

SAN ANTONIO WATER COMPANY

BOARD OF DIRECTORS ORGANIZATIONAL MEETING MINUTES

Tuesday, April 14, 2026

Immediately following the Annual Meeting of Shareholders of the Company, the Board of Directors of the San Antonio Water Company (SAWCo) met at the Carnegie Library, 123 East D St., Upland, California at 6:17 p.m. Directors present were Rudy Zuniga, Will Elliott, Bob Cable, Becky Miller, Bill Velto, Kati Parker and Bob Bowcock. Also in attendance were San Antonio Water Company Legal Counsel Derek Hoffman, General Manager Brian Lee, Administrative Services Manager Kelly Mitchell, and Senior Administrative Specialist Tiffany Dickinson. President Rudy Zuniga presided.

- Call to Order: Director Zuniga noted the absence of the U.S. flag thus not conducting the Pledge of Allegiance.
- 1. Recognitions and Presentations: None.
- 2. Additions-Deletions to the Agenda: None.
- 3. Public Comments: None.
- 4. Organizational Activities:

Director Velto moved and Director Cable seconded to assign the General Manager, Brian Lee, as temporary chairperson for election of officers. Motion carried unanimously.

Director Velto moved and Director Parker seconded to elect the slate of officers as currently presented. Motion carried unanimously.

Director Elliott moved and Director Miller seconded to approve the Designations and Authorities as presented. Motion carried unanimously.

The following are the results of the above motions:

- A. President – Rudy Zuniga
 - B. Vice-President – Will Elliott
 - C. Secretary – Bob Cable
 - D. Chief Financial Officer – Bill Velto
5. Designations and Authorities:
- A. Representative to the Six Basins Watermaster – Brian Lee (primary) and Kelly Mitchell (alternate) as representatives to the Six Basins Watermaster.
 - B. Representative to Chino Basin Pool and Advisory Committees – Brian Lee (primary) and Tommy Hudspeth (alternate) as representatives to the Chino Basin Pool and Advisory Committees.
 - C. Representative to Cucamonga Basin Management Committee – Brian Lee (primary) and Tommy Hudspeth (alternate) as representatives to Cucamonga Basin Management Committee.
 - D. Representative to Pomona Valley Protective Association (PVPA) – Staff recommends Director Kati Parker as the primary representative to the PVPA.
 - E. Assistant Secretary/Assistant Financial Officer – General Manager, Brian Lee as Assistant Secretary/Assistant Financial Officer.
 - F. Representatives for the Administration and Finance Committee (AFC) – Director Miller, Director Cable, and Director Velto.
 - G. Representatives for the Planning, Resources, and Operations Committee (PROC) – Director Elliott, Director Parker, and Director Bowcock.
 - H. Company General Counsel – Fennemore
 - I. Company Special Counsel – Fred Fudacz of the firm Nossaman LLP.
 - J. Company Auditor – Elite Tax and Accounting.
 - K. Company Depositories - That Citizens Business Bank, Local Agency Investment Funds (LAIF) and any other qualifying financial institution (FDIC insured) that

conforms with the Company's Investment Policy is designated for and as a valid depository for Company funds;

- L. Signatories for Company Checks, Withdrawals and Establishing Accounts – Any two (2) signatures, including that of the President, Vice President, Secretary/Chief Financial Officer, the General Manager or the Administrative Services Manager are hereby authorized and required to sign checks, withdraw funds, and establish accounts on behalf of the Company with at least one Corporate Officer signing on any transaction greater than \$5,000, except for fund transfers between Company accounts or on routine payments for operations expense (e.g. electrical energy usage, taxes, et al.) and as otherwise granted under authority to the General Manager. In addition, the Accounting and Personnel Specialist has authority to transfer up to \$45,000 to facilitate payroll with provisions of internal accounting controls in place.
- M. General Manager's Authority –
 - A. General Manager's expenditure authority limitation is \$50,000.
[Note: Prior to October 20, 1997, the general manager's expenditure authority was limited to \$5,000. Due to the timely nature of certain repair needs, as well as the usual range of such costs, the Board acted to increase the expenditure authority limitation to \$50,000. This was done with the understanding that such necessary expenditures would be reported to the Board in a timely manner].
 - B. General Manager's authorized to execute professional service agreements.
[Note: On November 19th and December 17th of 2001, the general manager was authorized to approve and execute professional service agreements once they had been reviewed and approved by corporate counsel and after the Board's review and approval of funding. No such action may be taken on any agreement or amendment to an agreement that would cause the expenditure to exceed any prior Board approved funding authorization.]

6. Review of Director's Fiduciary Duties and Liabilities:


Mr. Hoffman stated directors of a mutual water company in California are subject to general corporate duties of care; directors are required to act in good faith and good judgement and in a manner believed to be in the best interest of the corporation. He added they have a right to rely on information prepared by officers or employees of the corporation. Lastly, on the duty of loyalty it requires placing the use of the Company ahead of personal interests. When following these standards, the directors enjoy the protection, generally of the business judgement rule. It is important to protect not only the Company, but also the directors themselves by following their fiduciary duties.

7. Conflict of Interest Rules and AB54 Compliance for Directors:

Mr. Hoffman stated all directors of the Board are currently on track with their AB54 and AB240 training with a few Board directors due up next year.

Director Zuniga announced the next Board meeting will be held on Tuesday, April 21, 2026 at 5:00 p.m.

Adjournment: There being no further business, the meeting was adjourned at 6:23 p.m.



Assistant Secretary