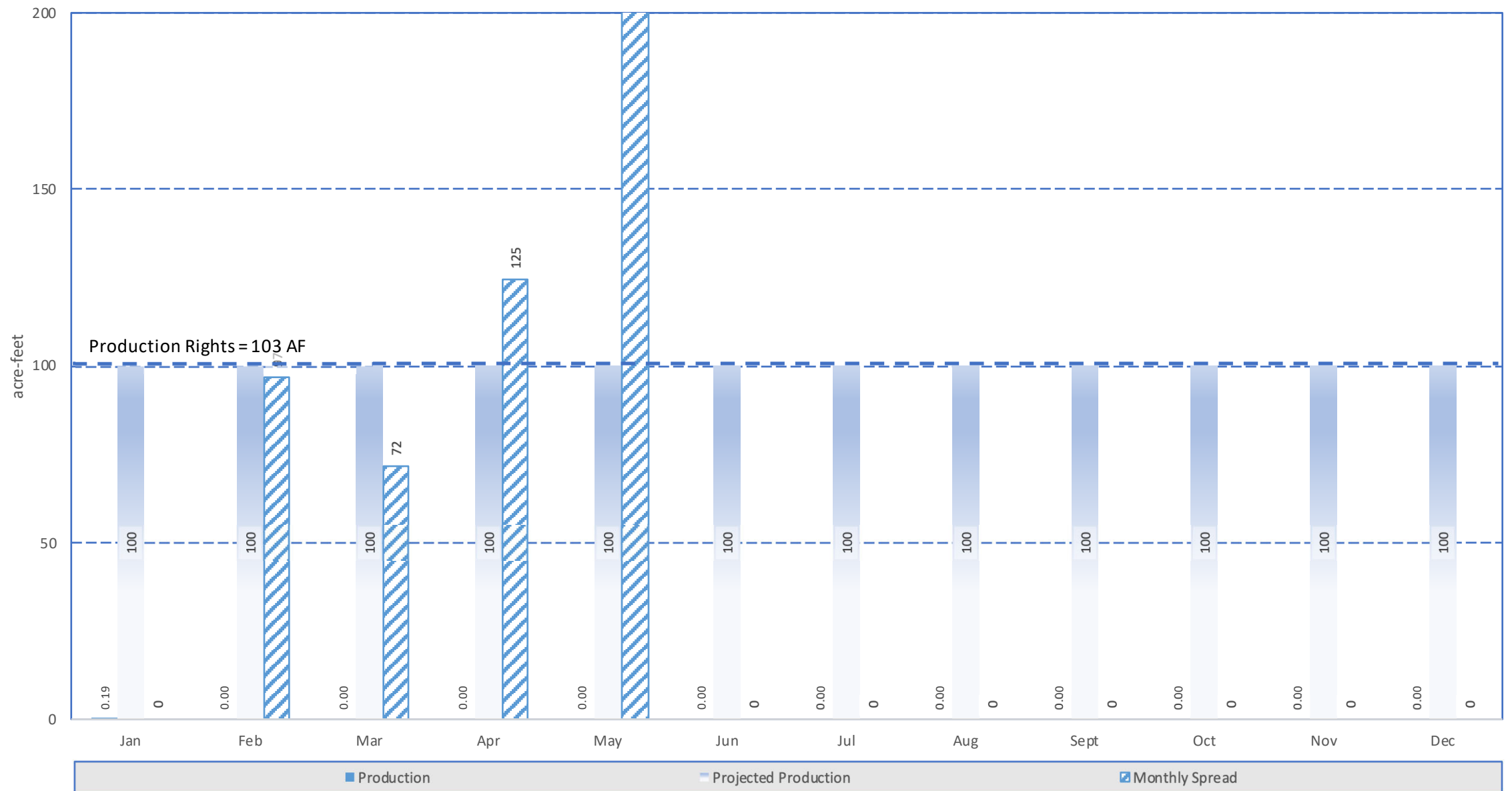
# 23-24 Chino Basin Cumulativ



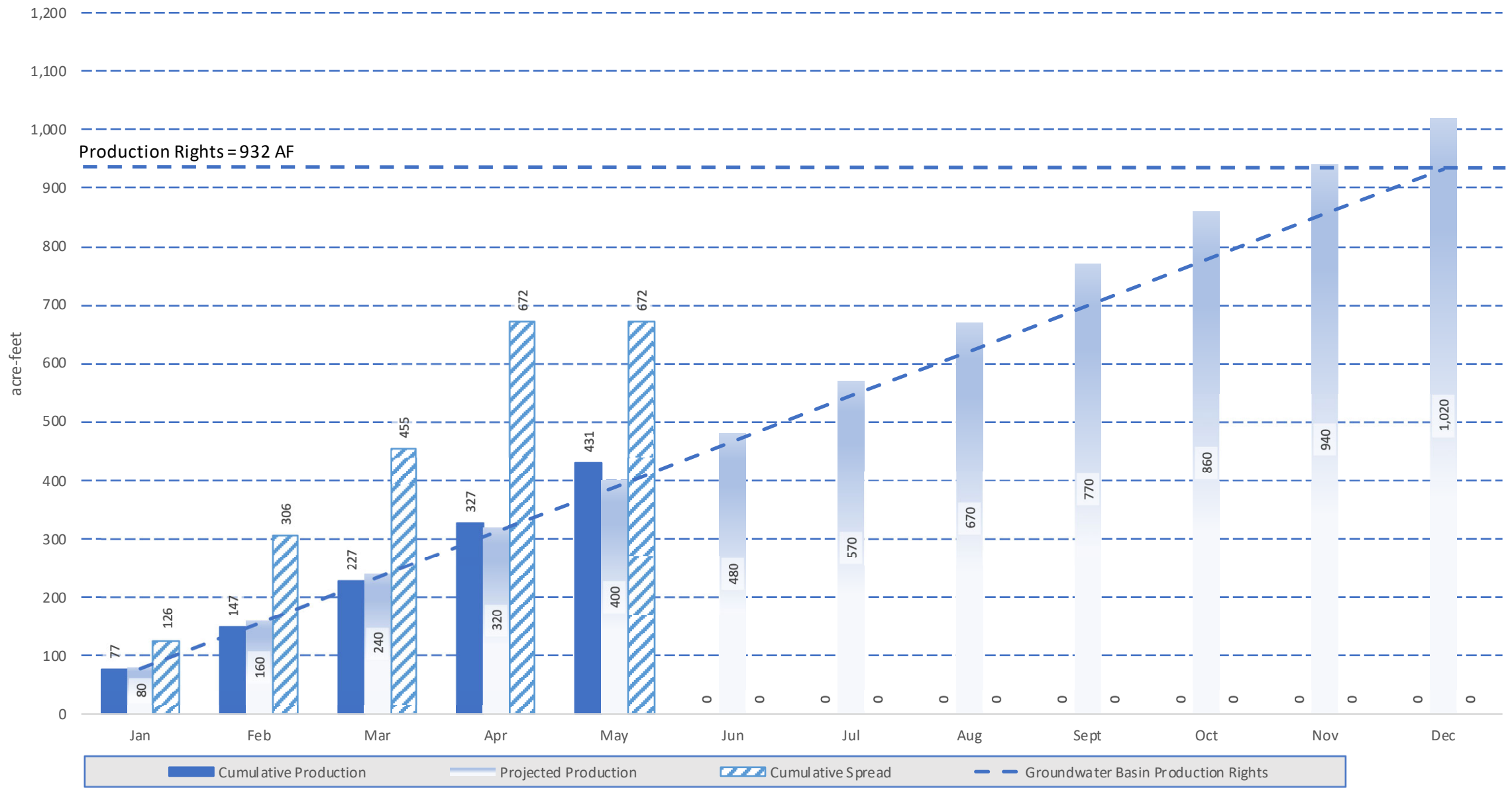
# 2023 Chino Basin Cumulative



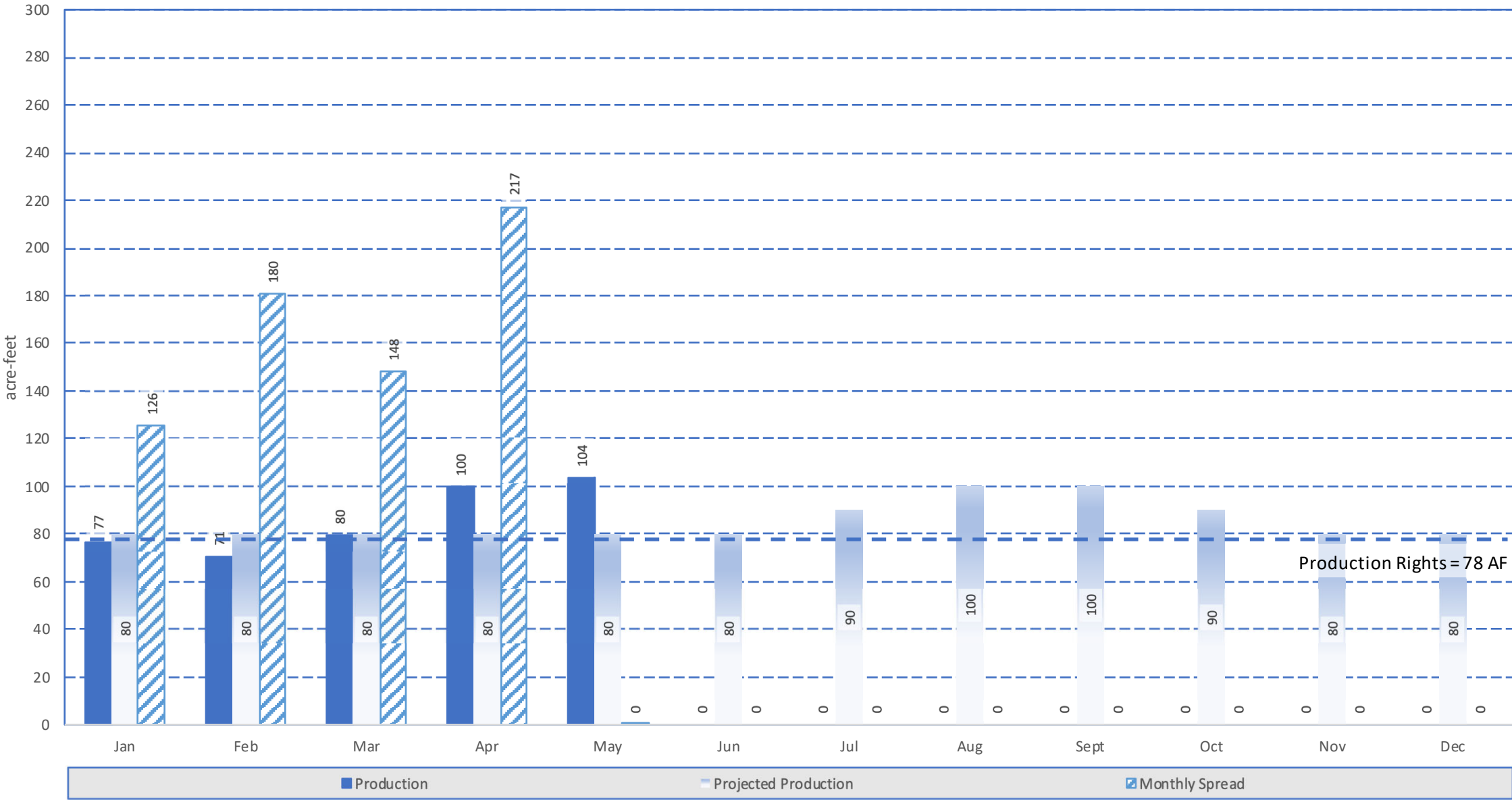
# 2023 Chino Basin Monthly



# 2023 Six Basins Cumulative



# 2023 Six Basins Monthly



A. Water Supply through May 2023

- Annual entitlement for CY2023 is 13,000 AF
  - Cumulative yearly production is 8,195 AF
  - Cumulative yearly consumption was 4,460 AF
  - Cumulative yearly spread was 3,808 AF
  - Cumulative unaccounted water was 73 AF

Six Basins Production for 2023

- Annual production right is 932 AF.
- Cumulative production is 431 AF.  
*Production is sent to the WFA treatment facility to meet City of Ontario and MVWD entitlement.*
- The Company spread a total of 672 AF.

Cucamonga Basin Production for 2023

- Annual production right is 5,669 AF.
- Cumulative production was 1,695 AF.
- The Company spread a total of 2,510 AF.

Chino Basin Production for 2023

- Annual production right is 1,232 AF.
- Cumulative production was 0 AF.
- The Company spread a total of 625 AF.

Surface Water (San Antonio Creek) flow for 2023

Total flow was 4,358 AF.

Tunnel flow for 2023

San Antonio Tunnel flow was 1,191 AF.  
Frankish and Stamm Tunnel flow was 515 AF.

B. Company Stock

Zero (0) shares of water stock moved from active to dormant this transfer period.  
Zero (0) shares of water stock moved from dormant to active this transfer period.

C. Communication and Information Activities

"Facebook" - 179 friends liking our old FB page and 71 customers have liked our new FB page. No new communication posted on the new page and no new communication on the old Facebook page. Facebook is not able to merge the two Facebook pages; therefore, we are in discussion of possibly deleting the old page.

D. Administration Matters

Meetings of interest:

- Thur, May 18 – GM attended a Cucamonga Basin GW Model Workshop Meeting hosted by CVWD
- Fri, May 19 – GM and Field Staff participated in GIS training hosted by WSC Consulting.
- Tue, May 30 – Staff participated in CPR/First Aid training and certification
- Fri, June 2 – GM provided legal Counsel a tour of the Company facilities
- Thu, June 8 – GM attended the CBWM Appropriate Pool Committee Meeting and Closed Session
- Thu, June 8 – GM participated in Regional Water Management Coordination meeting teleconference hosted by IEUA

E. Groundwater Basin Matters

Chino Basin -

Spread Water from SAWCo - Application to spread 1,500 AF per year for years 21/22 through 25/26 was approved by WM Board in July, 22. We started spreading water in January 2023.

Legal Issues-

There are currently two appeals in the works:

1. Ontario, Monte Vista and City of Chino have appealed the ruling that AP works under 'majority rule'.
2. Ontario has appealed the ruling that the current Dry Year Yield (DYY) program is operating under a legal contract.

Six Basins –

A Watermaster Board meeting was held on May 24, 2023. Staff were unable to attend.

There was a Claremont workshop on June 7<sup>th</sup> which staff understood that President Diggs and West Yoss would be the spokesperson for Six Basins. On June 12<sup>th</sup>, staff spoke with Carolina Sanchez with West Yoss and received a verbal update. There was a presentation to the Claremont residents of the findings. The presentation is on the Six Basins Watermaster website.

The next meeting is scheduled for June 28, 2023.

Cucamonga Basin –

A meeting was held on May 3. The hydrogeologist gave another update on the modeling effort.

Cost sharing past invoices from SAWCo was sent to Cucamonga Valley Water District and they are now asking for contracts.



**Agenda Item No. 4I**

Item Title: Projects and Operations Update

Purpose:

To update the Board and Shareholders on Company capital projects.

Updates:

1507 – Office Relocation

The Board approved a design and construction management contract at its March 2023 regular meeting. Contract has been executed and Architect is currently working on preliminary plans.

Original Budget .....	\$4,000,000
Original Contracts .....	\$283,550
Authorized Change Orders .....	NA
Current Contracts .....	\$283,550

1602 – Holly Drive Reservoir, Phase 3

Proposed construction of a second 120,000-gallon tank at the Holly Drive Tank site. Professional services agreement has been fully executed. Contract has been executed. Waiting on material delivery. ~~Preconstruction meeting was held Thursday, April 6<sup>th</sup>. Submittal review is underway. Notice to Proceed issues April 10<sup>th</sup>. Contractor anticipates mobilizing to site on May 23<sup>rd</sup>.~~ Contractor has mobilized to site and demolition of exiting tank has been completed. Ringwall for new tank being formed.

Original Budget .....	\$985,260
Original Contracts .....	\$985,260
Authorized Change Orders .....	NA
Current Contracts .....	\$985,260

1902 – Cucamonga Crosswalls Mitigation

TKE Engineering is working with staff to close out certain State and Federal Permits. Staff is also looking into long-term maintenance permits that will allow the Company yearly access to the site for clearing and grubbing.

2007 Well 19

Project approved at April 2022 Board Meeting. Contract has been completed. Material being ordered and we are currently scheduling the start of work. Staff was informed this month that material deliveries (specifically the fiberglass casing) is delayed until early 2023. Staff met with contractor on site to review operational plans and held teleconference with team to begin coordinating work. Tentative start of the test well has been scheduled for ~~April June~~ July 2023.

Original Budget .....	\$1,130,990
Original Contracts .....	\$1,130,990
Authorized Change Orders .....	NA
Current Contracts .....	\$1,130,990

2201 Paloma Hydraulic Break

~~Design Contract is on agenda for tonight's meeting.~~ Design Contract is being drafted

and a predesign meeting is being scheduled.

Original Predesign Budget	\$40,000
Original Design/Const. Budget	\$1,080,000
Original Contracts	\$39,750
Authorized Change Orders	NA
Current Contracts	\$39,750

2202 Glendale Road Pipeline

Project is completed. Final invoices are being developed.

Original Budget.....	\$276,000
Original Professional Services Contracts .....	\$70,023
Original Construction Contract.....	\$437,931
Authorized Change Orders.....	NA
Current Contracts .....	\$507,954

2203 Well 31 Pipeline

Project budgeted in the 2022 year. Replace approximately 1,400 linear feet of 14” pipeline from Well 31 delivering water to facilities at Golf Club Drive along backside of homes and within Upland Hills Country Club waterline easement. Abandon aged pipeline. The current steel pipeline was installed before 1976 and has exceeded its useful life. Identified by staff as a high maintenance pipeline. ~~Design contract is up for review at tonight's meeting.~~ Design contract has been awarded and predesign meeting has occurred. Consultant is determining best alignment.

Original Budget.....	\$420,000
Original Contracts .....	\$0
Authorized Change Orders.....	NA
Current Contracts .....	NA

2204 GIS Update

At the August Special Meeting, the Board authorized a contract with WSC to update the Company's GIS maps. Contract has been executed. Consultant working on updates. ~~WSC is scheduled to conduct system review with staff mid-May.~~ WSC conducted training and system review with staff in May.

Original Budget.....	\$11,110
Original Contracts .....	\$11,110
Authorized Change Orders.....	NA
Current Contracts .....	\$11,110

2207 Well 31 Repair

Well 31 suffered a catastrophic failure in October 2022. The Board authorized a repair contract at its special Budget workshop in December 2022. Contract has been executed and material is being procured. Well has been swabbed and equipment is currently being installed.

Original Budget.....	\$220,000
Original Contracts .....	\$200,000
Authorized Change Orders.....	NA

Current Contracts .....\$3,665

2301 Well 16 Conversion

Contractor is waiting on material delivery.

Original Budget.....\$405,000  
Original Contracts .....\$390,665  
Authorized Change Orders.....NA  
Current Contracts .....\$390,665

**Agenda Item No. 6A**

**Item Title:** Investment Advisor Proposal Responses

**Purpose:**

Review proposals received and discuss possible action moving forward.

**Issue:**

The Company has utilized Equity Services, Inc. as its financial advisor since 2004. Over the years management has been approached by other financial advisors offering competitive services. To confirm that the company is currently receiving the best value from its consultant, staff released a request for proposal for financial advisor services earlier this year.

**Managers Recommendation:**

Review submitted proposals and consider utilizing one responsive bidder to conduct a benchmark analysis.

**Background:**

The AFC reviewed this item at its regularly scheduled May 2023 meeting and unanimously recommends the full Board approve staff’s recommendation.

Staff sent an RFP to the following investment advisors:

<b>Contact Name</b>	<b>Company</b>	<b>Location</b>	<b>Responsive?</b>	<b>Comments</b>
Mark McKeon	Equity Services, Inc.	Whittier, CA	Yes	Current provider
Ali Khisraw Rahimi	Morgan Stanley	Claremont, CA	Yes	Responsive – local investor
Mike Fine	Monarch Plan Advisors	Simit Valley, CA	No	Didn’t feel their work would have yielded a change
Eli Webb	Fisher Investments	Camas, WA	No	Nationwide doesn’t allow their full fiduciary investment platform
Maribel Larios	Fiduciary Experts	Murrieta, CA	No	Late on proposal – had technological issues
Amir A. Dadabhoy	Kestra Private Wealth Services, LLC		No	unresponsive

After reviewing the two proposals staff recommends no changes to the current plan or advisor. Staff also recommends the company conduct further research, benchmarking current performance and fees against different plans. Staff proposes to utilize Ali Khisraw Rahimi with Morgan Stanley to do this analysis.

**Previous Actions:**

Request for Proposal (RFP) sent March 30, 2023 with response date May 11, 2023

**Impact on Budget:**

None.

ORIGINAL

May 3, 2023

[blee@sawaterco.com](mailto:blee@sawaterco.com)

PROPOSAL-2023 401k Investment Advisor and Plan Services  
San Antonio Water Company  
139 North Euclid Avenue  
Upland, CA. 91786  
Attn: Brian Lee

## 1. Executive Summary

Mark McKeon, registered representative, in concert with Third-party Administrator(TPA), Raymond, Reeves & Stout(R,R&S), has had the responsibility of advising on the San Antonio Water Company 401(k) retirement plan since May, 2004. Indeed, R,R&S has been providing plan administration services for even a longer period of time.

It is Mr. McKeon's desire to continue in like manner with the advisory services that have been offered for the past 19 years. This plan service includes quarterly meetings held on a one-on-one format with plan participants at the San Antonio Water Company main office. Plan participants also are provided with Mr. McKeon's office phone number, fax number, and email address for communication purposes on a more frequent basis if necessary.

## 2. Firm Description

Mark McKeon became registered with the Financial Industry Regulatory Authority(FINRA) in 1998. FINRA is a government authorized not-for-profit organization that oversees U.S. Broker/Dealers and the registered representatives, such as Mr. McKeon, who work under the direct supervision of a specific Broker/Dealer. Mr. McKeon's Broker/Dealer is OneAmerica Securities-headquartered in Indianapolis, IN. OneAmerica is one of the premier Broker/Dealers in the country, registered with the Securities Exchange Commission and the Securities Investor Protection Corporation.

Mr. McKeon has over the past 25 years upheld a scrupulous record with all corresponding authorities which govern and supervise financial markets. These include the SEC, U.S. Department of Labor, IRS, and the Pension Benefit Guaranty Corporation. No participant claims have ever been levied against Mr. McKeon during his 25 years of registration.

Mr. McKeon and R,R&S hold client information in the strictest safeguards of confidentiality. We take just pride in our efforts of honest, straight-forward advisory services.

### 3. Approach to Providing Services

Our approach to client service is 100% individual client facing. Our contacts with plan participants come first. When a client, be it plan sponsor or plan participant, contacts our office-the response comes directly from the same individuals year in and year out. In fact all direct phone calls or emails are answered by Mr. McKeon as advisor, or by the six-member staff of R,R&S. Two of the six members of the R,R&S staff, namely Robert Reeves and Cindy Canonic have both been with the firm for over 39 years. The other 3 individuals at the firm have over 60 years of combined service.

### 4. Prime Consultant

Investment allocations, quarterly meetings, interface with investment company, Nationwide, and investment company, American Funds- Mark McKeon

Office phone: (562) 945-3101; email: [mmckeon@tfpartnersrep.net](mailto:mmckeon@tfpartnersrep.net)

Insurance licensed with the state of CA since 1987.

Registered Representative- Series 6, Series 63 licenses since 1998

New York Life Insurance Company. 1987-1989

Beneficial Life Insurance Company 1989-2009

OneAmerica Financial Partners. 2009 to the present

The American College of Financial Services, Huebner School  
630 Allendale Road, #400  
King of Prussia, PA. 19406

6 courses passed

HS 320. Life Insurance

HS 321. Fundamentals of Income Taxation

HS 323. Fundamentals of Financial Planning

HS 325 Group Benefits: Basic Concepts and Alternatives

HS 326 Planning for Retirement Needs

HS 328 Investments

25 years working as an investment advisor

Primary emphasis with small businesses, both for profit and non-profit

Companies working with- 5 to 50 employees, with expertise in 401(k), Profit Sharing Plans as well as Employee Benefit Packages

### 5. Primary Consultant Expertise, including Proposal #6

Southern California Mutual Water Companies Association

Bear Valley Mutual Water Company, Crafton Water Company

101 E. Olive Avenue, Redlands, CA. 92373, (909) 793-49091

Charlotte Van Eck. Office Manager

Riverside Highland Water Company  
12374 Michigan Street, Grand Terrace, CA. 92313, (909) 825-4128  
Don Hough, General Manager

20 total plan participants between the 3 water companies

Term of relationship: 19 years

#### 7. Local Experience

19 years of hands-on relations with mutual water companies in San Bernardino and Riverside counties

Mr. McKeon has demonstrated consistent availability to meet with San Antonio Water Company plan participants on a quarterly basis for the past 19 years.

This same close contact through advisory service has been displayed with the 3 other water companies listed above.

#### 8. Proposed Total Professional Fee

Submitted under separate PDF from the proposal.

Mr. McKeon takes no exceptions to this RFP.

*J. Mark McKeon*

May 5, 2023

Attn: Mr. Brian Lee  
San Antonio Water Company

Re: Proposed Total Professional Fee for 401(k) Advisory Services

0.5% of assets under management

Percentage of AUM fee open to negotiated agreement

Respectfully submitted,

G. Mark McKeon



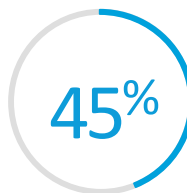


# Retirement Plan Participant Engagement Model

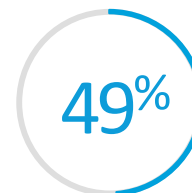
Helping increase employee 401(k) plan participation and retirement readiness through a research-backed participant retirement education journey



53% of participants identified “saving for retirement” as the area where they would like the most help from their employers<sup>1</sup>



45% of participants want their employers’ help with getting the most value for their workplace benefits<sup>1</sup>



49% of participants want the ability to speak with a subject matter expert when making decisions<sup>1</sup>

The digital education and email engagement provided by Morgan Stanley at Work are designed to empower participants with financial knowledge on their journey to retirement. Your employees also have access to your Morgan Stanley Financial Advisor to provide guidance along the way.

## Drive engagement through education

Employees will stay informed with monthly research-driven email communications on pertinent topics including budgeting and saving for retirement.

## Increase confidence in preparing for retirement

Employees can learn at their own pace with access to action-centered content through our [Retirement Knowledge Center](#) to assist them as they pursue their long-term financial goals.

## Provide participants with insightful retirement strategies

Employees will have access to your plan’s Morgan Stanley Financial Advisor to help make the most of their 401(k)s and implement strategies to improve their retirement readiness.

# Personal finance and retirement readiness content

Our themed email programming will feature educational content tailored for your employees at various stages in their retirement journey



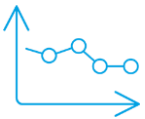
## Plotting Your Retirement Journey

- [Make Room In Your Budget for Retirement Savings](#)
- [Building Your Financial Road Map](#)
- [The Next Chapter of Your Life: Planning for Retirement](#)
- [Creating Your Retirement Blueprint](#)
- [The Millennial and Gen Z Guide to a Sweet Retirement](#)
- [Tax-Smart Strategies for Your Retirement](#)
- [401\(k\) Plans: Your Most Common Questions Answered](#)



## Proactive Money Moves

- [How to Create a Debt Payoff Plan](#)
- [5 Strategies for Managing Your Student Debt Payments](#)
- [You Can Save and Pay Down Student Loans at the Same Time](#)
- [Making the Most of your 401\(k\) Plan](#)
- [How to Save for Your Child's Future](#)
- [5 Things You May Not Know About 529s \(But Should\)](#)



## Investing for Retirement

- [The Difference Between Saving and Investing](#)
- [Using the Power of Time to Bolster Retirement Savings](#)
- [Hitting the Mark with Target Date Funds](#)
- [Getting to Know Mutual Funds](#)
- [Maintaining Your Retirement Portfolio](#)
- [Understanding Market Risk When You Invest](#)



## Estate and Legacy Planning

- [Techniques for Securing Your Legacy](#)
- [How Insurance Can Help with Retirement Planning](#)
- [Protecting Yourself and Your Family with Estate Planning](#)



## Approaching Retirement

- [Building Your Retirement Plan: A Framework](#)
- [Social Security Benefits: It can Pay to Wait](#)
- [Social Security: The Basics](#)
- [5 Mistakes to Avoid in Retirement](#)
- [Making the Most of Your Retirement Savings](#)

# Sample Participant Email Content

Following an initial welcome email, participants will receive relevant, timely retirement insights via monthly emails.

Morgan Stanley  
AT WORK



Dear [Plan participant name],

As you may know, [Company] has partnered with Morgan Stanley at Work to complement your existing retirement plan benefit with retirement education designed to empower you as you pursue your long-term financial goals.

We will be reaching out monthly with relevant topics that impact your retirement savings like budgeting, saving, and investing. Additional content is available at your convenience through our [Retirement Knowledge Center](#).

We look forward to supporting you on your retirement journey.

Participants' first contact will be a welcome email explaining the relationship between your organization and Morgan Stanley at Work

The welcome email will be sent monthly to new employees introducing them to the retirement education program and connecting them with valuable resources available through our [Retirement Knowledge Center](#).



Morgan Stanley at Work helps build financial confidence through thoughtful education to help individuals embrace their tomorrow, today.

Participants will receive ongoing monthly themed content applicable to where they are in their retirement journey

Each topical email will include easy-to-digest, informative content that will help participants build confidence along their retirement journeys and remind them of the additional support available through your plan's Financial Advisor.

Morgan Stanley  
AT WORK

As an employee of Morgan Stanley, you have access to a Morgan Stanley at Work Financial Advisor to provide financial education and guidance to help you make the most of your retirement savings.

Need additional support?

YES, LET'S CONNECT

A Morgan Stanley Financial Advisor can help.



## Tax-Smart Strategies to Consider to Help You Prepare for Retirement

Dear Victoria,

Smart tax planning with respect to your retirement accounts can help you save more for retirement, keep more of what you earn and help optimize what you've already saved.

Explore strategies to help you maximize your retirement benefits.

4.5 minute read [Tax-Smart Strategies for your Retirement](#)

[Explore more](#) retirement planning resources.

<sup>1</sup> Willis Towers Watson Survey 2020

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# Morgan Stanley

PRIVATE WEALTH MANAGEMENT

**Ali K. Rahimi, CFP®**

First Vice President  
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Senior Portfolio Manager

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CA Insurance Lic. #0I00742  
NMLS #692741

May 03, 2023

Board of Directors  
San Antonio Water Company  
139 North Euclid Ave  
Upland, CA 91786

Executive Summary:

Through our partnership with Vestwell, a digital recordkeeping platform, Morgan Stanley is able to bring you and your employees an easier, more efficient, and all-around better plan experience delivered at a fraction of the cost. Unlike more traditional vendors who force you to use their payroll services, Vestwell's modern platform offers full payroll integration with all the top providers (ADP, Paychex, Paycom, etc.).

The attached document titled "SA Water Plan Proposal" provides more detailed information on the Morgan Stanley and Vestwell platform, as well as plan pricing and options.

Helping increase employee 401(k) plan participation and retirement readiness is a key part of what we do as your plan advisor. We drive employee engagement by providing monthly research-driven email communications on pertinent topics including budgeting and saving for retirement. Employees can also learn at their own pace with access to content through our Retirement Knowledge Center. Most importantly, employees will have access to comprehensive financial planning services through their plan advisor – Ali Rahimi, CFP®. Your plan advisor will be available for unlimited in-person meetings with employees at the Morgan Stanley office in Claremont (approx. 12 minutes from the SA Water Co office) or via Zoom. Ali Rahimi will also be available for two group meetings each year at the SA Water Co office with employees and one in-person plan review meeting with the plan administrator.

The attached document titled "Employee Engagement Model" provides more detail on the engagement model and sample content.

Our model offers industry leading liability protection. This program offers 3(38) Investment Management to help lower your fiduciary burden and 3(13) plan administrative services to streamline plan administration and make it easier to provide benefits. There will be no need for the SA Water Co plan administrator to review investments or file additional paperwork when an investment change is needed. Morgan Stanley will automatically adjust the investment line-up when it is in your best interest to do so.

The attached document titled "Fiduciary Services" provides more info on the liability protection. The document titled "Investment Performance" provides past performance for the two available fund line-ups. Fund line-up 1 consists almost entirely of actively managed funds. Fund line-up 2 consists entirely of low-cost index funds.

## Fee Information:

The recordkeeping expenses are billed directly to San Antonio Water Company. Having these expenses billed to the employer will create an additional tax deduction for SA Water Co. and more importantly, will allow the employees to keep more of their retirement savings.

The investment expenses are deducted directly from employee accounts and the fees are variable based on the investments they choose. The average total investment expense for this plan is 0.52%. The national average for a plan with less than 100 participants is 1.24%.

We offer two options for recordkeeping, the base services tier and flexible plan design tier.

The base services tier offers everything you would need to effectively run a 401(k) plan. Record keeping, administration services and investment advisory are all included.

The total estimated annual recordkeeping expense at this tier would be \$1380. This amount includes a monthly base fee of \$60, plus \$5 per participant per month.

The flexible plan design tier offers everything in the base tier, plus company specific customizations for plan design. You also have the ability to opt out of auto enrolment for new participants, as well as flexible eligibility requirements and vesting options.

The total estimated annual recordkeeping expense at this tier would be \$1,752. This amount includes a monthly base fee of \$80, plus \$6 per participant per month.

The detailed fee breakdown is shown on page 6 of the document titled "SA Water Plan Proposal".

Primary Consultant - Ali Rahimi: [www.morganstanleyfa.com/ali.rahimi](http://www.morganstanleyfa.com/ali.rahimi)  
Professional reference – Charles Moorrees – (909) 731-8168

Thank you for allowing our team at Morgan Stanley to compete for your business.





## Retirement made simple with Morgan Stanley and Vestwell

At Morgan Stanley, we're making it easier and more cost-effective to offer retirement benefits for your employees, combining our experience in investment advisory with Vestwell's digital platform to help streamline plan administration and reduce your fiduciary responsibilities. Aligned to your business needs, we're reimagining retirement to help you make sure you, and your people, get the most out of your plan.



### About Vestwell

Vestwell makes it easier to offer and administer 401(k) plans. Vestwell and Morgan Stanley have brought all the services you need under one roof to give you an easy, cost-effective, and employee-friendly retirement offering that helps you reduce your fiduciary and administrative burden.

# Combining innovation with experience to provide a cost-effective, employee-friendly solution.

With flexible plan designs, streamlined administration, and preferential pricing available only through Morgan Stanley, Vestwell helps simplify the complex process and responsibilities of offering a retirement plan, so you can stay focused on other priorities.



## Industry Leading Protection

This program offers 3(38) Investment Management\* to help lower your fiduciary burden and 3(16) plan administrative services\* to streamline plan administration and make it easier to provide benefits.



## Easy Setup and Administration

Vestwell's modern, cutting-edge technology and platform is designed to provide a frictionless experience for you and your team – from streamlined digital enrollment to extensive payroll integration – to help drive down your administration workload and drive up employee participation.



## Backed By Morgan Stanley

With professional investment management by Morgan Stanley, multiple investment options to suit your investment objectives, and comprehensive education programs, we're here to support you and your participants at every step.

Learn how to help your employees make the most out of retirement.  
Speak with your Morgan Stanley Financial Advisor or visit

[morganstanley.com/retirementsolutions](https://morganstanley.com/retirementsolutions)

\*3(38) Investment Management provided by Morgan Stanley Smith Barney LLC. 3(16) provided by Vestwell.

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Please see the applicable Morgan Stanley Smith Barney LLC ADV Brochure for more information for any of the advisory programs discussed in this brochure. The ADV Brochure is available from your Financial Advisor or online at [www.morganstanley.com/ADV](http://www.morganstanley.com/ADV)

When Morgan Stanley Smith Barney LLC, its affiliates and Morgan Stanley Financial Advisors and Private Wealth Advisors (collectively, "Morgan Stanley") provide "investment advice" regarding a retirement or welfare benefit plan account, an individual retirement account or a Coverdell education savings account ("Retirement Account"), Morgan Stanley is a "fiduciary" as those terms are defined under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and/or the Internal Revenue Code of 1986 (the "Code"), as applicable. When Morgan Stanley provides investment education, takes orders on an unsolicited basis or otherwise does not provide "investment advice", Morgan Stanley will not be considered a "fiduciary" under ERISA and/or the Code. For more information regarding Morgan Stanley's role with respect to a Retirement Account, please visit [www.morganstanley.com/disclosures/dol](http://www.morganstanley.com/disclosures/dol). Tax laws are complex and subject to change. Morgan Stanley does not provide tax or legal advice. Individuals are encouraged to consult their tax and legal advisors (a) before establishing a Retirement Account, and (b) regarding any potential tax, ERISA and related consequences of any investments or other transactions made with respect to a Retirement Account.

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# Vestwell Investment Performance

FOR FINANCIAL PROFESSIONAL AND PLAN SPONSOR USE

# 401(k) Fund Lineup 1: Active

Performance (March 31, 2023)

Asset Class	Fund Name	Ticker	Expense Ratio (Gross/Net)	1 Year	5 Year	10 Year	Since Inception	Inception Date
US Large Cap	Hartford Core Equity Fund	HAITX	0.36/0.36%	-8.27	10.55	12.61	10.53	3/31/2015
US Mid Cap	Champlain Mid Cap Fund	CIPIX	0.84/0.84%	-12.84	9.53	11.91	12.01	1/03/2011
US Small Cap	Aberdeen US SmallCap Equity Fund	GSCIX	1.07/0.99%	-8.22	8.45	11.09	9.94	6/29/2004
International Developed Equities	BNY Mellon International Stock Fund	DISRX	0.92/0.92%	0.37	6.62	6.20	5.39	12.29/2006
Emerging Market Equities	Hartford Schroders Emerging Markets Fund	SEMTX	1.06/1.06%	-10.24	-0.55	2.68	3.79	12/30/2014
US Taxable Core	BlackRock Core Bond Fund	BFMCX	0.54/0.44%	-4.66	1.13	1.53	4.52	12/09/1992
Intl Core Fixed Income	PIMCO International Bond Fund USD-Hedged	PFBPX	0.61/0.61%	-3.78	0.92	2.64	4.53	4/30/2008
Inflation Linked Securities	American Funds Inflation-Linked Bond Fund	BFIGX	0.40/0.40%	-6.67	3.13	1.78	2.18	1/23/2015
High Yield Fixed Income	Blackrock High Yield Fund	BHYIX	0.60/0.60%	-3.09	3.30	4.22	6.49	11/19/1998
Emerging Mkt Fixed Income	T. Rowe Price Emerging Market Bond Fund	PREMX	0.88/0.88%	-8.39	-2.24	0.78	7.96	12/30/1994
REITs	Principal Real Estate Securities Fund	PIREX	0.90/0.86%	-18.52	6.66	7.37	10.42	3/01/2001
Passive Equity Index	Fidelity 500 Index	FXAIX	0.02/0.02%	-7.74	11.18	12.23	10.31	5/4/2011
Passive Bond Index	iShares US Aggregate Bond Index K	WFBIX	0.06/0.05%	-4.67	0.91	1.30	4.29	7/02/1993
Stable Value	Reliance Metlife Stable Value 25157		0.61/0.61%	2.69	2.54	2.50	4.07	1/03/2000
			0.63/0.62%					
Qualified Default Investment Alternative	American Funds R6 target date series							
	American Funds 2010 Trgt Date Retire R6	RFTTX	0.28/0.28%	-3.68	4.54	5.30	6.70	7/13/2009
	American Funds 2015 Trgt Date Retire R6	RFJTX	0.30/0.30%	-4.27	4.78	5.76	7.10	7/13/2009
	American Funds 2020 Trgt Date Retire R6	RRCTX	0.30/0.30%	-4.51	4.99	6.29	7.68	7/13/2009
	American Funds 2025 Trgt Date Retire R6	RFDTX	0.32/0.32%	-4.99	5.51	7.16	8.60	7/13/2009
	American Funds 2030 Trgt Date Retire R6	RFETX	0.33/0.33%	-5.45	6.03	7.96	9.29	7/13/2009
	American Funds 2035 Trgt Date Retire R6	RFFTX	0.35/0.35%	-6.10	6.86	8.73	9.86	7/13/2009
	American Funds 2040 Trgt Date Retire R6	RFGTX	0.36/0.36%	-6.45	7.20	9.05	10.10	7/27/2009
	American Funds 2045 Trgt Date Retire R6	RFHTX	0.37/0.37%	-6.72	7.24	9.14	10.17	7/13/2009
	American Funds 2050 Trgt Date Retire R6	RFITX	0.38/0.38%	-6.93	7.20	9.14	10.17	7/13/2009
	American Funds 2055 Trgt Date Retire R6	RFKTX	0.38/0.38%	-7.11	7.07	9.08	9.72	2/01/2010
	American Funds 2060 Trgt Date Retire R6	RFUTX	0.38/0.38%	-7.22	7.01		7.93	3/27/2015
	American Funds 2065 Trgt Date Retire R6	RFVTX	0.38/0.38%	-7.15			13.30	3/27/2020

Performance shown represents past performance and is not a guarantee of future performance. Investment returns and principal value will fluctuate so that an investor's shares when redeemed may be worth more or less than original cost. Please note, current performance may be higher or lower than the performance data shown. For up to date month-end performance information, or to receive a fund prospectus, please visit the mutual fund company website.

# 401(k)Fund Lineup 2: Passive

Performance (March 31, 2023)

Asset Class	Fund Name	Ticker	Expense Ratio (Gross/Net)	1 Year	5 Year	10 Year	Since Inception	Inception Date
US Large Cap	Fidelity 500 Index	FXAIX	0.02/0.02%	-7.74	11.18	12.23	10.31	5/04/2011
US Mid Cap	Fidelity Mid Cap Index	FSMDX	0.03/0.03%	-8.74	8.06	10.05	12.49	9/08/2011
US Small Cap	Schwab Small Cap Index	SWSSX	0.04/0.04%	-11.54	4.77	8.08	8.57	5/19/1997
International Equities	iShares MSCI EAFE International Index Fund	BTMKX	0.04/0.04%	0.06	3.64	4.99	4.55	3/31/2011
Emerging Market Equities	Fidelity® Emerging Markets Idx	FPADX	0.08/0.08%	-9.81	-1.22	2.03	3.33	9/08/2011
US Taxable Core	iShares US Aggregate Bond Index K	WFBIX	0.06/0.05%	-4.67	0.91	1.30	4.29	7/02/1993
Intl Core Fixed Income	Vanguard Total International Bond Index Fund	VTABX	0.11/0.11%	-5.11	0.28		1.91	5/31/2013
Inflation Linked Securities	Schwab Treasury Infl Protected Secs Idx	SWRSX	0.05/0.05%	-6.09	2.86	1.37	3.37	3/31/2006
REITs	iShares Developed Real Estate Idx K	BXRDX	0.14/0.14%	-20.52	1.55		3.12	8/13/2015
Stable Value	Reliance Metlife Stable Value 25157		0.61/0.61%	2.69	2.54	2.50	4.07	1/03/2000
			0.12/0.12%					
Qualified Default Investment Alternative	BlackRock LifePath Index Retirement Fund K Shares and target dates 2025 through 2065							
	BlackRock LifePath® Index 2025 K	LIBKX	0.15/0.09%	-6.43	4.38	5.57	5.69	5/31/2011
	BlackRock LifePath® Index 2030 K	LINKX	0.15/0.09%	-6.79	5.11	6.29	6.30	5/31/2011
	BlackRock LifePath® Index 2035 K	LIJKX	0.15/0.09%	-7.03	5.80	6.97	6.87	5/31/2011
	BlackRock LifePath® Index 2040 K	LIKKX	0.15/0.09%	-7.35	6.38	7.54	7.38	5/31/2011
	BlackRock LifePath® Index 2045 K	LIHKX	0.15/0.09%	-7.53	6.86	8.02	7.76	5/31/2011
	BlackRock LifePath® Index 2050 K	LIPKX	0.15/0.09%	-7.64	7.09	8.28	7.98	5/31/2011
	BlackRock LifePath® Index 2055 K	LIVKX	0.15/0.09%	-7.61	7.13	8.40	8.10	5/31/2011
	BlackRock LifePath® Index 2060 K	LIZKX	0.15/0.09%	-7.60	7.13		9.97	2/29/2016
	BlackRock LifePath® Index 2065 K	LIWKX	0.21/0.09%	-7.59			7.25	10/30/2019
	BlackRock LifePath® Index Retire K	LIRKX	0.14/0.09%	-6.16	3.75	4.39	4.69	5/31/2011

Performance shown represents past performance and is not a guarantee of future performance. Investment returns and principal value will fluctuate so that an investor's shares when redeemed may be worth more or less than original cost. Please note, current performance may be higher or lower than the performance data shown. For up to date month-end performance information, or to receive a fund prospectus, please visit the mutual fund company website.

## DISCLOSURES 1/2

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**Investors should carefully consider the investment objectives, risks, charges and expenses of a mutual fund before investing. To obtain a prospectus, contact your Financial Advisor or visit the mutual fund company's website. The prospectus contains this and other information about the mutual fund. Read the prospectus carefully before investing.**

Stocks of small and medium-sized companies entail special risks, such as limited product lines, markets, and financial resources, and greater market volatility than securities of larger, more established companies.

Foreign investing involves certain risks not typically associated with investments in domestic corporations and obligations issued by the U.S. government, such as currency fluctuations and controls, restrictions on foreign investments, less governmental supervision and regulation, less liquidity and the potential for market volatility and political instability.

In addition, the securities markets of many of the emerging markets are substantially smaller, less developed, less liquid and more volatile than the securities of the U.S. and other more developed countries.

It is not possible to directly invest in an index.

Fixed Income investing entails credit risks and interest rate risks. When interest rates rise, bond prices generally fall.

Bonds rated below investment grade may have speculative characteristics and present significant risks beyond those of other securities, including greater credit risk and price volatility in the secondary market. Investors should be careful to consider these risks alongside their individual circumstances, objectives and risk tolerance before investing in high-yield bonds. High yield bonds should comprise only a limited portion of a balanced portfolio.

In addition to the general risks associated with real estate investments, REIT investing entails other risks such as credit and interest rate risk. Real estate investment risks can include fluctuations in the value of underlying properties; defaults by borrowers or tenants; market saturation; changes in general and local economic conditions; decreases in market rates for rents; increases in competition, property taxes, capital expenditures, or operating expenses; and other economic, political or regulatory occurrences affecting the real estate industry.

Investments in target-date funds are subject to the risks associated with their underlying funds. The year in the fund name refers to the approximate year (the target date) when an investor in the fund would retire and leave the workforce. The fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in a target date fund is not guaranteed at any time, including or after the target date. These funds are based on an estimated retirement age of approximately 65. Should you choose to retire significantly earlier or later, you may want to consider a fund with an asset allocation more appropriate to your particular situation.

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Vestwell Holdings, Inc. and its subsidiaries provide recordkeeping and plan administration services. There may be additional charges for transactions, such as loans and distributions.

## DISCLOSURES 2/2

Inflation-protected securities coupon payments and underlying principal are automatically increased to compensate for inflation by tracking the consumer price index (CPI). While the real rate of return is guaranteed, inflation-protected securities tend to offer a low relative return. Because the return is linked to inflation, inflation protected securities may significantly under perform versus conventional US Treasuries in times of low inflation.

Stable Value Funds generally invest in a high quality fixed income portfolio as well as “benefit responsive” investment contracts which are issued by insurance companies and banks. The investment contracts seek to provide principal preservation for participant balances. The investment contracts also seek to stabilize the returns of the stable value fund, even when markets are volatile. The fixed income portfolio consists of investment grade fixed income securities, primarily U.S. Treasury, agency, corporate, mortgage-backed, asset-backed, and privately placed mortgage debt.

Stable Value Funds are not required to file a prospectus or registration statement with the SEC. Stable Value Funds are only available to certain qualified retirement plans and governmental plans and are not offered to the general public. Units of the fund are not bank deposits and are not insured or guaranteed by any bank, government entity, the FDIC or any other type of deposit insurance.

Individual funds will have specific risks related to their investment programs that will vary from fund to fund.

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**PERFORMANCE:** Performance results illustrated herein do not reflect a deduction of any investment advisory fees or program fees charged by Morgan Stanley or any Sub-Manager but do include the fund's internal expenses. The underlying fund's internal expenses (also known as the expense ratio) generally covers investment management fees, marketing and distribution fees (also known as 12b-1 fees) and other operating expenses of the fund. The expense ratios being displayed for mutual funds reflect each fund's prospectus "net" expenses as provided by Morningstar. Such "net" expenses are subject to change and may increase at any time.

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(LinkedIn)  
[www.morganstanleyfa.com/ali.rahimi](http://www.morganstanleyfa.com/ali.rahimi)  
(Personal)

## Certifications

CERTIFIED FINANCIAL  
PLANNER™

Series 7

NMLS#: 692741

Life Insurance License Number  
0I00742

Series 66

# Ali Rahimi, CFP®

First Vice President, Senior Portfolio Manager, Financial Advisor at  
Morgan Stanley  
Los Angeles Metropolitan Area

## Summary

For me, wealth management means more than providing my clients with investment advice. It means understanding them as people with unique goals, values and circumstances; people who require honest and appropriate financial advice tailored specifically to their situation.

## Financial Planning Services

- Retirement Planning
- Investment Management
- Wealth Preservation and Tax Management Strategies
- Executive Benefits
- Life and Long-Term Care Insurance Planning
- 401(k) and Pension Plan Consulting

Web: [www.morganstanleyfa.com/ali.rahimi](http://www.morganstanleyfa.com/ali.rahimi)

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## Experience

### Morgan Stanley

First Vice President, Senior Portfolio Manager, Financial Advisor  
August 2013 - Present (9 years 10 months)  
Claremont, CA

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For more information on the designation(s), go to <https://fa.morganstanley.com/ali.rahimi/index.htm>

Life insurance, disability income insurance, and long-term care insurance are offered through Morgan Stanley Smith Barney LLC's licensed insurance agency affiliates.

### Diamond Health Care Inc

Owner

April 2012 - August 2014 (2 years 5 months)

Orange County, California Area

Diamond Health Care is an independently owned and operated non-medical home care agency. We provide quality senior in-home care services to the Orange, Los Angeles and Riverside County communities and are a trusted resource for seniors and their families.

### JPMorgan Chase & Co.

Licensed Relationship Banker

January 2010 - February 2013 (3 years 2 months)

Anaheim Hills, CA

I worked closely with our clients to proactively find solutions to help them accomplish their financial goals and alleviate any financial concerns.

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## Education

University of California, Los Angeles

Personal Financial Planning · (2015 - 2017)

California Polytechnic University Pomona

Bachelor of Science, Finance, Real Estate and Law · (2004 - 2009)



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Retirement Plan Proposal For  
**San Antonio  
Water Company  
Plan Proposal**

DATE  
**04/28/2023**

PROVIDED BY  
**Ali Rahimi**



# The Future of Retirement

Morgan Stanley has partnered with Vestwell, a digital recordkeeping platform modernizing the way plans are architected and administered. By reimagining the workplace retirement offering from the ground up, we're able to bring you and your employees an easier, more efficient, and all-around better plan experience delivered at a fraction of the cost.

## Better for You and Your Employees



### EASY PLAN ONBOARDING AND ADMINISTRATION

Vestwell designed a retirement plan portal that's intuitive and easy, with extensive digital tooling. By providing a frictionless experience for you and your team, this offering helps drive down your administration workload while driving up employee participation.



### MODERN TECHNOLOGY

Vestwell's modern tech-stack means faster transactions, better security, and AI-driven remediation. Not to mention extensive payroll integrations to save you time and headache.



### TRANSPARENT COSTS

Not only does this solution keep costs down, but the fees are never hidden. We strive to be transparent with our fees so you are not surprised by something buried in the fine print.



### FLEXIBLE DESIGN AND INVESTMENTS

All businesses are not created equal. With professional investment management and multiple investment and plan design options, Morgan Stanley and Vestwell will help create the right plan for you and your participants. Objectives are further supported by comprehensive education programs and hands on support.

# Plan Sponsor Portal

The Vestwell plan sponsor portal allows you to easily and digitally:

- ✓ Onboard your plan
- ✓ Access plan and participant stats
- ✓ Manage census and payroll
- ✓ Review plan documents & notices
- ✓ Update plan information
- ✓ Complete year end testing
- ✓ Interact with our help center



HYPOTHETICAL ILLUSTRATION

# Payroll Integrations

Vestwell technology was built to tackle key pain points of the retirement plan process, including payroll. Our connectivity to leading providers allows key elements, like 401(k) contributions, to be processed through direct data feeds, giving everyone a better experience.

## Don't see your providers?

Not to worry...we're adding new integrations daily. Even without a connection, we can process your payroll through Vestwell's patent pending next-gen engine with real-time data.



# Vestwell Administration / Record Keeper Pricing

## PLAN PRICING AND SERVICES

Best for businesses setting up their first plan. Affordable, all-in price.

Monthly Plan Fees\* **\$60**

### Per Participant Monthly Fees\*

- 1-100 Parts. + \$5/Mo.
- 101-500 Parts. + \$4/Mo.
- >500 Parts. + \$3/Mo.

### Services

- ✓ Recordkeeping
- ✓ 3(16) Administrative Fiduciary
- ✓ Custody
- ✓ Third Party Administrator

### Service Details

- ✓ Plan Design
- ✓ Fiduciary Oversight
- ✓ Streamlined Administration
- ✓ Payroll Integration
- ✓ Dedicated Service Team

### Plan Features

- ✓ Auto Enroll Required
- ✓ Simplified Eligibility  
Elapsed time only
- ✓ 1 or 3-Month Eligibility
- ✓ In-Service Hardships
- ✓ Loans Optional
- ✓ Vesting  
Elapsed time only
- ✓ Profit Sharing  
Pro-rata or none
- ✓ Company Match Optional
- ✓ Safe Harbor Optional  
QACA NEC 3%;  
Enhanced to match to 4%

## + FLEXIBLE PLAN DESIGN ADD-ON

Best for conversion plans & profit sharing. Balance of flexibility & price.

Monthly Plan Fees\* **\$80**

### Per Participant Monthly Fees\*

- 1-100 Parts. + \$6/Mo.
- 101-500 Parts. + \$5/Mo.
- >500 Parts. + \$4/Mo.

### Service Details

- ✓ Plan Consultation  
Company specific analysis for recommending advanced plan features

### Plan Features

- ✓ Auto Enroll Optional
- ✓ Flexible Eligibility  
Includes hours-based
- ✓ Expansive Vesting Options  
Includes hours-based

\*In addition, a one-time setup fee of \$500 will apply for starter plans and an annual cross-testing fee of \$500 will apply for profit sharing contributions.

# Proposal for Plan Pricing

Note: Expenses based on expected assets and participants. Does not include one-time setup fee of \$500 for starter plans. An additional \$500 fee will be charged for plans that require cross-testing.

Expected assets	Expected flows	Expected participants
\$2,200,000	\$170,000	11

	PRICING	PRICING with ADD-ON
<b>Total Estimated Annual Expenses</b>	<b>\$1,380</b>	<b>\$1,752</b>

## CORE VESTWELL RECORDKEEPING FEES

Monthly Base Fees		\$60	\$80
Monthly Per Participant Fees	1-100	\$5	\$6
	101-500	\$4	\$5
	500+	\$3	\$4

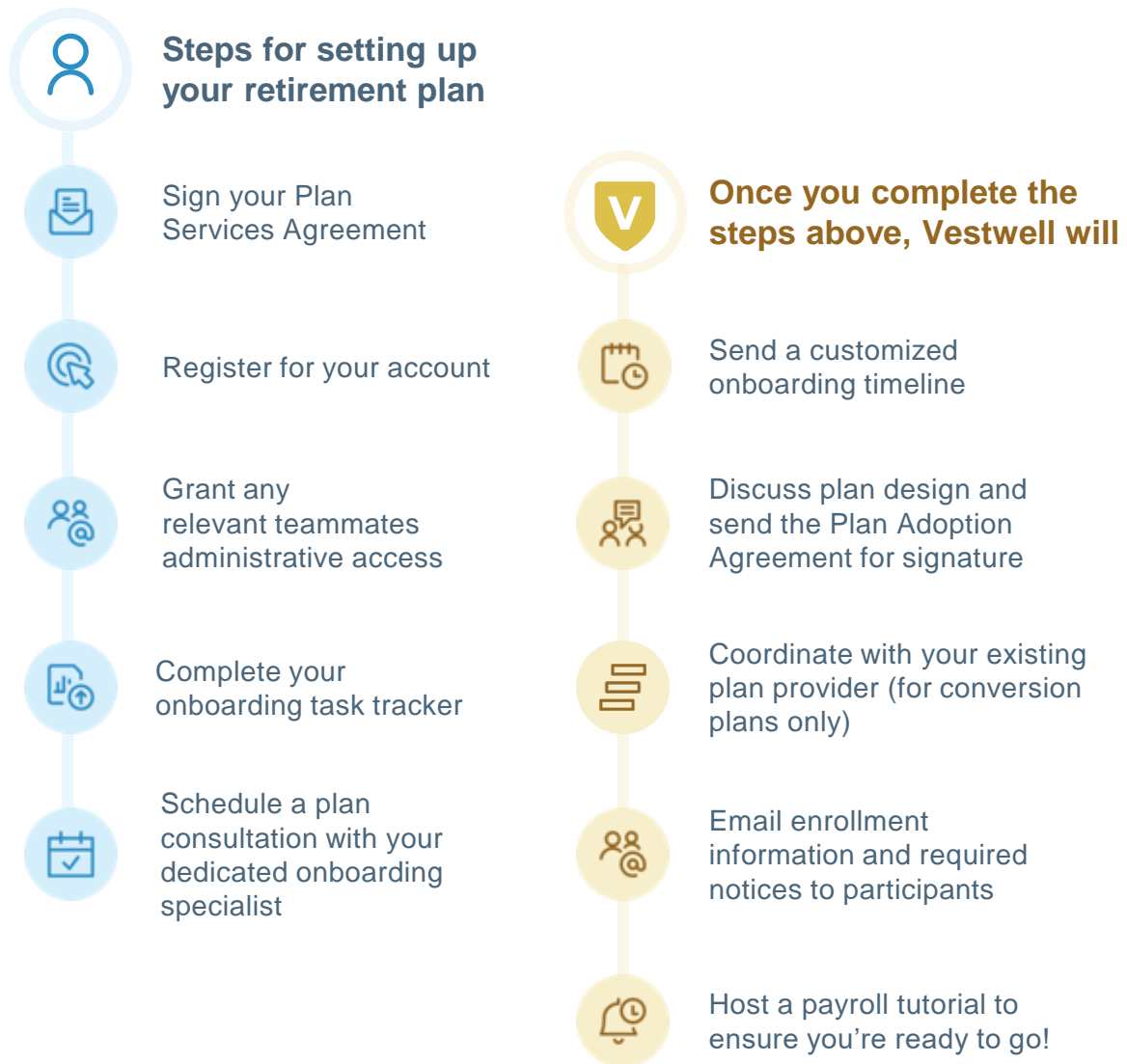
## INVESTMENT & ADVISORY FEES

Average Fund Expenses	0.12%	0.12%
Morgan Stanley Advisory Fee*	0.40%	0.40%

\*The estimated fees are based on the expected account asset value shown in this proposal. The actual fee may vary, depending on the account asset value. Certain additional fees may apply. For more details, see the applicable Advisory program ADV Brochure for the Institutional Services Program, available from your Financial Advisor or at [www.morganstanley.com/ADV](http://www.morganstanley.com/ADV)

# Next Steps: How to Complete Your Plan Setup

We are thrilled that you are considering Morgan Stanley at Work, powered by Vestwell, as your retirement plan provider. Whether this is your first plan or a conversion from an existing one, we will make sure the setup process goes smoothly.



## DISCLOSURES 1/2

Recordkeeping services are provided by Vestwell.com which is owned and operated by Vestwell Holdings, Inc. and its subsidiaries. Vestwell Holdings, Inc. is not affiliated with Morgan Stanley Smith Barney LLC. Morgan Stanley does not own or control the Vestwell website, communications, or other material and is not responsible for any errors, omissions, failures in service or damages arising from your use of the Vestwell website.

Please see the applicable Morgan Stanley Smith Barney LLC ADV Brochure for more information for any of the advisory programs discussed in this brochure. The ADV Brochure is available from your Financial Advisor or online at [www.morganstanley.com/ADV](http://www.morganstanley.com/ADV)

**Investors should carefully consider the investment objectives, risks, charges and expenses of a mutual fund before investing. To obtain a prospectus, contact your Financial Advisor or visit the mutual fund company's website. The prospectus contains this and other information about the mutual fund. Read the prospectus carefully before investing.**

Stocks of small and medium-sized companies entail special risks, such as limited product lines, markets, and financial resources, and greater market volatility than securities of larger, more established companies.

Foreign investing involves certain risks not typically associated with investments in domestic corporations and obligations issued by the U.S. government, such as currency fluctuations and controls, restrictions on foreign investments, less governmental supervision and regulation, less liquidity and the potential for market volatility and political instability.

In addition, the securities markets of many of the emerging markets are substantially smaller, less developed, less liquid and more volatile than the securities of the U.S. and other more developed countries.

It is not possible to directly invest in an index.

Fixed Income investing entails credit risks and interest rate risks. When interest rates rise, bond prices generally fall.

Bonds rated below investment grade may have speculative characteristics and present significant risks beyond those of other securities, including greater credit risk and price volatility in the secondary market. Investors should be careful to consider these risks alongside their individual circumstances, objectives and risk tolerance before investing in high-yield bonds. High yield bonds should comprise only a limited portion of a balanced portfolio.

In addition to the general risks associated with real estate investments, REIT investing entails other risks such as credit and interest rate risk. Real estate investment risks can include fluctuations in the value of underlying properties; defaults by borrowers or tenants; market saturation; changes in general and local economic conditions; decreases in market rates for rents; increases in competition, property taxes, capital expenditures, or operating expenses; and other economic, political or regulatory occurrences affecting the real estate industry.

Investments in target-date funds are subject to the risks associated with their underlying funds. The year in the fund name refers to the approximate year (the target date) when an investor in the fund would retire and leave the workforce. The fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in a target date fund is not guaranteed at any time, including or after the target date. These funds are based on an estimated retirement age of approximately 65. Should you choose to retire significantly earlier or later, you may want to consider a fund with an asset allocation more appropriate to your particular situation.

Tax laws are complex and subject to change. Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors and Private Wealth Advisors do not provide tax or legal advice and are not "fiduciaries" (under the Investment Advisers Act of 1940, ERISA, the Internal Revenue Code or otherwise) with respect to the services or activities described herein except as otherwise provided in writing by Morgan Stanley and/or as described at [www.morganstanley.com/disclosures/dol](http://www.morganstanley.com/disclosures/dol). Individuals are encouraged to consult their tax and legal advisors (a) before establishing a retirement plan or account, and (b) regarding any potential tax, ERISA and related consequences of any investments made under such plan or account.

Vestwell Holdings, Inc. and its subsidiaries provide recordkeeping and plan administration services. There may be additional charges for transactions, such as loans and distributions.

Inflation-protected securities coupon payments and underlying principal are automatically increased to compensate for inflation by tracking the consumer price index (CPI). While the real rate of return is guaranteed, inflation-protected securities tend to offer a low relative return. Because the return is linked to inflation, inflation-protected securities may significantly under perform versus conventional US Treasuries in times of low inflation.

## DISCLOSURES 2/2

Recordkeeping services are provided by Vestwell.com which is owned and operated by Vestwell Holdings, Inc. and its subsidiaries. The investor should note that funds that invest in lower-rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility, and increased risk of default.

Stable Value Funds generally invest in a high quality fixed income portfolio as well as "benefit responsive" investment contracts which are issued by insurance companies and banks. The investment contracts seek to provide principal preservation for participant balances. The investment contracts also seek to stabilize the returns of the stable value fund, even when markets are volatile. The fixed income portfolio consists of investment grade fixed income securities, primarily U.S. Treasury, agency, corporate, mortgage-backed, asset-backed, and privately placed mortgage debt.

Stable Value Funds are not required to file a prospectus or registration statement with the SEC. Stable Value Funds are only available to certain qualified retirement plans and governmental plans and are not offered to the general public. Units of the fund are not bank deposits and are not insured or guaranteed by any bank, government entity, the FDIC or any other type of deposit insurance.

Individual funds will have specific risks related to their investment programs that will vary from fund to fund.

Mutual Fund, ETF and Collective Investment Trust Performance Data ©2020 Morningstar, Inc. All Rights Reserved. The mutual fund performance information in this report: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed to plan participants; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

Please note if your plan invests in a stable value fund not all third parties sponsoring stable value funds provide information to Morningstar. If you invest in a stable value fund that does not provide information to Morningstar the information in this report was provided directly from the third party sponsoring the fund. Morgan Stanley Wealth Management believes such information to be reliable as of the date hereof but is not responsible or liable for the accuracy of such information and for

any error or miscalculation made by the Fund or its sponsor, or for any loss, liability, claim, damage or expense arising out of such error or miscalculation. If you have questions about how the information in this report was determined please contact third party sponsoring the stable value fund directly.

PERFORMANCE: Performance results illustrated herein do not reflect a deduction of any investment advisory fees or program fees charged by Morgan Stanley or any Sub-Manager but do include the fund's internal expenses. The underlying fund's internal expenses (also known as the expense ratio) generally covers investment management fees, marketing and distribution fees (also known as 12b-1 fees) and other operating expenses of the fund. The expense ratios being displayed for mutual funds reflect each fund's prospectus "net" expenses as provided by Morningstar. Such "net" expenses are subject to change and may increase at any time.

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CRC 3632080 06/21



**Agenda Item No. 6B**

Item Title: Information Technology Proposal Responses

Purpose:

Review proposals received and discuss possible action moving forward.

Issue:

The Company has Inland Productivity Solutions as its Information Technology(IT) consultant for years. To confirm that the company is currently receiving the best value from its consultant, staff released a request for proposal for IT services earlier this year.

Managers Recommendation:

Authorize the General Manager to execute a contract with Inland Productivity for IT consulting services.

Background:

The AFC reviewed this item at its regularly scheduled May 2023 meeting and unanimously recommends the full Board approve staff's recommendation.

In 2022 staff released an RFP to multiple IT consultants with the perception that the selected consultant would execute a time-and-material contract with the company. The company received only one proposal. Staff reached out to non-submitting consultants and discovered that IT consultants prefer a retainer style contract, which gives IT consultants more flexibility to purchase and install modern software and updates to secure the computer system they are tasked to protect. After consulting with the AFC, staff reissued the RFP with a modification for retainer style services. The RFP was sent directly to the following companies:

<b><u>Company</u></b>	<b><u>Responsive?</u></b>
Inland Productivity	Yes
CS2K	Yes
Team Logic IT San Dimas	No
Blink IT Solutions, Ontario	No
Lenity Technology, Rancho Cucamonga	No
Accent Computer Solutions, Rancho Cucamonga	No
City of Upland	No

After reviewing the two responsive proposals staff recommends renewing a contract with Inland Productivity Solutions.

Previous Actions:

Proposals were due March 23, 2023

Impact on Budget:

None.



1153 W. 9th Street  
Upland, CA 91786  
909.981.4500  
fax 909.946.3785  
www.inland-prod.com

March 23, 2023

Brian Lee  
San Antonio Water Company  
139 N Euclid Ave  
Upland, CA 91786

Brian,

We are pleased to present the attached response to your recent RFP.

Please reach out with any questions you may have.

Sincerely

A handwritten signature in black ink, appearing to read 'Eric Hanson', with a long horizontal flourish extending to the right.

Eric Hanson  
President

## **Executive Summary**

Inland Productivity Solutions (IPS) has reviewed the RFP provided by San Antonio Water Company, and we believe we are well qualified to exceed the requirements outlined in the RFP.

IPS under this contract for IT services will provide ongoing basic and advanced IT support to San Antonito Water Company (SAWCO) to fully support the internal business computing environment, end user support for hardware and software including day to day IT issues, support of Hardware, Prepackaged Software, Networking Equipment, Backup and Recovery Hardware and Software, the existing VOIP phone system, as well as Peripheral Equipment, with exclusions including but not limited to the MultiFunction Copier Hardware, the networked NVR (camera) system, and the SCADA system, as these devices and systems are maintained by 3<sup>rd</sup> parties. IPS will support these systems to the degree possible from the perspective of ensuring that these systems have network connectivity to either the internal network, and/or internet as required to ensure their proper functionality of that sub system. It is expected that SAWCO maintain a support agreement with the MFP, NVR, and SCADA system vendors, and that IPS is named as contact with these vendors so that IPS can contact these vendors on SAWCO's behalf should there be a conflict, issue, or detected security event with any of these systems. It is further required that all critical devices including servers and firewalls be under a manufacturer service contract to receive support. It is additionally required that all critical lines of business software be supported by the manufacturer.

The supported desktop environment currently includes seven Windows desktop PC's, 2 Field Windows Notebook PCs used to access the SCADA System by field staff, 1 Windows Notebook utilized by office staff for off-site work, 2 Microsoft Surface tablets utilized by board members, and the General Manager's iMac. In addition to the desktop and mobile assets, the internal server environment includes 7 servers (2 physical, and 5 virtualized) Including a Domain Controller, a File and Print server, as well as 3 applications servers, 2 of which are used to support the Tyler Line of business billing software, and the to be retired Epicor ECM document management system.

The primary network switching and firewall infrastructure consists of HP network switches, a Fortinet Firewall, and Datto networking Wireless Access Point in the main office, with a Point to Point wireless bridge providing network services to the service yard.

All of the systems and devices listed above will be maintained following industry best practices, using IPS's Remote Monitoring and Management Tools. IPS will install at its expense for the life of this agreement, a network probe at the main office which will be used to provide out of band management and monitoring of the environment. This network probe will be used to provide real time internal vulnerability scanning of the systems in the computing environment, as well as being a platform for the Blumira advanced Cloud and on-premise Security Information and Event Management (SIEM) system. The SIEM system will collect and analyze the event and security Information from all internal systems, as well as the field systems and Microsoft office Cloud look for potential security events in real time. SIEM is a core service recommended for deployment by CISA in infrastructure environments such as water systems.

Additional items included in the IPS proposal Include several items to address E-Mail and System Security, Backup and Recovery, Realtime Security and Vulnerability Management, End user Training, Cyber Security Training and Management.

IPS will be available to support SAWCO and its users with primary support available Monday-Friday 7:30AM to 5:00PM, and extended support 24/7/365, with a 4-hour Service Level Objective. IPS employs multiple resources that live either in Upland, or the immediate area, so support is never far away. IPS will deploy a solution to monitor and audit the security of the system, alert in real time to anomalies in both the on-premise and cloud systems used by SAWCO.

Installation and configuration of new equipment and software is not included in the monthly retainer fee, but when under agreement with IPS all definable projects are quoted on a fixed fee basis, so that there are no open ended budget items that result in unexpected charges. In the rare event that a project cannot be fully scoped due to uncontrollable variables, we will provide a fixed project budget for all controllable items.

IPS will meet quarterly with SAWCO Management to ensure that we are meeting the needs of the SAWCO team and review any upcoming projects or new developments in the SAWCO IPS relationship.

## **Inland Productivity Solutions – Firm Description**

Inland Productivity Solutions was founded in 1988 to provide Information Technology Technical Support, and Programming services to businesses and agencies located predominately in the Inland Empire and surrounding areas in Southern California. Over the ensuing years the company has evolved to become a full service Managed Service Provider serving a variety of different industries. The company focuses on working with clients that understand the importance of properly maintaining their information systems to ensure Information Confidentiality, Integrity, and Availability.

### **Our core services include:**

Help Desk Support

On Site and Remote Technical Support

Business Continuity – Managed Backup and Recovery Services

Managed IT Security and Cybersecurity

IT Project Design

Hardware and Software Procurement

IT Project Management

Wired and Wireless Network Design, Implementation and Management

Fully Managed Cloud, Hybrid Cloud and On-Premise IT Solutions

Telephone System Design and Implementation

IT System Audit and Issue Remediation

Inland Productivity Solutions focuses primarily on business that require enhanced reliability, security and complexity due to the nature of their business, or compliance requirements. We have more than 25 years of experience working with clients serving the financial services industry, construction, accounting, manufacturing and legal industries. Our services and practices have withstood the scrutiny of NASDAQ and FINRA audits with no negative marks, and just 2 suggested practice changes over the many (20+) years we have provided service to that industry.

Inland Productivity Solutions has extensive experience with the management and maintenance of many types of Business environments, scaling from Single Site Small Businesses, to Midsized Businesses with Dozens of sites and extraordinary security requirements. We provide solutions that balance the performance and security requirements of the particular client with the organizational budget.

Over the last few years, network and system security has become an area of concern for every business. We work with clients to enhance their internal and external security postures to achieve compliance with various Cybersecurity frameworks including CIS, CIS 8.0 and NIST 800-171, among others. These frameworks allow us to verify that client network environments meet established guidelines for security of the environment and are becoming the benchmarks for Cyber Insurance coverage.

Inland Productivity Solutions has been an active member of the FBI Infragard program since 2013. Led by the FBI, DHS (Department of Homeland Security), and CISA (Cybersecurity & Infrastructure Security Agency) this collaborative effort of Federal, State and Local government agencies and private enterprise focuses on securing national critical infrastructure. We are provided with actionable daily threat intelligence we can act on as appropriate in support of our infrastructure clients. We have direct access to FBI resources in the unlikely event we need a direct resource within the agency to respond to a security event.

Our team takes pride in their work and works hard to achieve first call resolution to all helpdesk requests. More complex issues are treated with the highest possible priority by our team, working to achieve a 4-hour Service Level Objective for all priority helpdesk requests. Our fully Inland Empire based service team is backed by numerous industry and manufacturer certifications. Our engineering team has resources available all the way to the manufacturers we sell and support so that we can always find the solution to any issues we work on.

Our helpdesk is answered by a live person during our normal business hours of 7:30AM to 5:00PM Monday through Friday. After-hours support is always available with a Service Level Objective of 4 hours or less. We stock backup hardware to allow us to address most common Network and PC issues the same day. Hardware and Software that we procure for the benefit of our clients is always obtained through authorized distribution partners, so there are never surprises with lack of warranty coverage due to Grey Market hardware or software being deployed into a client environment.

Our Inland Empire based team lives in the same community we serve and is involved in the local community in a variety of ways.

## Prime Consultant

### Your Name

Inland Productivity Solutions 1153 W 9<sup>th</sup> St Upland CA 91786

[ehason@inland-prod.com](mailto:ehason@inland-prod.com) 909.981.4500

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### Current Role

I have led Inland Productivity Solutions since 1988. I function as the President of the company, as well as working at the Chief Information Security Officer, and Virtual Chief Information Security Officer for Clients of Inland Productivity Solutions.

### Experience

#### **Inland Productivity Solutions**

In my tenure with the company, IPS has grown to become an industry leading Managed Service provider in the Small to Medium Business environment in the Inland Empire.

Microsoft Certified Professional

I am involved in multiple industry groups focused on IT Security and Availability.

Member of TBG Group VII, CompTIA, ASCII, TDSynnex CommunitySolv, FBI/DHS Infragard.

Frequent contributor to the MSP 1337 Security podcast with Chris Johnson of CompTIA, and the Everything MSP thought leadership group primarily focused on information security and client services.

ASCII Spark best practices group

Engineered hundreds of network environments since 1988.

### Education

#### **Bachelor of Science – Operations Management**

California State Polytechnic University Pomona, Pomona CA Fall 1988

#### **Additional Education**

Information Security Post graduate certificate from UC Riverside completed 1996

Current Certified Information Security Professional (CISSP) Candidate

### Communication

Frequent presenter on IT Security to business groups, and very comfortable discussing potentially difficult topics in a business environment.

## Leadership

In addition to my responsibilities with Inland Productivity Solutions, I have twice been the Chairman of the Board at the Upland Chamber of Commerce, and once been the President of the Upland Rotary Club.



## **Experience and Past Performance**

### **SAWCO - Upland**

Inland Productivity Solutions has served the San Antonio Water Company as its IT support company since 2004. Over that period of time IPS has helped to ensure the SAWCO Business IT infrastructure has been available, reliable and secure. Over our tenure as the IT service provider, we have been involved in numerous projects, including the deployment of the current Tyler Business Management System, Deployment and Management of the current Business Continuity System, Deployment and Management of the current internal business network, and subsequent migration of email from an on-premise system to Microsoft 365, and the current VOIP Phone System.

IPS has been involved in and assisted in the support of the SCADA system in place at SAWCO. We have a very good understanding of both the SCADA and Business systems in place, and their interdependencies. We have a good working relationship with the current SCADA consulting firm and have been working with them since their onboarding. We also have experience and knowledge of the previous SCADA consulting firm.

IPS is well positioned to continue to provide ongoing quality Managed IT Support to SAWCO. In the time since we moved to a Managed Agreement, SAWCO has not experienced any unplanned internal system downtime not caused by a utility failure.

### **Ledesma & Meyer Construction – Rancho Cucamonga**

Inland Productivity Solutions has served as the IT support company for this organization since they were a small 10-person operation in the year 2000. Ledesma & Meyer has grown to be one of the premier Construction Management Firms serving Southern California. With a backlog of over \$1 Billion in projects currently under management, IPS has been with them every step of the way. Ledesma & Meyer has an extremely complex Hybrid-Cloud environment to support the diversity of the clients they serve. With over 70 direct employees, and hundreds of contractors under management, security and availability are key components to keep this business moving forward.

Ledesma & Meyer Const. Co. Inc.

Kris Meyer

<https://www.lmcci.com>

909-721-9416 (Mobile)

909-476-0590

[kmeyer@lmcci.com](mailto:kmeyer@lmcci.com)

### **Painter, Smith and Amberg – Redlands**

Inland Productivity Solutions has served as the IT support company for Painter, Smith and Amberg since 1999. As a registered Broker Dealer, the firm must pass multiple audits each year with organizations like FINRA, and NASDAQ. IPS has assisted in ensuring that Painter, Smith and Amberg moves through the IT related portion of these audits successfully each time. Painter, Smith and Amberg is a relatively small team of 8 with Hundreds of Millions of dollars under management that leverages IPS to ensure their IT systems can meet the rigorous standards required of their complex industry. The critical financial information entrusted to this firm by high net worth individuals is crucial, and a security breach could be a devastating event for the firm, and it's clients.

Painter, Smith and Amberg

Charles Painter

<http://www.psainv.com/>

909-557-2800

[cpainter@psainv.com](mailto:cpainter@psainv.com)

## **Local Experience**

Inland Productivity Solutions has been located in San Bernardino County since our inception. We are very familiar with our local elected representatives, as well as city and county staff members. We actively support the local community in a variety of ways to make our community a better place to live and work. All of our staff members live in either Eastern Los Angeles, San Bernardino, or Riverside counties, and are committed to supporting organizations in our region.

IPS has a deep local knowledge of both Upland and San Antonio Heights, and the dynamic relationship between the two. We believe that this knowledge is an asset to not only our organization, but also to SAWCO.

Inland Productivity Solutions is an active member of the local business community and is involved in many local events and activities. This not only provides support to the community, but also provides us with already established business and personal contacts that may be of help from time to time to assist SAWCO in their primary mission.

As a part of our commitment to support SAWCO as their outsourced IT provider, we stand ready to participate in any meetings that the company requests our attendance, whether a Management level meeting, Board Meeting, Vendor meeting, or even a City Council meeting we are available as a part of your monthly engagement to participate and provide our expertise

## **SAWCO Fully Managed IT Service Agreement Proposal 4-2023**

### **San Antonio Water Company - SAN13**

Prepared for:  
**San Antonio Water Company - SAN13**  
Brian Lee

139 North Euclid Ave.

Upland CA 91786

Prepared By:  
Eric Hanson  
Sr. Solution Developer  
909-981-4500  
909-946-3785  
ehanson@inland-prod.com

**Proposal Number:** IPSQ6910

**Date:** 3/21/2023

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Proposed Statement of Work	
Proposal #:	<b>IPSQ6910</b>
Date:	Mar 21, 2023

**Prepared For:**

Brian Lee  
San Antonio Water Company - SAN1  
Phone (909) 982-4107  
139 North Euclid Ave.  
Upland, CA 91786  
United States

**Prepared By:**

**Eric Hanson**  
ehanson@inland-prod.com  
909-981-4500 ext 104  
1153 W. 9th St.  
Upland, CA 91786  
USA



Qty	Description	Unit Price	Ext. Price
1	<p>The following statement of work is governed by our Master Service Agreement (MSA) that is available for review at: <a href="https://inland-prod.com/files/2022/02/IPS-MSA-2022.pdf">https://inland-prod.com/files/2022/02/IPS-MSA-2022.pdf</a> Your acceptance of this SOW constitutes your acceptance of this MSA.</p> <p>This Statement of Work (SOW) describes the Services included in the IT Managed Services provided to your organization. Inland Productivity Solutions (IPS) will provide management of your IT systems as described in the line items listed elsewhere in this agreement.</p> <p>IPS will be available for the support of your covered IT resources during our normal business hours of 7:30AM through 5:00PM Monday through Friday, excluding holidays. Services outside these hours will be provided on an emergency basis at no additional cost assuming the issue is a business interrupting emergency impacting covered equipment or software. IPS cannot correct failures of services outside of our direct control, such as failure of electrical power, failure of a cloud service provider, or internet connectivity.</p> <p>IPS will install its RMM (Remote Monitoring and Management) agent, as well as ThirdWall, Huntress, and ConnectSecure lightweight agents to further secure the environment, workstations and servers from known and emerging detectable threats. Unfortunately not all threats are detectable, and IPS cannot prevent all possible threats.</p> <p>This agreement covers all charges for the maintenance and support of system software, and hardware with the following exclusions:</p> <p>Parts and labor to repair computer, networking, and other IT related hardware that is out of manufacturer warranty, or extended service agreements. In the event of the failure of an item that is out of warranty or extended support, IPS will provide advice on suggested remedies which may involve additional costs.</p> <p>All software costs, including, but not limited to operating systems, productivity software, and security software, except where provided by IPS as a part of this agreement are the responsibility of the client.</p> <p>Recovery from a Cyber security event, such as, but not limited to, Ransomware, Virus Attack, Denial of Service Attack, or Business E-Mail compromise is specifically outside the scope of this agreement. It is strongly suggested that you carry Cyber insurance to mitigate the potential expense of recovery from this type of attack.</p>	\$3,513.75	\$3,513.75

Qty	Description	Unit Price	Ext. Price
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The duration of this SOW shall be 36 calendar months from the date of service provisioning and shall automatically renew unless notified in writing 30 days in advance for a term of an additional 36 months of service at a rate not to exceed 5% for the services component of the agreement. IPS may at its discretion increase the services portion of this agreement an amount not to exceed 5% annually. Products included in this SOW may increase or decrease in cost depending on vendor pricing policies, and IPS will pass through those billing changes for products we facilitate the provisioning and maintenance of. The referenced pricing changes may occur anytime during the duration of this agreement.

IPS requires payment for services on the 1st business day of the month services are rendered and will Debit the recurring amount by ACH or by Credit Card on or about the 1st business day of the month unless other arrangements are made in writing. IPS normally invoices recurring services for the upcoming service period in the window of the 14th to 20th of the prior month. Mid month adjustments to user, device or recurring license counts are invoiced as a service ticket in the month they occur, and the agreement is updated for the following periods billing.

This SOW does not include any hardware, software or services that may be required that are not listed in this document, and is governed by our Master Service Agreement that is available for review at:  
<https://inland-prod.com/files/2022/02/IPS-MSA-2022.pdf>

You can change your currently listed Authorized Contacts by completing the Authorized Contacts Form available at:  
<http://inland-prod.com/files/2022/02/IPS-ContAuth.pdf>  
 Payment Method changes can be made using the form available at:  
[http://inland-prod.com/files/2022/02/IPS-Credit\\_Pay.pdf](http://inland-prod.com/files/2022/02/IPS-Credit_Pay.pdf)

(5) Inland Productivity Solutions ManageIT Complete Server Instance Support (Monthly).

Inland Productivity Solutions provides a complete solution for supporting and managing the overall health of each server covered in your company. IPS Server Management Plans ensure that all covered server instances are functioning properly, are protected, and are secure against technology threats and disasters.

Unlimited Phone Support  
 Unlimited Remote Control Support  
 On-Site Support (hours available based on number of hours specified by this complete agreement)

Monitoring/Maintenance  
 Patch Management  
 24x7 System Monitoring  
 Disk & Storage Monitoring

Monthly On-Site Maintenance as required (1.25 hours per server allocated-placed in a pool of hours available for on-site services each month)  
 Managed Security  
 Active Directory Administration & Maintenance  
 File, Folder and Share Administration

Security Administration  
 Managed Antivirus Protection  
 Network Policy Enforcement & Administration



Qty	Description	Unit Price	Ext. Price
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\* A Server instance is defined as a Microsoft Server Operating System that is running on a Supported Virtualization platform, or on its own physical hardware. Our currently supported platforms include: Citrix XEN Server, VMWare, and Microsoft Hyper-V.

\*\* Server hardware MUST be in manufacturer warranty, or an extended warranty contract to be a supported platform.

\*\*\* Projects such as Server hardware replacements, Infrastructure replacements and upgrades, and deployments of new applications in your environment are not covered by this agreement.

(13) Inland Productivity Solutions ManageIT Complete Level Desktop or Notebook Support (Monthly).

Inland Productivity Solutions provides a complete solution for supporting and managing the overall health of each computer in your company. IPS Workstation Management Plans ensure that your computers are functioning properly, are protected, and are secure against technology threats and disasters. Computers are in your office to help you run more efficiently and Inland Productivity Solutions ensures that is possible around the clock.

Unlimited Phone Support  
 Unlimited Remote Control Support  
 On-Site Support  
 Microsoft Application Support  
 Best Effort Application Support for Line of Business Software \*Line of Business software must have manufacturer support

Monitoring/Maintenance  
 System Audit/Asset Management  
 24x7 System Monitoring

Proactive Workstation Optimization & Management  
 Updated Software Deployment

Managed Security  
 Antivirus Subscription/Software  
 Management & Updates  
 Monthly On-Site Maintenance as required (.25 hours per server allocated-placed in a pool of hours available for on-site services each month)  
 Patch Management

\* Desktop/Notebook hardware MUST be in manufacturer warranty, or an extended warranty contract to be a supported platform. Otherwise out of warranty systems will receive a recommendation for replacement, or you may elect to repair the system at current time and materials rates.

\*\* Projects such as Desktop/Notebook hardware replacements, upgrades, and deployments of new applications in your environment are not covered by this agreement.

Our Dark Web ID Credential Monitoring detects compromised credentials in real-time on the Dark Web and notifies you immediately when these critical assets are compromised, before they can be used for identity theft, data breaches, or other crime. Digital credentials such as usernames and passwords connect you and your employees to critical business applications, as well as online services. Unfortunately, criminals know this - and that's why digital credentials are among the most valuable assets found on the Dark Web.

Far too often, companies that have had their credentials compromised and sold on the Dark Web don't know it until they have been informed by law



Qty	Description	Unit Price	Ext. Price
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enforcement - but by then, it's too late. According to National Institute of Standards and Technology (NIST), small and medium-sized businesses may have more to lose than larger organizations, because cybersecurity events can be costly and threaten their financial survival.

Also included in this platform is automated end user phishing testing to ensure your users can spot things that might penetrate normal network and email defenses.

Priced per Monitored Domain Name

Datto Siris Professional - 8TB Professional Business Disaster Recovery Off Site Storage with Local and Remote Virtualization Service with 1 Year Retention

#### RETENTION SCHEDULE

- Retention determines how and/or for how long data associated with a device is retained. Each device has local retention settings that control how data is retained on the local device and that are managed by Inland Productivity Solutions.
- As used in this section, a Retention Schedule refers to how and/or for how long data associated with a device enrolled in Datto Cloud Service is retained. Data associated with devices enrolled in any Datto Cloud plan will be retained, as specified in the applicable Retention Schedule associated with the purchased Service Plan, for as long as the device is under an active Service Subscription for which payments are current. If a Service Subscription terminates, Datto reserves the right to delete, after 60 days, the backed up data in the Datto Cloud associated with your device. It is your responsibility, during this period, at your expense, to request a copy of the data if you would like to retain a copy of the backed up data in the Datto Cloud associated with your device. See our Reverse Round Trip Procedures for further information. DATTO CLOUD SERVICE PLAN - RETENTION SCHEDULES. The Datto Cloud Service Plan options are: (1) 1-Year Cloud Retention; (2) Infinite Cloud Retention; (3) Capacity Based Storage.

1-Year Cloud Retention - the 1-Year Cloud Retention (also known as 1 Year Time Based Retention) plan is not limited to a pre-defined amount of Datto Cloud storage. Rather, incremental data backups are maintained for one year on a rolling basis, with the oldest incremental data backups deleted first after one year. Automatic consolidation of incremental backup recovery points is applied on a rolling basis as shown below.

Infinite Cloud Retention - The Infinite Cloud Retention service plan uses a set retention schedule for the storage of cloud data. The plan is not limited to a pre-defined amount of Datto Cloud storage. Instead, incremental backups are retained for an indefinite period of time for as long as the Infinite Cloud Retention Service Plan Service Subscription for the device is current. Automatic consolidation of incremental backup recovery points is applied on a rolling basis as shown below.

Capacity Based Storage - Capacity Based Storage (previously known as Total Cloud Retention) allows you to set your own retention schedule. The plan provides for a pre-defined amount of Datto Cloud storage in the monthly Service Subscription fee as set forth in the applicable device pricing sheet. Usage of Datto Cloud storage in excess of the pre-defined allotment for the device is charged an additional amount as described in the applicable pricing sheet.

#### PRUNING OF INCREMENTAL BACKUPS FOR INFINITE CLOUD OR TIME BASED RETENTION SCHEDULES

With respect to Infinite Cloud Retention, 1-Year Cloud Retention, or any previously offered multi-year time based Service Plan, we use the following schedule for consolidating incremental backups, stored in the Datto Cloud. For devices under a previously offered multi-year time based Service Plan, monthly backups are deleted oldest first after the retention period selected

Qty	Description	Unit Price	Ext. Price
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(i.e., 2-10 years).

Pruning of Incremental Offsite Backups is done on the following schedule:

Intra-dailies 7 Days

Dailies 2 Weeks

Weeklies 45 Days

Monthlies Depends upon service plan

Note: We reserve the right to limit Datto Cloud usage under all Service Plans if we determine there is activity or usage in a manner that: (i) adversely impacts Datto; (ii) results in excessive bandwidth or storage usage; or (iii) harms, disrupts, or otherwise diminishes the Datto brand, services, network, or any computer system.

Your IPS ManageIT Complete Service Bundle also includes:

IT Support Panel - This innovative Customer Experience application allows your users to capture information on any application they have problems with allowing our team to better support your users. Chat with our team, or create a service ticket with all the information we need to get started working on an issue right away. We can additionally use this platform to positively identify an end user calling in for support is who they claim to be, improving the security of your system.

Bigger Brains - E-Learning for your entire team. Help your team learn how to get the most out of the applications they use every day. You can assign training to team members, or allow them to discover the learning that they need to improve their skills.

Annual Live Cyber Training - Once per year we will conduct a live training for your team. While computer based training is available to address this important training need, we have found that nothing beats this live interactive training in helping your employees be your best Cyber Defense. Packed with up to the minute real world examples of what we are seeing in the wild, we help your team learn how to not only protect your organization, but how to protect their personal assets as well. Optionally recorded for use as a part of your new employee onboarding.

Quick Connection to your desktop and Server machines to minimize support time.

All On Site and Remote service time and travel is covered in this agreement.

Mileage and travel fees are waived for all On Site visits.

Automated tracking of user installed applications (rogue) applications to minimize support time.

External monitoring of internet connectivity at your site.

External monitoring of e-mail server connectivity.

Blumira monitoring and basic reporting on critical indicators of compromise of your Office 365 environment.

Hardware and software inventory and tracking of warranty and contract expiration status to minimize the amount of time spent on warranty status research, and removing that from your responsibility.

Tracking and maintenance of software and related maintenance for PC's, Servers, and hardware devices such as firewalls and routers.

Vendor management of internet, telephone, and other IT related vendors that are not the direct responsibility of Inland Productivity Solutions (with your

Qty	Description	Unit Price	Ext. Price
1	<p>permission)</p> <p>Review of the monthly summary report to identify predictable issues that are not performance count/monitoring specific.</p> <p>Quarterly Scheduled On Site vCIO visit to review service delivery, overall system health, potential upcoming projects, and to maintain and modify both Strategic and Tactical It related plans.</p> <p>Active monitoring of the following items:  Monitoring Hardware - means that our NOC (Network Operations Center) is looking for alerts generated by server, desktop, and notebook hardware and software that indicate a predictable hardware failure, such as a failed disk drive, failed power supply, array controller battery, fan, etc. so that failed/failing items can be repaired or replaced to minimize or eliminate avoidable downtime.</p> <p>Connectivity - If a monitored asset does not call home (to our NOC) on its normal schedule, we are alerted to the issue and can begin to work on the issue as soon as possible.</p> <p>Disk Space - We monitor free disk space on all PC's and servers to verify that there is sufficient free space available under normal usage to ensure system availability.</p> <p>Memory Utilization - The actual memory utilization on each covered computer is monitored to verify that there is sufficient RAM available to service application requests for RAM. Specific examples include Desktops, Notebooks, On Premise Servers, SQL Servers, Backup Servers, Routers and Firewalls.</p> <p>Processor Utilization - We monitor the CPU usage on your systems to allow us to be aware of any unusual usage that may impact end user usability.</p> <p>Services and Processes - We monitor and can in many cases resolve issues with Windows processes and services that would otherwise result in a reboot to restore services. For instance, if an Automatic Server process or Service fails, we will automatically attempt to restart or restore the failed service often without users noticing. In the event that it cannot be restored to operation, we are notified so that a reboot or other remediation can be performed.</p> <p>System Optimization - Automatic cleanup of temp files and folders. Automatic disk and master File Table Defragmentation. Automated tracking of user installed applications (rogue) applications to minimize support time. All alerts that result in the creation of a service ticket are attached to the machines configuration database to help us identify trends with specific pieces of hardware.</p> <p><i>Software as a Service products - Will be billed based on actual consumption. The included costs are estimated based on current consumption or our understanding of the number of supported users, and renew yearly. Manufacturer price changes will be passed along if they occur over the service term.</i></p>	\$899.50	\$899.50
	<p>(11) SaaS Protection per User for Office 365 or G-Suite Data 1 Year Data Retention</p> <p>3x/day automated backup for Office 365's Exchange, OneDrive and SharePoint and for Google App's Emails, Calendars, Contacts, Google Drive, Files, and Folders.  Perform additional backups as needed at any time.</p>		

Qty	Description	Unit Price	Ext. Price
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Security controls that include compliance with SOC 2 Type II, HIPAA, and PCI Compliant. Data is secured with 256-bit encryption.  
 Browse and preview backups by user and item. Search for metadata.  
 Restore individual files or groups of files back into a user's account or export them directly to your machine.  
 Monitor data with domain health status and activity log.

**Time-Based Retention (TBR)**

Backup snapshots are retained for up to 1 year in the Datto Cloud, following the schedule denoted below:

- 3X daily backups are retained for 30 days
- Dailies are kept after 30 days
- Weeklies are kept after 90 days, then stored rolling, for up to 1 year

**(11) Cloud Filter - E-Mail Filtering**

**Good mail in, bad mail out**

CloudFilter stops the junk and lets the good email through. Messages containing offensive, harmful, or policy violating content are held for user review, while good messages continue on their way. CloudFilter helps keeps users safe and gives you confidence that you're email infrastructure is shielded from harm.

**Fully loaded message review**

Customizable notification schedule

Users get message review notifications at the interval that works for them. Whether they want them every hour, never, or anything in between... the choice is theirs.

Preview content in a safe environment

CloudFilter lets users preview the HTML content of a message (images optional) so they can determine whether or not it's a message they wish to receive in their inbox without risking a malware infection or phishing attack. Clear explanations of scoring

Each message has an analytics section which shows data related to the reasons a message was held, where it came from, and even a map showing the point of geographic origin.

Message delivery timeline

There's also a timeline section, so it's clear to see the path of a message during it's lifetime and quickly identify areas where delivery was delayed or interrupted.

**Quickly allow or block a sender**

CloudFilter lets users easily add a sender to their list of allowed or blocked address in one simple step right from their message preview. It's quick, easy, and helps ensure that users receive exactly the email they want in their inbox.



Qty	Description	Unit Price	Ext. Price
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(11) Graphus with TrustGraph: Advanced, AI Technology

TrustGraph analyzes over 50 different attributes of your employees' communications, including the devices they use, who they message most, what time of day they communicate, and so on. The powerful AI uses this data to create profiles of trusted relationships. TrustGraph® then compares incoming communications to these profiles to detect and prevent sophisticated phishing, spear phishing, and business email compromise attacks.

EmployeeShield: Evolves Your Defenses

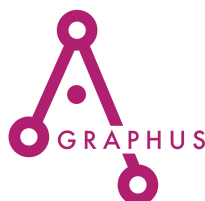
Graphus employs EmployeeShield, a feature that displays an active warning banner on suspicious company emails. The banner will tell you why the message was flagged, and provides an option of looking at it safely to make a final determination. Graphus will learn from user input and adjust its parameters, so it's always getting smarter and your company is always getting more secure.

Automatic Alerts and Quarantines

Graphus alerts the Inland Productivity Solutions team (and optionally someone on your team) when suspicious messages or attachments are detected and then automatically quarantines them. Automation and AI go hand in hand to reduce the workload for your staff and make your cloud email system safer.

Enhanced Data Analytics and Reporting

The Graphus dashboard provides detailed, live performance metrics and provides a bird's-eye view of your business communication security. With this trove of visualized security data, you gain invaluable insights into your levels of risk, how effective your security is, what kind of attacks are targeting your company most, and much more. In addition, Graphus automatically collates this data and generates detailed reports.



(11) Umbrella is a cloud security platform that provides the first line of defense against threats on the internet wherever users go. The global cloud infrastructure handles over 80 billion internet requests a day, which our security engine analyzes to learn where attacks are being staged even before the first victim is hit.

The first line of defense against threats - Blocks malware, phishing, and command & control callbacks over any port or protocol before threats reach your systems.

Integration with IPS Defense Basic protection to amplify protection.



(18) Huntress Advanced Threat and Breach Detection Suite for Windows. This software solution runs as a small agent on your Windows servers and workstations, monitoring for activity that are associated with breach activities, and notifies us of detection for evaluation and remediation. This additional security layer catches things that AntiVirus, and AntiMalware products aren't designed to look for. Huntress is an additional layer of security for your

Qty	Description	Unit Price	Ext. Price
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business, and is best deployed with our other Security products to form a layered defense for your systems.

(11) Microsoft 365 Business Standard (Monthly Payments with Annual Contract)

Business-class email hosting with 50 GB mailbox  
 Custom email domain addresses (name@?yourcompany.com)  
 Desktop versions of Office 365 applications: Outlook, Word, Excel, PowerPoint, OneNote, plus Publisher for PC only  
 Web versions of Outlook, Word, Excel, and PowerPoint  
 One license covers 5 phones, 5 tablets, and 5 PCs or Macs per user  
 Tooltip with information about operating system requirements  
 1 TB of OneDrive for Business cloud storage and sharing per user  
 With Skype for Business, host unlimited HD video conferencing meetings for up to 250 people  
 Chat-based workspace to connect your teams with Microsoft Teams  
 Maximum number of users: 300  
 Licensed for commercial use

Azure Active Directory Premium P2 (Monthly Payments with Annual Contract)

Visio Drawing in the cloud through desktop client and web browser. Easily and efficiently draw projects, and collaborate with others from virtually anywhere.

Virtually anytime/anywhere access through web browser  
 Resource management  
 Publishing drawing to the cloud  
 Each subscription license allows for up to five concurrent installations of the Visio desktop application.

(17) ConnectSecure Vulnerability Monitoring and Reporting

Continuous detection of CVE vulnerabilities and common misconfigurations based on the CIS 20 benchmarks. Detection of CVE's goes beyond patch management or automated Windows updates to find vulnerable applications, settings, and devices on your network. The continuous scanning of the network is required to locate and allow remediation of these vulnerabilities. With over 55 vulnerabilities found and remediated every day, even the most diligent system administrator has a nearly impossible task to keep up. This automated vulnerability scanning scans not only the internal network, but your Office 365, Microsoft Azure, firewall and web facing services as well.

ConnectSecure uses several protocols to discover and probe network assets. This is useful to maintain a central asset repository, helps reduce risks and shadow IT, and is often a requirement of Cyber insurance policies.

ConnectSecure detects vulnerabilities in end-user devices like laptops and desktops as well as in network infrastructure, including servers, virtual machines, routers, access points, firewalls, printers, and more. ConnectSecure leverages several sources for gathering vulnerabilities including the NIST's National Vulnerability Database (NVD) and several OEM sources.

External scans show network weaknesses that could lead to a potential incident. External scans help detect open ports, protocols, and named vulnerabilities in public-facing network equipment such as web servers and firewalls.

For many customers, AD is the cornerstone of their network, holding the "keys to the kingdom" that needs to be suitably protected. ConnectSecure performs



Qty	Description	Unit Price	Ext. Price
	<p>AD assessments to identify misconfigurations, weak policies, and unintentional privileged user access.</p> <p>ConnectSecure supports scanning a customer's IT infrastructure for common cybersecurity compliance standards that make up the foundation of a strong cybersecurity strategy. Supported compliance frameworks include PCI DSS, HIPAA, GDPR IV, NIST 800-53, NIST 800-171, CIS, CIS 8.0, ISO 27002, Cyber Essentials, and Essential Eight.</p> <p>(11) Blumira Cloud SIEM logging and automated detection and response solution. Blumira is designed to prioritize and alert on real threats, while providing integrated workflows that provide real world next steps to allow faster responses to potential security threats to your business.</p> <p>Blumira Advanced SIEM includes:            Unlimited System Data Ingestion from all of your devices            1 Year Data Retention - Often required by Cyber Insurance            Detections &amp; Response            Advanced Reporting            Security Dashboards            Automated Response to detected security events (Dynamic Blocklists)            Detection Rule Management            Detection Filters            Honeypots            24/7 Security Operations Team Support monitoring new and emerging threats</p> <p>(11) Keeper Business Plus            Easy to set up and roll out to your employees on every device they use.            Creates high-strength, random passwords and lets you securely share them on demand.            Quickly autofill your passwords into your websites and apps.            Simple design that is a joy to use on every device and web browser.            Each employee gets Keeper on unlimited devices for complete, company-wide protection.            Keeper utilizes proprietary zero-trust and zero-knowledge security architecture with full end-to-end encryption.            Unfortunately some passwords simply need to be shared between your team members, and Keeper helps with team password vaults, making this practice more secure by keeping these passwords in just a single vault with controlled access.</p> <p>Free Family Plan Bonus            When you deploy Keeper Business, each of your team members gets a free Keeper Family Plan. There is no better way to get your team to embrace good password hygiene, than to make it work for them personally as well.</p> <p>BreachWatch            Businesses face a significant risk of having their employees' weak passwords stolen and sold by cybercriminals on the dark web. BreachWatch is a powerful business dark web monitoring tool that can be added on to Keeper Password Manager.</p> <p>BreachWatch constantly scans employees' Keeper Vaults for passwords that have been exposed on the dark web and immediately alerts you to take action and protect your organization.</p> <p>Advanced Reporting &amp; Alerts            Advanced Reporting &amp; Alerts empowers the InfoSec administrator to support compliance audits and monitor over 200 different password-related events via customized reports, real-time notifications and integration into 3rd party SIEM</p>		

Qty	Description	Unit Price	Ext. Price
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such as Splunk, Datadog and Azure Sentinel.

**Secure File Storage**

**Secure Your Company's Confidential Information**

Most cloud storage providers store files as plain, unencrypted text; if a cybercriminal breaches the service, they can access any customer files stored there. Keeper's Secure File Storage encrypts all uploaded files individually, using zero-knowledge encryption methods to ensure that only the user can access and decrypt their stored files.



Qty	Description	Unit Price	Ext. Price
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Prices are based upon the Statement of Work as proposed. All Delivery, Training or Services to be billed our current published rates for each activity involved unless stated otherwise in this Statement of Work. Generally computer hardware and components proposed herein are covered by a limited 1, 2 or 3 year manufacturer's warranty, covering parts and labor on a depot basis. Specific details are available by request. We specifically disclaim any and all warranties, express or implied, including but not limited to any implied warranties; except as provided here in. We shall not be liable for any loss of profits, business, goodwill, data, interruption of business, nor for incidental or consequential damages.

Returned items (if accepted) are subject to a minimum 15% restocking fee and must have original packaging. Software items are generally not returnable. LATE Payments will incur finance charges of 1.5% per month. All Statements of Work that include Hardware Items are subject to upward price changes should our cost increase.

California Proposition 65 Warning: Some Hardware products which may be included in this proposal may expose you to chemicals which are known to the State of California to cause cancer, birth defects or other reproductive harm. Warnings for specific products will be listed on the product packaging by the manufacturer. For more information, go to [www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov)

**Due to current market conditions, hardware items may be backordered by the manufacturer or distributor at the time of order placement may not be available at the cost proposed in this document at the time of delivery, should this occur for this SOW we will adjust the price to you accordingly.**

**This SOW does not include any hardware, software or services that may be required that are not listed in this document, and is governed by our Master Service Agreement that is available for review at:**  
<https://inland-prod.com/files/2022/02/IPS-MSA-2022.pdf>

**This SOW is based on our current understanding of this project, and does not include scope changes that may occur as the project moves forward.**

**You can change your currently listed Authorized Contacts by completing the Authorized Contacts Form available at:**  
<http://inland-prod.com/files/2022/02/IPS-ContAuth.pdf>

**Payment Method changes can be made using the form available at:**  
[http://inland-prod.com/files/2022/02/IPS-Credit\\_Pay.pdf](http://inland-prod.com/files/2022/02/IPS-Credit_Pay.pdf)

Deposit Required	\$0.00	SubTotal	\$4,413.25
Monthly Recurring	\$4,413.25	Tax	\$0.00
Annual Recurring	\$0.00	Shipping	\$0.00
		<b>TOTAL</b>	<b>\$4,413.25</b>

**Cost and Terms Accepted by:** \_\_\_\_\_ **Date:** \_\_\_\_\_



# CS2K PROPOSAL FOR IT. SERVICES

## FEE ESTIMATE – 2023 IT SERVICES

	Recurring Services and Support	Costs
A	<p><b>VirtualTech360 Enterprise Support and InfoSec Foundation Plan</b>  <b>for up to 25 devices / users and 1 location</b></p> <ul style="list-style-type: none"> <li>• Unlimited Phone &amp; Remote technical support for all staff between 7am and 6pm M-F</li> <li>• Unlimited site visits, as needed for physical equipment troubleshooting or installation at primary location</li> <li>• 24/7/365 pro-active monitoring and alerting of all critical IT equipment uptime</li> <li>• Asset Inventory and Management of all IT equipment</li> <li>• Routine, scheduled maintenance, patching, and updating of all IT equipment</li> <li>• Technical Support as needed with all software, hardware, and cloud vendors.</li> <li>• Daily Backup Monitoring and Maintenance, Quarterly Backup testing.</li> <li>• IT Project Management and Technical Consulting as needed (projects quoted separately)</li> <li>• IT Procurement support as needed</li> <li>• Employee Security Awareness Training (online portal with annual certification)</li> <li>• Dark Web Monitoring</li> <li>• Data Loss Prevention Controls</li> <li>• Anti-ransomware and anti-malware protection for all PC and Mac devices</li> <li>• Mobile device management and maintenance for all company Android or iOS devices</li> <li>• Anti-Phishing, E-Mail spam and threat protection for up all mailboxes</li> <li>• Realtime AI Monitoring and Threat Escalation to our Security Team</li> <li>• Realtime and Continuous System Information and Event Monitoring and Collection</li> <li>• Realtime Anomaly and Event Monitoring and alerting</li> <li>• Continuous vulnerability scanning and remediation</li> <li>• Monthly cold storage, immutable, last line of defense backup systems</li> <li>• Disaster Planning and Recovery Policy Documentation</li> <li>• Implementation of all US DOD Cybersecurity Framework controls</li> <li>• Implementation of NIST 800-171 Cybersecurity controls</li> <li>• Peace of mind knowing it's all being done properly, by a dedicated team of local experts.</li> </ul>	<p style="text-align: center;"><b>\$ 4500</b> monthly flat rate</p>
<p><b>Rate guaranteed with a 2-year commitment. 3% increase annually after initial 2-year.</b></p>		

Additional Services, Initial Charges and Annual recurring costs		
B	Non-Emergency, after hours service calls 6PM to 7AM M-F and All weekend hours (as needed)	<b>\$ 50/hr. as needed</b>
C	Initial Onboarding, Documentation, Provisioning & labor costs This onetime cost to do all tasks outlined in the objective plus document the entire network for support.	<b>\$ 2500.00 one-time</b>
D	DataVault Onsite and Encrypted Remote Backup Service, 1 YR / 5 TB	<b>\$ 1500.00 per year</b>
<b>Your Initial One Time Total (Due upon signing)</b>		<b>\$ 4000.00</b>
<b>Your Recurring Monthly Total (starts the 2<sup>nd</sup> month)</b>		<b>\$ 4500.00</b>

Thank you for your consideration.

### Khalid Rahaman

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Professional Member of the National Society of IT Service Providers

**Agenda Item No. 6C**

Item Title: Stock Auction November - 2023

Purpose:

Recommend approving timeline for a proposed 2023 stock auction in November.

Issue:

Disposition of personal property (shareholder’s stock) in order to collect on bad debt is governed by the Commercial Code to be “commercially reasonable.”

Managers Recommendation:

That the Board approve the proposed stock auction and timeline as presented.

Background:

The AFC reviewed this item at its regularly scheduled May 2023 meeting and unanimously recommends the full Board approve staff’s recommendation.

There are currently 2 shareholder’s stock certificates to be auctioned off for a total of .75 shares. This will bring the accounts current and future stock auctions will continue on a year-to-year basis as needed.

Below is a timeline of the process leading up to the stock auction:

<b>Description</b>	<b>Apr</b>	<b>May</b>	<b>June</b>	<b>Jul</b>	<b>Aug</b>	<b>Sept</b>	<b>Oct</b>	<b>Nov</b>
Address verification	3/22/23							
Final Letter owe w/due date		5/15/23						
AFC Committee Review		5/23/23						
Final due date			6/15/23					
Board Review			6/20/23					
Bid Process			6/29/23					
Bid Form				7/6/23				
Notification of Disposition of Collateral				7/27/23				
Website w/bid form					8/31/23			
Separate letter to shareholders						9/13/23		
Co. Newsletter ad						9/28/23		
Newspaper ad start [3x]							10/24/23	
Stock Auction Date								11/14/23

Previous Actions:

November 9, 2009 – First Stock Auction held  
 November 15, 2022 – Last Stock Auction held

Impact on Budget:

Collection of outstanding charges owed and reimbursement of all related costs.

**Agenda Item No. 6D**

Item Title: Fee Schedule Amendment

Purpose:

To revise meter fees to reflect current actual costs.

Issue:

On January 1, 2020, the Board adopted the attached fee schedule. Due to inflation company costs for the meter & box fees and service laterals for new installations and meter upgrades are now greater than the current adopted fees.

Manager’s Recommendation:

That the Board update the current fee schedule for meter & box fees and service lateral installation based on actual cost presented.

Background:

The AFC reviewed this item at its regularly scheduled May 2023 meeting and unanimously recommends the full Board approve staff’s recommendation.

The Company utilizes a “Charge and Fee Schedule” approved by the Board on January 1, 2020 that covers costs for a list of items in the normal course of doing business. Due to inflation the fees charged for meters are no longer sufficient to cover the Company’s actual cost.

Below are the Meter & Box charges and Service Lateral charges effective January 1, 2020.

<b>Existing</b>	<b>¾”</b>	<b>1”</b>	<b>1 ½”</b>	<b>2”</b>	<b>4”</b>
Meter/Box	\$584	\$677	\$1,089	\$1,308	Estimate
Service Lateral	\$2,579	\$2,579	\$2,792	Estimate	Estimate
<b>Total=</b>	<b>\$3,163</b>	<b>\$3,256</b>	<b>\$3,881</b>	<b>Estimate</b>	<b>Estimate</b>

The chart below identifies increase and added cost items for the **Meter/Box**.

<b>Actual Cost</b>	<b>¾”</b>	<b>1”</b>	<b>1 ½”</b>	<b>2”</b>	<b>4”</b>
Meter/Box	\$542.35	\$698.70	\$1327.10	\$1514.85	Estimate
Service Lateral	\$3,473.74	\$3,473.74	\$3,420.89	Estimate	Estimate
<b>Total=</b>	<b>\$4,016.09</b>	<b>\$4,172.44</b>	<b>\$4,747.99</b>	<b>Estimate</b>	<b>Estimate</b>
<b>Increase =</b>	<b>\$ 853.09</b>	<b>\$ 916.44</b>	<b>\$ 866.99</b>	<b>\$206.85</b>	

These increases impact new development and existing shareholder requests to upgrade their meters.

Impact on the Budget:

The impact will be positive but is dependent on the number of meter installation or upgrade requests received.

Previous Actions:

None.

PROPOSED METER FEE

<b>3/4" Meter &amp; Box Fee</b>	
Apollo Ball Valve 1"	\$ 90.40
1" x 10" gal nipple	\$ 5.00
meter	\$ 375.00
meter coupling 1" x 2"	\$ 32.50
meter box	\$ 25.80
bushing to 1"	\$ 13.65
<b>Total</b>	<b>\$ 542.35</b>
<b>1" Service Lateral</b>	
rt angle curb stop comp x meter coupling plus set screw	\$ 167.70
10" x 1" bronze saddle	\$ 167.80
Corp stop compression by mtp	\$ 88.10
Pex pipe	\$ 81.00
Equipment (backhoe, welder/welding)	\$ 2,228.64
Backfill materials (sand, coldmix, 3/4 base, 3/8 asphalt)	\$ 740.50
<b>Total</b>	<b>\$ 3,473.74</b>
<b>3/4" Cap Connection Fee</b>	<b>\$ 3,350.00</b>
<b>3/4" Grand Total</b>	<b>\$ 7,366.09</b>

<b>1" Meter &amp; Box Fee</b>	
Apollo Ball Valve 1"	\$ 90.40
1" x 10" gal nipple	\$ 5.00
meter	\$ 545.00
meter coupling 1" x 2"	\$ 32.50
meter box	\$ 25.80
<b>Total</b>	<b>\$ 698.70</b>
<b>1" Service Lateral</b>	
rt angle curb stop comp x meter coupling plus set screw	\$ 167.70
10" x 1" bronze saddle	\$ 167.80
Corp stop compression by mtp	\$ 88.10
Pex pipe	\$ 81.00
Equipment (backhoe, welder/welding)	\$ 2,228.64
Backfill materials (sand, coldmix, 3/4 base, 3/8 asphalt)	\$ 740.50
<b>Total</b>	<b>\$ 3,473.74</b>
<b>1" Cap Connection Fee</b>	<b>\$ 5,691.00</b>
<b>1" Grand Total</b>	<b>\$ 9,863.44</b>

<b>1.5" Meter &amp; Box Fees</b>	
Meter	\$ 795.00
Meter Box	\$ 25.80
1.5 x 10 Bronze Nipple	\$ 53.95
2" angle x 2" flange	\$ 390.10
2" x 1.5" bushing	\$ 62.25
<b>Total</b>	<b>\$ 1,327.10</b>
<b>2" Service Lateral</b>	
2" Pex Pipe (35Ft@5.53/ft)	\$ 193.55
10" x 2" DI Saddle	\$ 195.95
2" Corp thread x PJ	\$ 62.25
Equipment (backhoe, welder/welding)	\$ 2,228.64
Backfill materials (sand, coldmix, 3/4 base, 3/8 asphalt)	\$ 740.50
<b>Total</b>	<b>\$ 3,420.89</b>
<b>1.5" Capital Connection Fee</b>	<b>\$ 10,725.00</b>
<b>1.5" Grand Total</b>	<b>\$ 15,472.99</b>

<b>2" Meter &amp; Box Fees</b>	
Meter	\$ 1,045.00
Meter Box	\$ 25.80
1.5 x 10 Bronze Nipple	\$ 53.95
2" angle x 2" flange	\$ 390.10
<b>Total</b>	<b>\$ 1,514.85</b>
<b>2" Service Lateral</b>	
2" Pex Pipe (35Ft@5.53/ft)	\$ 193.55
10" x 2" DI Saddle	\$ 195.95
2" Corp thread x PJ	\$ 62.25
Equipment (backhoe, welder/welding)	\$ 2,228.64
Backfill materials (sand, coldmix, 3/4 base, 3/8 asphalt)	\$ 740.50
<b>Total</b>	<b>\$ 3,420.89</b>
<b>2" Capital Connection Fee</b>	<b>\$ 20,800.00</b>
<b>2" Grand Total</b>	<b>\$ 25,735.74</b>

(Effective 01/01/2020)

**SAN ANTONIO WATER COMPANY  
CHARGE and FEE SCHEDULE**

COMMODITY CHARGE	Full Entitle	Over Entitle	Double Entitle	Water Avail. Charge								
Fee per hcf	\$ 0.68	\$ 1.78	\$ 3.78	\$8.00/share per month								
hcf=per 100 cubic feet in volume equals to 748.05 gallons												

READINESS TO SERVE CHARGE	RS01	RS02	RS03	RS04	RS05	RS10	RS06	RS07	RS08	RS09	RS1W	RS2W
Meter Size	5/8" - 3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"	12"	6" weir	9" weir
Monthly Fee	\$ 10.00	\$ 20.00	\$ 40.00	\$ 60.00	\$ 120.00	\$ 150.00	\$ 250.00	\$ 400.00	\$ 1,000.00	\$ 1,500.00	\$ 11.00	\$ 11.00

METERS - NEW INSTALLATION	3/4"	1"	1 1/2"	2"	4"
Meter & Box	\$ 584.00	\$ 677.00	\$ 1,089.00	\$ 1,308.00	Estimate
Service Lateral	*see 1"	\$ 2,579.00	\$ 2,792.00	Estimate	Estimate
Capital Facilities Connection Fee	\$ 3,350.00	\$ 5,691.00	\$ 10,725.00	\$ 20,800.00	\$ 56,907.00
<b>Total for All</b>	<b>\$ 6,513.00</b>	<b>\$ 8,947.00</b>	<b>\$ 14,606.00</b>	<b>\$ 22,108.00 +</b>	

RS3W	RS4W	RS5W	RS6W
10" weir	12" weir	24" weir	30" weir
\$ 20.00	\$ 20.00	\$ 35.00	\$ 60.00

METER UPGRADES	5/8"-3/4" to 1"	1" - 4"
	Estimate	Estimate
Capital Connection Fee	\$ 2,341.00	(SEE NOTE)
<b>Total</b>	<b>\$ 2,341.00 +</b>	

Note: Refer to the Capital Facilities Connection Fees to determine the variance in the requested upgrade.

MISCELLANEOUS CHARGES		
Late Payment Fee	\$ 5.00	
Meter Testing On-Site (requested)	\$ 70.00	Refundable if meter is faulty
Meter Testing Off-Site (requested)	Actual Cost	Refundable if meter is faulty
Returned check NSF	\$ 25.00	Service Reconnect fee added if NSF fee not paid by due date
Service Reconnect (before 3pm)	\$ 40.00	
Service Reconnect (after 3pm)	\$ 80.00	
Quit Claim (Easements)	\$1,500 minimum - any additional costs to be paid by requestor	
Jumper with Back Flow Valve	\$100 per mo.	
New Development Plan Check	3%	Of estimated water system construction cost
Construction Permit and Inspection	5%	Of approved water system construction cost

STOCK TRANSFER FEES	
Standard transfer with original certificate	\$ 30.00
Transfer with Lost Instrument Bond (LIB)	\$ 60.00
Transfer w/Affidavit and Indemnity	Actual Cost
Returned Stock Monthly Storage Fee	\$ 10.00/mo.

HYDRANT METERS	
Construction	Actual Cost
Application/Permit	\$ 50.00
Meter Deposit	\$ 850.00
Meter Monthly Fee	\$ 65.00

METER TAMPERING FEE	
First Violation	\$30 + Cost
Second Violation	\$30 + Cost
Third Violation	\$30 + Cost

ONLINE PMT CONVENIENCE CHARGES	
<b>Effective 3-1-2020</b>	
Municipal Online Fee	\$1.25 per trans.
Transaction Fee	1% of bill amount

The number of shares held defines the entitlement of water to which the shareholder is entitled. Entitlement tables are shown below for your reference in determining your entitlement throughout the year. Also included on this sheet is the company's current fee schedule. Please feel free to stop by the office at 139 N Euclid Ave, Upland or call (909) 982-4107 with any concerns or questions you may have. Visit our website at [www.sawaterco.com](http://www.sawaterco.com).

MUNI/MISC. MONTHLY BILLING SCHEDULE-effective 1-1-2020				
FOR TYPICAL METER RECORDING IN CUBIC FEET (CF) UNITS				
Months	1 Share	3/4 Share	1/2 share	1/4 share
Dec-Feb	4,784	3,588	2,392	1,196
Mar	5,490	4,117	2,745	1,372
Apr	6,119	4,589	3,059	1,530
May	7,529	5,647	3,765	1,882
Jun	9,255	6,941	4,627	2,314
Jul-Sept	10,432	7,824	5,216	2,608
Oct	8,472	6,354	4,236	2,118
Nov	6,119	4,589	3,059	1,530

DOMESTIC BI-MONTHLY BILLING SCHEDULE-effective 1-1-2020				
FOR TYPICAL METER RECORDING IN CUBIC FEET (CF) UNITS				
Months	1 Share	3/4 Share	1/2 share	1/4 share
Jan - Feb	9,568	7,176	4,784	2,392
Mar - Apr	11,609	8,706	5,804	2,902
May - Jun	16,784	12,588	8,392	4,196
Jul - Aug	20,864	15,648	10,432	5,216
Sept - Oct	18,904	14,178	9,452	4,726
Nov - Dec	10,905	8,177	5,452	2,726

**Agenda Item No. 6E**

**Item Title:** Policy Update for Online Payment Transaction Charge

**Purpose:**

To discuss and possibly recommend adjusting the transaction charge for all on-line water bill payments made with a credit card or debit card.

**Issue:**

Should the Company increase the transaction fee to recover (partially or wholly) increased fees charged by the online payment processing company?

**Manager's Recommendation:**

That the Board increasing the per transaction fee on all payments made using credit card or debit card on the Company's website to \$3.00, helping offset Company costs.

**Background:**

The AFC reviewed this item at its regularly scheduled May 2023 meeting and unanimously recommends the full Board approve staff's recommendation.

The Company currently accepts on-line credit card payments up to \$1,500 for shareholder's water bills. The company currently charges 1% of the payment to partially cover processing fees charged by two companies used for online payment; Elavon and Tyler.

- Online payment processing company Elavon charges a fee that varies depending on the payment type. The Company recovers 1% of the shareholder bill during the transaction. Elavon invoices the company monthly.
- Billing software company Tyler charges a flat \$1.25 fee per transaction, paid directly by the shareholder during the transaction.

In 2020 the Board approved a 1% processing fee to partially cover a portion of the Elavon fees.

Over the last 17 months:

- An average of 108 shareholders have used the on-line payment option per month (~9% of shareholders).
- The average per transaction fee charge by Elavon is \$4.36.
- The average yearly total cost of these online payment fees is approximately \$5,080

The company collects a charge at the time of bill payment but lacks the technical resources to determine what % Elavon is charging based on payment type. Therefore it is currently impossible to match fee to the charge. The Company purposefully underset the fee when initially established in 2020 to ensure that individual shareholder on-line payments were not 'over-charged' for Elavon's fees. With multiple years' worth of data staff now recommends setting a fixed charge for online payments. The charge won't cover



Agenda Date: June 20, 2023

all of Elavon's bill. Instead, the flat charge will close the gap between costs and revenue while still ensuring that individual shareholder payments are not overcharged.

Staff is proposing that the Board change the online payment fee from 1% of the bill to a flat \$3.00 per transaction. Adjusting the transaction fee charged by the Company would decrease the loss currently occurring between the fee collected from shareholder and fee paid to processing companies.

Impact on the Budget:

A yearly revenue increase of ~\$3,900, helping to offset a yearly expense of ~\$5,080.00.

Previous Actions:

None.

Item Title: Reduce Over Entitlement Commodity Charge (Tier 2) Rate for Remainder of 2023 Calendar Year.

Purpose:

To discuss and consider adopting a resolution reducing the Tier 2 Rate for remained of the 2023 calendar year.

Issue:

Should the Company reduce the Current Tier 2 rate down to the Tier 1 rate level for the remainder of the 2023 calendar year due to significant rainfall experienced during the 2022-23 winter storms?

Manager's Recommendation:

That the Board adopt Resolution 2023-06-01 decreasing the Tier 2 rate from the current \$1.78/unit to \$0.68/unit (Tier 1 rate) for the remainder of the calendar year 2023.

Background:

The Company prospectively sets yearly entitlement during the budget process late in the year based upon local water supply conditions and projections but prior to the end of actual rainy season. In December 2022, the Company set 2023 total entitlements at 13,000 acre-feet. As a result of the extremely wet winter and spring conditions caused by atmospheric events continuing from January 2023 through April 2023, there is an increase in available San Antonio Canyon flow for the irrigation system (municipalities and industry) and an increase in tunnel flow for the domestic system (San Antonio Heights).

In response to these unique conditions, Staff is proposing lowering the Tier 2 rate down to the Tier 1 rate level for the remainder of the 2023 calendar year. Lowering Tier 2 rates allows all shareholders to benefit from additional available canyon water supplies while maintaining expectations for future year entitlements.

The Company's current tiered rates are described in a detailed 2017 Rates Study. The attached spreadsheet provides a proforma analysis of the proposed Tier 2 rate reduction for the remainder of the year. The analysis projects that the Tier 2 rate reduction for all shareholders would be offset by increased sales of available canyon water to municipal shareholders, remaining revenue neutral for the Company..

The proforma analysis reflects the lower-cost of supplying canyon water as compared to other Company water supplies. Though not specifically quantified, delivery of available canyon water is also anticipated to provide electrical utility savings from delayed utilization of Company wells. It is also possible that as a result of the Tier 2 reduction, an increase in domestic or industrial water sales may occur.

Company Bylaws vest authority in the Board of Directors to implement the proposed action. Article III, Section 3.01 provides that business and affairs of the Company shall be managed and all corporate powers shall be exercised by or under the direction of the Board of Directors. Section 3.01 also provides the Directors the following powers:

*h) The board shall have the power to fix, and from time-to-time change, the charges or tolls payable for water furnished, or other service rendered; and to levy, collect and enforce assessments against the shares of stock.*

*It shall lie within the power of the board of directors to determine what part of the revenue of the company shall be raised by assessments and what part by tolls or rates, and what amount or items shall be charged to current operating expense and what to permanent additions or betterments.*

Impact on the Budget:

As proposed, this action would be revenue neutral to the Company while representing an anticipated savings of approximately \$140,000 to residential and industrial shareholders.

Additionally, this action potentially represents a savings of approximately \$436,000 to the municipal shareholders, if utilized, as compared to an equal amount of MWD water purchased.

Previous Actions:

None.

RESOLUTION No. 2023-06-01

A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SAN ANTONIO WATER COMPANY  
REDUCING THE TIER 2 COMMODITY CHARGE  
UNTIL DECEMBER 31, 2023

WHEREAS, In 2017 the Company conducted a rate study that established reasonable rates and charges, including commodity charges; and

WHEREAS, said commodity charges are shown on the Company's published Charge and Fee Schedule; and

WHEREAS, Company Bylaws provide the Board authority to fix, and from time-to-time change, the charges payable for water furnished; and

WHEREAS, During the normal yearly budget process the Board established 2023 water availability based on the Company's published Charge and Fee Schedule and projected future water availability; and

WHEREAS, Significantly higher than projected snowpack and rainfall in the winter of 2022 and spring of 2023 increased local water sources above what was anticipated during the 2023 Company budget process; and

WHEREAS, local water supplies derived from the anticipated continuing runoff may be distributed by the Company at lower cost than alternative Company water supplies; and,

WHEREAS, the Board desires to provide Company shareholders access to the increased local water made available this rainy season; and

WHEREAS, the Board also recognizes that the increased local water made available this rainy season is an uncommon event that may not repeat itself next year;

NOW, THEREFORE, BE IT RESOLVED that until December 31, 2023 and starting with the May/June domestic billing cycle and the June Municipal billing cycle the commodity charge for 'Over Entitlement' as shown on the Company's Charge and Fee Schedule (also referred to as the Tier 2 Rate) shall be reduced from the current \$1.78 to \$0.68 per unit (100 cubic feet); and

RESOLVED FURTHER that on January 1, 2024 the 'Over Entitlement' Tier 2 rate shall revert back to \$1.78 per unit as established in the 2017 Rate Study.

This Resolution was passed and adopted on the 20<sup>h</sup> day of June 2023.

YEAS:  
NAYS:  
ABESENT:  
ABSTAIN:

---

Rudy Zuniga, President  
San Antonio Water Company

Attest:

---

Martha Goss, Secretary  
San Antonio Water Company

**A**

Per unit (748 gallons)	
Tier 1	\$ 0.68
Tier 2	\$ 1.78
Delta	\$ 1.10

**B**

Tier 2 Consumption	acre feet	\$ delta from Tier 1
2022	438	\$ 210,065
2021	323	\$ 154,911
2020	330	\$ 158,268
2019	439	\$ 210,544
2018	432	\$ 207,135
average	392	\$ 188,185

**C**

Tier 2 through May 2023	104	\$ 49,878
Projected Remainder for year	288	\$ 138,306

**D**

Municipal Sales	acre feet
2022	8,798
2021	7,525
2020	9,509
2019	8,459
2018	7,544
average	8,367

**E**

@ 0.68/unit	466	Additional acre-ft sold to municipals to break even @ average
	8,834	Total acre-ft sold to municipals to break even @ average

**F**

\$ 295	SAWCO	
\$ 1,200	MWD	
\$ 905	\$ 422,177	Savings to municipals

Does not calculate electrical savings from gravity feed sources vs early activation of wells

(Effective 01/01/2020)

**SAN ANTONIO WATER COMPANY  
CHARGE and FEE SCHEDULE**

COMMODITY CHARGE	Full Entitle	Over Entitle	Double Entitle	Water Avail. Charge								
Fee per hcf	\$ 0.68	\$ 1.78	\$ 3.78	\$8.00/share per month								
hcf=per 100 cubic feet in volume equals to 748.05 gallons												

READINESS TO SERVE CHARGE	RS01	RS02	RS03	RS04	RS05	RS10	RS06	RS07	RS08	RS09	RS1W	RS2W
Meter Size	5/8" - 3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"	12"	6" weir	9" weir
Monthly Fee	\$ 10.00	\$ 20.00	\$ 40.00	\$ 60.00	\$ 120.00	\$ 150.00	\$ 250.00	\$ 400.00	\$ 1,000.00	\$ 1,500.00	\$ 11.00	\$ 11.00

METERS - NEW INSTALLATION	3/4"	1"	1 1/2"	2"	4"
Meter & Box	\$ 584.00	\$ 677.00	\$ 1,089.00	\$ 1,308.00	Estimate
Service Lateral	*see 1"	\$ 2,579.00	\$ 2,792.00	Estimate	Estimate
Capital Facilities Connection Fee	\$ 3,350.00	\$ 5,691.00	\$ 10,725.00	\$ 20,800.00	\$ 56,907.00
<b>Total for All</b>	<b>\$ 6,513.00</b>	<b>\$ 8,947.00</b>	<b>\$ 14,606.00</b>	<b>\$ 22,108.00 +</b>	

RS3W	RS4W	RS5W	RS6W
10" weir	12" weir	24" weir	30" weir
\$ 20.00	\$ 20.00	\$ 35.00	\$ 60.00

METER UPGRADES	5/8"-3/4" to 1"	1" - 4"
	Estimate	Estimate
Capital Connection Fee	\$ 2,341.00	(SEE NOTE)
<b>Total</b>	<b>\$ 2,341.00 +</b>	

Note: Refer to the Capital Facilities Connection Fees to determine the variance in the requested upgrade.

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Meter Monthly Fee	\$ 65.00

METER TAMPERING FEE	
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Second Violation	\$30 + Cost
Third Violation	\$30 + Cost

ONLINE PMT CONVENIENCE CHARGES	
<b>Effective 3-1-2020</b>	
Municipal Online Fee	\$1.25 per trans.
Transaction Fee	1% of bill amount

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DOMESTIC BI-MONTHLY BILLING SCHEDULE-effective 1-1-2020				
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Sept - Oct	18,904	14,178	9,452	4,726
Nov - Dec	10,905	8,177	5,452	2,726