

**SAN ANTONIO WATER COMPANY**  
**MINUTES OF THE SAN ANTONIO WATER COMPANY**  
**Tuesday, June 20, 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, Martha Goss, 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, Senior Administrative Specialist Kelly Mitchell and Administrative Specialist Tiffany Dickinson. President Zuniga presided.

Director Velto led all in attendance in the flag salute.

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 May 16, 2023.
  - B. Planning, Resources and Operations Committee (PROC) Meeting Minutes  
No Meeting Minutes to Approve.
  - C. Administration and Finance Committee (AFC) Meeting Minutes  
Approve Meeting Minutes of March 28, 2023.
  - D. AdHoc Committee for Office Feasibility Study  
No meeting minutes to approve.
  - E. Financial Statement  
Income Statement and Balance Sheet for April 30, 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

Director Elliott moved and Director Goss 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 on the PVPA meeting held on Wednesday, June 14<sup>th</sup>. There is consideration for installing some monitoring wells upgradient and downgradient from the new basin.  
  
Director Parker informed the Board she attended the City of Claremont June 7<sup>th</sup> Stone Canyon meeting. Representing both Six Basins and PVPA, Chris Diggs addressed rising groundwater concerns. West Yost also presented information regarding the rising groundwater at the meeting.
  - B. **Six Basins Representative Report** – Ms. Layton reported a meeting was held on May 24<sup>th</sup> however, staff was unable to attend. A workshop between the City of Claremont, Six Basins, and the Stone Canyon residents was held on June 7<sup>th</sup>. There was a presentation of the findings showing that Six Basins and spreading done by PVPA was not responsible for the water damage to the residences. The presentation is available on the Six Basins website.  
  
The next Six Basins Watermaster Meeting is scheduled for June 28<sup>th</sup>.
  - C. **Chino Basin Representative Report** – Mr. Lee reported the new judge has requested a tour of the facilities. There is discord among the parties in determining what the tour will include and whom will be participating.
  - D. **Cucamonga Basin Representative Report** – Mr. Lee stated Cucamonga Valley Water District (CVWD) hosted a presentation of the basin model by the basin's hydrogeologist. Feedback was provided and staff look forward to using the model in the near future. An informal meeting with the parties, hydrogeologist, and the Board members will be scheduled in the near future as well.

- E. **Administration and Finance Committee (AFC) Chairman's Report** – Director Cable advised the items discussed at the most recent AFC meeting are included in the General Manager's Report on Activities.
- F. **Planning, Resources, and Operations Committee (PROC) Chairman's Report** – No meeting to report.
- G. **Office Feasibility Study Ad Hoc Committee** – No meeting to report.

6. General Manager's Report on Activities:

- A. **Investment Advisor Proposal Response** - Mr. Lee stated SAWCo has utilized Equity Services for investment advising for several years. Staff felt it prudent to request proposals from other investment advisors to determine whether they are receiving the best value and services. A Request for Proposal (RFP) was released to several firms, however only two proposals were received: one from Equity Services and the other from Ali Rahimi with Morgan Stanley.

Mr. Lee and the AFC recommend the Board approve maintaining the current relationship with Equity Services for investment advising but hire Morgan Stanley to perform benchmarking analysis.

Director Elliott suggested bringing the scope of services with associated costs to the next Board meeting for discussion and possible approval.

- B. **Information Technology Proposal Response** – Mr. Lee advised that SAWCo has utilized Inland Productivity Solutions information technology (IT) services for several years. Again, staff felt it prudent to request proposals from other IT companies to determine whether they are receiving the best value and services. An RFP was released to several IT companies, however only two proposals were received: one from Inland Productivity Solutions and the other from CS2K.

Inland Productivity Solutions provided a more customized proposal at a lower cost therefore, Mr. Lee and the AFC recommend the Board authorize the General Manager to sign the contract with Inland Productivity Solutions.

Director Elliott moved and Director Velto seconded to approve authorizing the General Manager to sign the contract with IPS as presented. Motion carried unanimously.

- C. **Stock Auction – November 2023** – Mr. Lee stated there are two stock certificates totaling  $\frac{3}{4}$  share that qualified for the stock auction. The schedule for the stock auction is included in the Board meeting agenda packet. He asked for approval to move forward with the stock auction as presented.

Director Cable moved and Director Parker seconded to approve the stock auction as presented. Motion carried unanimously.

- D. **Update of Fee Schedule** – Mr. Lee advised the fee schedule for meter and related fees has not been updated since January 1, 2020. Due to inflation, the costs for meter and meter box fees and service laterals for new installations and meter upgrades have increased to an amount now greater than the current adopted fees. Staff has compiled detailed research included in the packet.

Mr. Lee and the AFC recommend the Board update the meter, meter box, and service lateral fees as presented.

Director Parker moved and Director Goss seconded to approve the update in fees charged for the meter, meter box, and service lateral fees as presented. Motion carried unanimously.

- E. **Adjust Online Payment Transaction Charges** – Mr. Lee stated SAWCo currently charges a transaction fee of 1% for all online bill payments made with a credit card or debit card. The cost the company incurs for these payments is greater than this amount. Staff would like to adjust the amount of the transaction fee in order to better balance the difference in what SAWCo charges the customer and what SAWCo is charged by the credit card companies.

Mr. Lee and the AFC recommend the Board approve adjusting the transaction fee for online payments from a 1% fee to a flat \$3 charge.

Director Velto moved and Director Elliott seconded to approve adjusting the transaction fee for online payments from a 1% fee to a \$3 charge. Motion carried unanimously.

- F. **Adjust Tier 2 Rates for Remainder of Calendar Year** – Mr. Lee advised that due to the amount of unanticipated rainfall earlier in the year, SAWCo is in a position where they have excess canyon water and excess tunnel water. Staff would like to pass this on as a benefit to their shareholders by reducing the Tier 2 water rate to the amount of the Tier 1 water rate. It was originally thought to raise the entitlement to water, however, the amount of water received next year is not guaranteed. SAWCo has the water to deliver today but may not be in the same position this time next year.

Director Zuniga inquired about storing or spreading the excess water. Mr. Lee explained that SAWCo is storing and spreading water as much water as they can. There are limitations on the amount of water SAWCo can put in the basins as multiple agencies are using the same pathways and there is also a limit to the amount of water they are allowed to store in each basin.

Director Velto questions the rates for next year. Mr. Lee responded that the idea is that the rate structure would reset in January back to its original format.

There were concerns that reducing Tier 2 would negatively impact the budget. Mr. Lee advised that if the City of Upland uses all their entitlement this year it will more than make up for the negative impact on the budget.

Braden Yu, Public Works Director for the City of Upland, stated they will continue purchasing water from SAWCo and spoke of plans to expand the treatment plant to allow for even greater water intake.

Director Parker moved and Director Goss seconded staff's recommendation to reduce the Tier 2 water rate to the amount of Tier 2 for the remainder of 2023 with the caveat that SAWCo continues to store as much water as possible in the affiliated basins. Motion carried unanimously.

7. Closed Session:

- A. Initiation of Litigation Pursuant to Paragraph (4) Subdivision (D) of Government Code Section 54956.9: One Case.

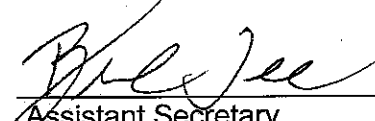
Mr. Hoffman stated there is no reportable action out of closed session.

8. Closed Session: None.

9. Director's Comments and Future Agenda Items: None.

Adjournment:

With no further business to discuss the meeting was adjourned at 5:42 p.m.

  
Assistant Secretary  
Brian Lee

