

**SAN ANTONIO WATER COMPANY**  
**MINUTES OF THE SAN ANTONIO WATER COMPANY**  
**Tuesday, March 21, 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, 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 Elliott led all in attendance in the flag salute.

1. Recognitions and Presentations: None.

2. Additions-Deletions to the Agenda: Mr. Lee called the Board's attention to the dais where he had placed a pamphlet for the exhibit at the Ontario Museum of History and Art titled "Built on Water". The exhibit opens Saturday, August 19<sup>th</sup> and features some historic items from SAWCo. Mr. Lee felt it prudent to attend the grand opening.

Mr. Lee also advised of a call he received from Citizen's Business Bank assuring the Company's accounts are sound and unaffected by the recent bank concerns.

3. Shareholder-Public Testimony: None.

4. Consent Calendar Items:

A. Approval of Board Meeting Minutes

Regular Meeting Minutes of February 21, 2023.

B. Planning, Resources and Operations Committee (PROC) Meeting Minutes

Approve Meeting Minutes of October 25, 2022.

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 January 31, 2023.

F. Investment Activity Report

Monthly Report of Investments Activity.

G. Water Production and Consumption

Monthly water production and consumption figures.

H. Prominent Issues Update

Status summaries on certain on-going active issues.

I. Projects and Operations Update

Status summaries on projects and operations matters.

J. Groundwater Level Patterns [Quarterly in January, April, July, and October]

Tracking patterns of groundwater elevations relative to ground surface.

K. Conservation Program Update [Quarterly in January, April, July, and October]

Update on SAWCo's existing water conservation programs.

L. Correspondence of Interest

M. Company 2022 Tax Returns

Director Parker 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 Parker reported PVPA met on Wednesday, March 8<sup>th</sup> at the Sycamore Inn for what was mainly closed session with lawyers. The PVPA board is considering information regarding its nonprofit status regarding resources and activities which may include funding projects or programs that benefit the public which are administered by shareholders. More information forthcoming.

**B. Six Basins Representative Report** – Ms. Layton reported a meeting was held on February 22<sup>nd</sup>. The annual report was reviewed with comments requested by March 10<sup>th</sup>. The annual report is due to the State by April 1<sup>st</sup>.

The Strategic Planning Workshop followed the regular meeting. The figures provided by PVPA and the United States Army Corps of Engineers (US Army Corps) do not match what is released from the dam. PVPA is consistently lower than the US Army Corps. West Yost will be coordinating with US Army Corps and updating maps with observations. Staff will also reach out to various entities regarding their implementation of the Strategic Plan projects.

The next meeting is scheduled for the following day.

**C. Chino Basin Representative Report** – Mr. Lee reported the budget for Chino Basin is scheduled to be released today. Staff will review the budget and reach out with any questions or concerns they have.

The Appropriative Pool meeting held in February was the first physically attended by staff in many months. SAWCo brought along new legal counsel Derek Hoffman to introduce to all in attendance.

**D. Cucamonga Basin Representative Report** – Mr. Lee stated the parties met in February. An update on the water model was provided by the hydrogeologist. A test of the model found a couple of areas of the model that did not match real life conditions. They will be going over those areas to see if they can get them to match up.

**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 on February 28<sup>th</sup>. A project status report was given, and the master plan was discussed. More on the master plan is 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. Nominees for the Position of Director of the Company**– Mr. Lee stated there are three positions up for election. Up until the previous week there were four positions open, however, in speaking with legal counsel and reviewing the company bylaws, it was determined that when Director Bowcock was appointed to former President Tom Thomas’ seat, he would complete Director Thomas’ term not simply hold the seat until the next election. Director Bowcock’s name is included on the proxy contained in the Board meeting packet but is crossed out. His name is not included on the proxy that was mailed to shareholders.

The slate of nominees presented for SAWCo’s Board of Directors included Will Elliott, Martha Goss, and Rudy Zuniga.

Director Parker moved and Director Cable seconded to approve the slate of nominees for SAWCo’s Board of Directors as presented. Motion carried unanimously.

**B. 2022 Company Audit** – Mr. Lee presented SAWCo’s 2022 Audit to answer any questions the Board may have prior to it being presented at the upcoming Annual Shareholder’s Meeting. Hearing no questions, Mr. Lee moved to the next agenda item.

**C. Comprehensive System Master Plan & Asset Management Program** – Mr. Lee advised work on this item began in 2020. At the time SAWCo did not have a fully functional computer simulation model for its domestic and irrigation systems. With this master plan, SAWCo can hire consultants to run the models for questions staff may have about adding or removing components from the system.

The master plan includes roughly \$9 million dollars worth of projects, of which many are studies that would then lead to future projects and increased project costs. It was previously determined that SAWCo should be spending anywhere from \$1.5 to \$2 million dollars per year on capital projects. The master plan projects come in at around \$1 million dollars per year.

Director Elliott moved and Director Cable seconded to approve the Comprehensive System Master Plan & Asset Management Plan as presented. Motion carried unanimously.

**D. SAWCo Office and Yard Facilities Design and Construction Management Contract** – Mr. Lee presented the design and construction management contract with Claremont Environmental Design Group (CEDG) for SAWCo’s office and yard facilities design. A draft version of this contract was presented to the Board for review previously. The current contract has two additional paragraphs; one an indemnity and the other a limit of liability, as recommended by SAWCo’s legal counsel. The two additional paragraphs are included in the paperwork placed on the dais for the Board.

Mr. Lee has been presented with two questions from shareholders regarding the new office and yard location. One question asked was how the traffic flow from 20<sup>th</sup> Street to Campus Avenue will be controlled. Mr. Lee advised the road from Campus Avenue to 20<sup>th</sup> Street will not be for public access but for employees and deliveries. The other question asked was when will SAWCo notify the residents about the project. Mr. Lee stated notification to residents will occur after receiving full approval from the Board to move forward with the project.

Director Zuniga stated he was approached and asked about SAWCo building a larger Boardroom or an All-Purpose room large enough to fit the community allowing SAWCo to host waterwise and

other water related education classes. Director Velto did not see a reason to build such a room as the City of Upland has already offered up their facilities. He also felt the community may not appreciate additional traffic on 20<sup>th</sup> Street that water related classes may create.

Mr. Lee requested authorization to sign the contract with CEDG with additional two paragraphs as presented.

Director Elliott moved and Director Velto seconded to authorize the general manager to sign the Office and Yard Facilities Design and Construction Management Contract with CEDG as presented. Motion carried unanimously.

**E. Brown Act Changes Regarding Public Meetings** – Mr. Lee advised this item is for receive and file only. Recent changes to the Brown Act state that in person meetings are now required. SAWCo’s Board meetings have been in person for a while now, however, the committee meetings continue to be held virtually. Beginning in March, SAWCo’s committee meetings will require in-person attendance unless there is good reason. SAWCo’s legal counsel prepared a memo on the topic which was provided to the Board. Meetings will continue to be recorded and offered to viewers and participants via GoToMeeting.

Mr. Hoffman stated the law has been updated to help determine what a good reason for not attending a meeting in person. The Brown Act is now returning to pre-COVID public meeting operations. Just cause and emergency circumstance are the two exceptions to the rule. There are limits as to how many times one can utilize these exceptions. Any questions on how the exceptions are applied can be directed to Mr. Hoffman.

7. Closed Session:

**A. General Manager’s Annual Review, Goals, and Objectives [CGC §54957 subdivision 9(b)]** – The Board went into closed session at 5:21 p.m. Upon return from closed session at 6:57 p.m., Mr. Hoffman stated there was no reportable action.

8. Director’s Comments and Future Agenda Items: Director Parker stated she took over the position of alternate for the minor appropriators in Chino Basin Watermaster for former SAWCo Director Tom Thomas. She attends most of the meetings to stay current on what is happening. If the primary does not attend, she receives a stipend of \$125. Otherwise, she attends on her own time. She asked that the possibility of providing a stipend to her when she attends the meetings as the alternate be placed on the agenda for April’s Board meeting.

Director Bowcock stated that typically Mutual Water Companies will pay the difference between what the stipend is from the other company, in this case Chino Basin Watermaster, and what it pays its directors for meetings. He suggested bringing the item through the AFC for recommendations.

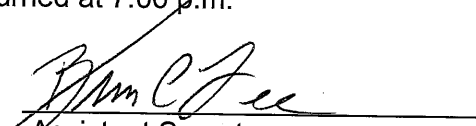
Director Velto recommended checking the company bylaws as well.

Director Velto commented on the amount of water being released from Lake Oroville. The amount released every hour could have served water to anywhere from 3,000 to 6,000 California households (outdoors and indoors) for a full year; every eight hours, 24,000 to 48,000 households. Not enough reservoirs are being built because they are concerned about the environment, however, the drought is an impact of the environment. There is a storage and water management problem in California.

Director Cable stated SAWCo is not experiencing any of those issues.

Adjournment:

With no further business to discuss the meeting was adjourned at 7:06 p.m.

  
Assistant Secretary  
Brian Lee

