

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, June 15, 2021

An open meeting of the Board of Directors of the San Antonio Water Company (SAWCo) was called to order at 5:00 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, Rudy Zuniga, Bob Cable, Martha Goss, Kati Parker, and Bill Velto. 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 Velto 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 May 18, 2021
 - B. **Planning, Resources and Operations Committee (PROCO) Meeting Minutes**
No meeting minutes to report.
 - C. **Administration and Finance committee (AFC) Meeting Minutes**
Meeting minutes of March 23, 2021
 - D. **Financial Statement**
Income Statement and Balance Sheet for April 30, 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.
 1. **Groundwater Level patterns [Quarterly in January, April, July, and October]**
Tracking patterns of groundwater elevations relative to ground surface.
 2. **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 Parker 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 June 9th. The members have agreed to continue meeting virtually until August at the earliest. Braden Yu became the City of Upland representative as he is currently their public works director. The City of Pomona has completed weed abatement of PVPA properties.

The City of Claremont is moving forward with the Claremont Wilderness Park kiosk which will rest partially on PVPA land. As such, an agreement between PVPA and the City of Claremont was signed and PVPA was named as an additionally insured party.

PVPA is still monitoring the National Recreation bill in attempts to get their private land removed from the bill. The bill is currently stalled and because it is a national bill there may not be enough votes for it to pass.

- B. **Six Basins Representative Report** – Ms. Layton informed the Board about the Six Basins meeting held on May 26th. Watermaster Board approved transferring Jericho Systems contract to Tom Dodson for preparation for the strategic plan programmatic environmental impact report (PEIR). It is now available for review on their website.

Another item discussed was the search for legal counsel as current legal counsel for the basin has announced his retirement. A significant challenge is locating an attorney not affiliated with another water entity. A draft request for qualifications (RFQ), being voted on to finalize at the next meeting, will go out to several water attorneys to begin the replacement process.

The next meeting is scheduled for June 23rd.

- C. **Chino Basin Representative Report** – Mr. Lee referred to legal documents included in the meeting packet. He explained the Appropriative Pool (AP) complaint against the Agricultural Pool (Ag) was resolved by the judge who ruled in favor of the AP. The chairs of each Pool are meeting to discuss how to move forward.

SAWCo has applied for a 5-year, 2,500 acre per year spreading agreement in the basin. In previous years, agreements were approved for only 1-year periods. The item should go to the board in July for approval.

- D. **Cucamonga Basin Representative Report** – Ms. Layton stated the working group met virtually on June 1st. The Term of Reference document is still awaiting signature from Cucamonga Valley Water District's (CVWD) general manager.

The working group discussed and rated the Statements of Qualifications (SOQ) received. The three consultants moving forward in the request for proposal process are: Daniel B. Stephens & Associates, Inc./Geo-Logic, Dudek, and Provost & Pritchard/Thomas Harder & Co.

The next scheduled meeting is July 6th.

- E. **Administration and Finance Committee (AFC) Chairman's Report** – Director Cable advised items that were discussed at the most recent AFC meeting are included in the General Manager's Report.
- F. **Planning, Resources, and Operations Committee (PROO) Chairman's Report** – No meeting to report.
- G. **Office Feasibility Study Ad Hoc Committee** – No meeting to report.

6. General Manager's Report on Activities:

- A. **401K Reinstatement and Proposed Changes** – Mr. Lee stated he would be happy to answer any questions regarding the request for reinstatement and changes to the Company sponsored 401K plan. He clarified there is no longer a 1 year wait period to contribute to the plan. As part of discussion, it was asked if there was a reduced number of employees participating would it affect how much employees can contribute. Ms. Layton stated that all employees were participating at this time. Mr. Lee further explained he believed there was not any language in this reinstatement that would limit the employee's contribution. A resolution for this item will need signatures upon approval.

Director Goss moved and Director Zuniga seconded to approve the reinstatement and proposed changes to the 401K plan as presented. Motion carried unanimously.

- B. **Update to Purchasing Policy** – Mr. Lee advised the item was first presented to the AFC who now recommends it for Board approval. Notable updates in the policy include raising the amount requiring a purchase order from \$50 to \$100 and raising the amount requiring three bids from \$500 to \$5,000.

Director Elliott moved and Director Velto seconded to approve the update to the purchasing policy as presented. Motion carried unanimously.

- C. **Reserve Funds Policy** – Mr. Lee advised that staff is currently limited to a onetime per year transfer of funds from the Operating Reserves Fund to the Depreciation & Obsolescence Fund. Due to SAWCo now having targeted reserve fund amounts, staff would like to be able to transfer funds periodically throughout the year to gain better interest in certain accounts for capital funds while maintaining a minimum of about 1 million dollars in the Operating Reserves Fund. Staff believes transfers would take place possibly on a quarterly basis but only after a review of the finances found a transfer warranted.

Director Velto moved and Director Goss seconded to approve the changes to the Reserves Fund Policy as presented by staff and recommended by the AFC. Motion carried unanimously.

- D. **Cell Tower Lease on Well 19 Property** – Mr. Lee explained he was approached about the possibility of placing a cell tower on SAWCo's property some time ago. The interested party and staff agreed that the Well 19 site was a good location for a cell tower. The property is triangular shaped and does not currently have any SAWCo facilities, however, the site is large enough for a cell tower and a future well. An issue with the San Bernardino County not showing SAWCo owns the property has been resolved.

Mr. Lee then explained details of the proposed agreement to the Board for questions and comments.

After discussion, there was consensus on the Board that Mr. Lee negotiate the lease for \$5,000 per month. If an agreement for that amount can be reached, the Board authorized Mr. Lee to sign the agreement. Should an alternate amount be considered, Mr. Lee will bring that proposal back to the Board for approval.

E. Facilities Tour – The Board provided Mr. Lee with the dates they are unavailable to attend a facilities tour. Mr. Lee will email the Board proposed dates for the tour and schedule the final date for when the majority can attend.

F. COVID Response – Mr. Lee pointed out this meeting was the first in-person Board meeting in well over a year. In the office there are a minimum of 4 staff members at a time with 1 working remotely.

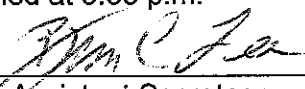
7. Closed Session: None

8. Director's Comments and Future Agenda Items: Director Zuniga inquired about a better way to view the agenda items electronically. There is an alternate format that the City of Upland uses for viewing meeting agenda packets that he would like staff to look into. He also stated he has asked the City of Upland to provide a demonstration to City of Upland residents on how it receives its water. Since SAWCo is one of the City of Upland water providers, he asked that staff work with the City of Upland to provide information on water delivery.

The next Board meeting is scheduled for Tuesday, July 20th at 5 p.m.

Adjournment:

With no further business to discuss the meeting was adjourned at 5:33 p.m.



Assistant Secretary
Brian Lee

