

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, July 18, 2023

An open meeting of the Board of Directors of the San Antonio Water Company (SAWCo) was called to order at 5:04 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, 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.

Mr. Lee led all in attendance in the flag salute.

1. Recognitions and Presentations: None.
2. Additions-Deletions to the Agenda: Mr. Lee brought to the Director's attention the final draft of the agreement for Item 6A on the dais.
3. Shareholder-Public Testimony: None.
4. Consent Calendar Items:
 - A. Approval of Board Meeting Minutes
Regular Meeting Minutes of June 20, 2023.
 - B. Planning, Resources and Operations Committee (PROC) Meeting Minutes
Approve Meeting Minutes of March 28, 2023.
 - C. Administration and Finance Committee (AFC) Meeting Minutes
No Meeting Minutes to Approve.
 - D. AdHoc Committee for Office Feasibility Study
No meeting minutes to approve.
 - E. Financial Statement
Income Statement and Balance Sheet for May 31, 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 Velto moved and Director Elliott 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 advised no PVPA meeting was held in July due to lack of business items.
 - B. **Six Basins Representative Report** – Ms. Layton reported a meeting was held on June 28th. The watermaster engineer gave an update on the spreading, production, and accounting of the basin. An update on MS4 permittees collaboration was also given.

A closed session was held regarding anticipated litigation and no reportable action was taken.

Due to lack of business items, the meeting for July 26th has been cancelled.
 - C. **Chino Basin Representative Report** – Mr. Lee reported the new judge will be taken on a tour of the facilities in Chino Basin. Either through the legal counsel for the watermaster Appropriative Pool (AP) or on their own accord, a stipulation was signed by all AP members for the tour.
 - D. **Cucamonga Basin Representative Report** – Mr. Lee stated the parties to the basin met the previous week. An update on the basin model was presented with some corrections needed. Continued discussion on the model will take place at the following month's meeting.
 - E. **Administration and Finance Committee (AFC) Chairman's Report** – No meeting to report.
 - F. **Planning, Resources, and Operations Committee (PROC) Chairman's Report** – Director Elliott advised there were updates on various projects provided at the most recent PROC meeting.

G. Office Feasibility Study Ad Hoc Committee – No meeting to report.

6. General Manager's Report on Activities:

A. **Well 19 Long Screen Test Well Construction** - Mr. Lee reminded the Board that more than one year prior they had authorized the drilling of a test well for Well 19. Supply chain issues have delayed the project until now. Working through the details of the construction, staff discovered three issues that require resolution. Access to the site and the ability to have access to the site, access to construction water, and the potential need for sound curtains to block the sound of the continuous well drilling from the residents. Construction of the test well lasts roughly six weeks and is a 24/7 operation as stopping during drill could cause the well to collapse. A change order was generated by the contractor and provides for a \$126,240 increase in the total project cost.

In addition to the requested change order, extra space for the project is needed adjacent to the test well site. The property owner of the land just outside SAWCo's well site is owned by Holliday Trucking Company (Holliday). Staff have been working with Holliday to acquire permission to utilize their land for laydown, truck turnaround, and disposal of the rock and bentonite clay from the test well drilling. Holliday requests they; be listed as an additional insured on SAWCo's policy for the duration of the project, obtain a signed indemnity agreement (an updated copy is located on the dais), and are provided the exact location of the new test well.

Mr. Lee recommended the Board approve the general manager signing the change order for \$126,240 as presented.

Mr. Lee then asked that the Board authorize him to sign the indemnity agreement with Holliday, contingent upon the signing of the presented change order, as presented.

Director Parker inquired in which basin and how deep the test well will be. Mr. Lee replied, the test well is in Cucamonga Basin and will be roughly 800 feet deep.

Director Parker also asked why the items in the change order were not discovered earlier. Mr. Lee advised there were two options for where the well would be drilled. Once it was determined which location is best, the construction site issues were revealed.

Director Parker moved and Director Elliott seconded to approve the presented change order, subject to the terms of the original agreement, for \$126,240.

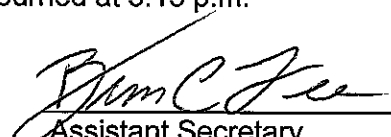
Director Velto moved and Director Cable seconded to authorize the general manager to sign the indemnity agreement with Holliday as presented. Motion carried unanimously.

7. Closed Session: None.

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

Adjournment:

With no further business to discuss the meeting was adjourned at 5:15 p.m.


Assistant Secretary
Brian Lee