

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, September 21, 2021

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 Upland City Hall Council Chambers, 460 North Euclid Avenue, Upland, California. Directors present were Tom Thomas, Will Elliott, Martha Goss, Rudy Zuniga, Bob Cable, Bill Velto, and Kati Parker. Also in attendance were, SAWCo's General Manager Brian Lee, Assistant General Manager Teri Layton, and Senior Administrative Specialist Kelly Mitchell. Director Thomas presided.

Director Goss led all in attendance in the flag salute.

1. Recognitions and Presentations: Director Thomas advised of the cancellation of the San Antonio Canyon Watershed Clean-up Day.
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 17, 2021
 - B. Planning, Resources and Operations Committee (PROC) Meeting Minutes
Meeting minutes of June 22, 2021
 - C. Administration and Finance committee (AFC) Meeting Minutes
No meeting minutes to report.
 - D. Financial Statement
Income Statement and Balance Sheet for July 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 January, 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 Elliott moved and Director Velto 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 Thomas reported on the PVPA meeting held on September 8th. Currently, no water is being spread.

The National Recreation Area bill that includes privately owned PVPA land is currently at a standstill.

Holliday Rock has agreed to cover the cost of the raise in property taxes of PVPA land it mines.

PVPA continues to attempt to prove that their water flow is from water released from the Dam and therefore the Waters of the United States rule does not apply because it is not navigable water. A weed abatement notice was received for PVPA land that has never been abated. It is an area of habitat and PVPA is currently in the middle of a Programmatic Environmental Impact Report. They are in talks with the county about whether they should be abating this area that is native shrub.
 - B. **Six Basins Representative Report** – Ms. Layton reported on the meeting held August 25th. The Watermaster Board approved the agreement for legal services between Six Basins Watermaster and Richards, Watson, and Gurshon. The Old Baldy Agreement Amendment between the City of La Verne and Puente Basin Water Agency was reviewed.

The next scheduled Six Basins meeting will take place on September 22nd.
 - C. **Chino Basin Representative Report** – Mr. Lee reported the efforts of the Appropriative Pool (AP) and the Agricultural Pool (Ag) to reach a settlement agreement after the judge ruled in favor of the AP have been unsuccessful. The Ag Pool filed a motion demanding the AP pay roughly \$500,000 of the Ag Pool's legal fees. Unredacted or lightly redacted legal invoices were to be submitted to the AP but that has not occurred. The AP is filing next week a response to the motion and the two parties should be heading back to court.

D. Cucamonga Basin Representative Report – Ms. Layton stated the working group met virtually on September 7th. Cucamonga Valley Water District (CVWD) is still working on getting the prior basin model from West Yost Associates. An addendum to the Request for Proposals was discussed and feedback was given by all parties. Proposals are due October 12th.

There has been ongoing discussion regarding a possible development near the Sycamore Inn.

The next scheduled meeting is October 5th.

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 stated the Committee discussed the possibility of a Company Water Treatment Plant which is included in the General Manager's Report.

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

6. **Draft Urban Water Management Plan:** Mr. Lee advised the Urban Water Management Plan is a report required every five years by the State of California. SAWCo contracted with WSC Engineering to complete the plan. Technically, it was due June 30, 2021 however, the only penalty is the inability to apply for government loans while the plan is outstanding. The format tonight is to have a public hearing, take public input, and answer any questions. If all is well, staff asks the Board to approve the included Resolution No. 2021-09-01 adopting the Urban Water Management Plan.

Director Thomas opened the public hearing and asked if there was anyone who wished to speak about the Company Urban Water Management Plan. Seeing no interest, Director Thomas closed the public hearing.

Director Velto motioned to adopt the Urban Water Management Plan and approve Resolution No. 2021-09-01. Director Parker seconded the motion. Motion approved unanimously.

7. **General Manager's Report on Activities:**

A. Positive Pay – Mr. Lee informed the Board that Positive Pay is a two-step process whereby the bank will not release funds from SAWCo's account unless staff has verified the payment. This feature comes at no additional cost to the Company.

Ms. Layton advised the bank will provide training to staff. The process involves SAWCo sending a check log and ACH payment log to the bank at the time of issuance. The bank will not release funds unless the check number or ACH is included on the lists provided by SAWCo.

Director Elliott moved and Director Velto seconded to authorize staff utilizing Positive Pay as a form of protection against fraudulent bank activity. Motion carried unanimously.

B. Company Treatment Plant – Mr. Lee explained staff is interested in looking at the physical, technical, and managerial issues of constructing a 1 million gallon per day water treatment plant for company use. Qualified consultants were asked to provide a proposal.

Mr. Lee explained the reason for looking into building a water treatment plant is due to the inability of the Upland water treatment plant to receive water if the flow is less than 1,000 gallons per minute (gpm). When flows are less than required, SAWCo ends up spreading the water instead of delivering it to another customer. Building a water treatment plant would allow SAWCo to treat and deliver more water to its shareholders. Staff would like to find out at what cost this can be done.

Director Thomas inquired what the average amount of water still flowing after the Upland treatment plant can no longer receive SAWCo water. Mr. Lee states SAWCo is currently getting roughly 700 gpm or 800,000 gallons per day.

Director Parker questioned whether SAWCo could send water to the Water Facilities Authority (WFA) and have them deliver it to SAWCo's municipal shareholders. Mr. Lee replied SAWCo has looked at sending water through WFA, however, there was no interest from WFA as the amount SAWCo would be sending through would be relatively small to their agency. With the same testing and regulatory requirements needed, it was not worth the efforts for the amount of water that would be processed. SAWCo currently has the ability to send groundwater to WFA but does not have a surface water connection.

Director Goss inquired whether SAWCo building a water treatment plant would contribute to the availability of water in an emergency or surplus water. Mr. Lee stated it would be alternative water source for SAWCo. Director Thomas pointed out there are no alternative water sources in the Heights; this treatment plant would change that.

Director Velto questioned whether water from the City of Upland could go to SAWCo for processing. Mr. Lee advised there is one pipeline connection for the City of Upland to/from the Heights, but it is a

very small delivery system. The primary delivery site that staff is looking into is at the current Forebay. This location is where both the irrigation water and domestic water come together. At this location, water deliveries can be made to the Heights and the City of Upland which could then be wheeled to other municipal shareholders.

Director Goss clarified there is only one connection between the City of Upland and SAWCo; it is located at North Mountain Avenue and is only a 5/8" waterline.

Mr. Lee recommended the Board agree with the PROC's recommendation to authorize staff to execute a time and material contract with TKE Engineering with a not-to-exceed cost of \$24,500.

Director Goss moved and Director Cable seconded to authorize staff to execute a time and material contract with TKE Engineering with a not-to-exceed cost of \$24,500. Motion carried unanimously.

C. COVID Response – Mr. Lee reported no changes in COVID response at this time.

7. Closed Session:

General Manager's Annual Review, Goals and Objectives [subdivision 9(b) of Section 54957, CGC]

The Board exited the meeting into closed session at 5:20 p.m.

Mr. Lee was called into the closed session at 5:35 p.m.

All parties returned from closed session at 5:43 p.m.


Director Thomas announced a very satisfactory review for Mr. Lee.

8. Director's Comments and Future Agenda Items: Director Velto advised of and encouraged participation in viewing the motorcade taking place that evening in honor of Lance Corporal Dylan R. Merola.

The next Board meeting is scheduled for Tuesday, October 19th at 5 p.m.

Adjournment:

With no further business to discuss the meeting was adjourned at 5:44 p.m.



Assistant Secretary
Brian Lee

