

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, March 16, 2021

An open meeting of the Board of Directors of the San Antonio Water Company (SAWCo) was held virtually and called to order at 5:00 p.m. on the above date. Directors present were Tom Thomas, Will Elliott, Rudy Zuniga, Gino Filippi, Bob Cable, Martha Goss and Jose' Sanchez. Also in attendance were City of Upland Mayor Bill Velto, and SAWCo's General Manager Brian Lee and Assistant General Manager Teri Layton. Director Thomas presided.

1. Recognitions and Presentations: Mr. Lee recognized City of Upland Mayor Bill Velto in attendance.
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 February 16, 2021
 - B. Planning, Resources and Operations Committee (PROC) Meeting Minutes
Meeting minutes of October 27, 2020.
 - C. Administration and Finance committee (AFC) Meeting Minutes
No meeting minutes
 - D. Financial Statement
Income Statement and Balance Sheet for January 31, 2021.
 - E. Investment Activity Report
Monthly Report of Investments Activity.
 - F. Water Production and Consumption
Monthly water production and consumption figures.
 - G. Prominent Issues Update
Status summaries on certain on-going active issues.
 - H. Projects and Operations Update
Status summaries on projects and operations matters.
 - I. Groundwater Level patterns [Quarterly in, April, July, and October]
Tracking patterns of groundwater elevations relative to ground surface.
 - J. Conservation Program Update [Quarterly in January, April, July, and October]
Update on SAWCo's existing water conservation programs
 - K. Correspondence of interest

Director Sanchez moved and Director Elliott seconded to approve the Consent Calendar with a noted minor spelling correction to the February Board meeting minutes. Motion carried unanimously.

5. Board Committee – Delegate Report:
 - A. **Pomona Valley Protective Association (PVPA) Representative's Report** – Director Thomas reported on the most recent PVPA meeting. The National Recreation Area bill has gone through the House of Representative. PVPA's consultant has reached out to Sandra Padilla to see about getting the PVPA land removed from the bill.

The Interim City Manager of Claremont has now become the City Manager. Members of PVPA will reach out to him to educate him on the history and activities of PVPA.

PVPA is currently going through their yearly audit with Bowen McBeth, Inc.

- B. **Six Basins Representative Report** – Ms. Layton informed the Board about the Six Basins meeting held on February 24th. The watermaster board approved doing a hydraulic analysis of the San Antonio Spreading Grounds to understand the movement of the water and recommend the ideal location for a recharge basin.

One issue being discussed is how the Six Basins Judgment prohibits the transfer of groundwater rights to non-Parties. The Judgment does, however, permit the pumping of groundwater by a Party for sale to a non-Party for use outside of the Six Basins.

Currently being implemented by Puente Basin Water Authority (PBWA) is a project to rehabilitate an old well. The City of La Verne will need to be able to lease its water rights to PBWA who is not a party to the Judgment in order for the project to be green lighted. Staff and legal counsel are recommending sending a letter to the City of La Verne and PBWA. More discussion will occur at the next Six Basins meeting.

Director Thomas commented the task order for West Yost to perform research on recharge in the San Antonio Spreading Grounds will dovetail with the PVPA's proposed water recharge basin.

C. Chino Basin Representative Report – Mr. Lee advised mediation between the Agricultural Pool and Appropriative Pool regarding the interpretation of the Peace Agreement as it relates to reimbursement of the Agricultural Pool’s legal fees by the Appropriative Pool is scheduled to take place a week from Friday. He also advised there is currently no water being put into Chino Basin due to lack of rain.

D. Cucamonga Basin Representative Report – Ms. Layton reported with the concurrence of SAWCo, West End Consolidated Water Company (WECWCo), and Cucamonga Valley Water District (CVWD) the Request for Qualifications (RFQ) was released for future groundwater geotechnical expertise. The working group met virtually the previous day for a pre-Statement of Qualifications (SOQ) with several interested consultants. Those consultants have been offered the opportunity to meet with the three agencies to discuss ideas for the basin. A short list of qualified consultants will be provided a Request for Proposal (RFP) once vetted by the group.

The group will meet again on April 6th

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 most recent PROC meeting are covered under 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. General Liability Insurance Renewal – Director Thomas advised there was a small increase in the cost of the liability insurance due to a number of things such as increase in property values and field staff payroll as well as an industry increase. He explained property rates are being increased due to the increase in number of both residential and commercial fires. Though the rate has increased it is still competitive.

Director Thomas moved and Director Sanchez seconded to approve renewal of the General Liability Insurance as presented. Motion carried unanimously.

B. 2020 Urban Water Management Plan and American Water Infrastructure Act Reporting – Mr. Lee explained SAWCo is required to provide an Urban Water Management Plan (UWMP) for 2020 as well as an American Water Infrastructure Act (AWIA) Report. The newly required AWIA report has a risk and resilience portion and an emergency planning portion. Both The UWMP and AWIA are due by the end of June 2021.

SAWCo staff budgeted for the UWMP this year and has approached WSC Engineering (WSC) for a proposal for both it and the AWIA. WSC is currently working on SAWCo’s Water Master Plan and also recently completed SAWCo’s Geographical Information System (GIS) and because of this are very knowledgeable about SAWCo’s system. Staff believes it would be a natural extension to have them complete these two reports. With both reports due by the end of June staff proposed getting started on the projects post haste. The PROC agreed by recommending the Board ratify the professional services contracts with WSC for the UWMP and AWIA report.

After release of the PROC agenda, staff was contacted by agencies who have collaboratively contracted with another engineering firm to complete their individual UWMPs. Staff engaged in a discussion about joining the collaboration. Their engineering firm provided a contract price of \$29,000 to complete the Company’s UWMP. Obviously, this is lower than staff’s recommendation, however, staff believes the best value remains with WSC because of their enhanced knowledge of the Company’s infrastructure and its unique wholesale/retail corporate structure.

Director Thomas expressed the same viewpoint that SAWCo is unique and that it is best for them to utilize their own consultant for the reports. Director Goss agreed with starting the reports as quickly as possible.

Director Goss moved and Director Elliott seconded to ratify the professional services contracts with WSC Engineering for the UWMP and AWIA report. Motion carried unanimously.

C. Holly Drive Reservoir Civil Construction – Mr. Lee reminded the Board that the contract was signed last summer to construction the Holly Drive reservoir tank. At the time there were discrepancies in the tank bid. It was discovered that the cost for the civil portion of the work was substantially higher than what was budgeted. As such, the civil portion was pulled from the contract while the remainder of the bids were utilized.

Mr. Lee now requests the Board award C.P. Construction the contract for the civil portion of the project. Their proposal came in at half the cost of the original bids received last summer. Mr. Lee advised on page two of the Board memo for this item it incorrectly states there is a budget increase of \$150,455 for this portion of the project; this is actually the amount saved. The amount of the civil work comes in at \$149,985.

Director Sanchez moved and Director Zuniga seconded to authorize the General Manager to execute a construction contract with C.P. Construction for a not to exceed amount of \$149,985. Motion carried.

D. Engineering and Construction Contract for Reservoir 9 Pipeline – Mr. Lee informed the Board pipeline construction in the street has been completed. Pressure testing of the pipelines is expected to take place the following day. During potholing it was discovered that there are facilities located above the facilities SAWCo needs to tie into. Due to this, a significant redesign was needed of the onsite facilities. A change order was requested from Downey Construction for those redesigns. Their change order came in at \$73,169.75. Staff also reached out to C.P. Construction for a proposal for the work. C.P. Construction proposed an amount close to but higher than Downey Construction’s change order amount.

Mr. Lee recommended the Board award the change order in the amount of \$73,169.75 for completion of the Reservoir 9 Pipeline project to Downey Construction and ratify the transfer of remaining funds from Civiltech’s Small Pipelines Project Professional Services Contract to Civiltech’s Frankish Tunnel Professional Services Contract and Civiltech’s Reservoir 9 Pipeline Professional Services Contract.

Director Elliott moved and Director Cable seconded to authorize the General Manager to execute the contract with Downey Construction not to exceed \$73,169.75. Motion carried unanimously.

Katy Parker joined the meeting.

E. Nominees for the Position of Director of the Company – Director Thomas stated he believed the City of Upland did their due diligence in bringing forth nominees for the position of Director of the Company. He asked for a motion to approve the slate of directors; Tom Thomas, Bob Cable, Kati Parker, and Bill Velto.

Director Cable moved and Director Zuniga seconded to approve the slate of nominees as presented for the position of Company Director for the upcoming election held at the Annual Shareholders’ Meeting. Motion carried unanimously.

F. COVID Response – Mr. Lee stated he awaits the word from the San Bernardino County before making any changes to how the Company is operating. He stated he plans also to wait until the City of Upland opens before beginning to reopen the office.

7. Closed Session: None

8. Director’s Comments and Future Agenda Items: Director Thomas thanked Director Sanchez and Director Filippi for their service on the Board of Directors.

Director Sanchez commented he was very interested in the AWIA report as it speaks to the resiliency of the water system both from a supply perspective and an infrastructure perspective. He is hopeful it will show, just as Item 4H on the agenda, that staff has done a commendable job of making sure that the infrastructure is in good shape to make sure it can deliver the water available to SAWCo stockholders. Director Sanchez stated that although he hopes it confirms that fact, if it doesn’t, he expects it will show good work has been done in many areas with recommendations on areas of improvement. He felt it could be a great tool to use for future capital improvement projects.

Mr. Lee reminded those in attendance of the Annual Shareholders’ Meeting taking place virtually Tuesday, April 6th at 6 p.m.

Director Thomas advised the next Board meeting is scheduled for Tuesday, April 20th at 5 p.m.

Adjournment:

With no further business to discuss the meeting was adjourned at 5:25 p.m.



Assistant Secretary
Brian Lee

