

**SAN ANTONIO WATER COMPANY**  
**MINUTES OF THE SAN ANTONIO WATER COMPANY**  
**Tuesday, March 17, 2020**

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, Jose Sanchez, Will Elliott, Bob Cable, Martha Goss, and Rudy Zuniga with Gino Filippi present via conference call. Also in attendance were SAWCo's General Manager Brian Lee, Assistant General Manager Teri Layton, and Senior Administrative Specialist Kelly Mitchell. Director Thomas presided.

▪ Salute to the Flag

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 February 18, 2020.
  - B. Planning, Resources and Operations Committee (PROC) Meeting Minutes  
Meeting minutes of November 26, 2019.
  - C. Administration and Finance committee (AFC) Meeting Minutes  
No meeting minutes to report.
  - D. Financial Statement  
Income Statement and Balance Sheet for January 31, 2020 and year-to-date and Company State and Federal tax returns for 2019.
  - 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. Correspondence of Interest  
Letters to Chino Basin from Cucamonga Basin Parties.

Director Sanchez asked that Item 4F be pulled for discussion.

Director Elliott moved and Director Sanchez seconded to approve the Consent Calendar sans Item 4F. Motion carried unanimously.

Director Sanchez inquired about the lack of data for groundwater production in Chino Basin. Mr. Lee replied Chino Basin uses a water year while SAWCo uses a calendar year. Staff is looking into how to better reflect that difference in their reporting.

Director Sanchez asked that this anomaly be discussed at the Administrative and Finance Committee (AFC) meeting.

Director Sanchez moved and Director Elliott seconded to approve Item 4F. Motion carried unanimously.

5. Board Committee – Delegate Report:

- A. **Pomona Valley Protective Association (PVPA) Representative's Report** – Director Thomas reported on PVPA's Annual Meeting. Craig Miller, CPA from Bowen McBeth, attended the meeting and reported no anomalies with the finances.

Routine maintenance and cleaning of the basins is underway.

H.R. 2215 – 116<sup>th</sup> Congress: San Gabriel Mountains Foothills and Rivers Protection Act has been amended as H.R. 116-385. PVPA property is included in the original bill and is attempting to have it removed as it is private land.

- B. **Six Basins Representative Report** – Ms. Layton reported on the Six Basins meeting held February 26<sup>th</sup>. SAWCo was able to store a significant amount of water in Six Basins in 2019 and due to that now has over 600 acre feet (AF) of water it needs to sell in order to return to the 2,000 AF maximum

storage capacity in the basin. The City of Pomona has agreed to purchase 643 acre feet (AF) of stored water in Six Basins from SAWCo.

MS4 permit and Storm Water Recharge Plans continue to be the focus.

Director Thomas commented that northeast of Padua Park in Claremont is an area being looked at for a 50 acre recharge basin. Designing a recharge basin in this area will mitigate 20% to 30% of water that is currently not being captured.

- C. **Chino Basin Representative Report** – Mr. Lee reported work is being done on the Storage Management Plan; specifically elements 8 and 9 are the focus of the Appropriative Pool.

The parties are waiting for hydro geotechnical information in order to press forward with the Safe Yield Reset.

- D. **Cucamonga Basin Representative Report** – Ms. Layton reported the working group met on March 3<sup>rd</sup>. The terms of reference is currently being reviewed. Cost sharing will be worked out after the terms of reference document is finalized.

All parties in the basin have sent letters to Wildermuth Environmental, Inc. (WEI) regarding WEI's insistence on utilizing the Cucamonga Basin modeling to determine the Chino Basin safe yield.

The parties continue to meeting and revise the Judgment. The next meeting is scheduled for April 7, 2020.

- 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 first two items on the General Manager's Report on Activities came from the most recent PROC meeting.

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

6. General Manager's Report on Activities:

- A. **Statements of Proposal – Comprehensive System Master Plan & Asset Mgmt Program** – Mr. Lee stated two proposals were received for the Comprehensive System Master Plan and Asset Management Plan. The PROC discussed the merits of both firms and requested the full Board discuss and possibly recommend awarding the contract.

Director Cable expressed concern with utilizing Carollo Engineers for the project. He read aloud a report Carollo Engineers had provided for the City of Upland and pointed out some inconsistencies in the numbers. As such, he could not recommend them in good faith and felt it in the Company's best interest to utilize a different firm.

Director Sanchez felt it was a toss-up between the two firms. He believed there was an opportunity to capitalize on WSC's current work on the Company's GIS and also shared concerns over the Carollo Engineers report read by Director Cable. He felt inclined to go with WSC.

Director Elliott agreed the merits of both firms led to a toss-up in deciding whom to award the contract. He believed the prior relationship with the City of Upland was a plus but was agreeable to utilizing either firm.

Director Filippi stated he spoke with other agencies and Carollo Engineers was highly recommended.

Director Sanchez inquired about the benefit of the relationship with the City of Upland in utilizing Carollo Engineers.

Director Elliott replied they are the majority shareholder.

Director Sanchez wondered whether there was a technical benefit for Carollo Engineers performing the job.

Director Zuniga shared Director Cable's concern over Carollo Engineers' report for the City of Upland and stated he favored WSC for the project.

Director Sanchez clarified he slightly favored WSC for the project.

Director Goss stated she also favored WSC as she believes they cast a larger umbrella with their emergency plan.

Director Thomas advised he also favored WSC. If SAWCo was a larger agency Carollo Engineers may have been a good fit, however, for SAWCo's size he believes WSC to be a better match.

Mr. Lee commented he highly respects both firms.

Director Elliott moved and Director Goss seconded to award WSC the contract for the Comprehensive System Master Plan and Asset Management Program. Motion carried unanimously.

- B. Request for Proposals – Professional Design & Project Mgmt for Capital Projects**– Mr. Lee advised proposals are due Monday, March 23<sup>rd</sup>. He suggested scheduling an additional Board meeting on March 31<sup>st</sup> to award the contract. The meeting may need to be held in the SAWCo Boardroom via conference call depending on the restrictions levied due to the coronavirus pandemic.

There was consensus on the Board to hold an additional Board Meeting to award the contract for the professional design and project management for capital projects.

- C. Share Requirement to Receive Will-serve Letter** – Mr. Lee spoke regarding the will-serve letter requirement of ¼ share of water stock per ¼ acre of land. He asked the Board for the ability to take each will-serve letter request on a case-by-case basis by considering how much of the land is actually buildable and allow a variance of up to 1/8 of an acre when considering the number of shares needed to build.

Director Cable, though in favor of giving the General Manager the authority to consider building space and a variance of up to 1/8 acre when considering will-serve letter requests, he asked that in the future the square footage of the residence be a factor in determining the number of shares required to build.


Director Cable moved and Director Goss seconded to approve authorizing the General Manager's discretion when issuing will-serve letters for lots that are sized no more than an 1/8 of an acre over an equal number of shareholdings if, in the professional judgment of staff, up to 1/8 acre portion of the lot is undevelopable and unable to be landscaped. Motion carried unanimously.

7. Closed Session: None.

8. Director's Comments and Future Agenda Items: Mr. Lee advised the Annual Shareholder's Meeting is scheduled for Tuesday, April 7<sup>th</sup> at 6:00 p.m. SAWCo will livestream the meeting. Notice will be sent to the shareholders advising they will not be able to physically attend the meeting but instead, watch online or participate via GoToMeeting.

Adjournment:

With no further business to discuss, Director Thomas adjourned the meeting at 5:34 p.m.

  
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Assistant Secretary  
Brian Lee

