

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, April 19, 2022

An open meeting of the Board of Directors of the San Antonio Water Company (SAWCo) was called to order at 5:00 p.m. on the above date at the Upland City Hall Council Chambers, 460 North Euclid Avenue, Upland, California. Directors present were Will Elliott, Bob Cable, Rudy Zuniga, Bill Velto, and Kati Parker. Also in attendance were BESST, Inc.'s Noah Heller, Layne's Ricky Trujillo, 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 March 15, 2022.
 - B. Approval of Organizational Meeting Minutes
Meeting minutes of April 5, 2022.
 - C. Planning, Resources and Operations Committee (PROC) Meeting Minutes
No meeting minutes to report.
 - D. Administration and Finance Committee (AFC) Meeting Minutes
Meeting minutes of March 22, 2022.
 - E. Financial Statement
Income Statement and Balance Sheet for January 31, 2022.
 - F. Investment Activity Report
Monthly Report of Investments Activity.
 - G. 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 Velto moved and Director Parker seconded to approve the Consent Calendar as presented. Motion carried unanimously with Director Martha Goss absent.

5. Board Committee – Delegate Report:
 - A. Pomona Valley Protective Association (PVPA) Representative's Report** – Director Parker reported on the PVPA meeting held Wednesday, April 13th. They approved the account authorization for Morgan Stanley and extended the entitlement and marketing agreement with Lewis Homes for the possible sale of property. A resolution for Tom Thomas was approved and is to be presented on Saturday at his Celebration of Life.
 - B. Six Basins Representative Report** – Ms. Layton reported the last meeting was held on March 23rd. Comments and sentiments about the recent passing of board member Tom Thomas were shared. Chris Diggs with the City of Pomona was elected to fill the vacant seat of president. The Annual Report for 2021 was also discussed. The next meeting will be held on April 26th in person.
 - C. Chino Basin Representative Report** – Mr. Lee stated there is an Advisory Committee meeting being held on April 21st and a Board meeting the following week. He reported Friday is the last court hearing for the judge that has been overseeing the case as he is retiring. It is not known which judge will be taking over the case.
 - D. Cucamonga Basin Representative Report** – Mr. Lee reported the committee continues to meet monthly. They are working with the new hydrogeologists and have recently discussed moving forward with the basin model. The groundwater report will be late this year due to the delay in hiring a hydrogeologist but it will be filed.
 - E. Administration and Finance Committee (AFC) Chairman's Report** – No comments on the meeting.
 - 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. Property and Casualty Insurance Renewal** – Mr. Lee reported this item was ratified by the AFC in March due to the April 1st renewal deadline. He now asks that the Board ratify the AFC's approval to renew the Company's property and casualty insurance as proposed.

Director Velto moved and Director Cable seconded to ratify the AFC's decision to approve the property and casualty insurance renewal. Motion carried unanimously with Director Goss absent.

Director Velto clarified with Mr. Lee that this item would go out to bid next year.

- B. Workers Compensation Insurance Renewal** - Mr. Lee advised this information was received by staff after the AFC had met in March therefore the Committee was unable to view, comment, or recommend the item. The item is up for renewal on May 1st.

Staff notes the increase in the renewal amount which has been attributed to things such as payroll increases and a state surcharge increase of 58%. The budgeted amount for the item this year is \$15,000 which puts it at \$1,565 over budget.

Director Cable moved and Director Zuniga seconded to approve the automatic renewal of the Worker's Compensation with Cal Mutual JPRIMA The Zenith, a Fairfax Insurance Company for 5/1/2022 to 4/30/2023 at an annual premium of \$16,565. Motion carried unanimously with Director Goss absent.

- C. Salary Table Adjustments** – Mr. Lee stated staff annually reviews the Consumer Price Index (CPI) for the Riverside/San Bernardino/Ontario Urban Wage Earners and Clerical Workers (CPI-W) which measures changes in the price of consumer goods and services purchased by households in the area. The recorded change from January 2021 to January 2022 was at an increase of 9.353%.

Mr. Lee recommends the Board approve adjusting the Company's salary tables 9.4% upward based on the Riverside/San Bernardino/Ontario CPI for Urban Wage Earners and Clerical Workers (CPI-W) change from January 2021 to January 2022. He advised this does not provide an automatic raise to employees it simply shifts their salary range upward allowing for employees to continue to earn merit increases if they were at the top of their pay scale. This year SAWCo does have one employee that would fall below the new pay range. As such, that employee's pay will be brought up in order to fall into the newly adjusted pay range.

Director Cable moved and Director Velto seconded to approve adjusting the Company's salary tables 9.4% upward based on the CPI. Motion carried unanimously with Director Goss absent.

- D. Test Well Construction at Well Site 19** – Mr. Noah Heller with BESST, Inc. provided a presentation titled 'Profiling Long Screened Test Wells to Construct More Chemically Compliant Groundwater Production Wells'. He spoke about BESST, Inc.'s work history in the area and key contaminants of concern. The project goals were explained as well as BESST, Inc.'s approach to minimizing water quality risks. Case history data involving long-screened test wells were provided.

Ricky Trujillo with Layne explained that there is unstable formation in the upper 300 to 400 feet of ground in the area of the potential well which may cause them to have to install a temporary surface casing. There is possibility this casing can be reused in drilling and developing a production water well.

Director Cable inquired whether this long screened test well will provide more data than if multiple test wells were drilled. Mr. Heller explained it will provide a lot more data; roughly the amount of 20 zone tests in only 3 days.

Director Cable clarified the test well is located in close proximity to the original Well 19. Mr. Heller expressed concern with the location as a previous hydrogeological test performed in the area for Cucamonga Valley Water District had some alarming results. A lot of water is coming into that shallow zone that is highly contaminated with nitrates and it's driving down into the well and spreading out into different zones and changing the water chemistry in deeper zones. The long screened test well will allow them to stress the aquifer under pumping conditions which will provide a much better chance of building a production well that will not have any compliance issues when it comes on line.

Director Velto moved and Director Parker seconded to authorize the General Manager to contract with BESST, Inc. to design and construct a Long Screened Test Well at the Well 19 location with the intent to develop a production well design based on the data collected. Motion carried unanimously with Director Goss absent.

- E. Board Member Vacancy** – Mr. Lee explained that according to the Company Bylaws, a Board vacancy may be filled by a majority of the remaining Directors and each Director so elected shall hold office until the next annual meeting of the Shareholders and until a successor has been elected

and qualified. The City of Upland has given applicants until May 1st to submit applications of interest in serving on SAWCo's Board of Directors.

Director Velto inquired whether SAWCo would be filling the role of President prior to filling the vacancy on the Board. Mr. Lee replied he was under the impression that the role of President would be filled after the Board vacancy was filled. Director Velto stated he would like to make a recommendation for the President of Board, however, due to the fact the item was not on the agenda, the Directors were unable to vote in a new Board president.

Mr. Bob Bowcock clarified that though he does represent Vulcan, he is applying to fill the vacancy on the Board of Directors as an Upland resident.

The item was tabled until after the City of Upland has had an opportunity to review all applications received by the May 1st deadline.

7. Closed Session: None.


8. Director's Comments and Future Agenda Items: Director Velto asked that the filling of the role of Board President be placed on the next Board agenda.

Director Parker inquired about discussion on the Inland Empire Utilities Agency (IEUA) MEU charges.

Mr. Lee assured both items will be on the next Board meeting agenda.

Adjournment:

With no further business to discuss the meeting was adjourned at 5:38 p.m.


Assistant Secretary
Brian Lee