



# San Antonio Water Company

## MEETING AGENDA

for

### AD HOC COMMITTEE FOR OFFICE FEASIBILITY STUDY

August 12, 2020 @ 2:00pm

By Virtual/Online or Teleconference Only

Please join the meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/836080741>

You can also dial in using your phone. **United States: +1 (669) 224-3412**

**Access Code: 836-080-741**

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- Call to Order

1. Recognitions and Presentations:

2. Additions-Deletions to the Agenda:

3. Public Comments

This is the time for any shareholder or member of the public to address the committee members on any topic under the jurisdiction of the Company, which is on or not on the agenda. Please note, pursuant to the Brown Act the Committee is prohibited from taking actions on items not listed on the agenda. For any testimony, speakers are requested to keep their comments to no more than four (4) minutes, including the use of any visual aids, and to do so in a focused and orderly manner. Anyone wishing to speak is requested to voluntarily fill out and submit a speaker's form to the manager prior to speaking.

4. Approval of Committee Meeting Minutes

Regular Committee Minutes of November 05, 2019

5. Administrative Issues:

A. *Discussion and Possible Action Regarding New Company Office and Yard Options*

Review and discuss build vs lease options.

6. Closed Session:

None.

7. Committee Comments and Future Agenda Items:

- This is the time for committee's comments and consideration on future agenda items relative to the interests and business of the company and its shareholders.

8. Adjournment:

*The next AdHoc Committee Meeting is to be determined*

**NOTE:** All agenda report items and back-up materials are available for review and/or acquisition at the Company Office (139 N. Euclid Avenue, Upland, CA.) during regular office hours, Monday through Friday [7:30 – 11:30 and 12:30 – 4:30]. The agenda is also available for review and copying at the Upland Public Library located at 450 N. Euclid Avenue.

**POSTING STATEMENT:** On August 6, 2020, a true and correct copy of this agenda was posted at the entry of the Water Company's office (139 N. Euclid Avenue), on the public bulletin boards at 450 N. Euclid Avenue (Upland Public Library) and 460 N. Euclid Avenue (Upland City Hall), and on the Water Company's website.

SAN ANTONIO WATER COMPANY  
AD-HOC MEETING  
MINUTES  
November 5, 2019

An open meeting of the office and yard relocation feasibility Ad-Hoc Committee for the San Antonio Water Company (SAWCo) was called to order at 3:01 p.m. on the above date at SAWCo's Company Office located at 139 N. Euclid Avenue in Upland, California. Committee Members present were Tom Thomas, Bob Cable, Brian Lee, Teri Layton, Tommy Hudspeth and alternate Jose Sanchez. Also in attendance was Erik Peterson of Claremont Environmental Design Group, and SAWCo's Accounting and Personnel Specialist Salena Holley and Senior Administrative Specialist Kelly Mitchell. Mr. Thomas presided.

1. Recognitions and Presentations: Mr. Lee recognized architect Erik Peterson of Claremont Environmental Design Group (CEDG).
2. Additions – Deletions to the Agenda: None.
3. Public Comments: None.
4. Approval of Committee Meeting Minutes:  
Mr. Lee moved and Mr. Cable seconded to approve the meeting minutes of September 26, 2019. Motion carried.
5. Administrative Issues:
  - A. ***Scope of Services and Expectations for Architectural Consulting Services*** – Taking into consideration recent concerns expressed by shareholders and the Board of Directors, Mr. Lee compiled a scope of services for architectural consulting services for the Company's office and yard facilities. The proposed scope of services was provided to the Committee as well as the concerned shareholders. Mr. Lee advised responses received from shareholders about the scope of services has been positive.  
  
Mr. Peterson informed attendees he has been in contact with a commercial real estate agent and professional engineering estimator. SAWCo's needs and wants assessment were sent to both individuals and proposals have been received back from both. Mr. Peterson will forward those proposals to Mr. Lee.  
  
Mr. Lee requested a scope of services cost proposal to bring to the November Board meeting for review and possible authorization to move forward. Mr. Peterson replied he can have that ready in roughly a week.  
  
Mr. Lee requested an appraisal of the properties SAWCo is looking at selling to help fund the project.  
  
Mr. Peterson and Mr. Lee will work on putting together a proposal based on the scope of services to bring to the Board.  
  
Mr. Sanchez had some suggestions including clarifying site elements to include landscaping that is California native and passive solar and/or solar power generation with a full cost-benefit analysis.  
  
Mr. Peterson would like the property to demonstrate how water moves through a watershed, is collected and percolates. He felt the landscape should look natural, not like a traditional landscape but simply like you are outside.  
  
Mr. Lee clarified the properties to be appraised are the current office property, yard property, and vacant land next to SAWCo's Reservoir 1 site.  
Mr. Peterson clarified with the Committee how they would like the information presented.

6. Closed Session: None.
7. Committee Comments and Future Agenda Items: None.
8. Adjournment:  
There being no further business the meeting ended at 3:34 p.m.

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Assistant Secretary  
Brian Lee

# Office and Yard

## Options and Considerations

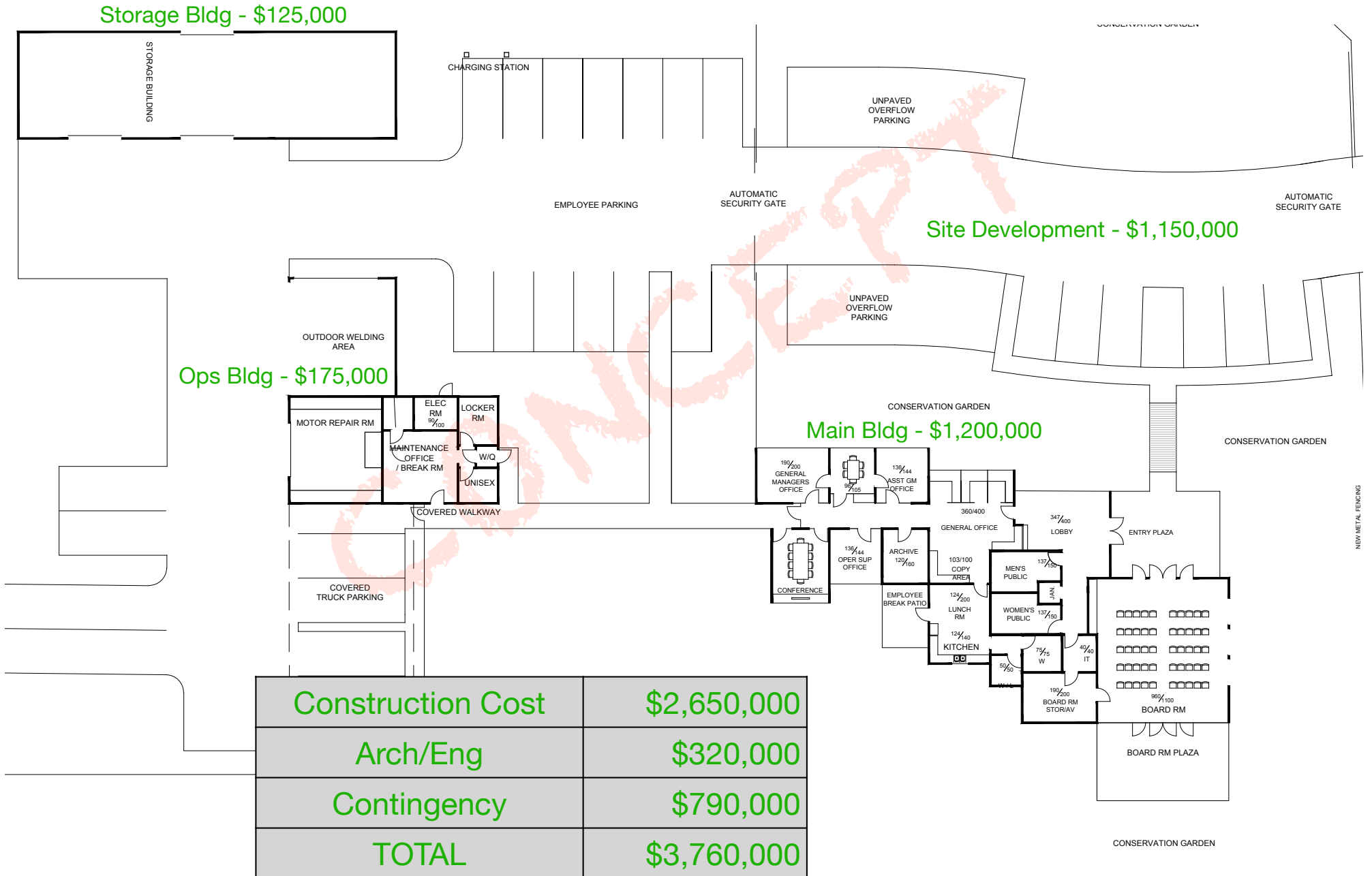


# **Do we build new or do we lease?**

## **What is the best value for San Antonio Water Company?**

- It has been suggested that the Company might save money by leasing property from the City of Upland.
- Today's objectives are:
  - Review monthly cost of building a new facility.
  - Review monthly cost of leasing a facility.
  - Review yet-to-be-resolved issues of leasing facilities from City of Upland.

# Where we left off...



# Comparison

## Monthly Cost of Build versus Lease

- Cost to Build

- New construction @ \$2.97M straight-line depreciated (no salvage value) over 120 years = \$2,060 / month.

- Cost to Lease

- Leasing office space of ~2,500 SF @ \$18 per SF / year = \$3,750 / month (Square Footage assumes shared common areas.)
- Leasing storage (internal and external) and yard space of ~ 9,000 SF @ \$2 per SF / year = \$1,500 / month
- Total estimated lease = \$5,250 / month, not including tenant improvements.

# Lease of City Facilities?

## Is there enough space?

- City conducted internal review and determined it does not have adequate facilities except for the possibility of Benson Avenue Public Works Department.
- Public Works Office Space is currently fully utilized, but reconfiguration may provide space for SAWCo staff. It would be cozy.
- There is sufficient yard space @ PW for yard storage and parking.
- We have not yet determined if there is enough space for small parts and equipment in current warehouse.



# Lease of City Facilities?

## Considerations other than available space:

- Cost?
  - Above ~\$2,000/month is a negative for the Company.
  - Below ~\$5,250/month is a negative for the City.
- Does the PW building meet current code requirements (seismic, ADA, etc.)?
- Who pays for tenant improvements?
- How are utilities / services handled?
- Maintenance of common areas?
- Public perception?
  - Company receiving favorable treatment by City. Gift of Public Funds?
  - City receiving favorable treatment by Company. Favoring one shareholder over the other ~650?
  - Concerned about funds moving from City's Water Enterprise Funds (water sales) through Company to the City General Fund (lease). Water Enterprise should not be funding City General Expenses.

# Discussion