

SAN ANTONIO WATER COMPANY

BOARD OF DIRECTORS ORGANIZATIONAL MEETING MINUTES

Tuesday, April 7, 2020

Immediately following the Annual Meeting of Shareholders of the Company, the Board of Directors of the San Antonio Water Company (SAWCo) met virtually via GoToMeeting at 6:10 p.m. Directors present were Tom Thomas, Will Elliott, Bob Cable, Jose Sanchez, Gino Filippi, Martha Goss, and Rudy Zuniga.

- Call to Order
- 1. Recognitions and Presentations: Mr. Lee recognized the City of Upland IT staff for their efforts in getting the meetings set up for public broadcast.
- 2. Additions-Deletions to the Agenda: None.
- 3. Public Comments: None.
- 4. Organizational Activities:

Director Tom Thomas assigned the General Manager, Brian Lee, as temporary chairperson for election of officers.

Mr. Lee advised and sought nominations for the offices of President, Vice President, and Secretary/Chief Financial Officer that are up for election.

Director Elliott moved and Director Zuniga seconded to have Tom Thomas serve as President, Will Elliott service as Vice President, and Jose Sanchez serve as Secretary/CFO. Motion carried unanimously.

Director Thomas suggested all designations listed under Item 5 be voted upon all together with one vote.

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

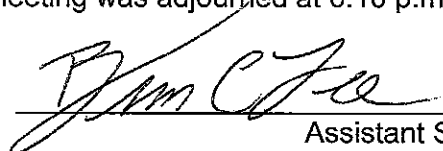
The following is the result of the above motions:

- A. President – Tom Thomas
 - B. Vice-President – Will Elliott
 - C. Secretary/Chief Financial Officer – Jose Sanchez
5. Designations and Authorities:
- A. Representative to the Six Basins Watermaster – Teri Layton (primary) and Tommy Hudspeth (alternate) as representatives to the Six Basins Watermaster.
 - B. Representative to Chino Basin Pool and Advisory Committees – Brian Lee (primary) and Teri Layton (alternate) as representatives to the Chino Basin Pool and Advisory Committees.
 - C. Representative to Cucamonga Basin Management Committee – Teri Layton (primary) and Brian Lee (alternate) as representatives to Cucamonga Basin Management Committee.
 - D. Representative to Pomona Valley Protective Association (PVPA) – Tom Thomas (primary) as 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 Sanchez, Director Zuniga, and Director Cable with Tom Thomas as ex-officio. Director Sanchez as chair of the committee.
 - G. Representatives for the Planning, Resources, and Operations Committee (PROC) – Director Filippi, Director Goss, and Director Elliott with Tom Thomas as ex-officio. Director Elliott as chair of the committee.
 - H. Company General Counsel –Tom McPeters, Esq.
 - I. Company Special Counsel – Fred Fudacz of the firm Nossaman LLP.
 - J. Company Auditor – Bowen, McBeth, Incorporated.
 - 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 Assistant General 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 Clerk has authority to transfer up to \$45,000 to facilitate payroll with provisions of internal accounting controls in place.;

- M. 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].
- N. 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: Due to Mr. Tom McPeters, esq. absence, no review was provided.
7. Conflict of Interest Rules for Directors: Due to Mr. Tom McPeters, esq. absence, no report was provided.
8. Closed Session: None.

Adjournment: There being no further business the meeting was adjourned at 6:16 p.m.


Assistant Secretary