SAN ANTONIO WATER COMPANY

MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, June 30, 2026

An open meeting of the Board of Directors of the San Antonio Water Company (SAWCo) was called to order at 5:00 p.m. on the above date at the City of Upland Carnegie Library, 123 D Street, Upland, California. Directors present were Bill Velto, Will Elliott, Becky Miller, Kati Parker, and Bob Cable. Also in attendance were SAWCo's General Manager Brian Lee, General Legal Counsel Derek Hoffman, and Senior Administrative Specialist Tiffany Dickinson. Vice President Elliott presided.

Vice President Elliott led all in attendance in the flag salute.

1. *Recognitions and Presentations:* Staff recognized two City of Upland employees in attendance, Norberto Ferreira, Chief Water Treatment Operator and Raymond Cordero, Utilities Manager.

   Mr. Hoffman stated Director Rudy Zuniga was able to listen to the meeting via audio but would not actively participate in discussions or vote on any matters.

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 May 19, 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 January 27, 2026 and March 24, 2026.
   D. AdHoc Committee for Office Feasibility Study
      No Meeting Minutes to approve.
   E. Financial Statement
      Income Statement and Balance Sheet for April 30, 2026.
   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

   Mr. Hoffman requested an amendment to pull Item 4A and make a minor change to the minutes. He stated under Item 4A Regular May 19 Meeting Minutes, Item 7, the second paragraph currently states, "if the bills were to pass, they would create consistent legal obligations". The verbiage should instead say "they would create potentially inconsistent legal obligations".

   Direct Velto moved and Director Parker seconded to approve the Consent Calendar along with the change to Item 7, Regular May 19 Board Meeting Minutes. Motion carried unanimously.

5. *Board Committee – Delegate Report:*
   A. **Pomona Valley Protective Association (PVPA) Representative's Report** – Director Parker reported the PVPA met and reported the Gabrielino-Tongva Indian Tribe filed a petition with the Bureau of Indian Affairs and PVPA has registered to be kept informed regarding the petition. She also added, PVPA is currently working with Three Valleys Municipal Water District, cooperatively working on a site on Padua Avenue for the future Metropolitan Water District (MWD) Pure Water Project.

   B. **Six Basins Representative Report** – Mr. Lee stated there was no update to report.

C. **Chino Basin Representative Report** – Mr. Lee reported the Chino Basin Watermaster judge has announced his pending retirement.

D. **Cucamonga Basin Representative Report** – Mr. Lee stated there was no update to report.

E. **Administration and Finance Committee (AFC) Chairman's Report** –Director Miller reported the items discussed during the committee meeting were being covered on the current meeting agenda.

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. Salary Table Adjustment: Mr. Lee presented the annual review of the salary tables in comparison to the consumer price index. He reported the AFC recommended adopting a new salary table featuring a 3.44% increase, which provides employees with additional career growth and promotional opportunities.

   Director Velto moved and Director Cable seconded to approve adopting a 3.44% increase to the salary table. Motion carried unanimously.

7. Conducting an Appraisal of Surplus Property: Staff contacted four property appraisers recommended by legal counsel. All four appraisers responded, however one appraiser declined to submit a proposal as their focus was strictly on water rights rather than real property. Of the three proposals received, the bid from Valuation Source was substantially lower than those submitted by The Dore Group and Hoffman, Vance and Worthington.

   Director Cable moved and Director Miller seconded to authorize staff to execute a contract with Valuation Source to conduct an appraisal of surplus property. Motion carried unanimously.

8. Meter Downsizing Policy: Mr. Lee reported that staff prepared a draft meter downsizing policy. Due to recent scheduling constraints, legal counsel was unable to complete a thorough review prior to the meeting but did provide initial recommendations and modifications.

   Director Velto inquired whether shareholders requesting a meter downsizing would incur any costs.

   Mr. Lee explained that SAWCo will not charge shareholders for downsizing since the action returns system capacity back to the Company. However, shareholders will have to hire a professional engineer or plumber to ensure their instantaneous flow rates remain sufficient. Additionally, properties with fire suppression or fire sprinkler systems must obtain Fire Marshal approval before downsizing.

   Mr. Hoffman concluded by noting that legal counsel will recommend updates to make the final policy more protective of the Company. The updated policy will be brought back to the Board for formal consideration at the upcoming August meeting.

9. Replace Main SCADA Equipment and Software: Staff reported that the existing Supervisory Control and Data Acquisition (SCADA) system has surpassed its useful lifecycle. The City of Upland highly recommended SOFFA Electric for the project. Staff are looking for authorization from the Board to award a contract to SOFFA with a cost of $132,000 out of capital reserves.

   Director Velto moved and Director Parker seconded to authorize staff to award a contract to SOFFA for $132,000.00 for replacement of the existing main SCADA equipment and software. Motion carried unanimously.

10. Legislative Matters: SB 1417 and SB 1291: Mr. Hoffman provided an update on pending state bills; SB 1417 and SB 1291. SB 1291 has been placed on the legislative suspense files, creating a strong possibility that it will not move forward during this session. SB 1417

has been amended in a manner considered favorable to mutual water companies. A copy of the latest version of the bill was provided on the dais, reflecting changes that align with requests made by the California Association of Mutual Water Companies (Cal Mutuals). Counsel recommended continuing advocacy efforts to secure additional favorable amendments. He also expressed appreciation to Director Velto for his active support and ongoing efforts to advance these favorable outcomes.

11. Director's Comments and Future Agenda Items: Director Velto requested to place an item on a future agenda regarding the Company owned surplus property located at 6th Street and Interstate 10. He asked that the Board evaluate the possibility of adding a cellular tower on that specific property.

Adjournment:

With no further business to discuss the meeting was adjourned at 5:19 PM.

Assistant Secretary
Brian Lee