

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, July 21, 2020

An open meeting of the Board of Directors of the San Antonio Water Company (SAWCo) was held virtually and called to order at 5:00 p.m. on the above date virtually. Directors present were Tom Thomas, Jose Sanchez, Will Elliott, Gino Filippi, Rudy Zuniga, Bob Cable, and Martha Goss. 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 June 16, 2020.
 - B. Planning, Resources and Operations Committee (PROC) Meeting Minutes
Meeting minutes of April 28, 2020.
 - C. Administration and Finance committee (AFC) Meeting Minutes
No meeting minutes to report.
 - D. Financial Statement
Income Statement and Balance Sheet for May 31, 2020.
 - 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 Filippi requested additional information regarding the Frankish Tunnel project. Mr. Lee advised he met with the designer to go over the preliminary survey and discuss the layout of the Frankish Tunnel. The designer is to get back with staff on improvements. At the latest, 60% drawings for all projects should be available by the next PROC meeting.

Director Elliott moved and Director Zuniga 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 PVPA's most recent meeting.

PVPA continues to work on either a lease agreement or easement for a proposed kiosk on PVPA land at the entrance to the Claremont Wilderness Park. PVPA made a commitment to place a marquee sign at the crossing of Mills and the Thompson Creek Trail honoring Marilee K. Scaff.

PVPA continues to monitor what happens with H.R. 116-385. PVPA property is included in the original bill and they are attempting to have it removed as it is private land. An extension for the lobbyist from Best, Best, & Krieger was approved at a 20% price reduction due to COVID-19.

- B. **Six Basins Representative Report** – Ms. Layton reported Wildermuth Environmental, Inc. (WEI) is working on pumping sustainability. SAWCo has provided them with information requested.

Discussion continues regarding MS4 issues.

The next Six Basins meeting is scheduled for July 22nd.

- C. **Chino Basin Representative Report** – Mr. Lee reported the Agriculture Pool's (Ag Pool) contest of storage and transfer. The parties are not in agreement on who is responsible for the Ag Pool's legal fees. Legal invoices were submitted to the watermaster for the previous fiscal year and they were over budget. The Appropriative Pool (AP Pool) was asked how they wished to split up the costs. The AP Pool responded advising they do not believe they are responsible for the legal invoices

submitted by the Ag Pool and feel there has been a misinterpretation of the Peace Agreement. There is a possibility it will take court proceedings for a resolution to this matter.

- D. Cucamonga Basin Representative Report** – Ms. Layton advised the group met virtually on July 14th to continue discussion on the terms of reference. SAWCo and West End Consolidated Water Company (WECWC) are in agreement to the terms of reference sheet involving cost sharing for some past projects and consideration of future projects; Cucamonga Valley Water District has a little more tweaking they would like to do.

The group also discussed changes to be made to the proposal for engineering work.

The next meeting is scheduled for August 4th. The committee is nearing completion of their review and revising of the judgment. Once complete, the revised modernized judgment will be reviewed for any legal and/or technical issues.

- 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 there were no motions out of the most recent PROC meeting. He asked that Mr. Lee provide any updates on projects.

Mr. Lee reported the plans for bidding on the Holly Drive Reservoir will go out in a short time. He hopes to have a recommendation by the August Board Meeting if not, then the August PROC Meeting.

Five smart meters have been installed at various sites throughout the San Antonio Heights to test their ability to perform in areas with known bad cellular service. All meters are recording and reporting data back to SAWCo.

Fire flow tests will be performed in various areas throughout the San Antonio Heights as part of the Master Plan Update. The consultants are compiling information on the Tunnel in order to provide contingency plans.

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

6. General Manager's Report on Activities:

- A. Possible Board Vacancy**– Mr. Lee reported Director Sanchez is leaving the area and therefore Director Sanchez offered that his tenure on the Board may no longer be viable. His position on the Board is up for reelection the following April and there is question on whether or not he can continue to serve on the Board until that time.

Mr. Lee advised that virtual meetings will most likely continue through the time of the Board election at the Annual Shareholders' Meeting and recommended Director Sanchez remain on the Board until said meeting occurs. Should there become a need for Director Sanchez to step down prior to the Annual Shareholders' Meeting, there has been some interest from shareholders in filling the vacant position.

Director Thomas stated the Board can appoint an individual to fulfill the remaining months of Director Sanchez's term. He felt it better to have Director Sanchez remain on the Board as there is no residency requirement and meetings are being held virtually. Should Director Sanchez find later that he cannot perform his duties, Director Thomas would rather leave his spot vacant until the Annual Shareholders' Meeting.

Director Filippi stated Director Sanchez is an asset to the Board and he is in agreement with both Mr. Lee and Director Thomas that Director Sanchez should remain on the Board until his term concludes.

Director Sanchez replied he would be glad to fulfill his term on the Board as long as that is what the Board believes is in the best interest of SAWCo and its rate payers and shareholders.

Director Thomas inquired if any Board member took issue with Director Sanchez remaining on the Board. There were no objections to Director Sanchez remaining on the Board.

Mr. Lee advised he would reach out to those who expressed interest in the position to advise them of its vacancy in April.

Director Sanchez inquired how to announce he will not be resigning. Director Thomas suggested either Mr. Lee or Director Sanchez write a letter advising the happenings of today's meeting and include the portion of the meeting minutes describing what transpired.

Director Sanchez offered to write a letter to all persons cc'd in the original resignation letter. He will include a copy of the portion of the meeting minutes that pertain to the decision to remain on the Board.

- B. Company Response to COVID-19** – Mr. Lee advised the Board that this item will be on the Board agenda each month to allow for any updates or questions related to COVID-19 and its effect on business and staffing operations.

Mr. Lee reported management continues to attempt to adjust office staffing based on the most current information from the state and local counties. Management is trying to have no more than 3 office employees in the office at one time and plastic partitions will be brought into the office to protect staff. A part-time staff person was laid-off this week partly due to difficulty in scheduling work time while maintaining proper social distancing as well as the changes in workload that took place due to office staff working remotely.

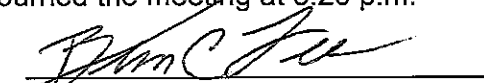
7. Closed Session: None.

8. Director's Comments and Future Agenda Items: Director Thomas mentioned a future need to have a closed session for Mr. Lee's annual review.

Director Sanchez reminded Mr. Lee about the need to meet to discuss financial ratios and reporting. Director Sanchez's schedule was admittedly unpredictable as of late. Mr. Lee will attempt to get a meeting date scheduled within a month's time.

Adjournment:

With no further business to discuss, Director Thomas adjourned the meeting at 5:26 p.m.


Assistant Secretary
Brian Lee

