

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, September 15, 2026

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

Director Cable led all in attendance in the flag salute.

A motion to excuse Director Bowcock from the meeting was made. Motion carried unanimously.

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 August 18, 2026
 - B. Planning, Resources and Operations Committee (PROC) Meeting Minutes
Regular Meeting Minutes of April 28, 2026
 - C. Administration and Finance Committee (AFC) Meeting Minutes
No meeting minutes to approve.
 - D. AdHoc Committee for Office Feasibility Study
No Meeting Minutes to approve.
 - E. Financial Statement
Income Statement and Balance Sheet for July 31, 2026.
 - F. Investment Activity Report
Monthly Report of Investments Activity.
 - G. 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 is back to meeting monthly and there were two items of interest. It was reported the City of Upland intends to cease providing staff for PVPA operations to focus internally on City facilities. Representatives from the three involved agencies- the City of Upland, SAWCo, and PVPA have engaged in discussions regarding the transition and scope of work. Legal counsel for PVPA is currently drafting a formal contract, which will be presented to the Board for consideration at the October meeting.

Further discussion on concerns such as the possibility of an "El Nino" superstorm and how that would affect SAWCo staffing and the importance to be proactive rather than reactive. Director Velto encouraged a mutual agency agreement in the event of a catastrophic event, in which other agencies would cooperate with and support SAWCo staff. It was also recommended to discuss the financial aspects of the field services that will be provided.

The second item of discussion was PVPA moving along the process of working with Lewis Development on PVPA land.

- B. Six Basins Representative Report** – Mr. Lee stated there was no update to report.
- C. Chino Basin Representative Report** – Mr. Lee stated there was no update to report.
- D. Cucamonga Basin Representative Report** – Mr. Lee stated there was no update to report.
- E. Administration and Finance Committee (AFC) Chairman's Report** –No meeting to report.
- F. Planning, Resources, and Operations Committee (PROC) Chairman's Report** – Director Elliott reported the committee met in August and went over the items on the agenda for full Board discussion.
- G. Office Feasibility Study Ad Hoc Committee** – No meeting to report.

- 6. Meter Downsizing Policy: Mr. Lee presented the updated meter downsizing policy and application, noting the document included minor edits made by legal counsel to the version previously presented.

Director Velto moved and Director Cable seconded to approve adopting the meter downsizing policy as presented. Motion carried unanimously.

- 7. Sale of Unused Entitlement: Staff presented a proposal to offer the sale of 1,211-acre feet of paper water in Chino Basin to municipal shareholders at tier-1 rate. It was noted this volume constitutes the projected water shortage for the 2026 budget year. Staff delivered a presentation regarding the framework for unused entitlement and addressed four core areas: how yearly entitlement is set, how much unused entitlement occurs in any given year, can/ how to sell unused entitlement, and how to provide a return benefit to under-entitlement shareholders.

Director Velto moved and Director Miller seconded to authorize staff to sell 1,211- acre feet at tier-1 rate of paper water in Chino Basin to municipal shareholders. Motion carried unanimously.

- 8. Possible Sale of Surplus Property: Staff presented formal responses to three questions previously raised by the Board concluding the Company is not legally bound by the surplus property law, the Company may offer shareholders priority to purchase properties, subject to specific conditions, and a board director may provide brokerage services to the Company pro bono, but not without resolving any conflicts of interest. The intention to sell these properties was to fund the cross Heights pipeline to deliver San Antonio Canyon Water into the Cucamonga Crosswalls to contribute to Cucamonga Basin.

Director Parker moved and Director Miller seconded to authorize staff to obtain and engage a commercial brokerage to start marketing proposed surplus properties with the contingency being an initial offering with the right to cancel at any time. Motion carried unanimously.

- 9. Closed Session:

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
 (Initiation of Litigation)
 [Gov't Code § 54956.9(d)(4)]
 One (1) potential matter

B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
 [Government Code § 54956.9(d)(1)]
 Name of Case: *San Antonio Water Company v. Foothill Irrigation Company, et al.*, San Bernardino Superior Court Case No. 92645

C. CONFERENCE WITH LABOR NEGOTIATOR

[Gov't Code § 54957.6]

Designated Representatives: General Counsel and Director _____

Unrepresented Employee: General Manager

D. EMPLOYEE PERFORMANCE EVALUATION

[Government Code § 54957(b)(1)]

General Manager Annual Review, Goals and Objectives

The Board went into closed session at 6:00 PM. Director Zuniga and Director Velto were excused from closed session at 7:13 PM. Upon return from the closed session at 7:19 PM, Mr. Hoffman stated there is no reportable action.

10. Open Session

A. Report out from Closed Session:

Mr. Hoffman reported on one administrative matter regarding to ratify a motion to designate Director Cable as labor negotiator with General Counsel for item 9C.

Director Parker moved and Director Miller seconded to designate Director Cable as labor negotiator with General Counsel for item 9C. Motion carried unanimously.

B. Second Amendment to General Manager Employment Agreement-Annual

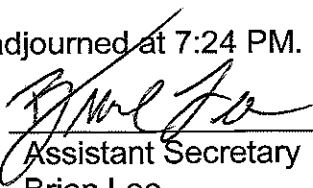
Compensation: Mr. Hoffman reported the Board gave direction to labor negotiators for Item 9C and discussed the potential values for the change of base salary and bonus compensation for the year to be included in the Second Amendment to Employment Agreement.

Director Cable moved and Director Velto seconded to increase the base salary by 3% and a \$15,000 bonus. Motion carried unanimously.

11. Director's Comments and Future Agenda Items: Director Elliott expressed appreciation to the staff and legal counsel for their work on the policy materials and presentations.

Adjournment:

With no further business to discuss the meeting was adjourned at 7:24 PM.



Assistant Secretary
Brian Lee

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