

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 7th.

A Six Basins Watermaster Meeting is scheduled for May 24th.
 - 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 10th.
 - 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.

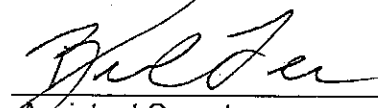
Mr. Lee thanked the Board for continuing to place their trust in him to manage SAWCo.

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.



Assistant Secretary
Brian Lee