

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, May 17, 2022

An open meeting of the Board of Directors of the San Antonio Water Company (SAWCo) was called to order at 5:03 p.m. on the above date at the Carnegie Library, 123 D Street, Upland, California. Directors present were Will Elliott, Martha Goss, Rudy Zuniga, Bill Velto, and Kati Parker. Also in attendance were Inland Empire Utilities Agency (IEUA) General Manager Shivaji Deshmukh, and SAWCo's General Manager Brian Lee, Assistant General Manager Teri Layton, and Senior Administrative Specialist Kelly Mitchell. Director Elliott presided.

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 19, 2022.
 - B. Planning, Resources and Operations Committee (PROC) Meeting Minutes
Approve meeting minutes of February 22, 2022
 - C. Administration and Finance Committee (AFC) Meeting Minutes
No meeting minutes to approve
 - D. Financial Statement
Income Statement and Balance Sheet for February 28, 2022.
 - 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 Goss moved and Director Velto seconded to approve the Consent Calendar sans Item 4H. Motion carried unanimously with Director Bob Cable absent.

Item 4H was added as Item 6I under the General Managers Report on Activities for further discussion.

5. Board Committee – Delegate Report:
 - A. **Pomona Valley Protective Association (PVPA) Representative's Report** – Director Parker reported on the PVPA meeting held Wednesday, May 11th. Lewis Homes representatives joined the meeting expressing their desire to purchase PVPA property for a housing development. Discussions have been ongoing for many years. Part of the hold-up is the fact that PVPA is a not-for-profit organization and there are property tax concerns that need to be ironed out.

There was discussion and information regarding Six Basins Watermaster Strategic Plan implementation. The San Antonio Spreading Grounds improvement, which includes constructing a recharge basin south of San Antonio Dam, is on PVPA property. Six Basins have completed an EIR and would like to move forward with Phase I which is a feasibility study. The consensus at PVPA is supportive of the project as it will allow for stormwater to be captured and recharged.

Placing both the possible housing development and the recharge basin into one project was also discussed. The recharge basin is already up for approval which may make combining the projects less likely.

Director Velto announce the Upland City Council appointed Director Kati Parker as their representative for the West End Consolidated Water Company.

- B. **Six Basins Representative Report** – Ms. Layton reported there was discussion about the pit Holliday Rock is prepared to dig for the proposed recharge basin. The next steps are the feasibility analysis that will include a list of project partners which were suggested to be the Claremont Wilderness Wildland Conservancy and Friends of the Claremont Wilderness Park

The next meeting is scheduled for the following week.

- C. **Chino Basin Representative Report** – Mr. Lee stated they are currently going through the budget for the basin. There will likely be more budgeted on technical studies in the upcoming year.
- D. **Cucamonga Basin Representative Report** – Mr. Lee reported the committee is providing a draft report to the State for the Sigma yearly reporting. An offer of a copy of the final report once submitted was offered to the Board.
- 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 committee met on April 26th and items covered at the meeting are included in the General Manager’s Report.
- G. **Office Feasibility Study Ad Hoc Committee** – No meeting to report.

6. General Manager’s Report on Activities:

- A. **Resolution Honoring President Tom Thomas** – Mr. Lee presented a resolution honoring former Board President Tom Thomas with a recommendation from staff that the Company donate \$5,000 to the Upland Community Foundation Tom Thomas Scholarship Fund in honor of Tom.

Director Velto moved and Director Goss seconded the resolution honoring former SAWCo Board President Tom Thomas coupled with the donation of \$5,000 to the Upland Community Foundation Tom Thomas Scholarship Fund. Motion carried unanimously with Director Bob Cable absent.

- B. **IEUA Presentation Regarding Regional Drought Response** - Mr. Lee advised that IEUA for the better part of the last few months has been hosting weekly drought meetings. IEUA General Manager Shivaji Deshmukh is in attendance to present information and discuss the current drought.

Mr. Deshmukh provided a PowerPoint presentation about the continuing drought and the steps being taken to ensure availability of water in the region.

- C. **IEUA Meter Equivalent Unit (MEU) Discussion** – Mr. Lee reported that in 2016 IEUA established an MEU charge that was to fund, in part, the conservation programs. The messaging in the MEU charge was unclear at the time. SAWCo did not see the value in the MEU charge to their rate payers for they do not receive water from IEUA or Metropolitan Water District (MWD) and do not have a recycled water connection. Other items the MEU charge covered were not services in which SAWCo participated. To date SAWCo has not paid the MEU charge.

In 2018, a letter was sent to IEUA detailing why SAWCo was choosing not to participate in the MEU charge. The reasons for not paying the MEU charge remain unchanged, however, through conversations with IEUA a compromise may have been reached. Mr. Lee explained the service area in the San Antonio Heights overlays the Chino Basin by roughly 25%. The MEU funds, in part, support Chino Basin. IEUA has offered SAWCo to pay 25% of the MEU charge. Payment of a portion of the MEU charge would allow SAWCo access to the conservation programs IEUA offers. Currently, San Antonio Heights residents pay a property tax that helps MWD fund conservation programs run by IEUA however it is difficult for them to access these programs without IEUA. Paying the 25% MEU charge will allow Heights residents easier access to conservation programs.

Based on 1,300 meters, the MEU charge would total \$3,900 annually. SAWCo does have customers with larger meters that will inevitably increase the charge. It’s estimated the annual fee will likely be no more than \$5,300. SAWCo would pay this fee through its annual conservation budget of \$16,000.

Director Goss inquired about putting in a connection to MWD for emergency response. Mr. Lee agreed a connection to MWD through IEUA is something to look into. Ironically, MWD is struggling to provide water service to its current customers and inquiring about a connection now may not be a good idea. A resilience study for SAWCo is currently underway.

Mr. Deshmukh advised of the points the MEU charge supports such as advocacy of MWD, conservation, and resource planning. The offer to allow SAWCo to pay 25% of the MEU charge has not been taken to IEUA’s Board for approval, however, the Board has directed IEUA staff to work directly with SAWCo to come to an agreement and there is no cause to believe the agreement will not be approved. He also mentioned he spoke with MWD about a connection with SAWCo and admitted it would require a significant investment. If SAWCo wishes to continue to explore that option, discussions can continue with the resources division and the two entities can then determine if it is a viable option.

Director Velto moved and Director Goss seconded to approve SAWCo paying 25% of the MEU charge until 2025 and shall not exceed the 2% per year increase. Motion carried unanimously with Director Cable absent.

- D. **SAWCo Meeting Recordings** – Mr. Lee stated in talks with Director Parker the suggestion of posting meeting minute recordings on the SAWCo website was discussed. He brought the item to the Board for discussion and approval.

There was discussion about equipment capability and possible costs to obtain the required equipment.

There was consensus on the Board to direct Mr. Lee to look into posting meeting minute audio to the company website.

E. SAWCo Board of Directors Appointment – Director Velto advised the Upland City Council will be reviewing applications and making a recommendation at the next City of Upland Council meeting.

F. SAWCo Board President Election – Director Elliott opened the nominations for President of the SAWCo Board of Directors.

Director Goss moved and Director Velto seconded to nominate Director Zuniga for President. Hearing no other motions, nominations for Board President were closed. Motion carried unanimously with Director Cable absent.

Director Elliott inquired as to whether President Zuniga would like to chair the remainder of the meeting. President Zuniga declined but addressed all at the meeting by stating he would not attempt to fill former president Tom Thomas’ shoes but would love to follow in his footsteps.

G. Request for Proposal for Glendale Pipeline – Mr. Lee informed the Board this item was taken before the PROC last month with recommendation to move forward this budget year. It estimated to take \$276,000 to complete the project. Should the Board approve moving forward with this project, a short Request for Proposal (RFP) will go out to approximately four engineering firms.

Director Velto moved and Director Goss seconded to authorize staff to issue an RFP including design for the Glendale Pipeline project. Motion carried unanimously with Director Cable absent.

H. Sycamore Inn Blanket Easement Quitclaim – Mr. Lee reported staff received a request from a developer to vacate an easement on property behind the Sycamore Inn. In the past, SAWCo had facilities on these parcels but none remain. Staff does not see a need to put facilities at this location as they have no way to deliver to its customers as it is too far from both the domestic and irrigation system. SAWCo has requested to retain water rights on the parcels to which the developer agreed. An updated quitclaim showing the retainment of water rights is pending. The developer will pay all fees required for the quitclaim.

Director Goss moved and Director Velto seconded to authorize staff to execute the updated quitclaim easement. Motion carried unanimously with Director Cable absent.

I. Projects and Operations Update – Director Velto wished to make certain there is coordination between the City of Upland and SAWCo with regard to the possible treatment plant. Mr. Lee stated he is in contact with City of Upland Public Works Director Braden Yu regarding the project. SAWCo’s main goal is to utilize the million gallons of water each day that is not currently be utilized.


Director Velto moved and Director Goss seconded to approve Item 6I. Motion carried unanimously with Director Cable absent.

7. Closed Session: None.

8. Director’s Comments and Future Agenda Items: Director Elliott congratulated Director Zuniga in his new role of Board President. He also congratulated Director Parker on her appointment to the West End Consolidated Water Company.

Adjournment:

With no further business to discuss the meeting was adjourned at 6:08 p.m.



Assistant Secretary
Brian Lee

