



## SAN ANTONIO WATER COMPANY

### BOARD OF DIRECTORS MEETING

Tuesday, March 17, 2026 at 5:00 p.m.

In the Upland City Hall Council Chambers

460 N. Euclid Avenue, Upland, CA 91786

And Virtual/Online or Teleconference

Members of the public may join the meeting by computer, tablet or smartphone.

<https://meet.goto.com/485190101>

You can also dial in using your phone.

Access Code: 485-190-101

United States: [+1 \(408\) 650-3123](tel:+14086503123)

Call to Order

Salute to the Flag

1. Recognitions and Presentations:

2. Additions-Deletions to the Agenda:

3. Shareholder-Public Testimony:

This is the time for any shareholder or member of the public to address the board 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 board is prohibited from taking action 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. Consent Calendar Items:

All items listed hereunder are considered to be routine and there will be no separate discussion of these items unless members of the board request specific items to be removed from the consent calendar for separate action. All items listed or remaining will be voted upon in a single action.

- A. Approval of Board Meeting Minutes  
Regular Meeting Minutes of February 17, 2026
- B. Planning, Resources, and Operations Committee (PROC) Meeting Minutes  
Regular Meeting Minutes of December 15, 2025.
- 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 January 31, 2025.
- 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

5. Board Committee – Delegate Report:

- A. PVPA Representative Report  
Verbal report by Director Parker.
- B. Six Basins Representative Report  
Verbal report by Mr. Lee.
- C. Chino Basin Representative Report  
Verbal report by Mr. Lee.
- D. Cucamonga Basin Representative Report  
Verbal report by Mr. Lee.
- E. Administration and Finance Committee (AFC) Chairman's Report  
No meeting to report.
- F. Planning, Resources, and Operations Committee (PROC) Chairman's Report  
Verbal report by Director Elliott on meeting on February 24, 2026.
- G. Office & Yard Feasibility Study Ad Hoc Committee  
No meeting to report.

6. Review of 2025 Audit

Review and Discussion of presented 2025 Audit.

7. Discussion and Possible Action on 2026 Rates

Discussion and Possible Action to review new rates established starting on January 1, 2026.

8. Closed Session

- A. CONFERENCE WITH LEGAL COUNSEL  
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: Number of Cases-1
- B. Conference with Real Property Negotiator (Gov't Code Section 54956.8)  
Property: APN 104-664-129  
Company Negotiator: Brian Lee, General Manager  
Negotiating Parties: San Antonio Water Company, Paul Willenborg and Sergio Romano  
Under Negotiation: Price and terms of payment

9. Director's Comments and Future Agenda Items

Adjournment

*The Annual Shareholder's Meeting will be held on Tuesday, April 14, 2026 at 6:00 p.m.*

*The next regular Board Meeting will be held on Tuesday, April 21, 2026 at 5:00 p.m.*

NOTE: All agenda report items and back-up materials are available for review and/or acquisition from the Company Office (139 N. Euclid Avenue, Upland, CA.) during regular office hours, Monday through Thursday [7:30a – 11:30a and 12:30p – 5:00p] and on the Company’s website [www.sawaterco.com](http://www.sawaterco.com). The agenda is also available for review and copying at the Upland Public Library located at 450 N. Euclid Avenue.

POSTING STATEMENT: On March 12, 2026 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 City of Upland public bulletin board (460 N. Euclid Ave.), Public Library (450 N. Euclid Ave.), and on the Water Company’s website.

**SAN ANTONIO WATER COMPANY**  
**MINUTES OF THE SAN ANTONIO WATER COMPANY**  
**Tuesday, February 17, 2026**

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, Bill Velto, Becky Miller, Kati Parker, Bob Cable, and Bob Bowcock. Also in attendance were SAWCo's General Manager Brian Lee, General Legal Counsel Derek Hoffman, and Senior Administrative Specialist Tiffany Dickinson. President Zuniga presided.

Director Miller 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 January 20, 2026
  - B. Planning, Resources and Operations Committee (PROC) Meeting Minutes  
No meeting minutes to approve.
  - C. Administration and Finance Committee (AFC) Meeting Minutes  
Regular Meeting Minutes of October 7, 2025.
  - D. AdHoc Committee for Office Feasibility Study  
No meeting minutes to approve.
  - E. Financial Statement  
Income Statement and Balance Sheet for December 31, 2025.
  - F. Investment Activity Report  
Monthly Report of Investments Activity.
  - G. Water Production and Consumption  
Monthly water production and consumption figures.
  - I. Prominent Issues Update  
Status summaries on certain on-going active issues.
  - J. Projects and Operations Update  
Status summaries on projects and operations matters.
  - K. Groundwater Level Patterns [Quarterly in January, April, July, and October]  
Tracking patterns of groundwater elevations relative to ground surface.
  - L. Conservation Program Update [Quarterly in January, April, July, and October]  
Update on SAWCo's existing water conservation programs.
  - M. Correspondence of Interest

Direct 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 stated PVPA did not meet and they are moving to in-person quarterly meetings as opposed to monthly virtual meetings.
- B. **Six Basins Representative Report** – Mr. Lee stated there was no update to report.
- C. **Chino Basin Representative Report** – Mr. Lee stated there was no update to report.
- D. **Cucamonga Basin Representative Report** – Mr. Lee stated there was no update to report.
- E. **Administration and Finance Committee (AFC) Chairman’s Report** –There was no update given.
- 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. Lower Reservoir 9 Pipeline Replacement: Mr. Lee stated this is the smaller of the two projects, roughly about 500 lineal feet of pipeline replacement. This pipeline was abandoned a year ago due to corrosion, but to accomplish the Forebay Outfall Pipeline Project, this pipeline needs to be reinstalled to divert the flow around the Forebay Outfall Project and it provides a dual or redundant flow into the irrigation system as well. It is an unbudgeted \$55,000 project.

Mr. Hoffman added staff is looking for approval to move forward as presented in the staff report and legal counsel will work with staff to prepare an appropriate contract with appropriate protection for the Company.

Director Velto moved and Director Miller seconded to approve staff to move forward with the lower Reservoir 9 Pipeline Replacement Project at an unbudgeted amount of \$55,000. Motion carried unanimously.

7. Upper Reservoir 9 Pipeline Reroute: Staff is seeking the Board’s ratification of action taken earlier in the month to replace an additional 500 lineal feet of pipeline to reroute the pipeline out and away from Upland residential properties, with a budget price of about \$180,000. It was further explained that a piece of pipeline is being abandoned from underneath the properties, not removed, and that a new pipeline will be rerouted into the public right of way or on Company property.

Director Miller added she knows of at least a few times of ruptures on the property that has created damage to the property, the Company has had to repair and replace and thus this rerouting of the pipeline is a good thing.

Director Bowcock suggested blowing sand in the pipeline to prevent any collapse or further damage.

Director Miller moved and Director Elliott seconded to approve the ratification to replace an additional 500 lineal feet of pipeline to reroute the upper Reservoir 9 pipeline. Motion carried unanimously.

8. Proposal to Authorize Advisory Committees to Meet by Teleconference: Legal Counsel Derek Hoffman stated at the previous Board meeting, the Board directed staff and legal counsel to bring back a resolution to take advantage of the teleconferencing opportunity for the advisory committees, the PROC and the AFC. The resolution presented makes the necessary findings that the Brown Act requires us to make in order to proceed with having teleconference only, PROC and AFC meetings.

Director Elliott moved and Director Cable seconded to approve Resolution 2026-02-01 authorizing teleconferencing meetings for subsidiary bodies, PROC and AFC. Motion carried unanimously.

9. Closed Session:

- A. Conference with Real Property Negotiator (Gov't Code Section 54956.8)  
Property: APN 104-664-129  
Company Negotiator: Brian Lee, General Manager  
Negotiating Parties: San Antonio Water Company and Paul Willenborg  
Under Negotiation: Price and terms of payment

Mr. Hoffman stated prior to going into closed session, regarding Item 9A, the Board must designate the negotiator and added General Manager Lee has been designated in the past.

Director Velto moved and Director Miller seconded to nominate Mr. Lee as the designated negotiator for Item 9A. Motion passed unanimously.

The Board went into closed session at 5:14 PM. Upon return from the closed session at 5:26 PM, Mr. Hoffman stated the Board met in closed session on the one item listed on the agenda and there is no reportable action.

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

Adjournment:

With no further business to discuss the meeting was adjourned at 5:27 PM.

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Assistant Secretary  
Brian Lee

MINUTES OF THE SAN ANTONIO WATER COMPANY  
 PLANNING, RESOURCES, and OPERATIONS COMMITTEE  
 December 15, 2025

An open meeting of the Planning, Resources, and Operations Committee (PROC) of the San Antonio Water Company (SAWCo) was called to order at 2:30 p.m. on the above date. Committee members present in person were Rudy Zuniga, Will Elliott, Bob Bowcock, and Kati Parker. Also in attendance were SAWCo's General Manager Brian Lee, General Legal Counsel Derek Hoffman. Director Elliott presided.

1. Recognitions and Presentations – None.
2. Additions-Deletions to the Agenda – None.
3. Public Comments – None.
4. Approval of Committee Meeting Minutes:
  - A. **Regular Committee Minutes of October 28, 2025** – Director Parker moved, and Director Bowcock seconded to approve the meeting minutes of October 28, 2025, as presented. Motion carried unanimously.
5. Planning and Operational Issues and Updates -
  - A. Mr. Lee reported staff is submitting plans for the new office and yard facilities to the City of Upland Building Department and will be brought to the City Council meeting in January. There have been lots of delays, but staff would like to get in under the old building codes and City of Upland staff have agreed to accept the project this month and not to wait until January because the new building codes begin January 1, 2026.
  - B. Mr. Lee met with Rincon Consulting at the San Antonio Creek Bridge, and they are moving forward installing the stream flow gauge. Staff should start getting data on that to determine how much water there is in the creek.
6. Basin Issues and Updates
  - **San Antonio Canyon Watershed-** There was no update to report.
  - **Chino Basin-** Mr. Lee reported at the previous AP meeting held a vote for the minor representative to be on the Chino Basin Watermaster Board, and it was a unanimous decision to have Bill Velto to serve as the AP representative and Kati Parker will be the alternative.
  - **Six Basins-** There was no update to report.
  - **Cucamonga Basin-** There was no update to report.
7. Closed session:
  - A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION [Government Code § 54956.9(d)(1)] Name of Case: San Antonio Water Company v. Foothill Irrigation Company et al., San Bernardino Superior Court Case No. 92645
  - B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION [Government Code § 54956.9(d)(1)] Name of case: Aqueous Film-Forming Foams Product Liability Litigation, Master Docket No. 2:18-mn-2873-RMG

The Committee went into closed session at 2:34 PM and upon return from closed session at 3:41 PM and Legal Counsel Derek Hoffman stated there was no reportable action.
8. Committee's Comments and Future Agenda Items: None.

Adjournment: –The meeting adjourned at 3:42 p.m.

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Assistant Secretary  
 Brian Lee

## 2026 Production

CHINO BASIN		Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR
Yearly Production Rights = 1232		52.31%	52.31%	52.31%	52.31%	52.31%	52.31%	-	-	-	-	-	-	-
Well #12 - inactive		-	-	-	-	-	-	-	-	-	-	-	-	-
Well #15 - Domestic		0.06	0.00	-	-	-	-	-	-	-	-	-	-	0.0590
Well #16 - Domestic		0.12	-	-	-	-	-	-	-	-	-	-	-	0.12
Well#18 - inactive		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>		<b>0.17</b>	<b>0.00</b>	-	-	-	-	-	-	-	-	-	-	<b>0.17</b>

CUCAMONGA BASIN		Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR
Yearly Production Rights = 6401 (1901 10-yr Average Spread)		5.62%	8.84%	12.07%	15.64%	18.90%	22.26%	25.61%	28.95%	32.30%	35.65%	38.99%	42.34%	-
Well #2		107.32	79.30	-	-	-	-	-	-	-	-	-	-	186.61
Well #3		0.12	-	-	-	-	-	-	-	-	-	-	-	0.12
Well#19 - inactive		-	-	-	-	-	-	-	-	-	-	-	-	-
Well #22		8.63	8.64	-	-	-	-	-	-	-	-	-	-	17.28
Well #24		0.43	-	-	-	-	-	-	-	-	-	-	-	0.43
Well #31		-	-	-	-	-	-	-	-	-	-	-	-	-
Well #32 - Domestic		-	-	-	-	-	-	-	-	-	-	-	-	-
Upl. # 15 (SAWCo's Rts)		243.29	118.39	-	-	-	-	-	-	-	-	-	-	361.67
<b>Subtotal</b>		<b>359.78</b>	<b>206.33</b>	-	-	-	-	-	-	-	-	-	-	<b>566.11</b>
Upl. # 15 (WECWCo's Rts) Memo Only		-	-	-	-	-	-	-	-	-	-	-	-	-

SIX BASINS		Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR
Yearly Production Rights = 932		5.12%	15.85%	26.57%	38.45%	49.32%	60.49%	71.64%	82.76%	93.90%	105.03%	116.17%	127.30%	-
Well #25-A		-	-	-	-	-	-	-	-	-	-	-	-	-
Well #26		47.73	54.33	-	-	-	-	-	-	-	-	-	-	102.06
Well 27-A		0.01	45.63	-	-	-	-	-	-	-	-	-	-	45.632
<b>Subtotal</b>		<b>47.74</b>	<b>99.96</b>	-	-	-	-	-	-	-	-	-	-	<b>147.70</b>

<b>TOTAL PUMPED</b>	<b>407.69</b>	<b>306.29</b>	-	-	-	-	-	-	-	-	-	-	-	<b>713.98</b>
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GRAVITY FLOW		Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR
V screen		688.66	648.16	-	-	-	-	-	-	-	-	-	-	1,336.82
backwash from city treatment plant		-	0.08	-	-	-	-	-	-	-	-	-	-	0.08
San Antonio Tunnel (forebay)		226.28	194.43	-	-	-	-	-	-	-	-	-	-	420.71
San Antonio Tunnel (Upland TP)		-	-	-	-	-	-	-	-	-	-	-	-	-
Frankish & Stamm Tunnel 8" PRODUCTION		110.88	65.60	-	-	-	-	-	-	-	-	-	-	176.47
San Ant. Tunnel Connect to City		-	-	-	-	-	-	-	-	-	-	-	-	-
Discharge to waste		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL GRAVITY</b>		<b>1,025.82</b>	<b>908.26</b>	-	-	-	-	-	-	-	-	-	-	<b>1,934.09</b>

Monthly		Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR
San Antonio Tunnel to Forebay		226.28	194.43	-	-	-	-	-	-	-	-	-	-	420.71
San Antonio Tunnel to Upland TP		-	-	-	-	-	-	-	-	-	-	-	-	-
V Screen, Frankish & Stamm Tunnel and TP Backwash		799.54	713.84	-	-	-	-	-	-	-	-	-	-	1,513.38
<b>Gravity Production</b>		<b>1,025.82</b>	<b>908.26</b>	-	-	-	-	-	-	-	-	-	-	<b>1,934.09</b>

Cumulative		Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR
San Antonio Tunnel to Forebay		226.28	420.71	-	-	-	-	-	-	-	-	-	-	420.71
San Antonio Tunnel to Upland TP		-	-	-	-	-	-	-	-	-	-	-	-	-
V Screen, Frankish & Stamm Tunnel and TP Backwash		799.54	1,513.38	-	-	-	-	-	-	-	-	-	-	1,513.38
<b>Gravity Production</b>		<b>1,025.82</b>	<b>1,934.09</b>	-	-	-	-	-	-	-	-	-	-	<b>1,934.09</b>

Purchased Water - Upl. City to Dom. Sys.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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<b>Total Production</b>	<b>1,433.52</b>	<b>1,214.55</b>	-	-	-	-	-	-	-	-	-	-	-	<b>2,648.07</b>
<b>Total Cumulative Production</b>	<b>1,433.52</b>	<b>2,648.07</b>	-	-	-	-	-	-	-	-	-	-	-	-

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR
<b>Domestic Production</b>	226.45	194.43	-	-	-	-	-	-	-	-	-	-	420.88
<b>Irrigation Production</b>	1,207.06	1,020.12	-	-	-	-	-	-	-	-	-	-	2,227.18

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26
<b>RainFall (Inches)</b>	<b>2.40</b>	<b>4.67</b>	-	-	-	-	-	-	-	-	-	-
<b>Cumulative (Inches)</b>	<b>2.40</b>	<b>7.07</b>	-	-	-	-	-	-	-	-	-	-

## 2026 Consumption

<b>DOMESTIC</b>	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR
Dom. Sys. - Base	50.05	38.87	-	-	-	-	-	-	-	-	-	-	88.92
Dom. Sys. - Supplemental	5.37	17.39	-	-	-	-	-	-	-	-	-	-	22.76
Dom Sys - Tier 3	3.36	13.48	-	-	-	-	-	-	-	-	-	-	16.84
Dom. Sys. - Del. to Upland(24th/Campus)	17.59	39.59	-	-	-	-	-	-	-	-	-	-	57.18
Dom. Sys. -Del. To Upland ( Well 16/15)	-	-	-	-	-	-	-	-	-	-	-	-	-
Dom. Sys. - Del. to Upland(24th/Mtn)-installed 4/2/19	0.00	3.32	-	-	-	-	-	-	-	-	-	-	3.32
Tunnel meter to the Upland	-	-	-	-	-	-	-	-	-	-	-	-	-
Tunnel meter to Upland TP	-	-	-	-	-	-	-	-	-	-	-	-	-
Discharge to waste	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>76.37</b>	<b>112.65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>189.02</b>

Truck Loads - note only crosswall projects	-	-	-	-	-	-	-	-	-	-	-	-	-
Well 32 Hydrant Mtr. - note only( started 8/6/18)Crosswalls	-	-	-	-	-	-	-	-	-	-	-	-	-

Irr. Note only Del. to MVWD(wheeled through Upland)	-	-	-	-	-	-	-	-	-	-	-	-	-
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<b>IRRIGATION</b>	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR
Irrig. Sys.-Upland(Pump & Rec'd) (City W#15)	243.29	118.39	-	-	-	-	-	-	-	-	-	-	361.67
Irrig. Sys. - Upl. City - Tier 1	149.97	203.46	-	-	-	-	-	-	-	-	-	-	353.43
Irrig. Sys. - Upl. City - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Monte Vista - Tier 1	-	0.02	-	-	-	-	-	-	-	-	-	-	0.02
Irrig. Sys. - Monte Vista - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Ont. City - Tier 1	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Ont. City - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Cucamonga Valley - Tier 1	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig Sys. - Cucamonga Valley - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Holiday Rock Co - Tier 1	9.37	10.00	-	-	-	-	-	-	-	-	-	-	19.37
Irrig. Sys. - Holiday Rock Co - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Holiday Rock Co - Tier 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Red Hill Golf Course - Tier 1	8.27	8.29	-	-	-	-	-	-	-	-	-	-	16.56
Irrig. Sys. - Red Hill Golf Course - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Red Hill Golf Course - Tier 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Red Hills HOA - Tier 1	0.17	0.21	-	-	-	-	-	-	-	-	-	-	0.38
Irrig. Sys. - Red Hills HOA - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Red Hills HOA - Tier 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Minor Irrigators - Tier 1	0.61	0.40	-	-	-	-	-	-	-	-	-	-	1.01
Irrig. Sys. - Minor Irrigators - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Minor Irrigators - Tier 3	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>411.67</b>	<b>340.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>752.43</b>

<b>Paper Water Transfers</b>	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR
City of Upland	-	-	-	-	-	-	-	-	-	-	-	-	-
Monte Vista Water District	-	-	-	-	-	-	-	-	-	-	-	-	-
City of Ontario	-	-	-	-	-	-	-	-	-	-	-	-	-
Cucamonga Valley Water District	-	-	-	-	-	-	-	-	-	-	-	-	-
Minor Shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-

<b>COMPANY TOTALS</b>	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR
San Antonio Heights	58.78	69.74	-	-	-	-	-	-	-	-	-	-	128.52
City of Upland	410.84	364.75	-	-	-	-	-	-	-	-	-	-	775.59
Monte Vista Water District	-	0.02	-	-	-	-	-	-	-	-	-	-	0.02
City of Ontario	-	-	-	-	-	-	-	-	-	-	-	-	-
Cucamonga Valley Water District	-	-	-	-	-	-	-	-	-	-	-	-	-
Holiday Rock Company	9.37	10.00	-	-	-	-	-	-	-	-	-	-	19.37
Red Hills Golf Course	8.27	8.29	-	-	-	-	-	-	-	-	-	-	16.56
Red Hill HOA	0.17	0.21	-	-	-	-	-	-	-	-	-	-	0.38
Minor Irrigators	0.61	0.40	-	-	-	-	-	-	-	-	-	-	1.01
<b>TOTAL</b>	<b>488.04</b>	<b>453.41</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>941.45</b>

<b>IRRIGATORS</b>	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR
Irrigator Emberton	0.21	0.15	-	-	-	-	-	-	-	-	-	-	0.36
Irrigator Dicarlo	0.04	0.03	-	-	-	-	-	-	-	-	-	-	0.07
Irrigator Mistretta	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrigator Scheu	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrigator Pfister	0.36	0.22	-	-	-	-	-	-	-	-	-	-	0.59

## 2026 Spread and Storage

### Cucamonga Basin

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR
23rd St. (Meter) - Basin 6 - A	41.30	72.50	-	-	-	-	-	-	-	-	-	-	113.80
15th Street Basin	-	-	-	-	-	-	-	-	-	-	-	-	-
Basin 3 meter (23rd street Clock)	181.68	139.17	-	-	-	-	-	-	-	-	-	-	320.85
Frankish & Stamm Tunnel to Basin 3	113.26	66.69	-	-	-	-	-	-	-	-	-	-	179.95
Vscreen via Frankish & Stamm Meter to Basin 3	106.48	89.49	-	-	-	-	-	-	-	-	-	-	195.97
PRV Station (res 1)(basin 6)	7.68	2.47	-	-	-	-	-	-	-	-	-	-	10.15
<b>Monthly Spread</b>	<b>450.39</b>	<b>370.33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>820.72</b>
<b>Cumulative Spread</b>	<b>450.39</b>	<b>820.72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

### Six Basins

Note: City of Upland Well Exercising may contribute to spread

<b>Monthly Spread</b>	<b>281.03</b>	<b>163.72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>444.75</b>
<b>Cumulative Spread</b>	<b>281.03</b>	<b>444.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

Note: Maximum end of year storage limit: 2,000 AF

Note: Maximum yearly spread limit: 1,000 AFY

Previous Storage	708.30	1,019.26	1,160.68	1,238.35	1,316.02	1,393.68	1,471.35	1,549.02	1,626.68	1,704.35	1,782.02	1,859.68
Spread	281.03	163.72	-	-	-	-	-	-	-	-	-	-
Paper Transfer to other agencies	-	-	-	-	-	-	-	-	-	-	-	-
Unused Monthly OSY	29.93	(22.29)	77.67	77.67	77.67	77.67	77.67	77.67	77.67	77.67	77.67	77.67
<b>Current Storage Estimate</b>	<b>1,019</b>	<b>1,161</b>	<b>1,238</b>	<b>1,316</b>	<b>1,394</b>	<b>1,471</b>	<b>1,549</b>	<b>1,627</b>	<b>1,704</b>	<b>1,782</b>	<b>1,860</b>	<b>1,937</b>

932 yearly OSY = 77.67 monthly OSY

### Chino Basin

<b>Monthly Spread</b>	<b>166.24</b>	<b>221.64</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>387.88</b>
<b>Cumulative Spread</b>	<b>166.24</b>	<b>387.88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

Local Supplemental Account (Spreading)*	7,802.50	7,968.74	-	-	-	-	-	-	-	-	-	-
Carry Over Account	1,232.00	1,232.00	-	-	-	-	-	-	-	-	-	-
Excess Carry Over Account*	8,412.32	8,514.81	-	-	-	-	-	-	-	-	-	-
Preemptive Replenishment Account	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Storage</b>	<b>17,446.82</b>	<b>17,715.56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Spread	166.24	221.64	-	-	-	-	-	-	-	-	-	-
Paper Transfer to other agencies	-	-	-	-	-	-	-	-	-	-	-	-
Unused Monthly OSY	102.49	102.66	-	-	-	-	-	-	-	-	-	-
<b>Current Storage Estimate*</b>	<b>17,716</b>	<b>18,040</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

1,232 yearly OSY = 102.67 monthly OSY

\* Does not include yearly storage losses calc of 0.07%

### Company Wide

<b>Monthly Spread</b>	<b>897.67</b>	<b>755.69</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,653.35</b>
<b>Cumulative Spread</b>	<b>897.67</b>	<b>1,653.35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total Current Storage Estimate</b>	<b>18,735</b>	<b>19,201</b>	<b>1,238</b>	<b>1,316</b>	<b>1,394</b>	<b>1,471</b>	<b>1,549</b>	<b>1,627</b>	<b>1,704</b>	<b>1,782</b>	<b>1,860</b>	<b>1,937</b>	

Meter to spread ponds (NOTE ONLY)	-	-	-	-	-	-	-	-	-	-	-	-	-
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# 2026 GW Production Rights

<b>Yearly %</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	<b>JUL</b>	<b>AUG</b>	<b>SEPT</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>
	<b>8%</b>	<b>17%</b>	<b>25%</b>	<b>33%</b>	<b>42%</b>	<b>50%</b>	<b>58%</b>	<b>67%</b>	<b>75%</b>	<b>83%</b>	<b>92%</b>	<b>100%</b>

**Cucamonga Basin Production**

Yearly Production Rights = 6401 (4,500AF + 1901AF 10-yr Average Spread)

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR
Production	359.78	206.33	-	-	-	-	-	-	-	-	-	-	
Cumulative Production	359.78	566.11	-	-	-	-	-	-	-	-	-	-	<b>566.11</b>
Cumulative Production Rights	533.43	1,066.85	-	-	-	-	-	-	-	-	-	-	<b>6,401</b>
<b>% of Production Rights*</b>	<b>5.62%</b>	<b>8.84%</b>	<b>12.07%</b>	<b>15.64%</b>	<b>18.90%</b>	<b>22.26%</b>	<b>25.61%</b>	<b>28.95%</b>	<b>32.30%</b>	<b>35.65%</b>	<b>38.99%</b>	<b>42.34%</b>	<b>8.8%</b>

**Six Basins Production**

Yearly Production Rights = 932AF

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR
Production	47.74	99.96	-	-	-	-	-	-	-	-	-	-	
Cumulative Production	47.74	147.70	-	-	-	-	-	-	-	-	-	-	<b>147.70</b>
Cumulative Production Rights	77.67	155.33	-	-	-	-	-	-	-	-	-	-	<b>932</b>
<b>% of Production Rights*</b>	<b>5.12%</b>	<b>15.85%</b>	<b>26.57%</b>	<b>38.45%</b>	<b>49.32%</b>	<b>60.49%</b>	<b>71.64%</b>	<b>82.76%</b>	<b>93.90%</b>	<b>105.03%</b>	<b>116.17%</b>	<b>127.30%</b>	<b>15.8%</b>

**Chino Basin Production**

Note: Chino Basin production rights are calculated from July through June.

Yearly Production Rights = 1232AF

	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR
Production		0.17	0.00	-	-	-	-	-	-	-	-	-	-	0.17
Cumulative Production for 2025	644.32	0.17	0.17	-	-	-	-	-	-	-	-	-	-	
<b>Water Year 24-25</b>														
Cumulative Production	644.32	644.49	644.49	-	-	-	-							644.49
Cumulative Rights	616.00	718.67	821.33	924.00	1,026.67	1,129.33	1,232.00							1,232.00
<b>% of Production Rights 24-25*</b>		<b>52.31%</b>	<b>52.31%</b>	<b>52.31%</b>	<b>52.31%</b>	<b>52.31%</b>	<b>52.31%</b>							
<b>Water Year 25-26</b>														
Cumulative Production								-	-	-	-	-	-	-
Cumulative Rights								102.67	205.33	308.00	410.67	513.33	616.00	1,232.00
<b>% of Production Rights 25-26*</b>								-	-	-	-	-	-	-

\* - Out months are Exponential Smoothing (ETS) forecasts based on basin production to date

Chino Basin	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	WY19-20
<b>Water Year 19-20</b>													
Cumulative Production	5.24	110.22	227.03	351.18	470.30	470.30	470.53	470.80	470.80	471.09	486.34	614.43	
Cumulative Rights	102.67	205.33	308.00	410.67	513.33	616.00	718.67	821.33	924.00	1,026.67	1,129.33	1,232.00	1,232.00
<b>% of Production Rights 19-20</b>	<b>5.10%</b>	<b>53.68%</b>	<b>73.71%</b>	<b>85.51%</b>	<b>91.62%</b>	<b>76.35%</b>	<b>65.47%</b>	<b>57.32%</b>	<b>50.95%</b>	<b>45.89%</b>	<b>43.06%</b>	<b>49.87%</b>	

# 2026 Production v Consumption

Yearly %	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
	8%	17%	25%	33%	42%	50%	58%	67%	75%	83%	92%	100%

## Consumption versus Entitlement, Company Wide **Active Shares**

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR
Consumption	488.04	453.41	-	-	-	-	-	-	-	-	-	-	
Cumulative Consumption	488.04	941.45	-	-	-	-	-	-	-	-	-	-	<b>941.45</b>
<i>Cumulative Entitlement (straight line)</i>	<i>1,201.67</i>	<i>2,403.35</i>	-	-	-	-	-	-	-	-	-	-	<b>14,420</b>
<b>% of Entitlement*</b>	<b>3.38%</b>	<b>6.53%</b>	<b>9.67%</b>	<b>13.15%</b>	<b>16.34%</b>	<b>19.62%</b>	<b>22.89%</b>	<b>26.15%</b>	<b>29.41%</b>	<b>32.67%</b>	<b>35.94%</b>	<b>39.20%</b>	<b>6.5%</b>

## Consumption versus Entitlement, Company Wide **Total Shares**

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR
Consumption	488.04	453.41	-	-	-	-	-	-	-	-	-	-	
Cumulative Consumption	488.04	941.45	-	-	-	-	-	-	-	-	-	-	<b>941.45</b>
<i>Cumulative Entitlement (straight line)</i>	<i>1,250.00</i>	<i>2,500.00</i>	-	-	-	-	-	-	-	-	-	-	<b>15,000</b>
<b>% of Entitlement*</b>	<b>3.25%</b>	<b>6.28%</b>	<b>9.30%</b>	<b>12.65%</b>	<b>15.71%</b>	<b>18.86%</b>	<b>22.00%</b>	<b>25.14%</b>	<b>28.27%</b>	<b>31.41%</b>	<b>34.55%</b>	<b>37.69%</b>	<b>6.3%</b>

## Production versus Consumption, Company Wide

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR
Production	1,433.52	1,214.55	-	-	-	-	-	-	-	-	-	-	2,648.07
<i>Consumption</i>	<i>488.04</i>	<i>453.41</i>	-	-	-	-	-	-	-	-	-	-	<i>941.45</i>
<i>Spread</i>	<i>897.67</i>	<i>755.69</i>	-	-	-	-	-	-	-	-	-	-	<i>1,653.35</i>
Total Consumption	1,385.71	1,209.09	-	-	-	-	-	-	-	-	-	-	2,594.80
Difference	47.81	5.46	-	-	-	-	-	-	-	-	-	-	53.27
<b>% of Production</b>	<b>3.3%</b>	<b>0.4%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.00%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>2.0%</b>

## Production versus Consumption, Domestic System

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR
Production	226.45	194.43	-	-	-	-	-	-	-	-	-	-	<b>420.88</b>
Consumption	76.37	112.65	-	-	-	-	-	-	-	-	-	-	<b>189.02</b>
Monthly Difference	150.09	81.78	-	-	-	-	-	-	-	-	-	-	<b>231.87</b>
<b>% difference</b>	<b>196.53%</b>	<b>72.60%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>122.7%</b>

## Production versus Consumption, Irrigation System

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR
<i>Production</i>	<i>1,207.06</i>	<i>1,020.12</i>	-	-	-	-	-	-	-	-	-	-	<i>2,227.18</i>
<i>Addition from Domestic</i>	<i>150.09</i>	<i>81.78</i>	-	-	-	-	-	-	-	-	-	-	<i>231.87</i>
Total Production	1,357.15	1,101.90	-	-	-	-	-	-	-	-	-	-	<b>2,459.05</b>
Consumption	1,309.34	1,096.45	-	-	-	-	-	-	-	-	-	-	<b>2,405.78</b>
Monthly Difference	47.81	5.46	-	-	-	-	-	-	-	-	-	-	53.27
<b>% difference</b>	<b>3.65%</b>	<b>0.50%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>2.2%</b>

\* - Out months are Exponential Smoothing (ETS) forecasts based on consumption to date

# 2026 Consumption Analysis

Yearly %	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
	8%	17%	25%	33%	42%	50%	58%	67%	75%	83%	92%	100%

### COMPANY TOTALS

#### Active Shares

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR	Shares
Consumption	488.04	453.41	-	-	-	-	-	-	-	-	-	-		6,142
Cumulative Consumption	488.04	941.45	-	-	-	-	-	-	-	-	-	-	941.45	
Cumulative Entitlement	1,007.17	2,148.07	-	-	-	-	-	-	-	-	-	-	14,420.10	
<b>% of Yearly Entitlement*</b>	<b>3.38%</b>	<b>6.53%</b>	<b>9.67%</b>	<b>13.15%</b>	<b>16.34%</b>	<b>19.62%</b>	<b>22.89%</b>	<b>26.15%</b>	<b>29.41%</b>	<b>32.67%</b>	<b>35.94%</b>	<b>39.20%</b>	<b>6.53%</b>	

### COMPANY TOTALS

#### All Shares

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR	Shares
Consumption	488.04	453.41	-	-	-	-	-	-	-	-	-	-		6,389
Cumulative Consumption	488.04	941.45	-	-	-	-	-	-	-	-	-	-	941.45	
Cumulative Entitlement	1,250.00	2,500.00	-	-	-	-	-	-	-	-	-	-	15,000.00	
<b>% of Yearly Entitlement*</b>	<b>3.25%</b>	<b>6.28%</b>	<b>9.30%</b>	<b>12.65%</b>	<b>15.71%</b>	<b>18.86%</b>	<b>22.00%</b>	<b>25.14%</b>	<b>28.27%</b>	<b>31.41%</b>	<b>34.55%</b>	<b>37.69%</b>	<b>6.28%</b>	

### San Antonio Heights

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR	Shares
Consumption	58.78	69.74	-	-	-	-	-	-	-	-	-	-		641.50
Cumulative Consumption	58.78	128.52	-	-	-	-	-	-	-	-	-	-	128.52	
Cumulative Entitlement	81.29	162.58	-	-	-	-	-	-	-	-	-	-	1,506.10	
<b>% of Yearly Entitlement*</b>	<b>3.90%</b>	<b>8.53%</b>	<b>13.16%</b>	<b>18.29%</b>	<b>22.98%</b>	<b>27.81%</b>	<b>32.62%</b>	<b>37.42%</b>	<b>42.23%</b>	<b>47.04%</b>	<b>51.85%</b>	<b>56.65%</b>	<b>8.53%</b>	

### City of Upland

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR	Shares
Consumption	410.84	364.75	-	-	-	-	-	-	-	-	-	-		4,511.50
Cumulative Consumption	410.84	775.59	-	-	-	-	-	-	-	-	-	-	775.59	
Cumulative Entitlement	882.67	1,765.34	-	-	-	-	-	-	-	-	-	-	10,592.03	
<b>% of Yearly Entitlement*</b>	<b>3.88%</b>	<b>7.32%</b>	<b>10.77%</b>	<b>14.58%</b>	<b>18.07%</b>	<b>21.65%</b>	<b>25.24%</b>	<b>28.81%</b>	<b>32.38%</b>	<b>35.96%</b>	<b>39.53%</b>	<b>43.11%</b>	<b>7.32%</b>	

### Monte Vista Water District

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR	Shares
Consumption	-	0.02	-	-	-	-	-	-	-	-	-	-		341.75
Cumulative Consumption	-	0.02	-	-	-	-	-	-	-	-	-	-	0.02	
Cumulative Entitlement	-	133.73	-	-	-	-	-	-	-	-	-	-	802.36	
<b>% of Yearly Entitlement*</b>		<b>0.00%</b>	<b>0.01%</b>	<b>0.01%</b>	<b>0.01%</b>	<b>0.01%</b>	<b>0.02%</b>	<b>0.02%</b>	<b>0.02%</b>	<b>0.02%</b>	<b>0.03%</b>	<b>0.03%</b>	<b>0.00%</b>	

### City of Ontario

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR	Shares
Consumption	-	-	-	-	-	-	-	-	-	-	-	-		295.25
Cumulative Consumption	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cumulative Entitlement	-	-	-	-	-	-	-	-	-	-	-	-	693.18	
<b>% of Yearly Entitlement*</b>														

\* - Out months are Exponential Smoothing (ETS) forecasts based on consumption to date

# 2026 Consumption Analysis

Yearly %	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
	8%	17%	25%	33%	42%	50%	58%	67%	75%	83%	92%	100%

### Cucamonga Valley Water District

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR	Shares	4.00
Consumption	-	-	-	-	-	-	-	-	-	-	-	-	-		
Cumulative Consumption	-	-	-	-	-	-	-	-	-	-	-	-	-		
Cumulative Entitlement	-	-	-	-	-	-	-	-	-	-	-	-	9.39		
<b>% of Yearly Entitlement*</b>															

### Holiday Rock Company

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR	Shares	132
Consumption	9.37	10.00	-	-	-	-	-	-	-	-	-	-	-		
Cumulative Consumption	9.37	19.37	-	-	-	-	-	-	-	-	-	-	19.37		
Cumulative Entitlement	16.76	33.52	-	-	-	-	-	-	-	-	-	-	310.49		
<b>% of Yearly Entitlement*</b>	<b>3.02%</b>	<b>6.24%</b>	<b>9.46%</b>	<b>13.02%</b>	<b>16.28%</b>	<b>19.64%</b>	<b>22.98%</b>	<b>26.32%</b>	<b>29.67%</b>	<b>33.01%</b>	<b>36.35%</b>	<b>39.69%</b>	<b>6.24%</b>		

### Red Hills Golf Course

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR	Shares	164
Consumption	8.27	8.29	-	-	-	-	-	-	-	-	-	-	-		
Cumulative Consumption	8.27	16.56	-	-	-	-	-	-	-	-	-	-	16.56		
Cumulative Entitlement	20.72	41.44	-	-	-	-	-	-	-	-	-	-	383.86		
<b>% of Yearly Entitlement*</b>	<b>2.15%</b>	<b>4.31%</b>	<b>6.47%</b>	<b>8.86%</b>	<b>11.05%</b>	<b>13.30%</b>	<b>15.54%</b>	<b>17.78%</b>	<b>20.02%</b>	<b>22.27%</b>	<b>24.51%</b>	<b>26.75%</b>	<b>4.31%</b>		

### Minor Irrigators

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	THIS YEAR	Shares	45
Consumption	0.61	0.40	-	-	-	-	-	-	-	-	-	-	-		
Cumulative Consumption	0.61	1.01	-	-	-	-	-	-	-	-	-	-	1.01		
Cumulative Entitlement	5.73	11.47	-	-	-	-	-	-	-	-	-	-	106.24		
<b>% of Yearly Entitlement*</b>	<b>0.57%</b>	<b>0.95%</b>	<b>1.33%</b>	<b>1.75%</b>	<b>2.14%</b>	<b>2.54%</b>	<b>2.93%</b>	<b>3.33%</b>	<b>3.72%</b>	<b>4.11%</b>	<b>4.51%</b>	<b>4.90%</b>	<b>0.95%</b>		

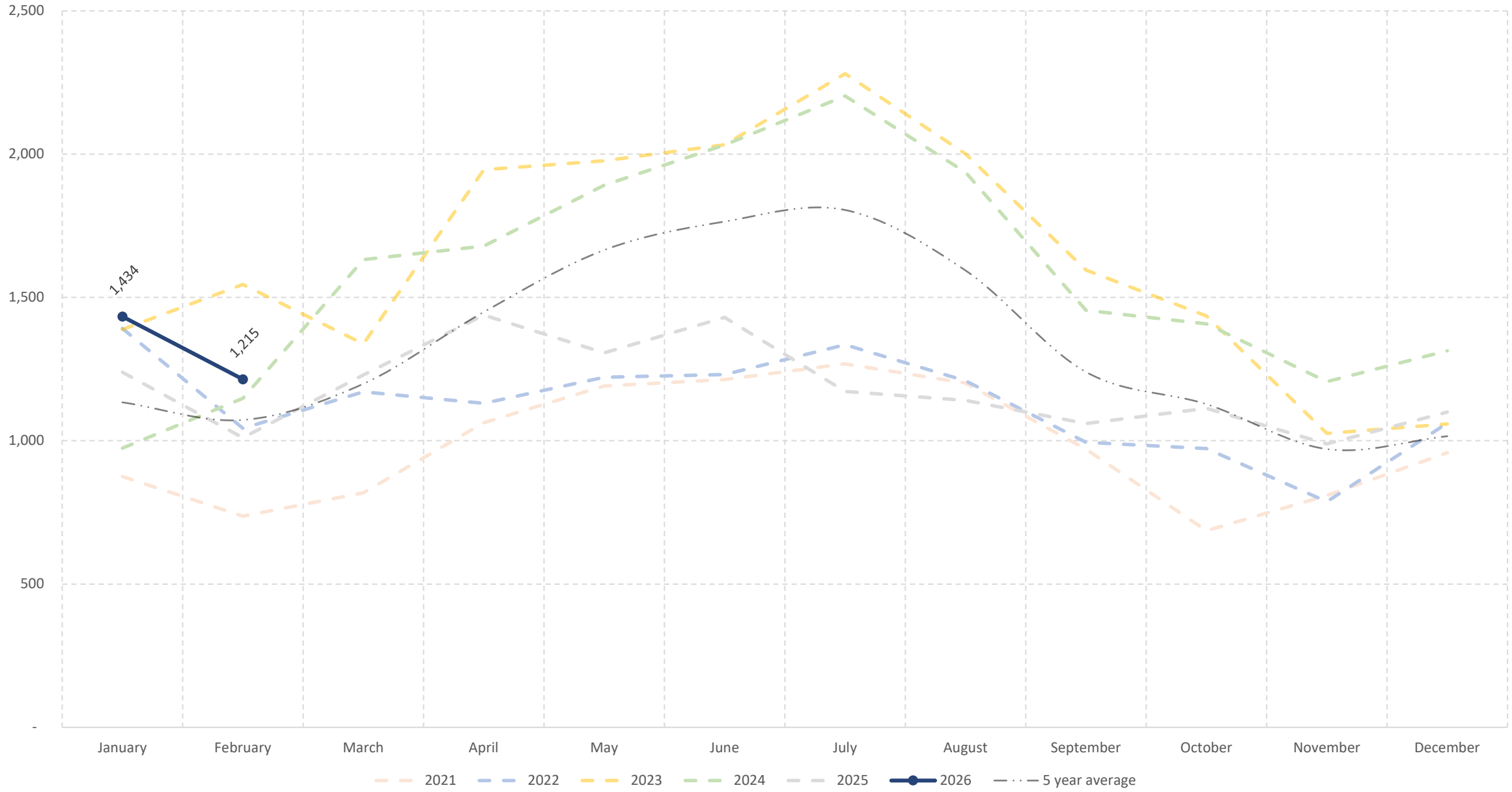
\* - Out months are Exponential Smoothing (ETS) forecasts based on consumption to date

### Cumulative Consumption to Date

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26
Domestic	58.78	128.52	-	-	-	-	-	-	-	-	-	-
Municipal	410.84	775.61	-	-	-	-	-	-	-	-	-	-
Misc	18.42	37.32	-	-	-	-	-	-	-	-	-	-
<b>Total Consumption</b>	<b>488</b>	<b>941</b>	-	-	-	-	-	-	-	-	-	-

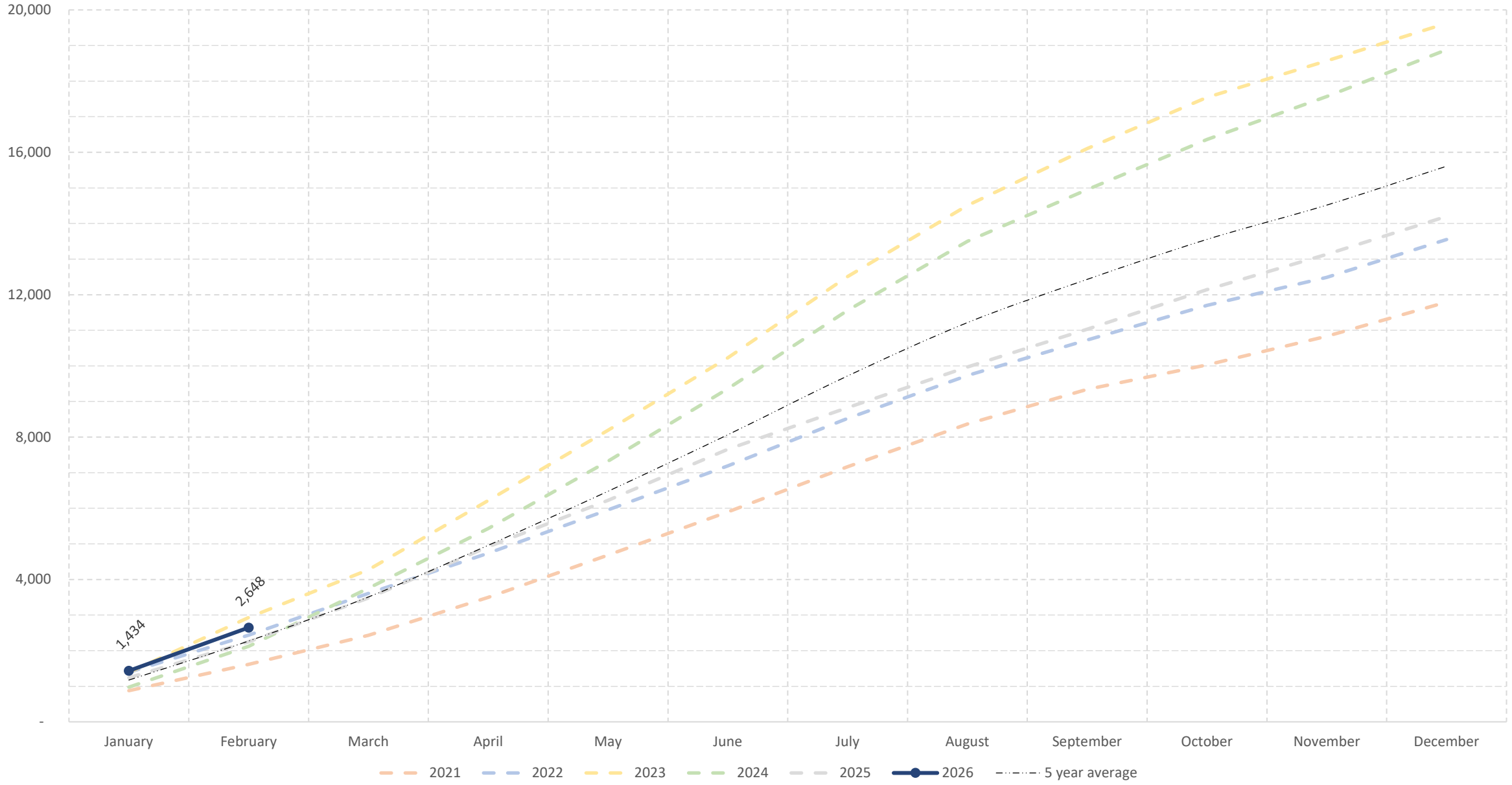
5yr Production

5 Year Production (AF)

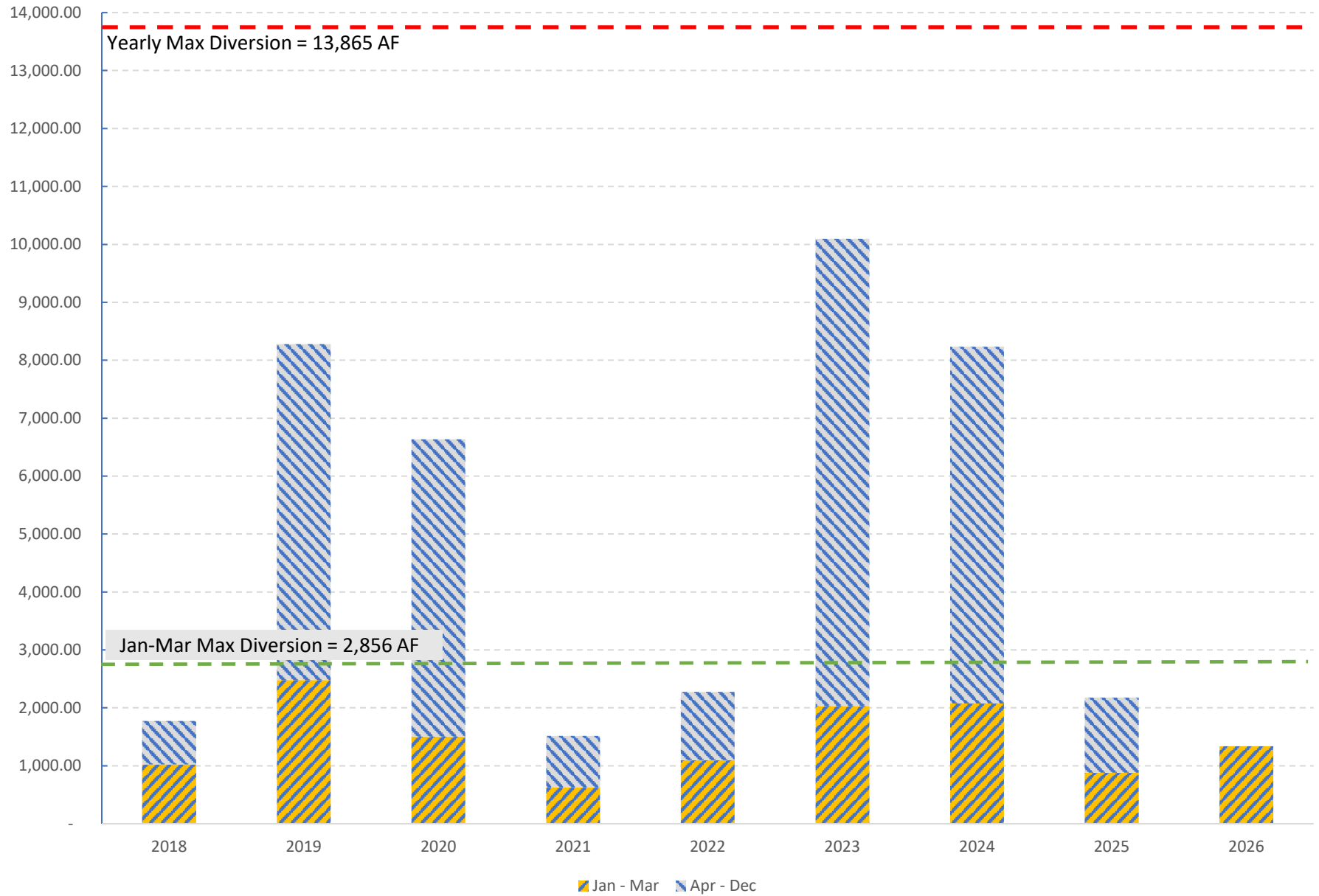


# 5yr Cumulative Production

## 5 Year Cumulative Production (AF)

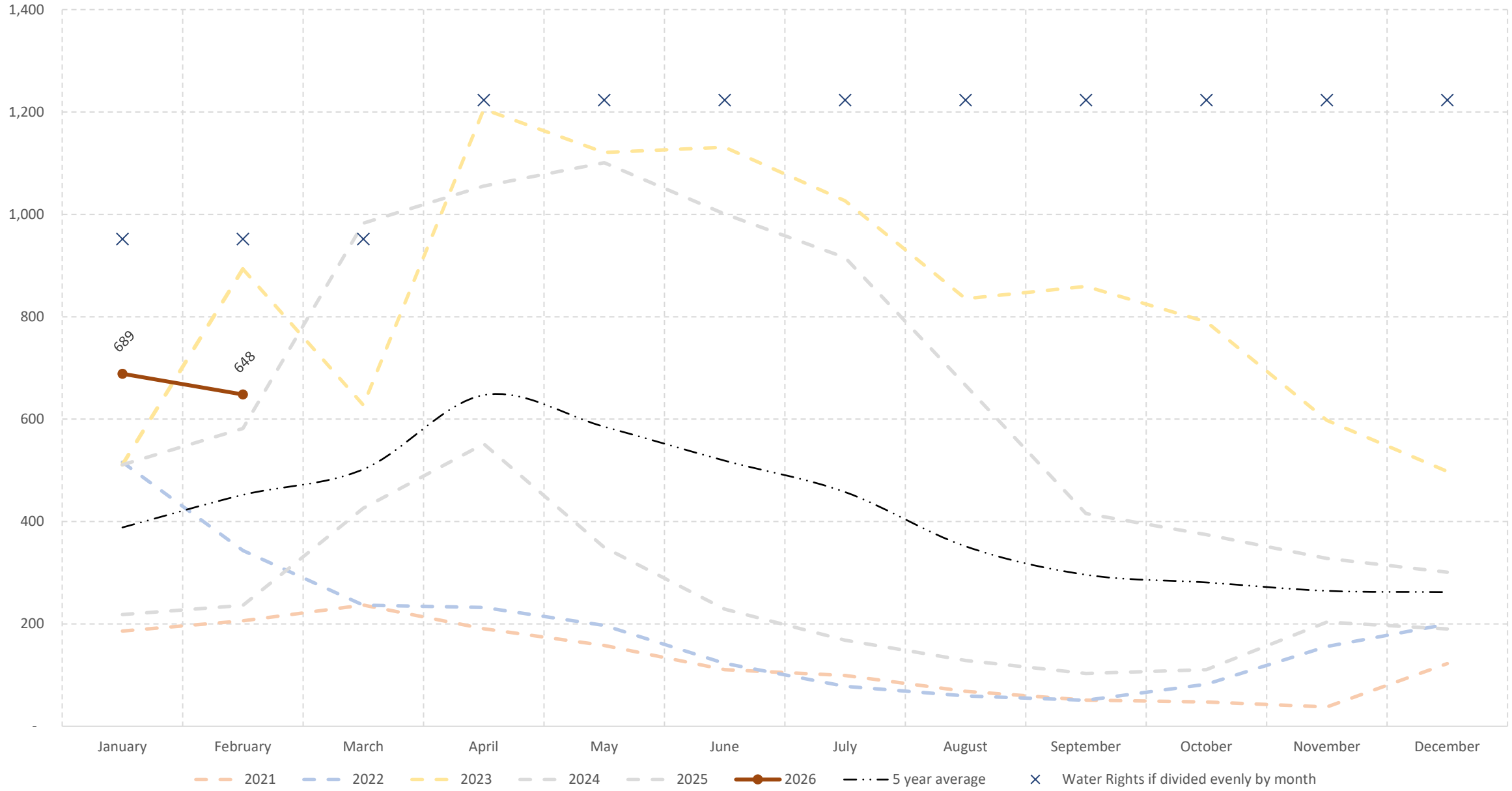


### Canyon Flow (AF)

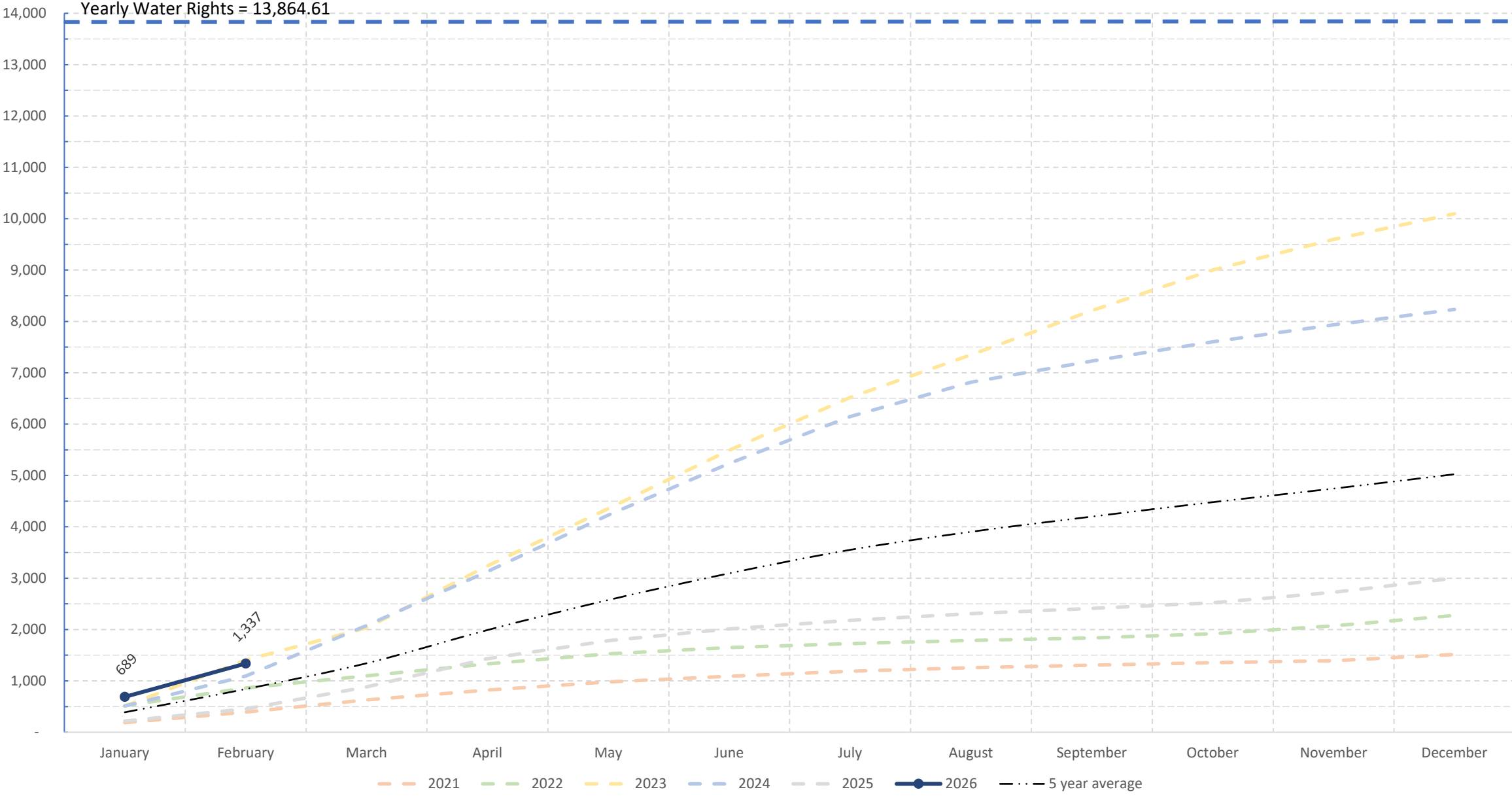


5yr V-Screen Production

5 Year V-Screen Monthly Production (AF)

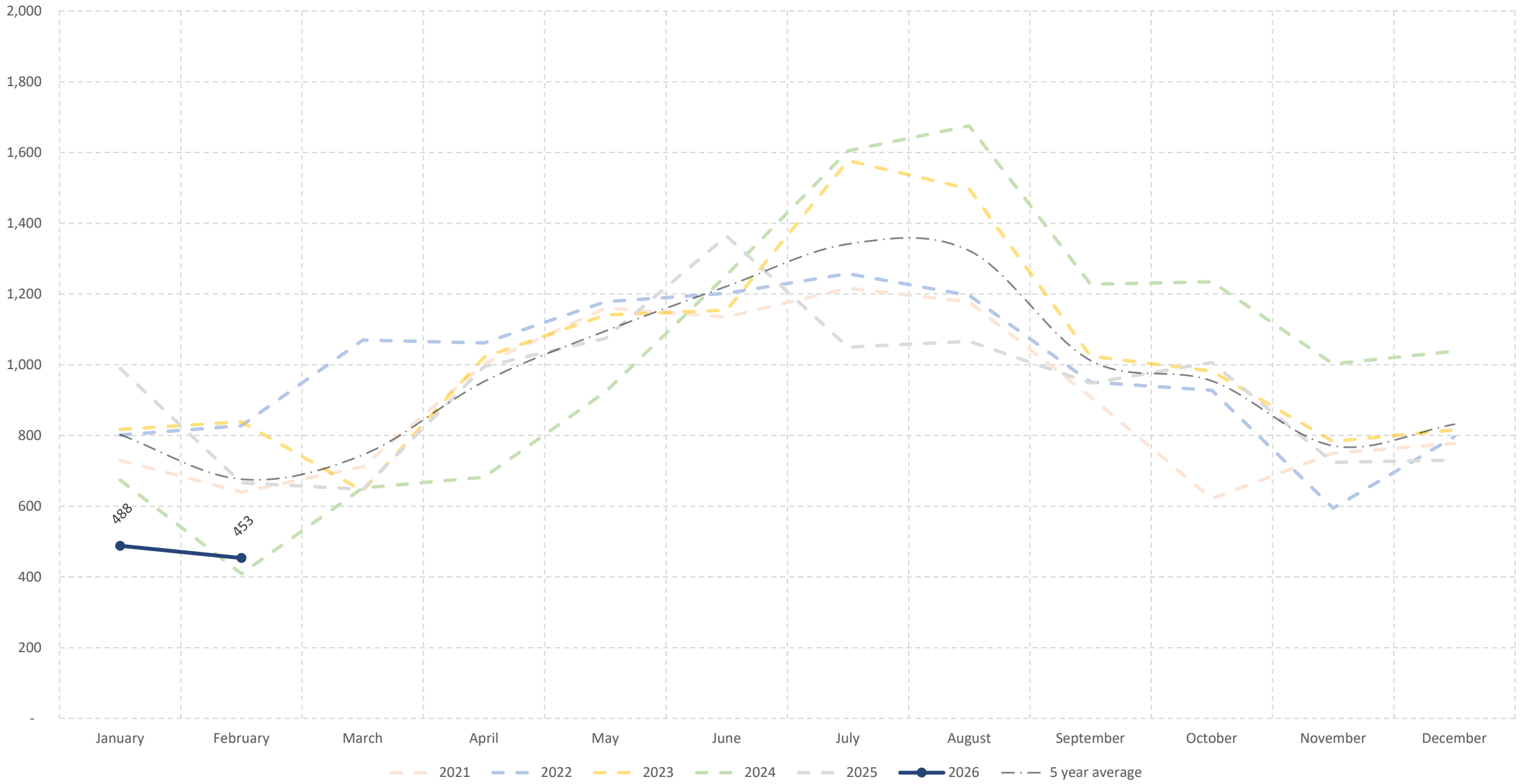


5 Year V-Screen Cumulative Production (AF)



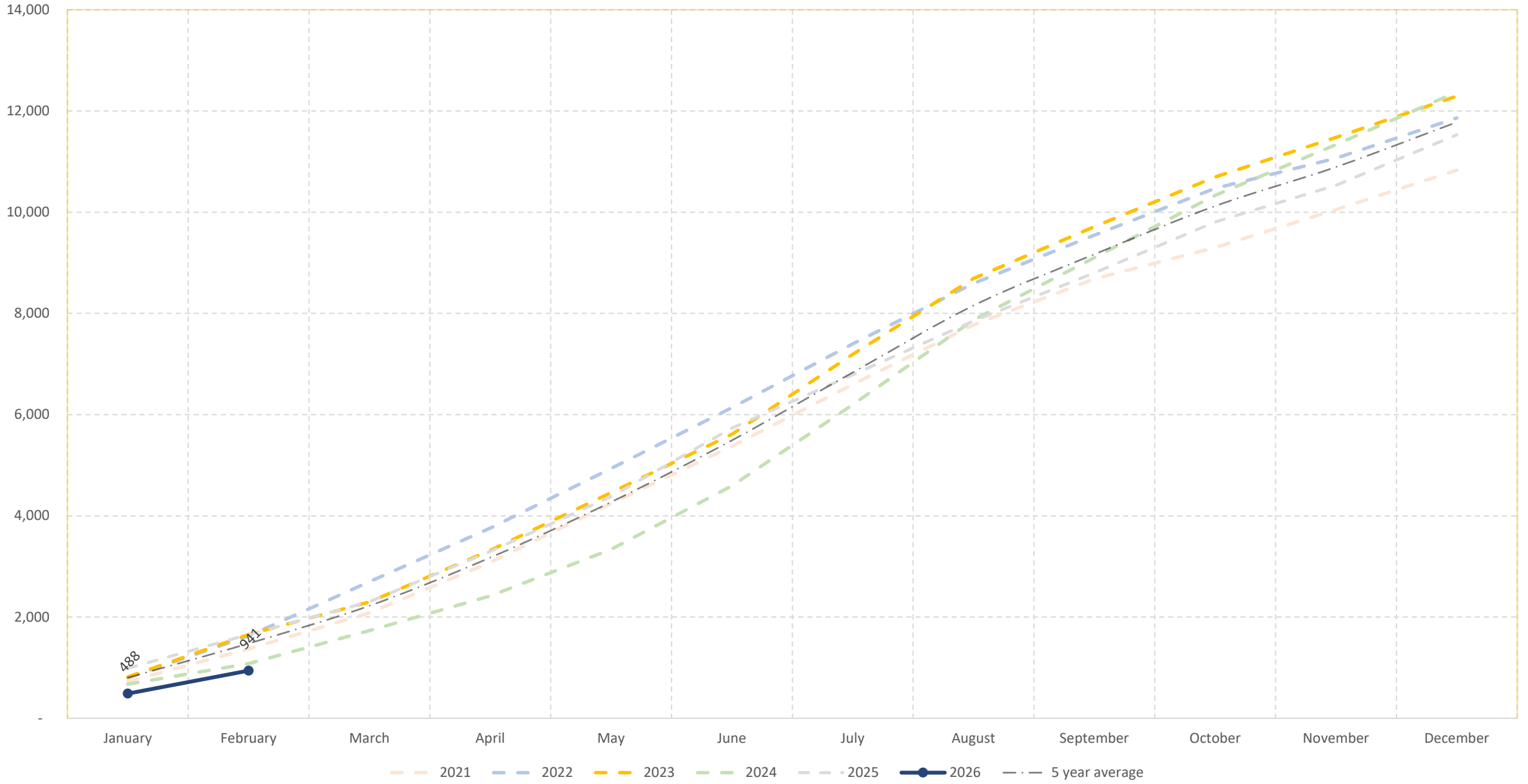
# 5yr Consumption

## 5 Year Consumption (AF)

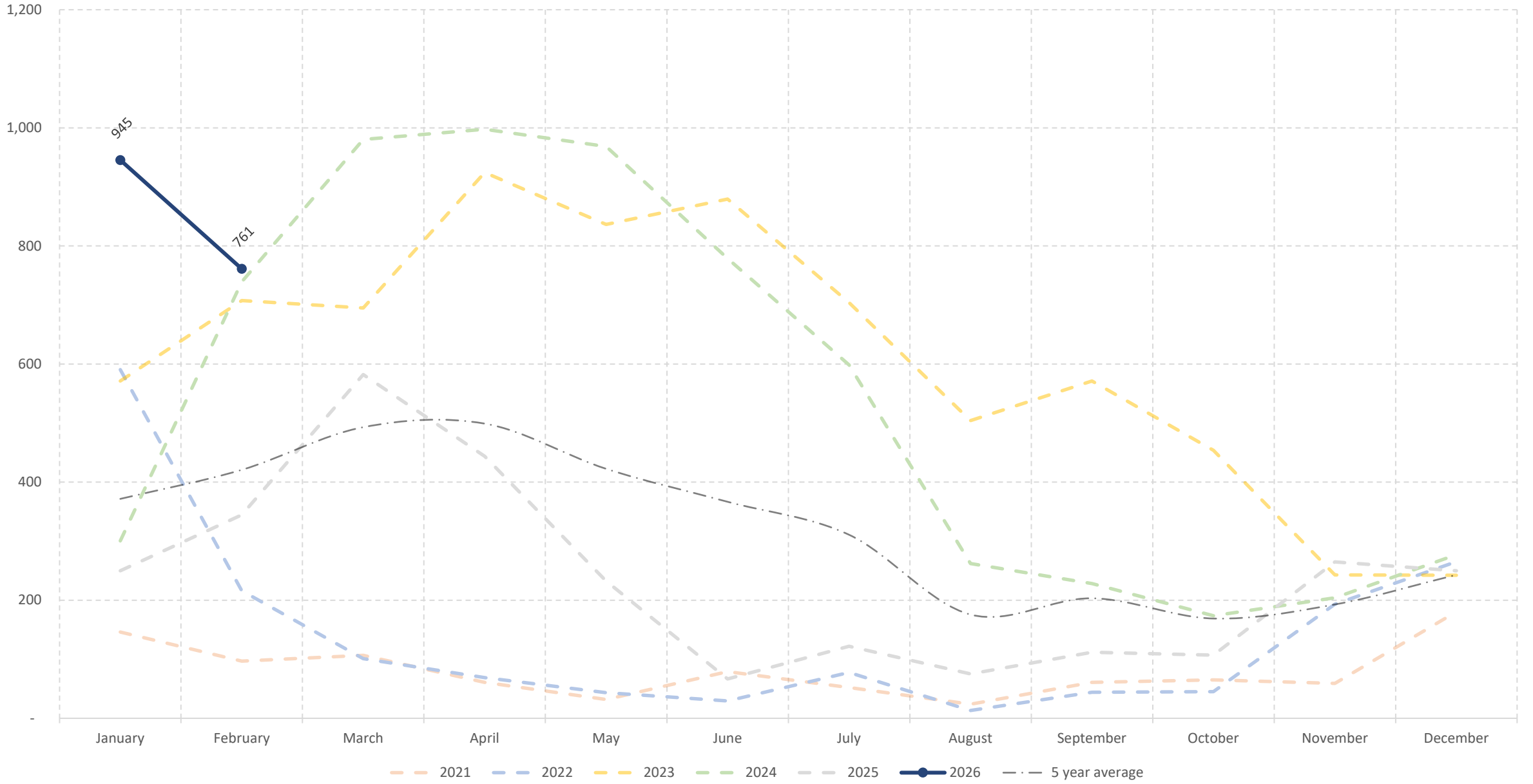


# 5yr Cumulative Consumption

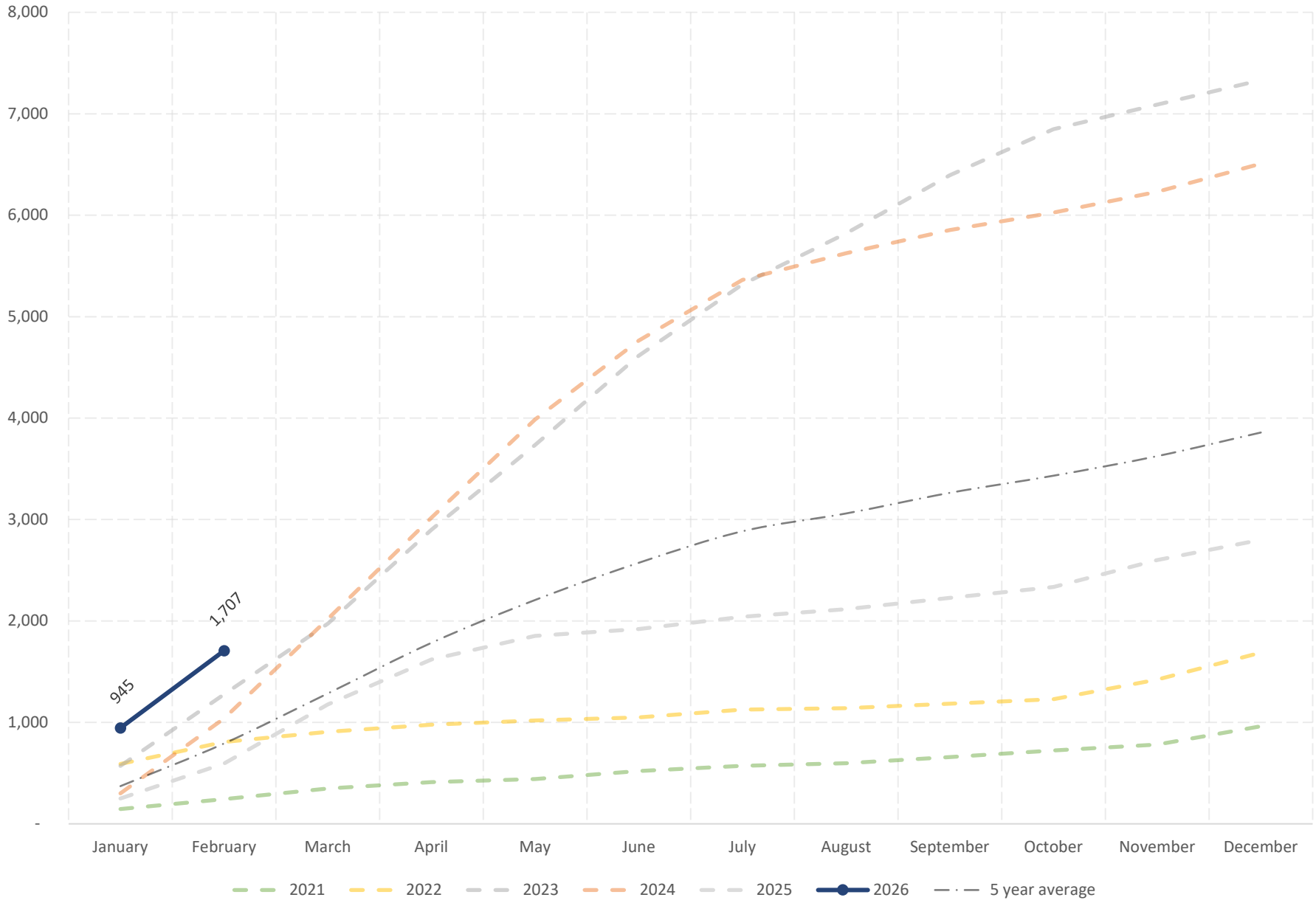
## Cumulative Consumption (AF)



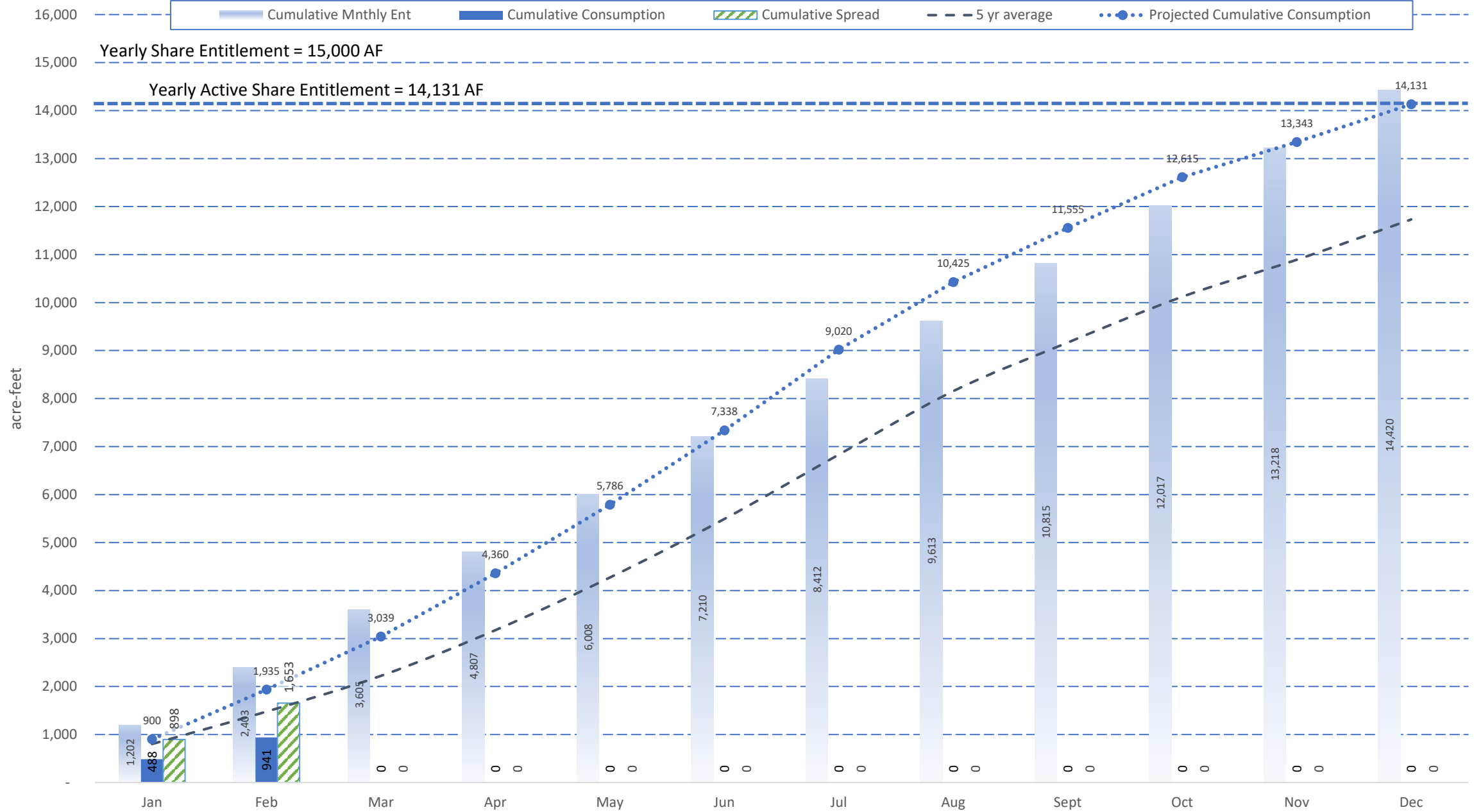
Production minus Consumption (AF)



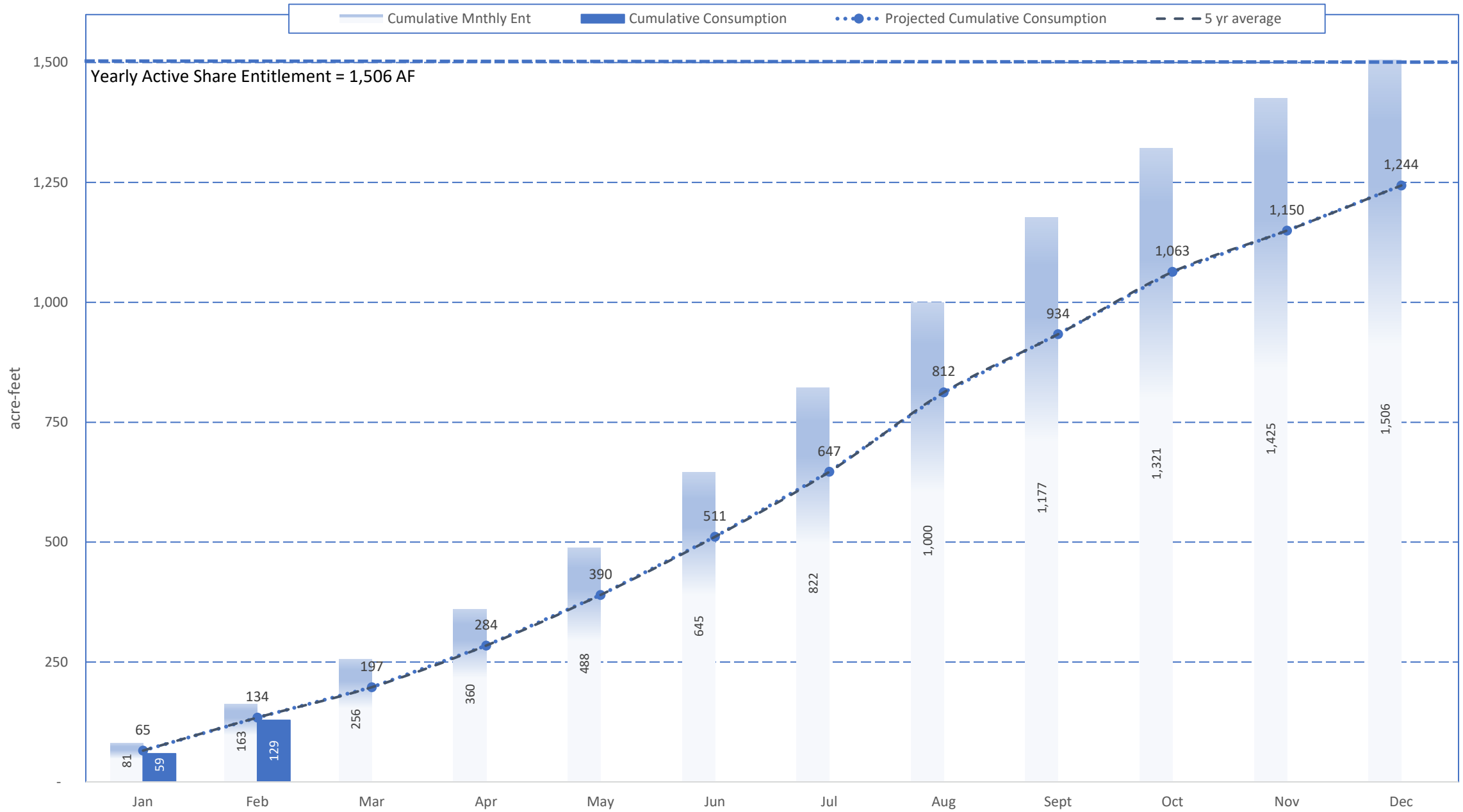
5-YR Cumulative Production Minus Consumption (AF)



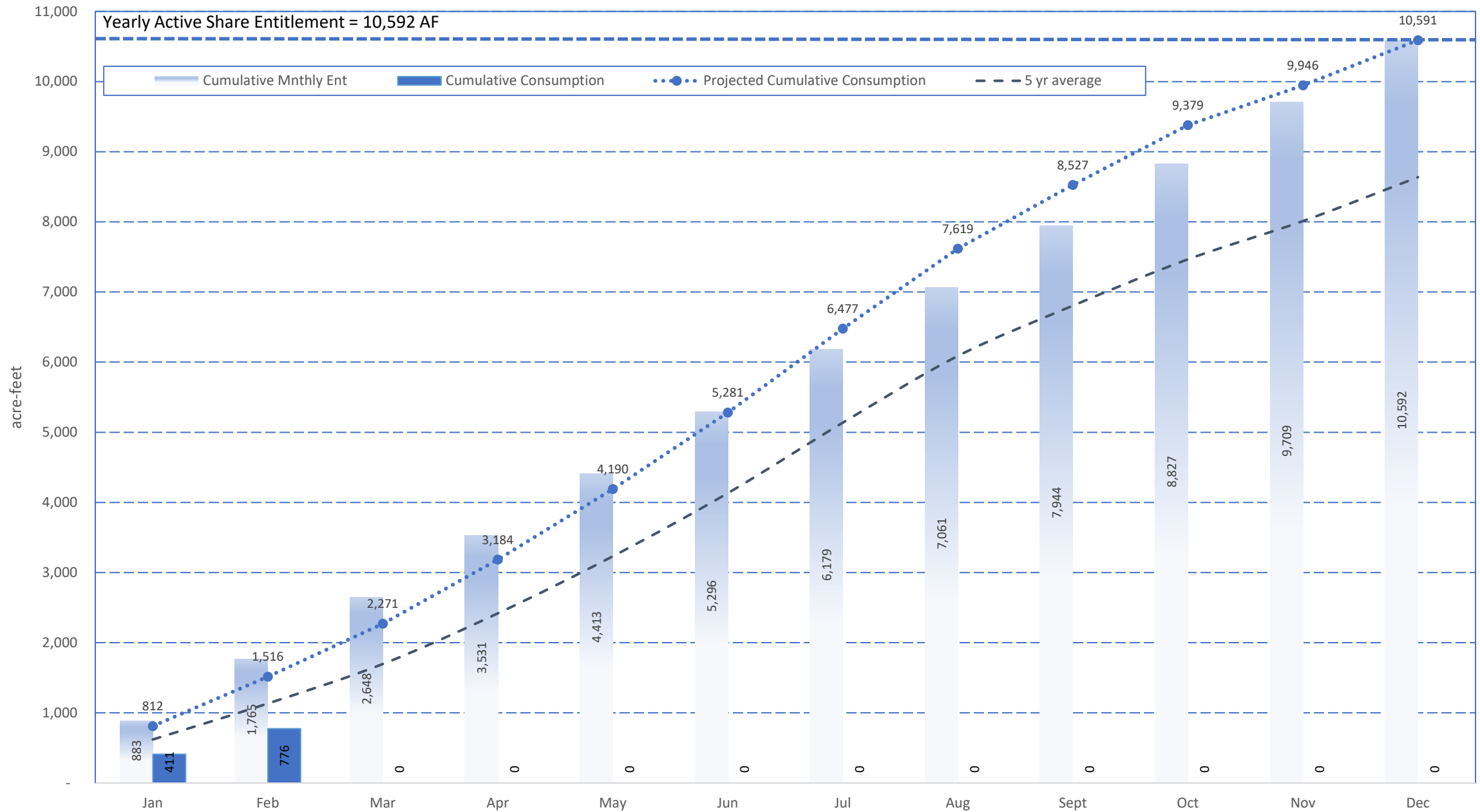
## 2026 Consumption Chart



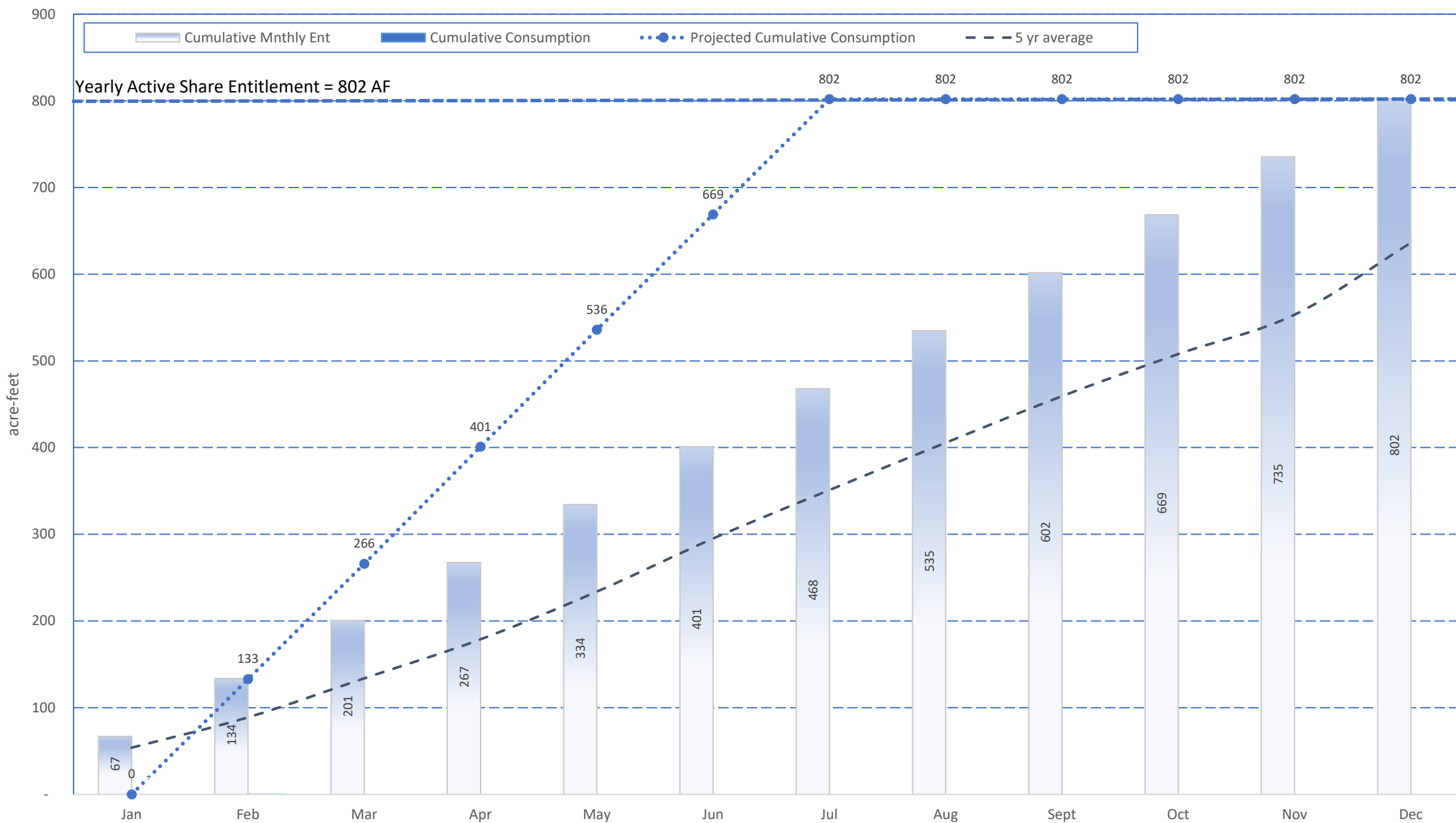
## 2026 Domestic Consumption



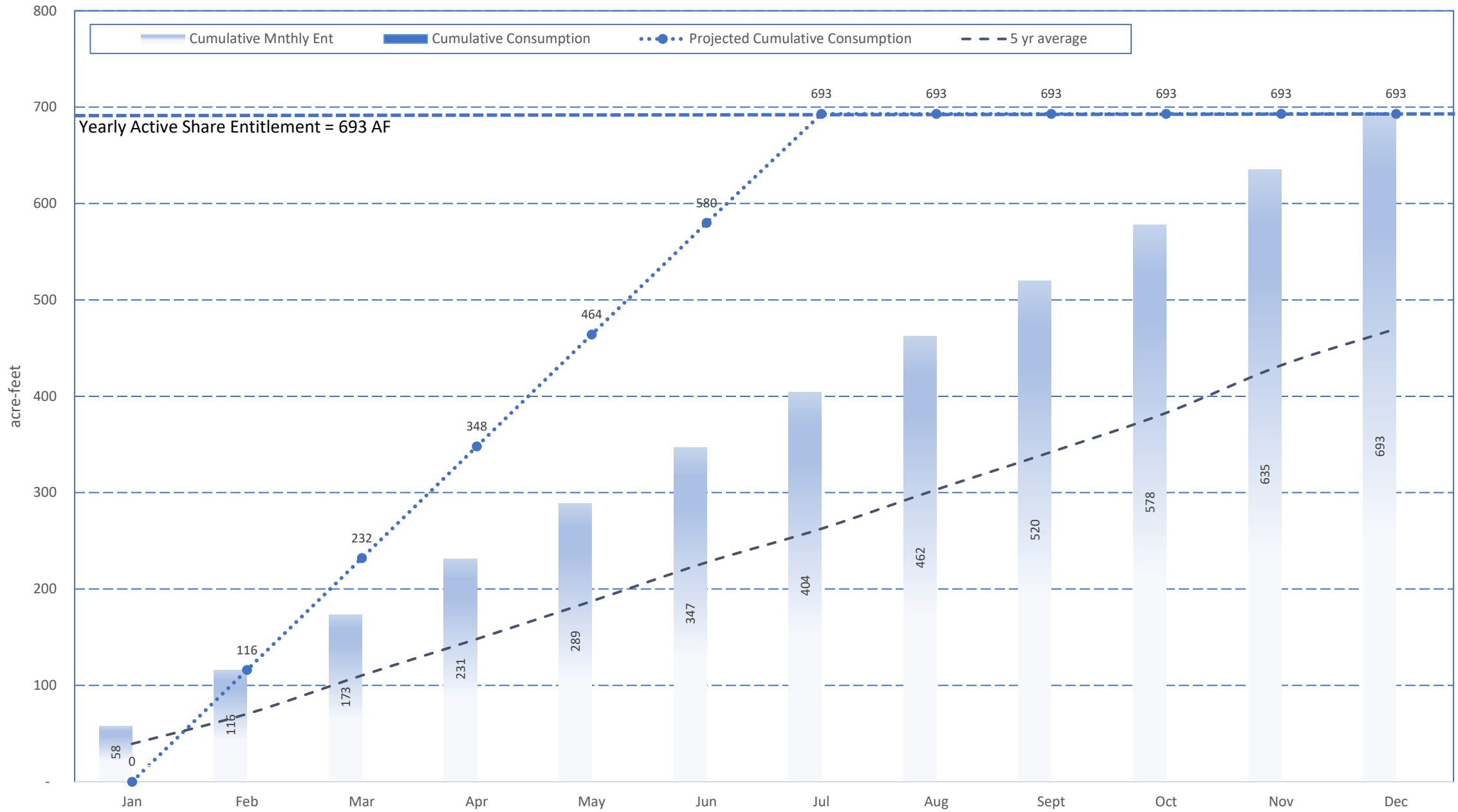
## 2026 Upland Consumption



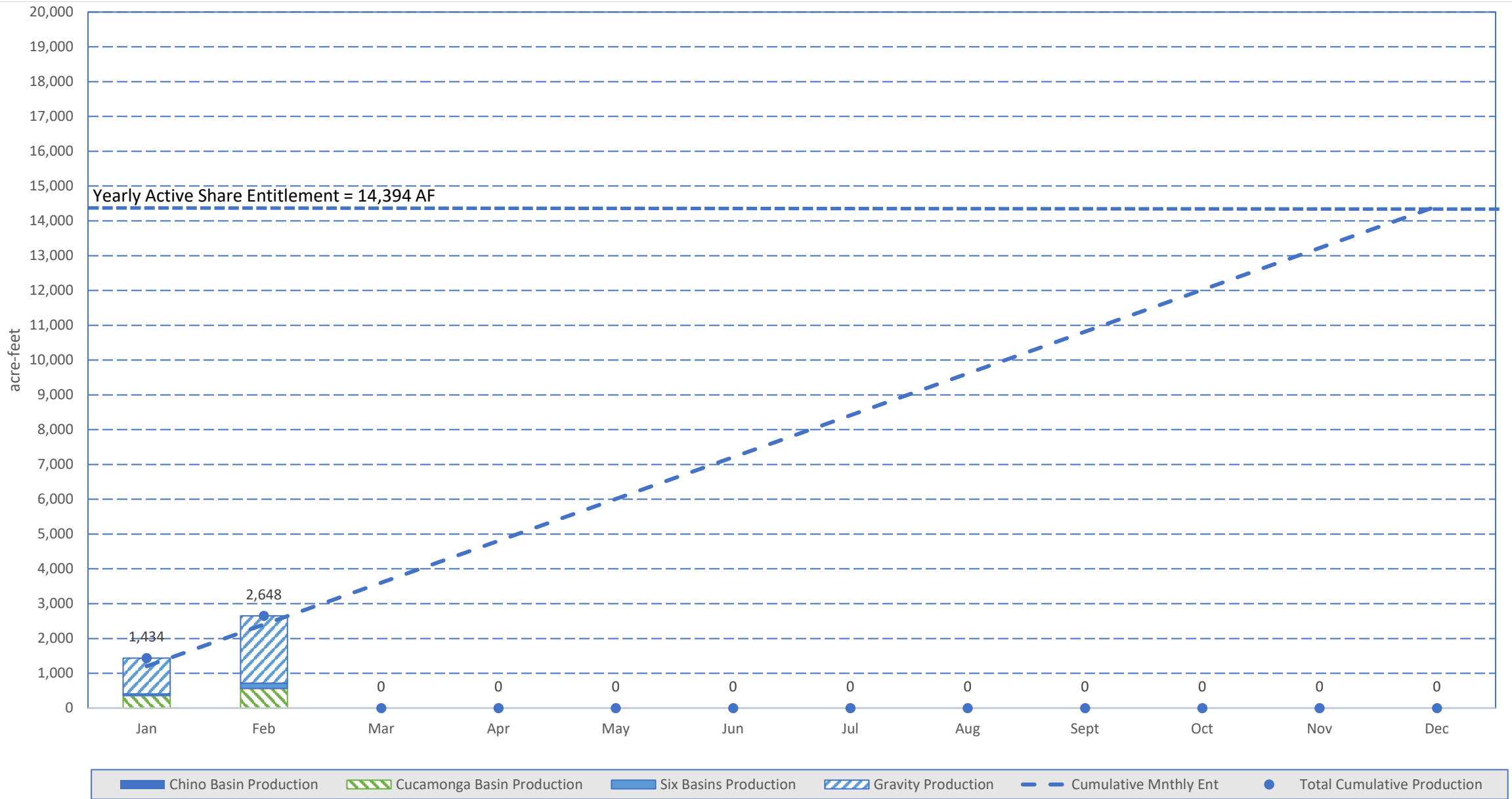
### 2026 Monte Vista Consumption



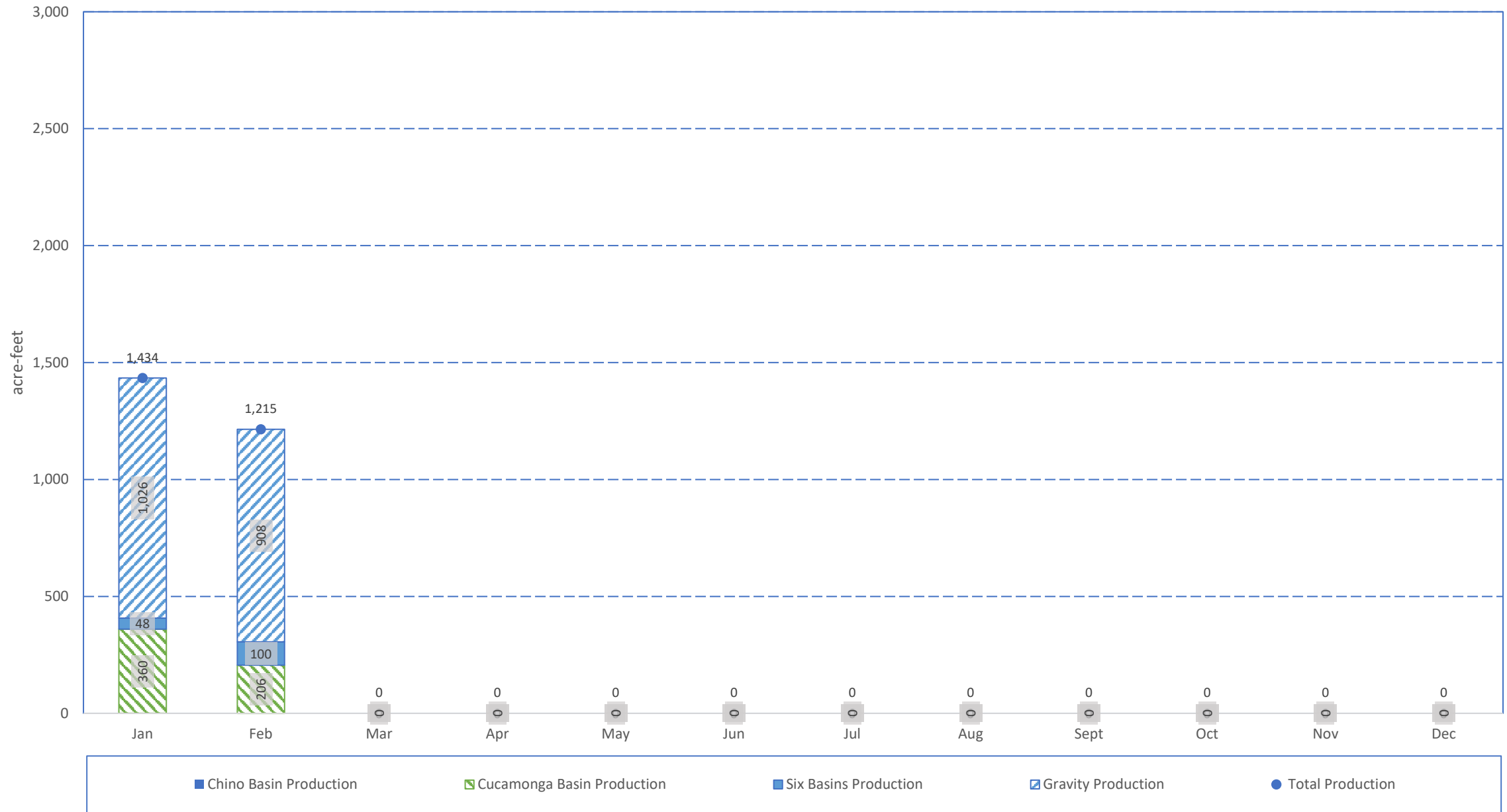
## 2026 Ontario Consumption



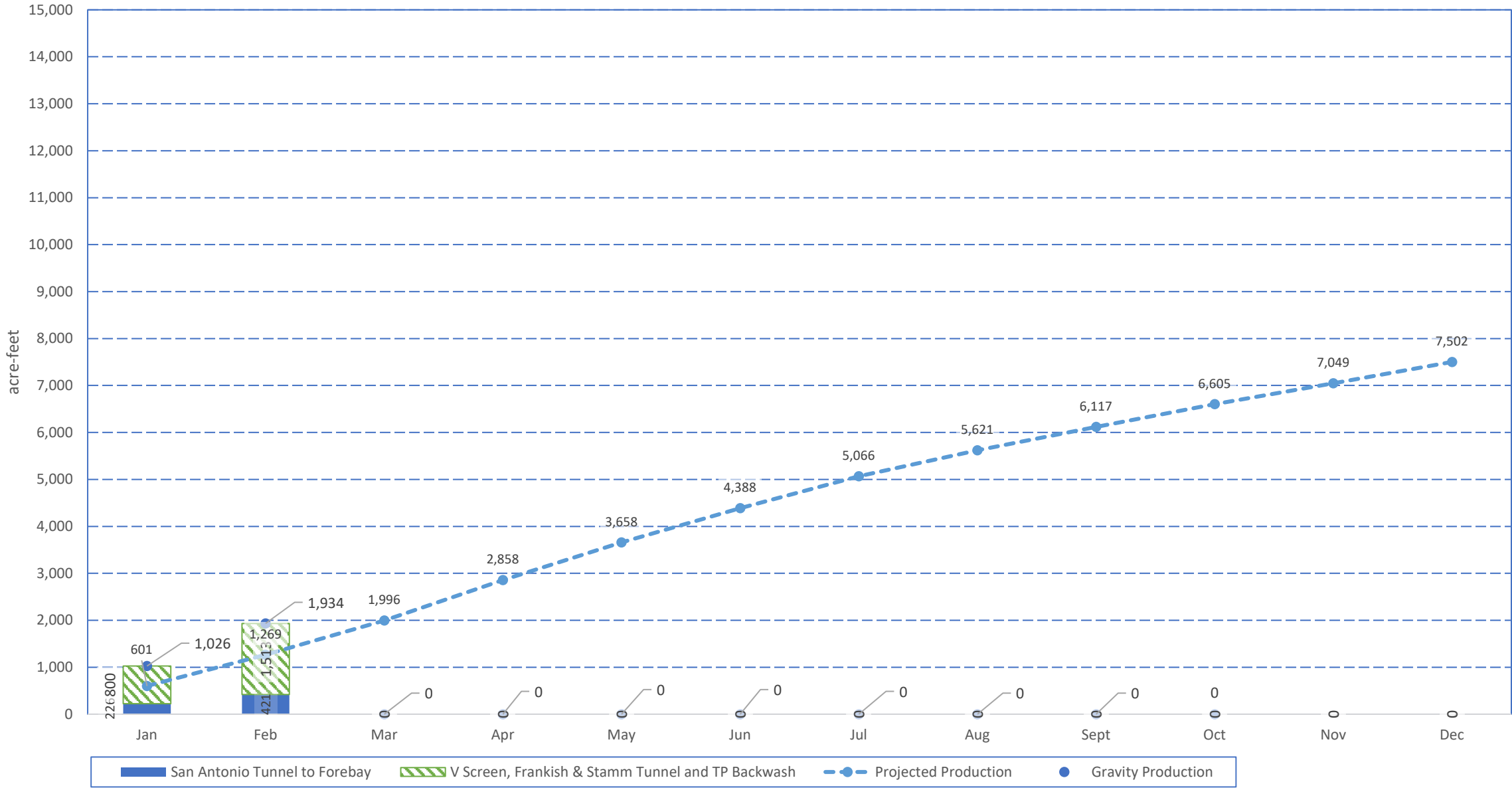
## 2026 Total Yearly Production



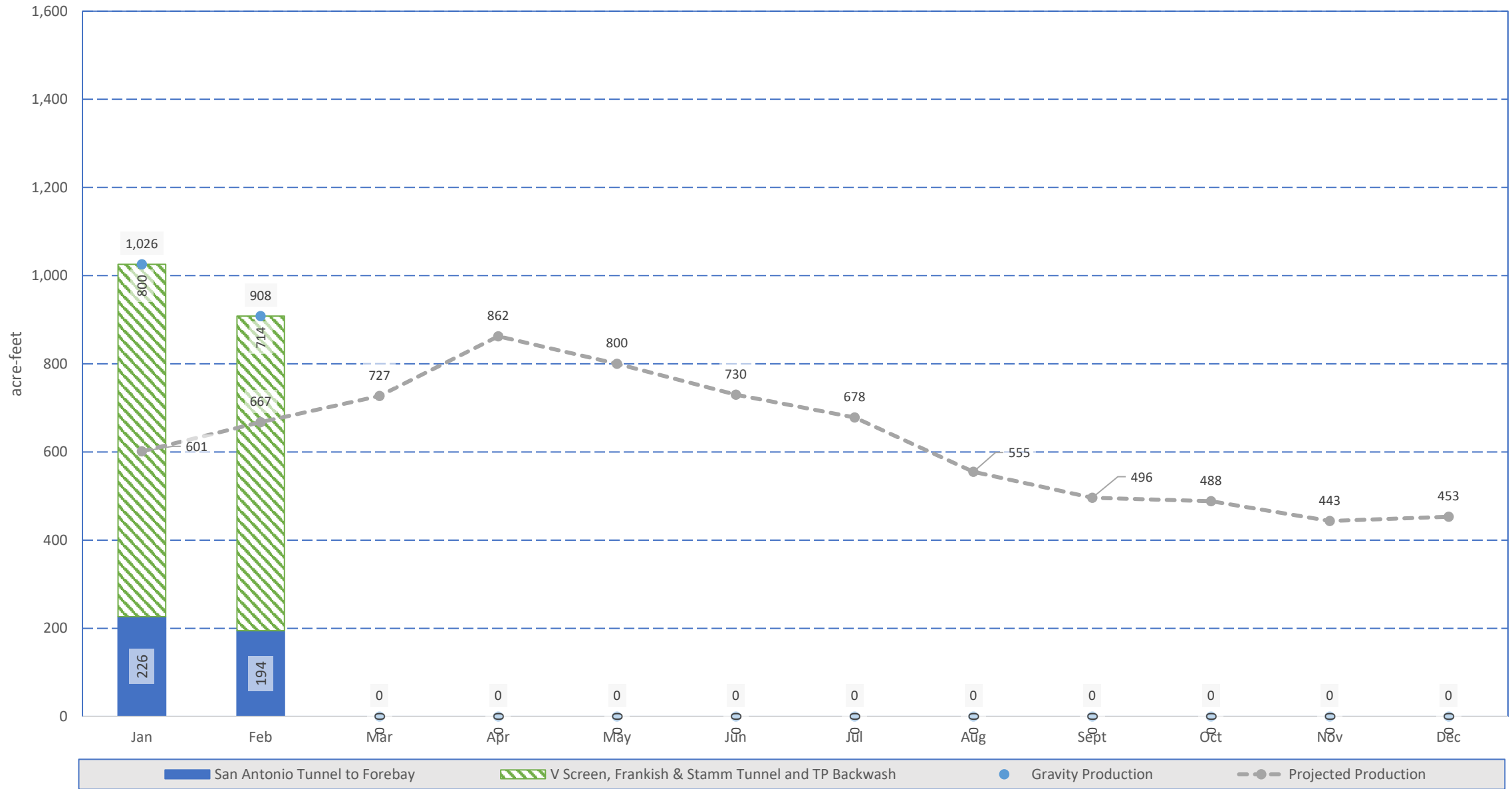
# 2026 Monthly Production



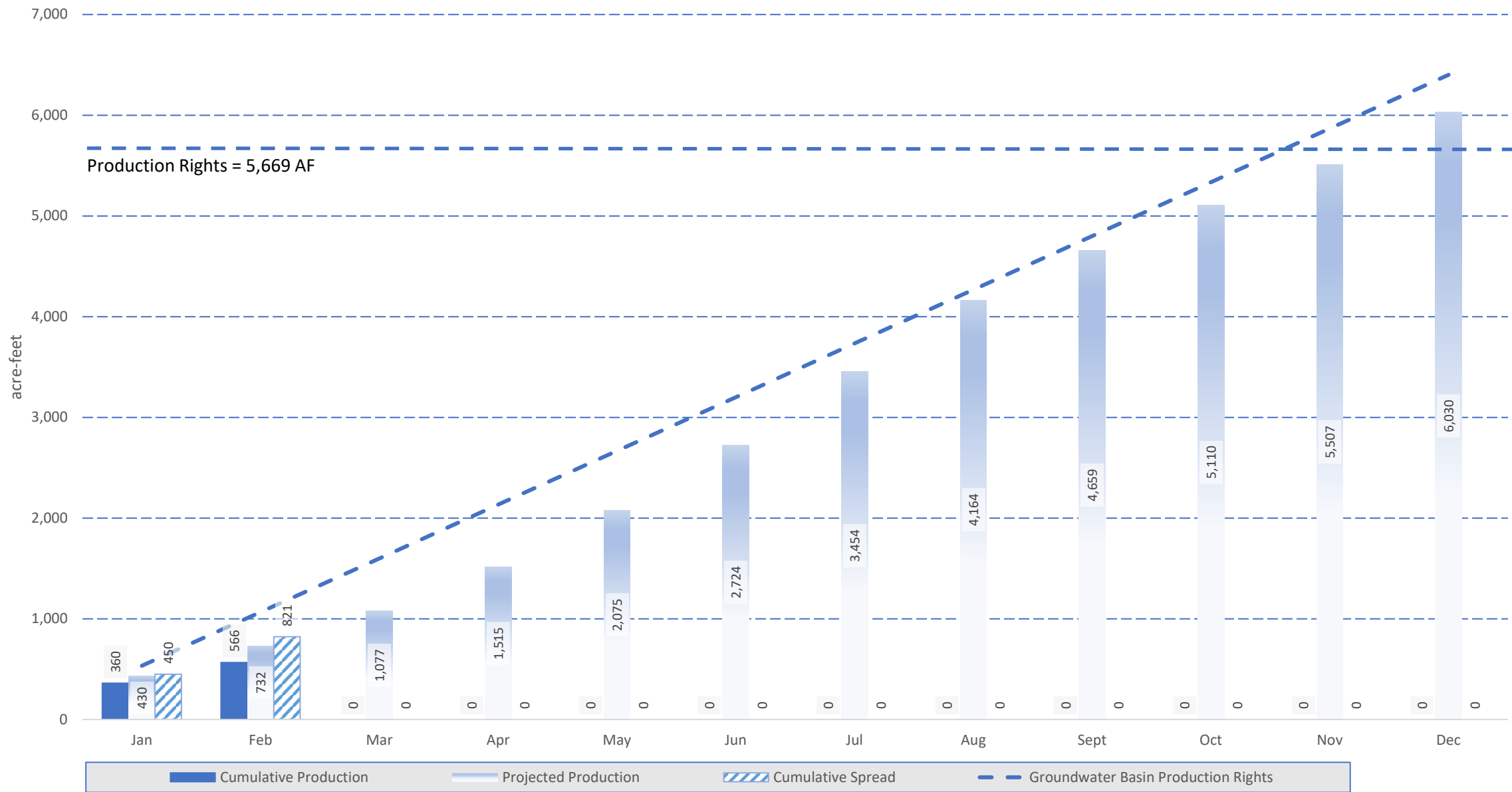
### 2026 Gravity Cumulative



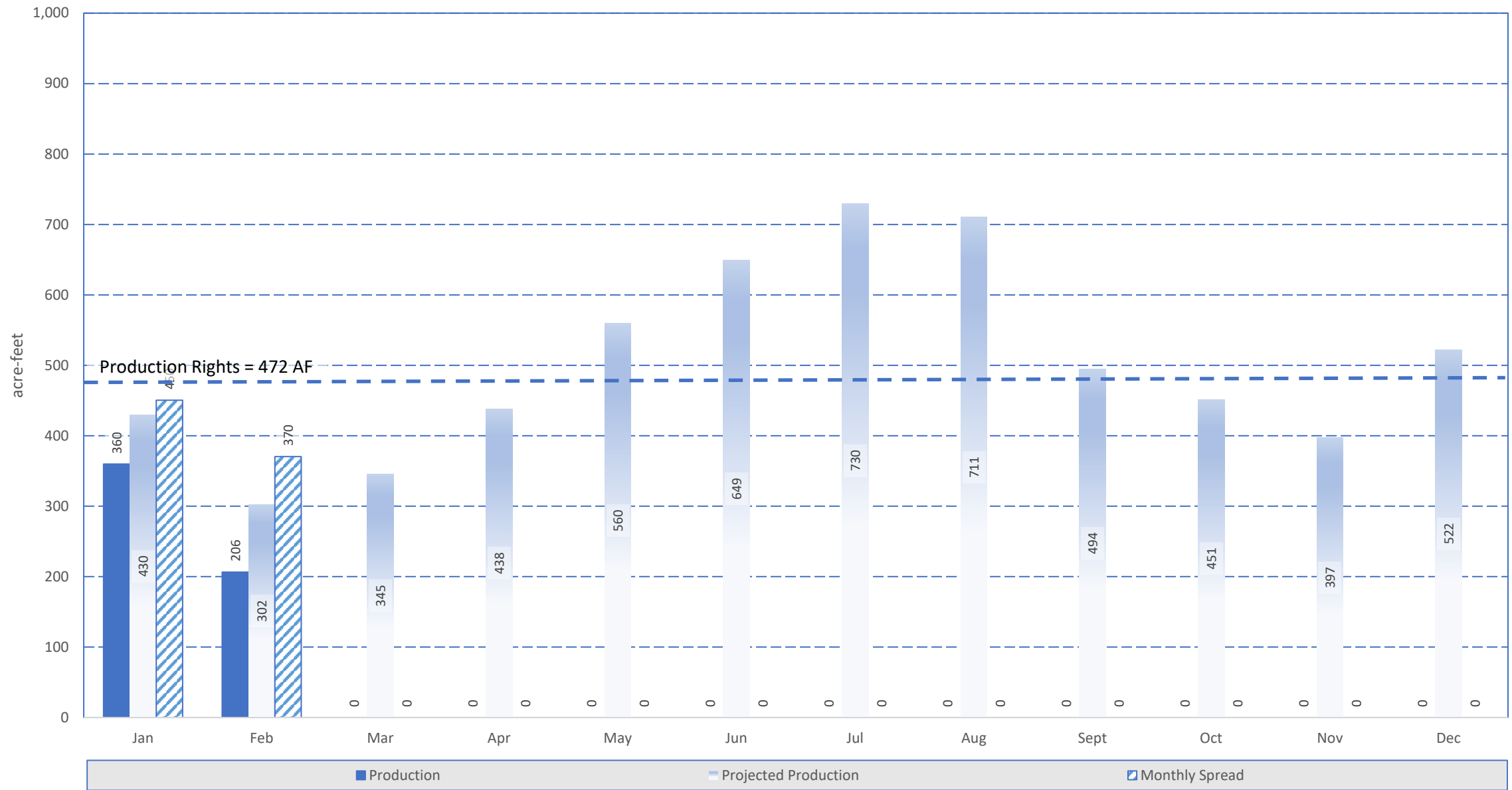
### 2026 Gravity Monthly



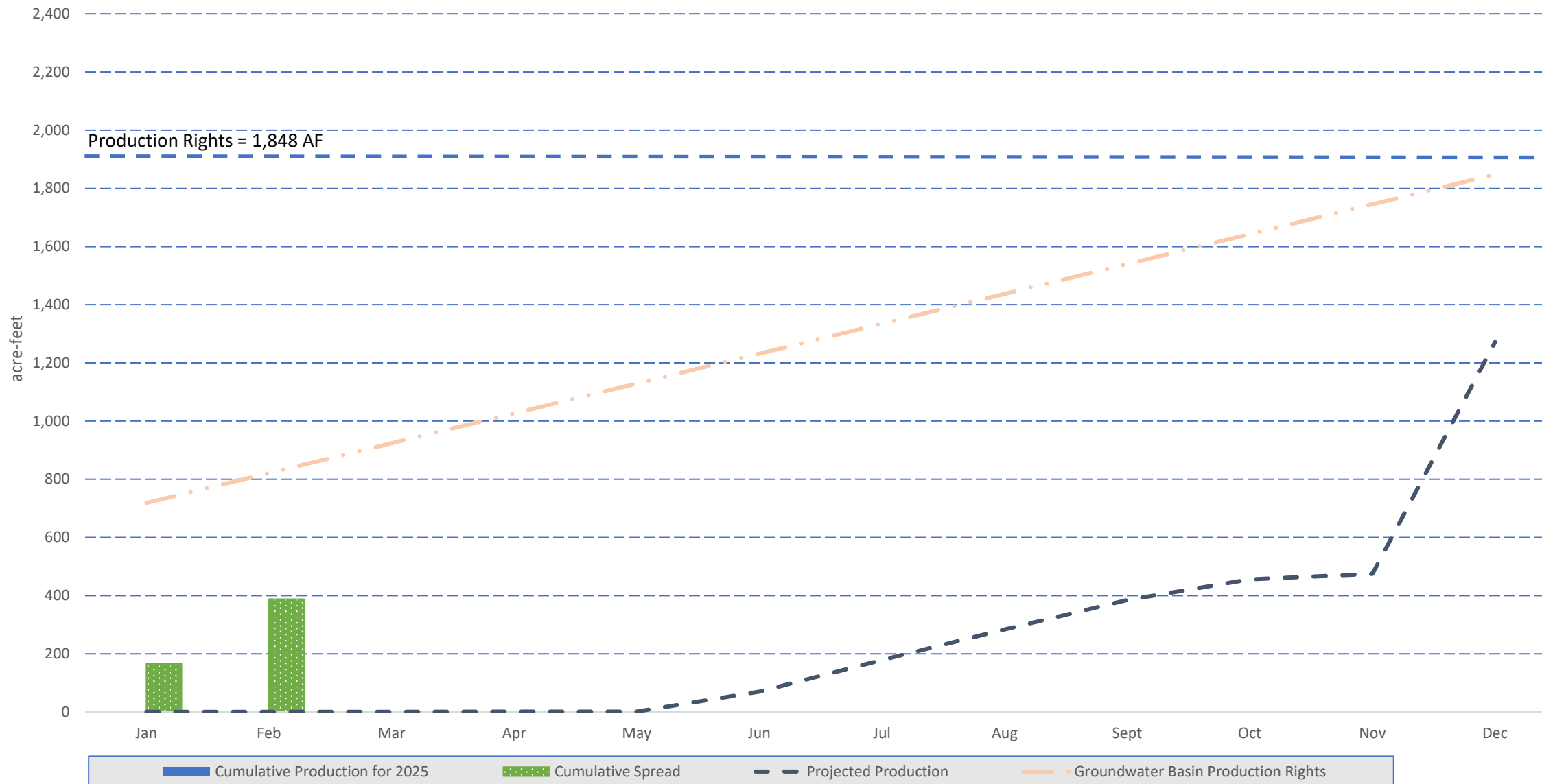
### 2025 Cucamonga Basin Cumulative



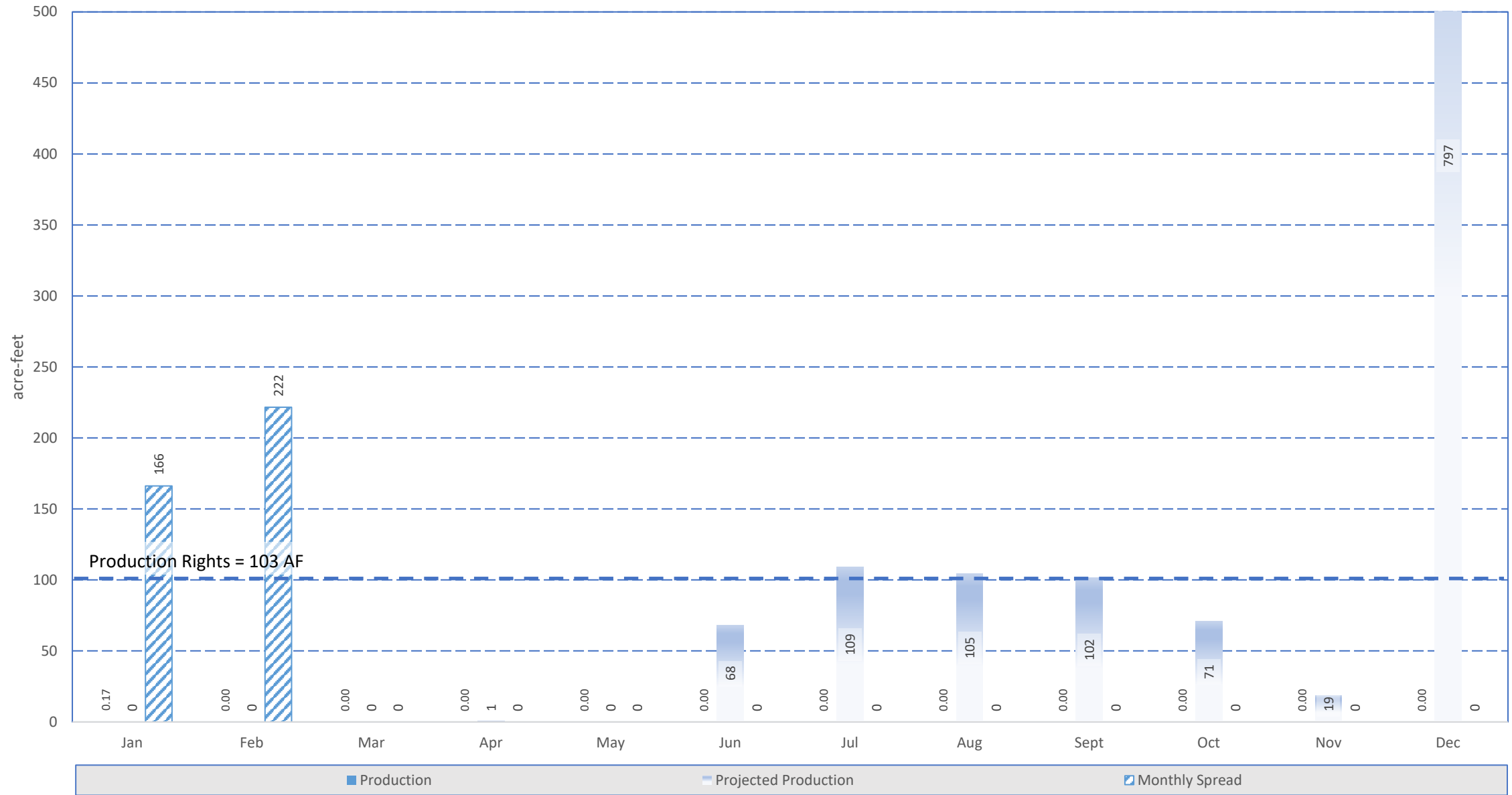
### 2026 Cucamonga Basin Monthly



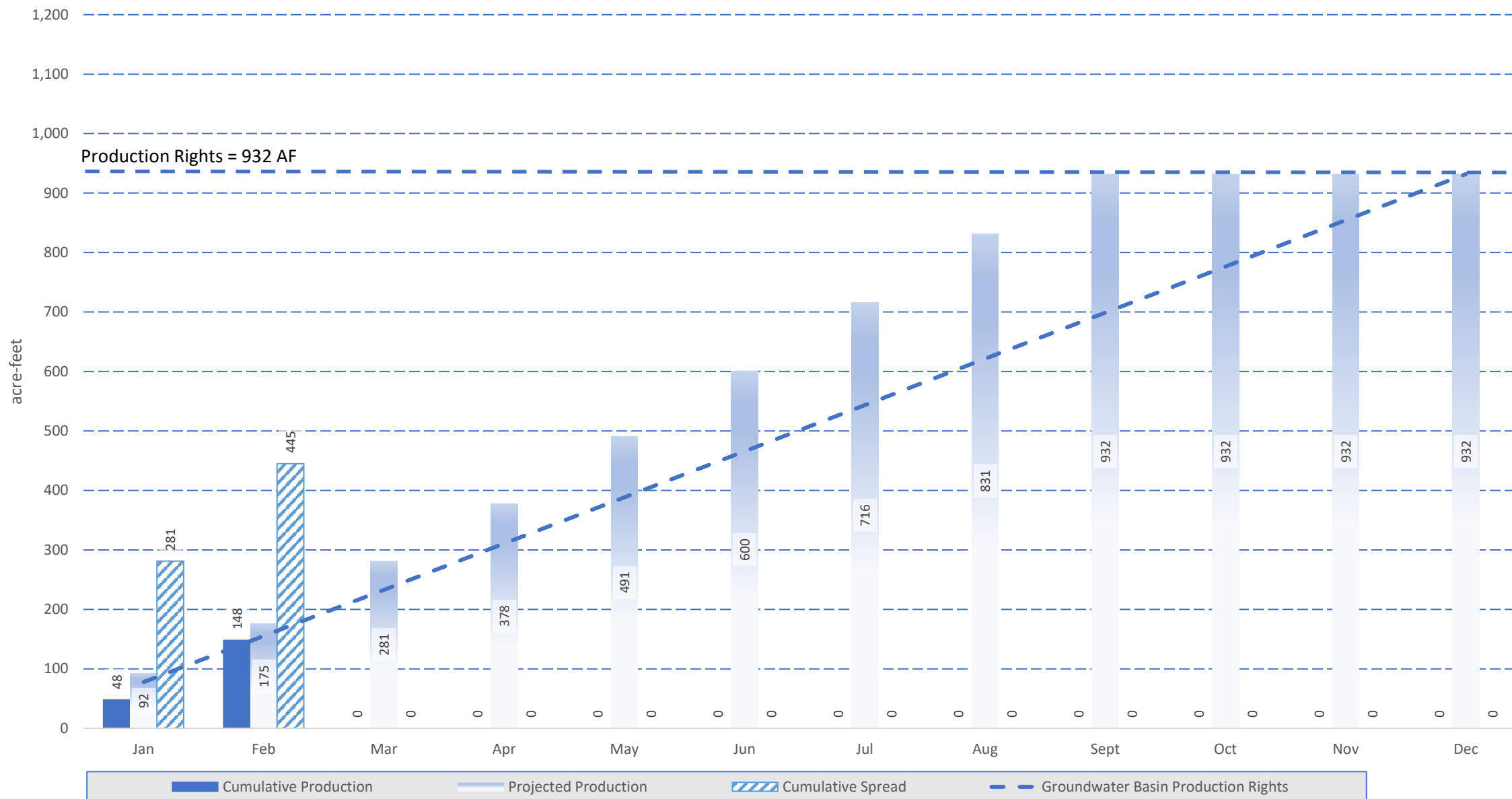
### 2026 Chino Basin Cumulative



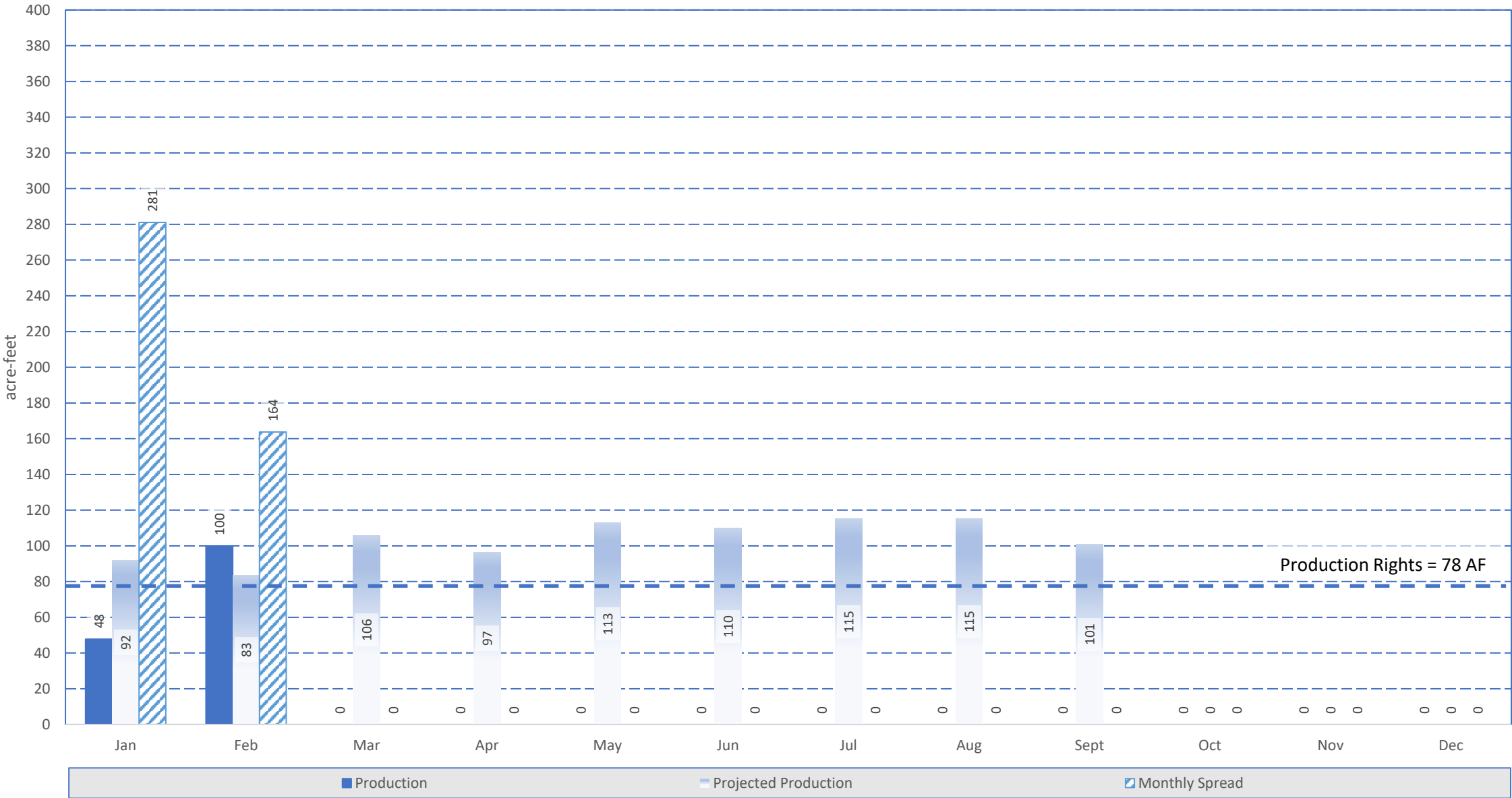
### 2026 Chino Basin Monthly



### 2026 Six Basins Cumulative



2026 Six Basins Monthly



- Water Supply through February 2026
  - Annual entitlement for CY2025 is 15,000 AF
    - Cumulative yearly production is 2,648 AF
    - Cumulative yearly consumption was 941 AF
    - Cumulative yearly spread was 1,653 AF
    - Cumulative unaccounted water was 53 AF

Six Basins Production for 2026

- Annual production right is 932 AF.
- Cumulative production is 148 AF.  
*Production is sent to the WFA treatment facility to meet City of Ontario and MVWD entitlement.*
- The Company spread a total of 445 AF.

Cucamonga Basin Production for 2026

- Annual production right is 5,637 AF.
- Cumulative production was 566 AF.
- The Company spread a total of 821 AF.

Chino Basin Production for 2026

- Annual production right is 1,232 AF.
- Cumulative production was 0 AF.
- The Company spread a total of 388 AF.

Surface Water (San Antonio Creek) flow for 2026

Total flow was 1,337 AF.

Tunnel flow for 2026

San Antonio Tunnel flow was 421 AF.  
Frankish and Stamm Tunnel flow was 176 AF.

- Company Stock
  - One-half (1/2) shares of water stock moved from active to dormant this transfer period.
  - One and one-half (1 1/2) shares of water stock moved from dormant to active this transfer period.
- Communication and Information Activities  
The quarterly Newsletter (Winter) was mailed via email to approximately 640 shareholders.
- Administration Matters  
Meetings of interest:
  - Thu, Feb 19 – GM attended CBWM Advisory Committee meeting
  - Thu, Feb 19 – GM attended CBWM PWGAS meeting
  - Wed, Feb 25 – GM attended Six Basin Board Meeting
  - Tue, Mar 3 – GM virtually attended quarterly Cucamonga Basin Team meeting
  - Thy, Mar 12 – GM virtually attended CBWM AP meeting

- Groundwater Basin Matters

Chino Basin –

Safe Yield – CBWM has begun discussions on the court mandated 2025 safe yield reset. AP is actively discussing impacts of proposed safe yield reset. Draft Safe Yield Report was distributed. Consultant's recommendation is to lower safe yield from 131,000 AF per year to 117,500 AF per year.

Spread Water from SAWCo - Application to spread 2,500 AF per year for years 21/22 through 25/26 was approved by WM Board in July 22. We started spreading water in January 2023.

Given storms in late December SAWCO requested to start spreading water in Chino Basin mid-January. We began spreading around 10AF per day by Jan 16.

Legal Issues-

- AP Motion for Costs and Fees
  - Court issued ruling partially awarding AP attorney's fees for the initial case, but not for appeal legal costs.
- Fiscal Year 21-22 and 22-23 Assessment Packages
  - Appeals court has issued a tentative ruling against Watermaster. Oral arguments were held in early April. Appeals Court has ruled in Ontario's favor.
- San Sevaine Basin
  - Storm water silt from upstream development. Notice has been sent to offending party for failure to meet Storm Water Pollution Prevention Plan (SWPPP) requirements. City of Fontana is currently reluctant to act. Two legal actions possible; tort suite and/or Clean Water Act suite.

Six Basins –

Meeting was held on February 25. No reportable action.

~~No December meeting.~~

~~Thanks to the December storms, SAWCO ended up spreading 1,043AF in 2025. This is 43 AF above contractual limit. At the January Board meeting SAWCO is requesting from the Six Basins Board a waiver for the 43AF overage. Waiver was approved at the January Board Meeting.~~

Cucamonga Basin –

The group met in February. No reportable action.

**Agenda Item No. 41**

Item Title: Projects and Operations Update

Purpose:

To update the Board and Shareholders on Company capital projects.

Updates:

**1507 – Office Relocation**

The Board approved a design and construction management contract at its March 2023 regular meeting. Contract has been executed and Architect is currently working on plans. Consultant has started discussions with Edison regarding eastern easement onto property. Company hired a CEQA consultant in May 2024. Architect hired civil engineering, geotechnical and survey subconsultants in May 2024.

~~There were some adjustments to our plans at the October 22 meeting. The first and largest adjustment was to have ALL traffic to the property come off of Campus Avenue and cross the Edison property. The second adjustment was to keep the access gate on 20<sup>th</sup> Street closest to the reservoir as a fire access gate. Operating hours will also be restricted to prohibit company trucks from operating prior to 7am unless in an emergency. This restriction will not impede company operations.~~

Plans were submitted to the Building Department in December 2025. Comments were minor and a resubmittal was made in March. We are scheduling a project bid for April with anticipated award of construction contract for May Board Meeting. The AdHoc Committee will be meeting (tentatively March 31) to review design elements and discuss construction schedule and material. Depending on review time, we could have approval in February at the earliest. If that schedule holds the most likely construction start would be in March of 2026.

~~Company is working to bid the project in Winter of 2026. Staff continues to work with the architect to finalize construction details.~~

The architect is engaged with SCE to solidify access across their property.

Original Budget .....	\$4,000,000
Original Contracts .....	\$283,550
New Contracts or	
Authorized Change Orders .....	\$163,550
Current Contracts .....	\$447,100

**1902 – Cucamonga Crosswalls Mitigation**

Permits have been closed. Staff is also looking into long-term maintenance permits that will allow the Company yearly access to the site for clearing and grubbing.

2201 Paloma Hydraulic Break

Company awarded a construction contract to Merlin Johnson at the September 2025 Regular Board Meeting. Material submittals are being reviewed. Construction start date is scheduled for March/April, depending on when material arrives. There remains a long lead time for construction material. Contractor confirmed earlier this month that pipeline material should be ready in early April.

Original Predesign Budget .....	\$40,000
Original Design/Const. Budget.....	\$1,500,000
Original Contracts .....	\$2,067,435
Authorized Change Orders.....	NA
Current Contracts .....	\$2,067,435

2204 GIS Update

At the August 2022 Special Meeting, the Board authorized a contract with WSC to update the Company's GIS maps. Contract has been executed. Consultant working on updates. WSC conducted training and system review with staff in May. Staff is providing field updates into the GIS system for consultant to correct on a quarterly/half year basis. Staff has executed a change order extending GIS services for another year.

Original Budget .....	\$11,110
Original Contracts .....	\$11,110
Authorized Change Orders.....	\$6,221
Current Contracts .....	\$17,331

2501 Well 19 Pipeline

A professional services contract was awarded to CivilTech Engineering at the regular September 2025 Board meeting. Survey is currently being conducted. Staff and consultant have been in communication as predesign report is being prepared. Alignment is being discussed.

Original Budget .....	\$3,340,000
Original Contracts .....	\$849,070
Authorized Change Orders.....	NA
Current Contracts .....	\$849,070

2502 Urban Water Management Plan 2025

For economy of scale, the Company has teamed with nine regional partners to complete each agency's individual 2025 UWMP. Water Systems Consultants (WSC) was awarded the contract for all agencies. A cost sharing agreement was signed on March 31, 2025. The project has started and staff is coordinating with consultant regarding data collection.

Original Budget .....	\$50,000
Original Contracts .....	\$42,402
Authorized Change Orders.....	NA
Current Contracts .....	\$42,402

**2601 Res 9 Outflow**

In late January 2026 the Company's field crew attempted to repair a leak on the Res 9 outfall pipeline I 24<sup>th</sup> Street. The existing material is riveted steel pipe, which hasn't been manufactured in decades. Staff would repair a single leak and discover another leak after recharging the pipeline. Staff ended up replacing 60 lineal feet of pipeline and recharged the system. Water flowed from the upper trench wall, indicating additional leaks upstream. The upstream pipeline ran through private property and directly under a residential garage. Staff made the determination to relocate the pipeline and reroute through the Company's driveway, a job approximately 500 lineal feet in length. The rerouting abandoned existing facilities on private property, thereby avoiding future issues with leaks on private property. Staff issued an emergency contract with CP Construction to perform the work. Staff purchased all material to provide to the contractor. The work was estimated to take about eight days. Contract flat rate was \$12,500 per day. Material estimate was \$40,000. Paving quotes are being pursued. The Board ratified staff's actions at its regular meeting on February 17, 2026. The project has been completed, and final costs are being calculated.

Original Budget.....	\$200,000
Original Contracts, not including material...	\$100,000
Authorized Change Orders.....	NA
Current Contracts .....	\$0

**2602 SCADA Server Update**

The main computer components of our SCADA system are eight years old, which is about the life expectancy of computer equipment. Some of our current equipment is no longer supported by the manufacturer. Staff was hoping we could squeeze another year or two out of the existing equipment until the move to our new facilities. Staff will be bringing a full report to the Board as soon as it is available, likely with a recommendation to replace our SCADA Server system. For budgetary purposes, this will be a \$100k+ project. Staff has met with consultant and provided review documentation. Consultant is working on proposal.

Original Budget.....	\$150,000
Original Contracts .....	\$0
Authorized Change Orders.....	NA
Current Contracts .....	\$0

**2603 Benson and 20th**

In early 2025 staff abandoned approximately 500 feet of the lower portion of the Reservoir 9 outfall due to severe corrosion of the pipeline wall. Abandoning this section isolated the lower Reservoir 9 Outfall pipeline from the rest of the irrigation system. The pipeline has remained isolated since that time.

In preparation for the upcoming construction of the Forebay Outfall project, staff requests that the Board authorize construction of approximately 500 lineal feet of PVC 'bridge' pipeline to reconnect the Reservoir 9 Outfall to the lower portion of the remaining irrigation system. This installation will allow irrigation water to be diverted around the Forebay Outfall construction project and continue to provide service to the rest of the irrigation system. The Board authorized construction at its regular meeting on February 17, 2026. The project has been completed, and final costs are being calculated.

<u>Original Budget .....</u>	<u>\$55,000</u>
<u>Original Contracts .....</u>	<u>\$0</u>
<u>Authorized Change Orders.....</u>	<u>NA</u>
<u>Current Contracts .....</u>	<u>\$0</u>

2604 San Antonio Stream Gauge

The Company is exploring how to maximize diversions for the San Antonio Canyon. The first step is to measure actual flow from the canyon. At its regular November 2025 meeting the Board authorized a contract with Rincon Consulting to install a stream gauge in San Antonio Canyon. The stream gauge was installed in February 2026 and is currently collecting data. Initial results will be presented to the Board at a later date.

<u>Original Budget .....</u>	<u>\$100,000</u>
<u>Original Contracts .....</u>	<u>\$85,679</u>
<u>Authorized Change Orders.....</u>	<u>NA</u>
<u>Current Contracts .....</u>	<u>\$0</u>

Agenda Item No. 6

Item Title: 2025 Audit

Purpose:

To review Company's 2025 Audit

Issue:

Company requires a yearly audit

Manager's Recommendation:

None

Background:

Late in 2025 the Company contracted with Elite Tax and Accounting (ETA) to complete our required 2025 audit.

The completed 2025 audit is attached for Board review. It will also be included in the Annual Shareholder Meeting packet that will be mailed to all shareholders later this month.

Impact on the Budget:

None

Previous Actions:

None

**SAN ANTONIO WATER COMPANY**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**  
**(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)**

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**SAN ANTONIO WATER COMPANY  
TABLE OF CONTENTS  
DECEMBER 31, 2025**

<b>INDEPENDENT AUDITOR'S REPORT</b>	1 – 2
<b>FINANCIAL STATEMENTS</b>	
BALANCE SHEET	3-4
STATEMENT OF OPERATIONS AND RETAINED EARNINGS	5
STATEMENT OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7 – 22



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
San Antonio Water Company  
Upland, CA

### ***Opinion***

We have audited the accompanying financial statements of San Antonio Water Company (the Company), a nonprofit corporation, which comprise the consolidated statements of financial position as of December 31, 2025, and the related statements of operations, retained earnings, and cash flows for the year then ended, and the related notes to the financial statements..

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of San Antonio Water Company as of December 31, 2025, and the changes in its net assets and its cash flows for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are required to be independent of San Antonio Water Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the financial statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about San Antonio Water Company's ability to continue as a going concern for one year after the date that the financial statements are issued.

### ***Auditor's Responsibilities for the Audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of San Antonio Water Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about San Antonio Water Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



William Harris, CPA  
License Number #103005  
Arcadia, California  
February 26, 2026

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**BALANCE SHEET**  
**December 31, 2025**  
**(WITH SUMMARIZED COMPARATIVE INFORMATION FOR DECEMBER 31, 2024)**

	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash		
Cash undesignated	\$ 1,178,088	\$ 1,005,032
Cash designated	3,913,781	3,956,051
Accounts Receivable		
Due from domestic customers	162,267	175,434
Due from municipal customers	230,321	301,358
Due from miscellaneous customers	6,747	33,575
Other receivables	651,342	481,178
Prepaid expenses	9,238	9,238
Prepaid income tax	-	2,786
Inventory - supplies, materials	98,098	90,833
<b>TOTAL CURRENT ASSETS</b>	<b>6,249,882</b>	<b>6,055,485</b>
<b>NONCURRENT ASSETS</b>		
Property, plant, and equipment, net	25,421,114	25,795,934
Deferred compensation asset	155,566	133,710
Pomona Valley Protective Association	1	1
Documents and studies, net	277,770	283,989
<b>TOTAL NONCURRENT ASSETS</b>	<b>25,854,451</b>	<b>26,213,634</b>
<b>TOTAL ASSETS</b>	<b>\$ 32,104,333</b>	<b>\$ 32,269,119</b>

**SAN ANTONIO WATER COMPANY**  
**BALANCE SHEET (CONTINUED)**  
December 31, 2025  
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR DECEMBER 31, 2024)

<b>LIABILITIES AND NET ASSETS</b>		<u>2025</u>	<u>2024</u>
<b>CURRENT LIABILITIES</b>			
Trade accounts payable	\$	227,648	\$ 11,618
Accrued expenses		156,603	190,771
Deposits		2,550	1,700
<b>TOTAL CURRENT LIABILITIES</b>		<u>386,801</u>	<u>204,089</u>
<b>NONCURRENT LIABILITIES</b>			
Deferred compensation liabilities		155,566	133,710
<b>TOTAL NONCURRENT LIABILITIES</b>		<u>155,566</u>	<u>133,710</u>
<b>TOTAL LIABILITIES</b>		<u>542,367</u>	<u>337,799</u>
<b>STOCKHOLDERS' EQUITY</b>			
Capital stock, par value \$100; authorized 15,000 shares; issued and outstanding 6,389 shares		638,900	638,900
Paid-in capital in excess of par value		447,258	447,258
Contributed property, plant and equipment		2,432,257	2,432,257
Retained earnings:			
Undesignated cumulative retained earnings		24,129,770	24,456,854
Designated by Board of Directors:			
Depreciation/Obsolescence reserve		3,913,781	3,956,051
<b>Total retained earnings</b>		<u>28,043,551</u>	<u>28,412,905</u>
<b>TOTAL STOCKHOLDERS' EQUITY</b>		<u>31,561,966</u>	<u>31,931,320</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>	<u><u>32,104,333</u></u>	<b>\$</b> <u><u>32,269,119</u></u>

See Accompanying Auditor's Report and Notes.

**SAN ANTONIO WATER COMPANY**  
**STATEMENT OF OPERATIONS AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**  
**(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)**

	<b>Total 2025</b>	<b>Total 2024</b>
<b>REVENUE</b>		
Domestic water income - stockholders		
Base rate - Includes availability charges	\$ 514,926	\$ 505,273
Supplemental usage - Includes Tier 2 and 3 charges	465,931	438,532
Municipal water income - stockholders		
Base rate - Includes availability charges	3,308,526	3,630,388
Miscellaneous water income - stockholders		
Base rate - Includes availability charges	242,815	244,616
Supplemental usage - Includes Tier 2 and 3 charges	39,733	75,199
Dormant water availability charge	51,287	51,548
Sale of stored ground water	426,744	189,000
Water connections	19,538	26,238
Net gain on sale of assets	28,450	35,000
Miscellaneous	17,258	35,206
	<b>5,115,208</b>	<b>5,231,000</b>
<b>OPERATING EXPENSE</b>		
Payroll taxes & benefits	641,773	631,916
Administrative services	684,524	569,157
Directors fees & expenses	37,305	39,021
Field labor	497,616	434,544
Human resources expense	38,146	1,360
Communication	60,730	34,434
Conservation	6,808	14,071
Depreciation & amortization	1,274,575	1,177,551
Insurance	107,798	96,142
IT support	101,153	99,966
Office supplies/expenses	54,881	23,557
Outside services	12,660	16,611
Power-gas & electric (Utilities)	1,068,868	751,662
Professional Fee	230,059	281,239
Property taxes	305,576	280,458
Repairs	-	42,893
Staff development & training	5,497	422
Vehicle & equipment	50,335	51,286
Water infrastructure maintenance	352,498	484,637
Water resource management	111,649	272,748
All other	9,611	16,599
	<b>5,652,062</b>	<b>5,320,274</b>
<b>LOSS FROM OPERATIONS</b>	<b>(536,854)</b>	<b>(89,274)</b>
<b>OTHER INCOME</b>		
Ground lease	60,846	62,046
Interest (net of fees)	123,154	125,503
	<b>(352,854)</b>	<b>98,275</b>
<b>INCOME BEFORE PROVISION FOR INCOME TAXES</b>	<b>(352,854)</b>	<b>98,275</b>
<b>PROVISION FOR INCOME TAXES</b>	<b>16,500</b>	<b>16,414</b>
<b>NET (LOSS) INCOME</b>	<b>(369,354)</b>	<b>81,861</b>
<b>RETAINED EARNINGS, JANUARY 1</b>	<b>28,412,905</b>	<b>28,331,044</b>
<b>RETAINED EARNINGS, DECEMBER 31</b>	<b>\$ 28,043,551</b>	<b>\$ 28,412,905</b>

See Accompanying Auditor's Report and Notes.

**SAN ANTONIO WATER COMPANY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**  
**(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)**

	<b>2025</b>	<b>2024</b>
<b>NET (LOSS) INCOME</b>	\$ (369,354)	\$ 81,861
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation & amortization	1,274,575	1,177,551
Gain on sale of asset	(28,450)	(35,000)
Changes in assets and liabilities related to operations:		
Change in receivables	111,032	84,769
Change in other receivables	(170,164)	9,230
Change in prepaid expense	-	21,606
Change in prepaid income tax	2,786	(2,786)
Change in inventories	(7,265)	66,087
Change in payables	216,030	(97,669)
Change in accrued expenses	(34,168)	(116,487)
Change in income taxes payable	-	(9,435)
Change in deferred revenue	-	(1,200)
Change in deposit	850	(850)
Net Cash Provided \ (Used) By Operating Activities	995,872	1,177,677
<b>CASH FROM INVESTING ACTIVITIES:</b>		
Proceeds from disposal of assets	36,714	35,000
Purchases of property, plant and equipment	(849,473)	(1,034,906)
Purchases and expensed documents and studies	(52,327)	(4,286)
Net Cash Provided \ (Used) By Investing Activities	(865,086)	(1,004,192)
<b>CASH FROM FINANCING ACTIVITIES:</b>		
None	-	-
Net Cash Provided \ (Used) By Financing Activities	-	-
<b>NET INCREASE \ (DECREASE) IN CASH</b>	130,786	173,485
<b>CASH - Beginning of the Year</b>	4,961,083	4,787,598
<b>CASH - Ending of the Year</b>	\$ 5,091,869	\$ 4,961,083
<b><u>Supplement Information</u></b>		
<b>Interest Paid During the Year</b>	\$ -	\$ -
<b>Taxes Paid During the Year</b>	\$ 16,500	\$ 16,414

See Accompanying Auditor's Report and Notes.

**SAN ANTONIO WATER COMPANY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025**

**NOTE 1**      **NATURE OF ORGANIZATION**

The San Antonio Water Company (Company) was founded on October 25, 1882 under the laws of the State of California as a mutual water company and, in accordance with Internal Revenue Code Section 501 (c) (12), is exempt from federal income taxes. To qualify for the exemption, at least 85% of the Company's revenue must be from shareholders. The Company does pay California income taxes on other income unrelated to the water operations.

**NOTE 2**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Method of Accounting**

These financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

**Basis of Accounting**

The financial statements of the Company have been prepared on the accrual basis of accounting which is in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Measure of Operations**

The statements of activities report all changes in stockholders' equity, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Company's ongoing activities. Nonoperating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported time. Actual results could differ from those activities.

**SAN ANTONIO WATER COMPANY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025**

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less. If excess funds are available, the Company places its temporary cash investments with high-credit, quality financial institutions. At times, during the year, the Company maintains cash balances in excess of the FDIC-insurance limits. The Company has not incurred losses related to these investments and management believes it is not exposed to any significant credit risk on cash.

Receivable

Accounts receivable are considered to be fully collectible; accordingly, no allowance for credit losses is normally required. The Company reviews any accounts receivable other than trade receivables that are over a year old for collectability. When collectability is in question, then the process is started to force a sale of the shares to cover the receivable. There was no allowance for uncollectible accounts at December 31, 2025. There was no allowance for uncollectible accounts at December 31, 2025.

Property and Equipment

The Company uses the straight-line method of depreciation over the useful lives of 4 years to 50 years depending on the asset for its plant and equipment. Property and equipment are carried at historical cost, which is purchase or construction cost, less accumulated depreciation and any recognized impairment loss. Work in progress includes all direct and certain indirect costs of construction, in accordance with our accounting policy. Depreciation of constructed assets commences when the assets are ready for their intended use.

Other Assets

Documents and studies are carried at historical cost less accumulated amortization and any recognized impairment loss. The Company amortizes the documents and studies with finite lives on a straight-line basis over their estimated useful lives. Documents and studies include maps and research documents that are being amortized over 5-15 years.

Inventory

Inventories are valued at lower of cost or market using the first-in, first-out method.

**SAN ANTONIO WATER COMPANY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025**

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Impairment of Long-Lived Assets

The Company assesses potential impairment to its long-lived assets when there is evidence that events or changes in circumstances have made full recovery of the asset's carrying value unlikely. An impairment loss would be recognized when the sum of the expected future undiscounted net cash flows is less than the carrying amount of the asset. Should impairment exist, the impairment loss would be measured based on the excess of the carrying amount of the asset over the asset's fair value. No impairment charges were recognized on long-lived assets during the years ending December 31, 2025 and 2024.

Revenue Recognition

San Antonio Water delivers water to its shareholders. Each shareholder must have at least a quarter share of stock in the Company in order to receive water. This is considered the shareholder's entitlement. Water is delivered to each shareholder at the base rate up to their entitlement and any water delivered after that is delivered at the excess, or tier 2 or tier 3 rate. Revenue is recognized every other month at a single point in time when the shareholders water meter is read.

Investments

Changes in fair value of investments that occur during the year are recognized as investment earnings reported for that year. Investment income includes interest earnings, dividends, unrealized gains and losses and any gains or losses realized upon the liquidation or sale of investments.

Reclassifications

Certain accounts in the December 31, 2024 have been reclassified for comparative purposes to conform to the December 31, 2025 presentation in the current year financial statements.

Income Tax

Management has considered its tax positions and believes that all of the positions taken by the Company in its federal exempt and state organization tax return are more likely than not to be sustained upon examination. The Company believes it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements.

**SAN ANTONIO WATER COMPANY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025**

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Leases

The Company determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) asset operating lease and operating lease liabilities on the statement of financial position. ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. The lease liability is measured as the present value of the unpaid lease payments and the ROU asset is derived from the calculation of the lease liability. As most leases do not provide an implicit rate, the Company uses the risk-free rate based on information available at the commencement date in determining the present value of lease payments. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. As a practical expedient, leases with terms of 12 months or less are expensed as incurred and not included as ROU asset or lease liability on the balance sheet. The Company does not currently have any leases that require ROU recognition.

**NOTE 3      WATER RIGHTS AND ASSESSMENTS**

Chino Basin

The Company holds water rights within the Chino groundwater basin based on a 1978 adjudication. Annual production rights may be adjusted by the Courts. The cost of administering the judgment provisions is assessed annually to the parties and water producers under the terms of the judgment.

Cucamonga Basin

The Company holds water rights within the Cucamonga groundwater basin based on a 1958 Decree. Although the decree defines responsibilities, there is no provision for assessments. Parties to this basin include the San Antonio Water Company, Cucamonga Valley Water District and the West End Consolidated Water Company.

Six Basins

The Company holds water rights within the Six Basins groundwater basin based on a 1998 adjudication. Operating safe yield is adjusted annually. The cost of administering the judgment provisions is assessed annually to the parties and water producers under the terms of the Judgment.

**SAN ANTONIO WATER COMPANY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025**

**NOTE 3**      **WATER RIGHTS AND ASSESSMENTS (Continued)**

Pomona Valley Protective Association

The Company holds stock in the Pomona Valley Protective Association (PVPA), nonprofit entity that spreads San Antonio Canyon flow waters for the benefit of its shareholders. The water is spread over approximately 760 acres of land owned by PVPA. Under the recent Six Basins Judgment of 1998, PVPA conducts water spreading at the direction of the Six Basins Watermaster.

Stream Diversions

The Company holds water rights in the San Antonio Canyon. Company stream diversions were established pre-1914 and are shared by the Company and the City of Pomona. The two parties have shared expenses to date based on percentage of water rights. There is no assessment mechanism in place.

The Company initiated a water rights investigation of the San Antonio Canyon Watershed in 2009. The investigation confirmed that the Company stripped most riparian, appropriative and overlying rights to property previously sold within the canyon. Those stripped rights remain with the Company. Most of the cabins in the Mt. Baldy area are currently permitted under a U.S. Forest Service special-use permit with no apparent provision of water rights conveyed with said permits.

In 2009, the Company developed a License Agreement for the purpose of allowing certain private and special-use lots to continue using water from the San Antonio Creek, provided that the lots limit and pay for their water usage as an ongoing claim and not as a commodity rate.

**NOTE 4**      **LIQUIDITY**

The following reflects the Company's financial assets as of December 31, 2025, reduced by amounts not available for general use because of board designated reserves that have been created to fund the Depreciation/Obsolescence reserves or due to contractual requirements.

**SAN ANTONIO WATER COMPANY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025**

**NOTE 4**      **LIQUIDITY (Continued)**

Financial assets at December 31, 2025:

Cash	\$5,091,869
Receivables	399,335
Other receivables	651,342
Total financial assets	6,142,546

Less: Unavailable for general expenditures within one year due to:

Board designated reserves	3,913,781
Total unavailable financial assets	3,913,781

Financial assets available to meet cash needs for general expenditures within one year	\$2,228,765
--	-------------

As part of its liquidity management, excess cash is invested in the Local Agency Investment Funds which is a highly liquid account that is managed by the State of California. The fund pays interest and is very liquid. The fund is fully secured and is at no cost to the Company.

**NOTE 5**      **CONCENTRATION OF CREDIT RISK**

The Company maintains its cash and certificates of deposit balances in two financial institutions. The balance at Citizens Business Bank is collateralized up to \$2,000,000. The remaining balance is insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. At December 31, 2025, the Company maintained deposits of \$2,283,994, leaving an uninsured balance of \$33,994 at this institution. Also, at December 31, 2025, the Company had a balance of \$2,843,041 deposited with the Local Agency Investment Fund (LAIF). This is a highly liquid account that is managed by the State of California. The fund is fully secured and is at no cost to the Company. We have included this amount in the cash and cash equivalents due to the amounts being readily convertible to cash. Based on the investments of the LAIF, it is considered to fall into the Level 2 of the fair value hierarchy at December 31, 2025. (See Note 7).

Net earnings on LAIF was comprised of interest in the amount of \$123,154 at December 31, 2025.

**SAN ANTONIO WATER COMPANY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025**

**NOTE 6      INVESTMENTS**

Investments are recorded at fair value. The historical cost and fair value at December 31, 2025 is as follows:

2025				
	Historical Cost	Reinvested Gains	Book Value	Fair Value
Mutual funds	<u>\$ 130,096</u>	<u>\$ 25,470</u>	<u>\$ 155,566</u>	<u>\$ 190,893</u>
2024				
	Historical Cost	Reinvested Gains	Book Value	Fair Value
Mutual funds	<u>\$ 90,843</u>	<u>\$ 42,867</u>	<u>\$ 133,710</u>	<u>\$ 133,711</u>

Investments in the amount of \$155,566 for 2025 and \$133,710 for 2024, have been restricted by the Board for the payments of a non-qualified deferred compensation plan established for the general manager (See Note 12).

**NOTE 7      FAIR VALUE MEASUREMENTS**

Certificates of deposit with original maturities of greater than three months are reported at net realizable value (which materially approximates fair value) on the consolidated statement of financial position.

Under the Fair Value Measurements statement, which prioritizes the inputs to valuation techniques used to measure fair value, the three levels of the fair value hierarchy are as follows:

Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at measurement date.

Level 2 – inputs are inputs other than quoted prices included in Level 1 that are either directly or indirectly observable for the assets or liabilities.

Level 3 – inputs are unobservable inputs for the assets or liabilities.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

All of the Company's investments at December 31, 2025 and 2024 are measured within the Level 1 of the fair value hierarchy with the LAIF being measured within the Level 2 (See Note 5).

**SAN ANTONIO WATER COMPANY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025**

**NOTE 8      PROPERTY AND EQUIPMENT**

Property, plant, and equipment are shown at 1929 appraised values plus subsequent additions at cost. Actual values may be higher.

	<u>2025</u>	<u>2024</u>
Land and water rights	\$ 920,161	\$ 920,161
Tunnels and forebay	1,592,905	1,592,905
Wells, shafts, building	8,181,748	8,268,169
Pipelines	19,767,034	19,727,407
Boosters	2,629,885	2,629,885
Reservoirs	5,302,886	5,302,886
Work in progress	997,172	537,466
All other	4,258,412	4,194,990
	<u>43,650,203</u>	<u>43,173,869</u>
Less: Accumulated depreciation	<u>(18,229,089)</u>	<u>(16,316,085)</u>
<b>TOTALS</b>	<u><u>\$ 25,421,114</u></u>	<u><u>\$ 26,857,784</u></u>

A detailed listing of changes to property, plant, and equipment is as follows:

Depreciation expense was \$1,216,029 for the year ended December 31, 2025.

	<u>Balance</u>		<u>Disposals/</u>	<u>Work in</u>	<u>Balance</u>
	<u>1/1/2025</u>	<u>Additions</u>	<u>Retirements</u>	<u>Progress</u>	<u>12/31/2025</u>
				<u>Transfers</u>	
Land and water rights	\$ 920,161	\$ -	\$ -	\$ -	\$ 920,161
Tunnels and forebay	1,592,905	-	-	-	1,592,905
Wells, shafts, building	8,268,169	21,400	107,821	-	8,181,748
Pipelines	19,727,407	121,975	82,348	-	19,767,034
Boosters	2,629,885	-	-	-	2,629,885
Reservoirs	5,302,886	-	-	-	5,302,886
Work in progress	537,466	547,108	-	87,402	997,172
All other	4,194,990	158,990	178,638	(83,070)	4,258,412
	<u>\$ 43,173,869</u>	<u>\$ 849,473</u>	<u>\$ 368,807</u>	<u>\$ 4,332</u>	<u>\$ 43,650,203</u>

**SAN ANTONIO WATER COMPANY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025**

**NOTE 9      OTHER ASSETS**

Documents and Studies

	2025	2024
Master Plan Update 2023	\$ 221,703	\$ 221,703
Facilities Mapping	135,534	135,534
Water Rights Study	112,798	112,798
Hydrogeologic Study	48,000	48,000
Urban Water Management Plan (UWMP)	42,942	42,942
Work in Progress	53,073	745
All other	391,402	391,403
	1,005,452	953,125
Less: Accumulated amortization	(727,682)	(669,136)
Total	277,770	\$ 283,989

Amortization of \$58,547 was charged to operations in 2025.

Estimated future amortization expense for the document and studies as December 31, 2025.

December 31,		
2026	\$	58,547
2027		52,437
2028		44,889
2029		44,888
2030		44,888
Thereafter		32,121
	\$	277,770

Master Plan Update

A 2020 Master Plan Update was adopted by the Board on March 21, 2023 and placed in service in March 2023.

Facilities Mapping

The Company has invested in mapping the irrigation and domestic water distribution. In 2020, the Company updated the system maps and incorporated them into a new Geographical Information System (GIS). The Company has also created site plans for strategic facilities and developed a comprehensive Gate Valve Book for its domestic water system, including a database reference for pipelines and appurtenances.

**SAN ANTONIO WATER COMPANY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025**

**NOTE 9      OTHER ASSETS (Continued)**

Water Rights Study

A legal opinion of the Company's water rights was completed in 1993.

Hydrogeologic Study

This study evaluated the hydrogeologic characteristics of the local ground water basins. Its purpose was to evaluate the feasibility of rehabilitating some existing well casings and identify possible sites for new water wells. The study was completed in 1997.

Urban Water Management Plan

Urban Water Management Plan's (UWMP) are prepared by water suppliers to support long-term resource planning and ensure adequate water supplies are available to meet existing and future water demands. The State of California requires all urban water suppliers to create an UWMP once every five years.

The Company completed its first UWMP in 2005. In 2010, the Company shifted its UWMP from 'retailer' to 'wholesaler', impacting Best Management Practices (BMP's) identified in the 2005 UWMP and the 2010 requirements of a State mandated 20% water reduction by 2020.

The most recent UWMP was completed in the 2021 year.

All Other

These assets include well site evaluations, San Antonio Creek Watershed Sanitary Survey, Cucamonga Basin groundwater study, alternative spread in Cucamonga wash, study to expand spreading grounds, Edison Ponds, alternative energy feasibility study and photo history documentation.

Pomona Valley Protective Association

The Company is a member and owns a small interest (1.5%) in the Pomona Valley Protective Association (PVPA), a nonprofit entity that owns approximately 760 acres of land dedicated to water conservation.

Due to the nature of the PVPA as a membership organization, the Company's investment is stated at \$1 on the Company's records.

**SAN ANTONIO WATER COMPANY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025**

**NOTE 10      MAJOR CUSTOMERS**

The Company's principal operation consists of providing domestic and irrigation water to its stockholders. Revenue from its major shareholder is as follows:

	<u>2025</u>	<u>2024</u>
City of Upland (see Note 5)	\$2,938,951	\$3,210,057
% of Total Revenue	54.2%	59.2%
Accounts Receivable from Major Customer	\$ 218,817	\$ 269,468

**NOTE 11      LICENSE AGREEMENTS**

City of Upland Water Service Agreement:

The City of Upland's Water Service Agreement started on January 1, 2017 and expired on December 31, 2021. The agreement provides the City full yearly entitlement at the base rate with no seasonal restrictions. In exchange, the City has no guarantee of full entitlement delivery and is prohibited from exceeding its annual entitlement unless agreed to by Company.

The Company is working to renew the agreement for another five-year term.

City of Ontario Water Service Agreement:

The City of Ontario's Water Service Agreement started on January 1, 2017 and expired on December 31, 2021. The agreement provides the City a full yearly entitlement at the base rate with no seasonal restrictions. In exchange, the City has no guarantee of full entitlement delivery and is prohibited from exceeding its annual entitlement unless agreed to by Company.

The Company is working to renew the agreement for another five-year term.

Monte Vista Water District (MVWD) Water Service Agreement:

The Monte Vista Water District Water Service Agreement started on January 1, 2017 and expired on December 31, 2021. The agreement provides the District a full yearly entitlement at the base rate with no seasonal restrictions. In exchange, the District has no guarantee of full entitlement delivery and is prohibited from exceeding its annual entitlement unless agreed to by Company.

The Company is working to renew the agreement for another five-year term.

**SAN ANTONIO WATER COMPANY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025**

**NOTE 12**      **PENSION PLAN**

On May 15, 2018, the Board approved changing the current employee Nationwide 401(k) plan to the Nationwide Flexible Advantage Program. This changed the current plan from an annuity that provides some protection for principle investments and beneficiaries but carries associated fees which reduce the interest gained relative to current investments in the market.

The Nationwide Flexible Advantage Program provides more investment flexibility for the employee, in person and online education and tools, lowers overall cost and provides a higher return on investments. The transfer of assets and contributions to the new investment platform started in May of 2019. The Company expense for the pension plan was \$97,021 for 2025, and \$84,571 for 2024 respectively.

On February 5, 2019, the Company established a non-qualified deferred compensation plan for the General Manager. The plan pays 14% of the General Manager salary to the deferred compensation. In 2025, the life insurance policy was cancelled and all proceeds from such were transferred into the deferred compensation plan. At December 31, 2025, the plan had a total liability of \$155,566 which is comprised of mutual funds investments (See Note 6). Total cost for the deferred compensation plan and life insurance policy was \$23,500 and \$23,000 for 2025 and 2024, respectively.

The Water Company changed investment advisors in 2024 and in 2025, the Trustee changed to Brian Lee.

**NOTE 13**      **PAYROLL AND RELATED EXPENSES**

The San Antonio Water Company tracks all expenses based on a specific activity and desires to expand the understanding of our shareholders by presenting a clear picture of labor expenses. For 2025, the Company's payroll expense was \$1,481,474 which includes base pay and time off compensation (i.e., vacation, sick leave, holidays, etc.). Benefit costs (i.e. health insurance, retirement, etc.) were \$320,978 and the cost of employment (i.e., payroll taxes and worker's compensation insurance) was \$116,521. This is a total of \$1,918,973 for labor and related expenses.

**NOTE 14**      **CASH ACCUMULATION DESIGNATED BY BOARD OF DIRECTORS FOR DEPRECIATION AND OBSOLESCENCE RESERVES**

On February 18, 2020, the Board approved the following reserve policies:

- Operating reserve – 90-180 days budgeted operating expense
- Capital Investment and Depreciation Reserve Funds (D&O Reserve) – 5%-20% of Company's total property & equipment from auditor's statement

**SAN ANTONIO WATER COMPANY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025**

**NOTE 14**      **CASH ACCUMULATION DESIGNATED BY BOARD OF DIRECTORS FOR DEPRECIATION AND OBSOLESCENCE RESERVES** (Continued)

- Debt Service Reserves – Minimum as set forth in borrowing documents

On February 16, 2021, the Board approved a Facility Modernization Fund for the purpose of funding rehabilitation of abandoned property and a new office and yard facility in the future. This reserve is called Modernization Fund.

Given the above reserve policies, at year end, the Company's status is as follows:

<b>Reserve</b>	<b>Desired Amount based on policy</b>	<b>Actual Amount</b>
Operating Reserve	\$958K - \$1.91M	\$1.17 million
D&O Reserve	\$1.3 million - \$5.2 million	\$2.1 million
Debt Service Reserve	\$0	\$0
Modernization Fund	\$0	\$1.78 million

The Company currently does not have any debt and does not require any reserves in the Debt Service Reserves Fund.

The 2023 master plan update recommended Capital Improvement projects and cost estimates for the domestic and irrigation system totaling \$9,079,200.

During 2025, a total of \$28,391 was spent on projects in the Capital Facilities Improvement Plan [Master Plan] and \$79,057 was spent on capital improvement projects or other asset not identified in the master plan.

The following details the amount required to fund the reserves as established by the board of directors.

Board of Directors Established Reserves Amounts	(in thousands)
Depreciation and Obsolescence Reserve	\$ 9,050.8
 Cash Available for Reserves at Year End	 <u>3,913.7</u>
 Additional funds required to fund the reserves	 <u>\$ 5,137.1</u>

**NOTE 15**      **CONTINGENCIES**

The Company is periodically involved in legal actions and claims that arise as a result of events that occur in the normal course of operations. The ultimate resolution of these actions is not expected to have a material adverse effect on the Company's financial position.

**SAN ANTONIO WATER COMPANY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025**

**NOTE 16**      **STOCK AUCTION**

The Company implemented a procedure to collect debt on past water usage bills from shareholders who were no longer receiving services through the process of a stock auction. Our last auction was held on November 14, 2024. No stock auction was held in 2025. Upon collecting the delinquent fees and calculated related expenses associated with the auction, the remaining funds are distributed to the delinquent shareholder or turned over to the State of California or respective state in accordance with State law.

In 2025 the Company was able to locate and distribute \$6,475 of unclaimed money to the past shareholder from the 2023 stock auction. On June 5, 2025, a total of \$29,109.54 was turned over to the state of California for the money collected and unclaimed from the 2020 stock auction. At this point in time, the financial statements include under accrued expenses a total of \$65,958 owed to respective shareholders for prior year's stock auctions.

The unclaimed liability is listed under accrued liabilities on the balance sheet. The unclaimed balance is \$65,959 and \$101,543 for 2025 and 2024, respectively.

**NOTE 17**      **SALE OF STORED GROUND WATER**

In December of 2025, the Water Company leased the pumping rights from Six Basins of 250 acre-feet of water for \$650 per acre foot for \$162,500 to the Three Valleys Municipal Water District.

An Additional 145 acre-feet of pumping rights from Six Basins was leased to Three Valleys Municipal Water District for the year 2025 but revenue was invoiced and recorded in 2026.

In December of 2025, the Water company leased the pumping rights from Chino Basin of 5.09 acre-feet of water for \$296 to Calmat Company, 8 acre-feet for \$296 for Cucamonga Valley Water District, 2 acre-feet of water for \$296 to Fontana Water Company, 138 acre-feet of water for \$296 to City of Ontario, and 738 acre-feet of water for \$296 to City of Upland. Total dollar amount equaled \$264,244.

**NOTE 18**      **GROUND LEASES**

The Company has ground leases with cell phone service companies and a contractor in order for them to set up cell phone towers and for the contractor to store their materials on land owned by the Company. The Company is following the newly issued ASU 2016-02, Leases (Topic 842). For the Company as lessor, there is very little change to the accounting and disclosure. There are a total of two cell tower leases with varying payments.

**SAN ANTONIO WATER COMPANY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025**

**NOTE 18**      **GROUND LEASES (Continued)**

The following is the future lease income:

December 31,		
2026	\$	61,520
2027		63,539
2028		55,060
2029		29,621
2030		29,621
Thereafter		<u>364,336</u>
	\$	<u><u>603,697</u></u>

**NOTE 19**      **CONTRIBUTED PROPERTY, PLANT AND EQUIPMENT**

Government Entities

San Antonio Water Company received assets from government entities from the construction of the SR 30/210 freeway by Caltrans, the United States Forest Service requested construction of certain water services related assets for their purposes of which the Company was reimbursed and received title, and the Company received monies from FEMA for the repair of company assets that had been damaged by prior-year storm events.

Developers

San Antonio Water Company received assets from developers of housing projects after completion. The developers installed waterlines, equipment, and other assets, which are then quit claimed to the Company.

	<u>2025</u>	<u>2024</u>
Total Contributed Property, Plant and Equipment	<u>\$2,432,257</u>	<u>\$2,432,257</u>

**NOTE 20**      **FUNCTIONAL CLASSIFICATION OF EXPENSES**

The costs of providing the operations and maintenance and general and administrative activities has been summarized on a functional basis in the following schedule. Accordingly, the costs have been recorded to the operations or administrative services benefited. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Company.

**SAN ANTONIO WATER COMPANY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025**

**NOTE 20      FUNCTIONAL CLASSIFICATION OF EXPENSES (Continued)**

	<u>Operations &amp; Maintenance</u>	<u>General &amp; Administrative</u>	<u>Total</u>
Payroll taxes & benefits	\$ -	\$ 641,773	\$ 641,773
Administrative services	-	684,524	684,524
Directors fees & expenses	-	37,305	37,305
Field labor	497,616	-	497,616
Human resources expense	-	38,146	38,146
Communication	60,730	-	60,730
Conservation	6,808	-	6,808
Depreciation & amortization	1,274,575	-	1,274,575
Insurance	-	107,798	107,798
IT support	-	101,153	101,153
Office supplies/expenses	-	54,881	54,881
Outside services	-	12,660	12,660
Power-gas & electric (Utilities)	1,068,868	-	1,068,868
Professional Fee	-	230,059	230,059
Property taxes	305,576	-	305,576
Staff development & training	5,497	-	5,497
Vehicle & equipment	50,335	-	50,335
Water infrastructure maintenance	352,498	-	352,498
Water resource management	111,649	-	111,649
All other	-	9,611	9,611
TOTAL	<u>\$ 3,734,152</u>	<u>\$ 1,917,910</u>	<u>\$ 5,652,062</u>

**NOTE 21      SUBSEQUENT EVENTS**

Events subsequent to December 31, 2025 have been evaluated through February 26, 2026, the date which the Company's audited financial statements were available to be issued. There were no subsequent events requiring disclosure have occurred through.

**Agenda Item No. 7**

Item Title: First Review of Rate Study Results

Purpose:

Discussion and Possible Action after receiving an update on the new rates that went into effect on January 1, 2026.

Issue:

How are the new rates being received by shareholders?

Manager's Recommendation:

None.

Background:

At the May 2025 Regular Board meeting staff presented an Executive Summary presentation regarding the Company's rate review. Staff presentation was followed by our consultant, WFS with a more detailed presentation regarding proposed adjustments to the Companies rates and fees.

After the May Board Meeting, staff met with the San Antonio Heights Association (SAHA), Holliday Rock, the City of Upland, as well as a couple larger shareholders. Staff shared the proposed rates with the Monte Vista Water District, City of Ontario and Red Hill Golf Course. Staff provided an article to the San Antonio Height's Association for inclusion in their newsletter and has included an article in the SAWCO newsletter for Summer, Fall, and Winter 2025 about the proposed rates. Staff also discussed the rate increase at the November 2024 and 2025 San Antonio Heights Annual Meetings.

The Company held a public hearing on June 17, 2025 to receive shareholder input. The Company received two emails concerning the proposed rate and fee changes, both of which were provided to the Board at the June meeting.

At the July 2025 Regular Board Meeting the new rates and fees were adopted by Resolution 2025-07-01. Per the Resolution, the new rates and fees took effect on January 1, 2026.

The first full round of water bills have been sent to shareholders for 2026. Municipal and Corporate shareholders have received the monthly January and February bills and Residential shareholders have received their bimonthly Jan-Feb bill.

As of this writing, staff has received about two dozen inquiries from residential Shareholders regarding the new rates. Most shareholders that reached out were unhappy but understanding. No one likes rate increases.

At this time, it is appropriate to provide an opportunity for the Board and shareholders to discuss the 2026 rates.

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For the 2025 rate study staff focused on two issues:

- Macro - Make enough revenue to cover expenses.
- Micro – How do rates get proportioned amongst the fixed and variable charges?

After detailed discussion with WFS, staff proposed the following:

- Macro
  - 4.75 % increase in revenue every year for the next five years.
  - Company should borrow \$2M in 2026 to fund the construction of the Well 19 pipeline. This is a new facility and not yet included in the Company's inventory.
  - New campus is not included in this discussion. Funding will be provided by property sales of exiting buildings and vacant property on Benson Ave. Bridge loans will be needed for construction prior to moving from current facilities. This project is intended to be revenue neutral.
  - Any income from the sale of other Company property should be directed to the capital projects discussed at the Company's 2025 Annual Shareholder meeting: Cross Heights pipeline delivering San Antonio Canyon Water to Cucamonga Crosswalls, A new Chino Basin Well, Upgrade San Antonio Canyon Diversion Facilities.
- Micro
  - Adjust charges to increase revenue from fixed charges versus variable charges. Raise fixed charges while lowering variable charges to increase revenue stability.
    - For 2026 adjust Readiness to Serve charge (meter charge) to match AWWA meter equivalency standards.
    - For 2026 adjust variable charge (water unit costs) as follows:
      - Tier 1 - \$0.68/unit to \$0.59/unit
      - Tier 2 - \$1.78/unit to \$2.08/unit
      - Tier 3 - \$3.78/unit to \$3.20/unit
    - Water Availability Charge (WAC) remains the same other than yearly adjustment of 4.75%. For 2026 staff proposed adjusting the WAC as follows:
      - \$8.00/share to \$8.36/share

Previous Action:

07/24 AFC Committee - Authorized release of the RFP.

10/24 Board Meeting – Awarded Contract to WFS

05/25 Board Meeting – Presented staff recommendation based on WFS Study

06/25 Board Meeting – Public Comment opportunity

07/25 Board Meeting – Board Approved New Rates, effective January 1, 2026

Impact on Budget:

Revenue increase of 4.75% every year for the next 5 years.



# 2025 Rate Review

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May 20, 2025

# Goals and Issues of the Rate Study



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- **Macro-Goal**
  - Match revenue to expenses while maintaining capital and operating reserves
- **Micro-Goals**
  - Increase revenue stability
  - Better align Company's rate structure with industry standards
- Last rate review was in 2017 – eight years ago
- Inflation increases (specifically construction costs) in 2021-2024 period

# Assumptions

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- 5-year target
- 2024 as baseline year
- Operating Costs of \$4.1M
- CIP Spending of \$1.8M per year
- General Inflation of 3% per year
- Specific Inflation of 5% for labor (Health Insurance)
- Specific Inflation of 5% for electricity
- Specific Inflation of 2% for legal costs
- Minimum Operating Reserves of \$1M (90 days)
- Minimum Capital Reserves of \$1.5M
- New Campus funded from property sales
- Well 19 Pipeline funded through loan of \$2M



# Revenue Needs

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	Amount	Unit	Cost per unit	Total cost	Design Life	Cost/Year
Pipelines	270,000	LF	\$ 325	\$ 87,750,000	80	\$ 1,096,875
Pump Stations	6	Each	\$ 1,000,000	\$ 6,000,000	40	\$ 150,000
Reservoirs	9,000,000	Gallon	\$ 1.50	\$ 13,500,000	80	\$ 168,750
Wells	11	each	\$ 1,500,000	\$ 16,500,000	80	\$ 206,250
Tunnel	600	LF	\$ 25,000	\$ 15,000,000	150	\$ 100,000
Intake	1	each	\$ 2,000,000	\$ 2,000,000	50	\$ 40,000
Office/Yard	1	each	\$ 3,500,000	\$ 3,500,000	120	\$ 29,167
				<i>TOTAL YEARLY CIP BUDGET (in 2024 dollars)</i>		<i>\$ 1,791,042</i>

# Capital Costs (in 2024 dollars)

	Cost
Facility Maintenance, Repair and Electricity	\$ 1,871,522.14
Labor	\$ 1,146,950.32
Legal/HR/Accounting	\$ 283,549.55
Water Resource Management	\$ 272,112.91
Taxes and Insurance	\$ 360,080.08
Remaining	\$ 243,305.23
<b><i>TOTAL 2024 YEARLY OPERATING BUDGET</i></b>	<b><i>\$ 4,177,520.23</i></b>

# 2024 Operating Costs

# Going Forward

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- Plan for \$4.1M Operating Costs
- Plan for \$1.8M in CIP yearly
- In 2024 dollars the Company Goal is:
  - $\$4.1\text{M} + \$1.8\text{M} = \$5.9\text{M}$  yearly in 2024 dollars.
- In 2024 Company revenue was \$5.4M
- $\$5.9\text{M} - \$5.4\text{M} = \$0.5\text{M}$  shortfall from funding goal

# Tentative End Results



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- A 4.75% yearly revenue increase each year for 5 years (1.75% above general inflation)
- Operating reserves are maintained at \$1M (90 days) in 2024 dollars.
- Capital reserves (D&O) remain above \$1.5M in 2024 dollars.
- Adjust meter charges upward to match AWWA recommendations.
- Lower commodity (water) charges to offset increased meter charges



# Thank you

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Brian Lee

909.982.4107

[blee@sawaterco.com](mailto:blee@sawaterco.com)

# San Antonio Water Company

## Water Utility Rate Study

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May 20, 2025

### Willdan Financial Services

- Chris Fisher, Vice President
- Michael Cronan, Project Manager



# Rate Study Goals and Objectives

- Assess and evaluate financial condition of the utility
- Development of 5-year financial plan
- Provide funding for current and future operations, capital
- Provide funding for potential future debt repayment, compliance with bond covenants – Well 19 Pipeline and other ongoing pipeline replacements
- Maintain adequate Operating & Capital reserves
- Develop equitable, cost-based rate structure

# Factors Driving Financial Plan

- Rising operating costs (equipment, utilities, water resource management, etc.)
- Rising personnel costs (labor, benefits, pensions, etc.)
- Funding ongoing R&R and improvement capital projects to continue providing uninterrupted, quality service
- Funding potential future debt repayment, compliance with bond covenants
  - Well 19 Pipeline
- Last rate study – 2017

# Rate Structure Methodology

		Analysis	Purpose
Phase I	How Much Revenue is Needed?	Revenue Sufficiency	Develops financial plan
Phase II	Who is Incurring the Cost?	Cost of Service	Assigns net costs to ensure equity among customers
Phase III	What do the Rates Need to be?	Rate Design	Assigns rates based on usage/benefit

**Outcome:** Ensures the proposed rates cover the cost-of-service proportionately from each customer based on their respective demand.

# Revenue Requirements

Revenue vs Rate Adjustments	
Revenues	Rates
<ul style="list-style-type: none"><li>● The amount of money required for a utility to fund its operations</li><li>○ Total amount of money generated by the rates to cover expenses</li></ul>	<ul style="list-style-type: none"><li>● The calculated amount that is charged to a customer<ul style="list-style-type: none"><li>○ Base charge (fixed rate/fee)</li><li>○ Usage (volume of consumption)</li></ul></li></ul>
Understanding the difference between <u>Revenue</u> and <u>Rate</u> adjustments - they are not the same	

# Capital Improvement Plan

Description	Funding Source	Projected for Fiscal Year Ending December 31,					Total
		2026	2027	2028	2029	2030	
<b>Project</b>							
Pipelines - Cash Funded	Cash	\$ 1,129,781	\$ 1,163,675	\$ 1,198,585	\$ 1,234,542	\$ 1,271,579	<b>\$ 5,998,162</b>
Well 19 Pipeline	Debt	2,008,500	-	-	-	-	<b>2,008,500</b>
Pump Stations	Cash	154,500	159,135	163,909	168,826	173,891	<b>820,261</b>
Reservoirs	Cash	173,813	179,027	184,398	189,930	195,628	<b>922,794</b>
Wells	Cash	212,438	218,811	225,375	232,136	239,100	<b>1,127,860</b>
Tunnel	Cash	103,000	106,090	109,273	112,551	115,927	<b>546,841</b>
Intake	Cash	41,200	42,436	43,709	45,020	46,371	<b>218,736</b>
<b>Total Capital Project Costs</b>		<b>\$ 3,823,231</b>	<b>\$ 1,869,173</b>	<b>\$ 1,925,248</b>	<b>\$ 1,983,006</b>	<b>\$ 2,042,496</b>	<b>\$11,643,155</b>

# Net Results – Status Quo

Description	Existing	Projected for Fiscal Year Ending December 31,			
	2026	2027	2028	2029	2030
<b>Operating Results</b>					
Total Revenues	\$ 5,473,473	\$ 5,473,473	\$ 5,473,473	\$ 5,473,473	\$ 5,473,473
Total Operating Expenses	(4,120,434)	(4,321,841)	(4,534,834)	(4,760,157)	(4,998,617)
Total New Debt	-	(157,000)	(157,000)	(157,000)	(157,000)
<b>Net Results of Operations</b>	<b>\$ 1,353,039</b>	<b>\$ 994,632</b>	<b>\$ 781,639</b>	<b>\$ 556,316</b>	<b>\$ 317,856</b>
<b>Debt Service Coverage Ratio</b>	<b>N/A</b>	<b>7.34</b>	<b>5.98</b>	<b>4.54</b>	<b>3.02</b>
<b>Operating Fund</b>					
Beginning Fund Balance	\$ 2,300,734	\$ 1,015,997	\$ 1,065,659	\$ 1,118,178	\$ 567,090
Deposit/(Withdrawal) from Operations	1,353,039	994,632	781,639	556,316	317,856
Transfer from/(to) Capital Fund	(2,637,775)	(944,970)	(729,120)	(1,107,405)	(884,946)
<b>Ending Fund Balance</b>	<b>\$ 1,015,997</b>	<b>\$ 1,065,659</b>	<b>\$ 1,118,178</b>	<b>\$ 567,090</b>	<b>\$ 0</b>
<b>Total Days Cash on Hand</b>	<b>90.00</b>	<b>90.00</b>	<b>90.00</b>	<b>43.48</b>	<b>0.00</b>
<b>Depreciation &amp; Obsolescence Fund</b>					
Beginning Fund Balance	\$ 2,172,889	\$ 2,995,933	\$ 2,071,730	\$ 875,601	\$ 0
Transfer from/(to) Operating Fund	2,637,775	944,970	729,120	1,107,405	884,946
Cash Funded Capital	(1,814,731)	(1,869,173)	(1,925,248)	(1,983,006)	(2,042,496)
<b>Ending Fund Balance</b>	<b>\$ 2,995,933</b>	<b>\$ 2,071,730</b>	<b>\$ 875,601</b>	<b>\$ 0</b>	<b>\$ (1,157,550)</b>
<b>Total Cash on Hand</b>	<b>\$ 4,011,930</b>	<b>\$ 3,137,389</b>	<b>\$ 1,993,780</b>	<b>\$ 567,090</b>	<b>\$ (1,157,550)</b>
<b>Revenue Adjustment</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

# Net Results – Revenue Adjustments Applied

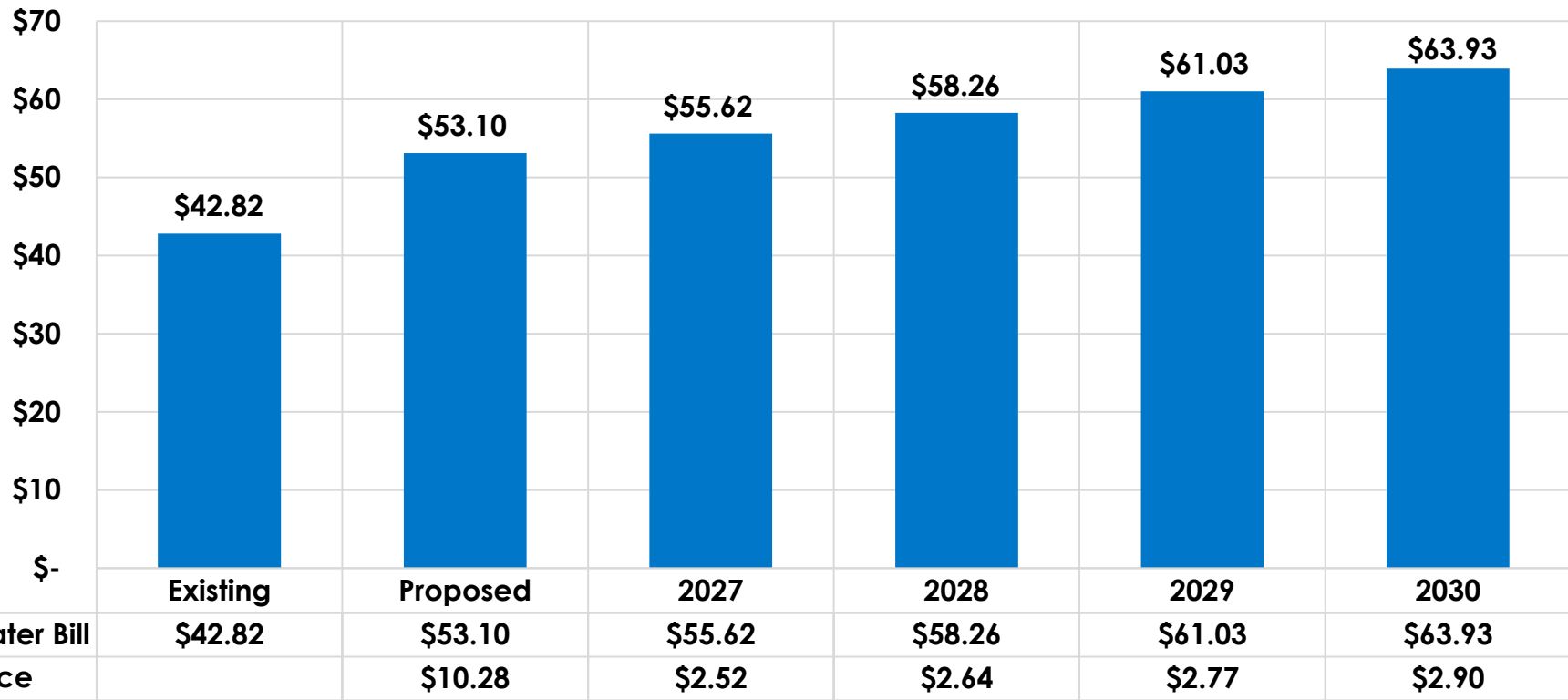
Description	Proposed	Projected for Fiscal Year Ending December 31,			
	2026	2027	2028	2029	2030
<b>Operating Results</b>					
Total Revenues	\$ 5,697,813	\$ 5,945,992	\$ 6,205,960	\$ 6,478,276	\$ 6,763,529
Total Operating Expenses	(4,120,434)	(4,321,841)	(4,534,834)	(4,760,157)	(4,998,617)
Total New Debt	-	(157,000)	(157,000)	(157,000)	(157,000)
<b>Net Results of Operations</b>	<b>\$ 1,577,379</b>	<b>\$ 1,467,151</b>	<b>\$ 1,514,126</b>	<b>\$ 1,561,119</b>	<b>\$ 1,607,912</b>
<b>Debt Service Coverage Ratio</b>	<b>N/A</b>	<b>10.34</b>	<b>10.64</b>	<b>10.94</b>	<b>11.24</b>
<b>Operating Fund</b>					
Beginning Fund Balance	\$ 2,300,734	\$ 1,015,997	\$ 1,065,659	\$ 1,118,178	\$ 1,173,737
Deposit/(Withdrawal) from Operations	1,577,379	1,467,151	1,514,126	1,561,119	1,607,912
Transfer from/(to) Capital Fund	(2,862,115)	(1,417,489)	(1,461,607)	(1,505,560)	(1,549,114)
<b>Ending Fund Balance</b>	<b>\$ 1,015,997</b>	<b>\$ 1,065,659</b>	<b>\$ 1,118,178</b>	<b>\$ 1,173,737</b>	<b>\$ 1,232,536</b>
<b>Total Days Cash on Hand</b>	<b>90.00</b>	<b>90.00</b>	<b>90.00</b>	<b>90.00</b>	<b>90.00</b>
<b>Depreciation &amp; Obsolescence Fund</b>					
Beginning Fund Balance	\$ 2,172,889	\$ 3,220,273	\$ 2,768,589	\$ 2,304,947	\$ 1,827,501
Transfer from/(to) Operating Fund	2,862,115	1,417,489	1,461,607	1,505,560	1,549,114
Cash Funded Capital	(1,814,731)	(1,869,173)	(1,925,248)	(1,983,006)	(2,042,496)
<b>Ending Fund Balance</b>	<b>\$ 3,220,273</b>	<b>\$ 2,768,589</b>	<b>\$ 2,304,947</b>	<b>\$ 1,827,501</b>	<b>\$ 1,334,119</b>
<b>Total Cash on Hand</b>	<b>\$ 4,236,270</b>	<b>\$ 3,834,248</b>	<b>\$ 3,423,126</b>	<b>\$ 3,001,239</b>	<b>\$ 2,566,655</b>
<b>Revenue Adjustment</b>	<b>4.75%</b>	<b>4.75%</b>	<b>4.75%</b>	<b>4.75%</b>	<b>4.75%</b>

# 5-Year Rate Path

Description	Existing Rates	Projected for Fiscal Year Ending December 31,				
		2026	2027	2028	2029	2030
<b>Monthly Readiness to Serve Charge</b>						
5/8" - 3/4"	\$ 10.00	\$ 23.14	\$ 24.24	\$ 25.40	\$ 26.60	\$ 27.87
1.0"	\$ 20.00	\$ 57.86	\$ 60.61	\$ 63.49	\$ 66.50	\$ 69.66
1.5"	\$ 40.00	\$ 115.72	\$ 121.22	\$ 126.98	\$ 133.01	\$ 139.33
2.0"	\$ 60.00	\$ 185.16	\$ 193.95	\$ 203.16	\$ 212.81	\$ 222.92
3.0"	\$ 120.00	\$ 347.17	\$ 363.66	\$ 380.93	\$ 399.03	\$ 417.98
4.0"	\$ 150.00	\$ 578.61	\$ 606.10	\$ 634.89	\$ 665.04	\$ 696.63
6.0"	\$ 250.00	\$ 1,157.23	\$ 1,212.19	\$ 1,269.77	\$ 1,330.09	\$ 1,393.27
8.0"	\$ 400.00	\$ 1,851.56	\$ 1,939.51	\$ 2,031.64	\$ 2,128.14	\$ 2,229.23
10.0"	\$ 1,000.00	\$ 2,661.62	\$ 2,788.05	\$ 2,920.48	\$ 3,059.20	\$ 3,204.51
12.0"	\$ 1,500.00	\$ 4,976.07	\$ 5,212.44	\$ 5,460.03	\$ 5,719.38	\$ 5,991.05
14.0"	\$ 1,500.00	\$ 7,406.25	\$ 7,758.04	\$ 8,126.55	\$ 8,512.56	\$ 8,916.91
16.0"	\$ 1,500.00	\$ 10,600.19	\$ 11,103.70	\$ 11,631.13	\$ 12,183.61	\$ 12,762.33
<b>Monthly Readiness to Serve Charge - Weir</b>						
6.0' Weir	\$ 11.00	\$ 25.46	\$ 26.67	\$ 27.94	\$ 29.26	\$ 30.65
9.0' Weir	\$ 11.00	\$ 25.46	\$ 26.67	\$ 27.94	\$ 29.26	\$ 30.65
10.0' Weir	\$ 20.00	\$ 46.29	\$ 48.49	\$ 50.79	\$ 53.20	\$ 55.73
12.0' Weir	\$ 20.00	\$ 46.29	\$ 48.49	\$ 50.79	\$ 53.20	\$ 55.73
24.0' Weir	\$ 35.00	\$ 81.01	\$ 84.85	\$ 88.88	\$ 93.11	\$ 97.53
30.0' Weir	\$ 60.00	\$ 138.87	\$ 145.46	\$ 152.37	\$ 159.61	\$ 167.19
<b>Water Availability Charge - per SHARE</b>	\$ 8.00	\$ 8.38	\$ 8.77	\$ 9.19	\$ 9.63	\$ 10.09
<b>Volumetric Rates Per 100 Cubic Feet</b>						
Tier 1 - Full Entitle	\$ 0.68	\$ 0.59	\$ 0.62	\$ 0.65	\$ 0.68	\$ 0.71
Tier 2 - Over entitle	\$ 1.78	\$ 2.08	\$ 2.17	\$ 2.28	\$ 2.39	\$ 2.50
Tier 3 - Double entitle	\$ 3.78	\$ 3.20	\$ 3.35	\$ 3.51	\$ 3.68	\$ 3.85



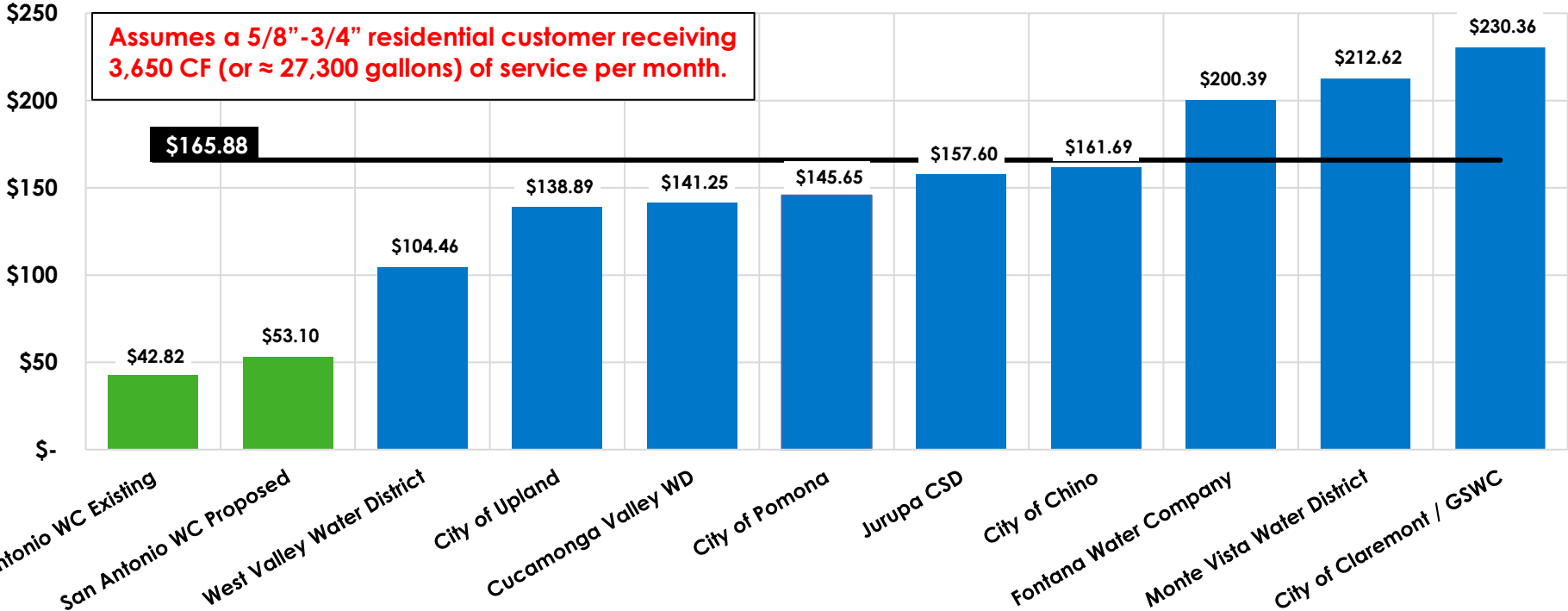
# 5-Year Monthly Bill Path - 1/2 SHARE @ 3,650 CF



91  
■ Total Water Bill



# Water Utility Bill Comparison @ 3,650 CF (1/2 Share)



Assumes a 5/8"-3/4" residential customer receiving 3,650 CF (or ≈ 27,300 gallons) of service per month.

San Antonio WC Existing    San Antonio WC Proposed    West Valley Water District    City of Upland    Cucamonga Valley WD    City of Pomona    Jurupa CSD    City of Chino    Fontana Water Company    Monte Vista Water District    City of Claremont / GSWC

■ Total Water Bill    — Average of Comparison Utilities



San Antonio Water Company  
Water Utility Rate Study

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# Rate Structure Changes

# Rate Structure Changes

- Fixed Charge:
  - Adjusted Readiness to Serve Charge meter equivalency factors to be in line with AWWA meter equivalency standards
  - Promoting stronger revenue stability - Readiness to Serve Charge and Water Availability Charge to generate  $\approx 30\%$  of total revenues vs  $\approx 18\%$  currently
- Volume Charge:
  - Adjusted usage tier differentials based on actual entitlement usage and Cost-of-Service analysis

# Readiness to Serve Charge – Meter Equivalencies

Description	AWWA Meter Equivalency Factors	Current Meter Equivalency Factors	Difference (AWWA vs Existing)
<b><u>Meter Size</u></b>			
5/8" - 3/4"	1.00	1.00	-
1.0"	2.50	2.00	0.50
1.5"	5.00	4.00	1.00
2.0"	8.00	6.00	2.00
3.0"	15.00	12.00	3.00
4.0"	25.00	15.00	10.00
6.0"	50.00	25.00	25.00
8.0"	80.00	40.00	40.00
10.0"	115.00	100.00	15.00
12.0"	215.00	150.00	65.00
14.0"	320.00	150.00	170.00
16.0"	458.00	150.00	308.00



# Volume Charge – Usage Tier Differentials

Description	Proposed Volumetric Rate per CCF	Proposed Tier Differentials	Existing Volumetric Rate per CCF	Existing Tier Differentials	Tier Differential (Proposed vs Existing)
<b>Tier</b>					
Full Entitlement	\$ 0.59	1.00	\$ 0.68	1.00	-
Over Entitlement	\$ 2.08	3.51	\$ 1.78	2.62	0.89
Double Entitlement	\$ 3.20	5.41	\$ 3.78	5.56	(0.15)

San Antonio Water Company  
Water Utility Rate Study

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# Questions & Comments



# Municipal Advisor Disclosure

*Willdan Financial Services ("Willdan") is registered as a "municipal advisor" pursuant to Section 15B of the Securities Exchange Act and rules and regulations adopted by the United States Securities and Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board ("MSRB"). The MSRB has made available on its website ([www.msrb.org](http://www.msrb.org)) a municipal advisory client brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with the appropriate regulatory authority. As part of its SEC registration Willdan is required to disclose to the SEC information regarding criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation involving Willdan. Pursuant to MSRB Rule G-42, Willdan is required to disclose any legal or disciplinary event that is material to Client's evaluation of Willdan or the integrity of its management or advisory personnel. Willdan has determined that no such event exists. Copies of Willdan's filings with the United States Securities and Exchange Commission can currently be found by accessing the SEC's EDGAR system Company Search Page which is currently available at: <https://www.sec.gov/edgar/searchedgar/companysearch.html> and searching for either Willdan Financial Services or for our CIK number which is 0001782739.*

*For the avoidance of doubt and without limiting the foregoing, in connection with any revenue projections, cash-flow analyses, feasibility studies and/or other analyses Willdan may provide the municipality with respect to financial, economic or other matters relating to a prospective, new or existing issuance of municipal securities of the municipality, (A) any such projections, studies and analyses shall be based upon assumptions, opinions or views (including, without limitation, any assumptions related to revenue growth) established by the municipality, in conjunction with such of its municipal, financial, legal and other advisers as it deems appropriate; and (B) under no circumstances shall Willdan be asked to provide, nor shall it provide, any advice or recommendations or subjective assumptions, opinions or views with respect to the actual or proposed structure, terms, timing, pricing or other similar matters with respect to any municipal financial products or municipal securities issuances, unless formally engaged to provide such information.*

# Entitlement Proposal for 2026 FY



Staff Presentation to Board  
December 15, 2025

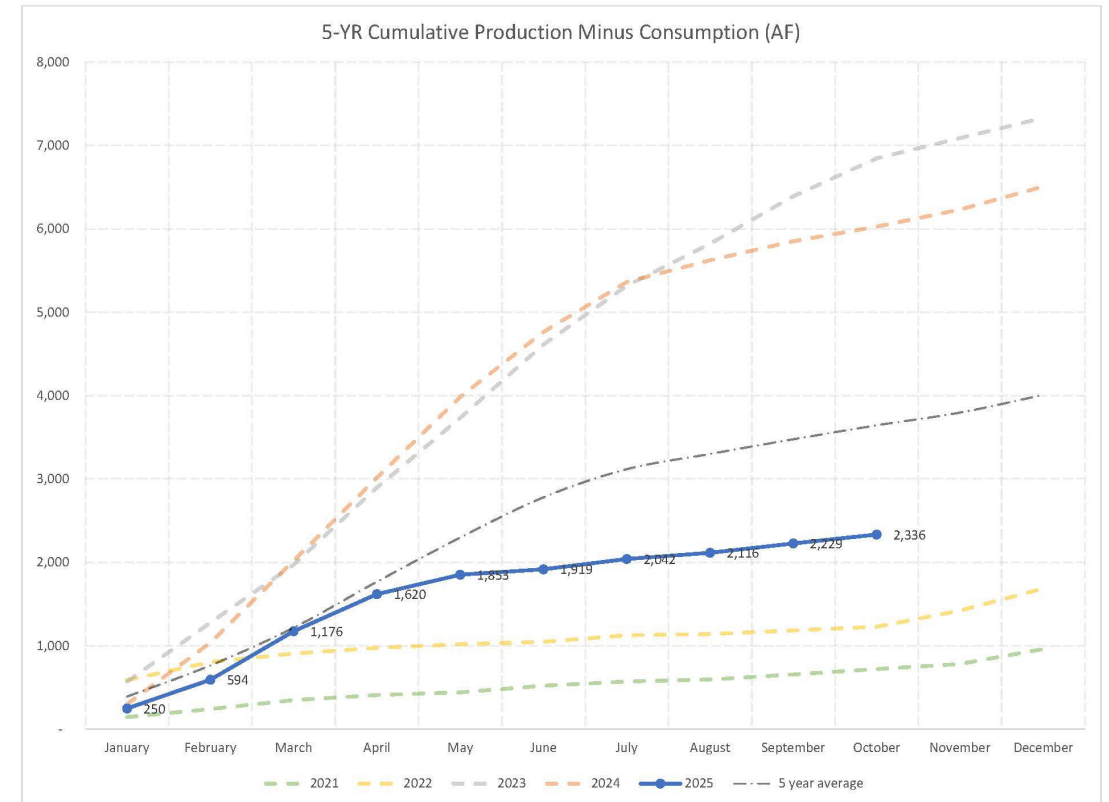
# Entitlement

For 2025 was 13,000 AF

Company also spread 2,218 AF in 2025

- Average spread for the last five years was ~4,000 AF
- Current Company storage is ~17,000 AF in Chino Basin

**Staff proposes raising entitlement for 2026 to 15,000 AF**



# 15,000 AF Entitlement in 2026

- Increases 'Per Share' yearly entitlement from 2.03 AF to 2.35 AF
  - ❖ There are 933.5 Residential, Irrigation and Inactive (RIIA) shares
  - ❖ At 2.35 AF per share the RIIA entitlement total for 2026 is 2,191.66 AF
  - ❖ Based on 2025 consumption the projected 2026 usage of RIIA shares is 1,340 AF
  - ❖ 'Unused' 2026 entitlement for RIIA is projected to be 851.66 AF

# What to do with 851.66 AF ‘unused’ entitlement for 2026

- If October 2026 projections show a ‘wet-water’ shortfall, offer full entitlement to all shareholders at Tier 1 rate through paper-transfer in Chino Basin (Make them whole)
  - ❖ Sale would be a ‘paper-transfer’ out of SAWCO water-account to shareholder’s water-account.
- Lower Tier 2 rate to make it attractive to municipal shareholders
- Offer all shareholders the ‘unused’ 851.66 AF entitlement at the lowered Tier 2 rate through paper-transfer in Chino Basin
  - ❖ Sale would be a ‘paper-transfer’ out of SAWCO water-account to shareholder’s water-account.
  - ❖ Initial offer would be proportional to shares held. Secondary and so-on offers of unused proportional water would be sent to participating shareholders proportional to shares held within the participating shareholder pool. Eventually, all water would be accounted for. Staff anticipates three offer rounds would suffice.
- Subtracting Tier 1 rate from generated revenue for Company costs
- Provide remaining revenue from sale of Tier 2 water to RIIA as a credit for 2027 water usage.

# Credit for 2027 water usage

- Credit would only apply to 2027 water consumption.
- Credit would expire at end of 2027



These two conditions are intended to prevent 'share-squatters' and encourage future use of shares.

Since credit is based on 'unused water', it is reasonable to only apply credit to future water use, not fixed charges.

- Not WAC charge
- Not Readiness to Serve Charge (meter charge)

# Results

- Tier 1 rate is \$257.24/AF
- ***IF*** we sell the 'unused' 851.66 AF @ 2x Tier 1 rate (\$514.48/AF) the Company would generate \$438,160 of revenue
- Subtracting the Tier 1 Rate for Company's costs would leave \$219,080.38 available for future water usage credit
- Dividing \$219,080.38 amongst the 933.50 RIIA shares provides a future water usage credit of ***\$234.69 per RIIA share***
- At 1,300 AF of usage per year, for 2026 the Height's average water cost per share is \$521.30

Encourages conservation in the Heights by providing a direct financial benefit

Assists Irrigators in maintaining historical groves

Assists municipal shareholders in reducing imported water demand

Encourages use of shares by providing rebate to future water use

## Board Actions Needed

- For 2026 Budget
  - Set Entitlement at 15,000 AF
- FUTURE Actions prior to end of 2026
  - Set Tier 2 rate
  - Establish policy regarding the sale of 'unused' entitlement water
  - Establish policy regarding 'rebate' of 'unused' entitlement water



**THOUGHTS?**