

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, December 20, 2022

An open meeting of the Board of Directors of the San Antonio Water Company (SAWCo) was called to order at 5:04 p.m. on the above date at the City of Upland Council Chambers, 460 N. Euclid Ave., Upland, California. Directors present were Will Elliott, Bob Cable, Martha Goss, Bill Velto, Kati Parker, and Bob Bowcock. Director Rudy Zuniga was absent. Also in attendance were SAWCo's General Manager Brian Lee and Senior Administrative Specialist Kelly Mitchell. Vice-President Elliott presided.

Director Cable led all in attendance in the flag salute.

1. Recognitions and Presentations: Mr. Lee introduced the Board to SAWCo's new attorney, Derek Hoffman of Fennemore
2. Additions-Deletions to the Agenda: Mr. Lee advised a handout was placed on the dais with the engineer's estimate for Item 6B.
3. Shareholder-Public Testimony: None.
4. Consent Calendar Items:
 - A. **Approval of Board Meeting Minutes**
Regular Meeting Minutes of November 15, 2022.
 - B. **Planning, Resources and Operations Committee (PROC) Meeting Minutes**
No meeting minutes to approve.
 - C. **Administration and Finance Committee (AFC) Meeting Minutes**
Approve meeting minutes of September 27, 2022.
 - D. **Financial Statement**
Income Statement and Balance Sheet for October 31, 2022.
 - E. **Investment Activity Report**
Monthly Report of Investments Activity.
 - F. **Water Production and Consumption**
Monthly water production and consumption figures.
 - G. **Prominent Issues Update**
Status summaries on certain on-going active issues.
 - H. **Projects and Operations Update**
Status summaries on projects and operations matters.
 - I. **Groundwater Level Patterns [Quarterly in January, April, July, and October]**
Tracking patterns of groundwater elevations relative to ground surface.
 - J. **Conservation Program Update [Quarterly in January, April, July, and October]**
Update on SAWCo's existing water conservation programs
 - K. **Correspondence of Interest**

Director Velto moved and Director Goss 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 reported PVPA goes dark in December therefore there are no reportable items.
 - B. **Six Basins Representative Report** – With Ms. Layton absent from the meeting, Mr. Lee reported the 2023 Operating Safe Yield (OSY) was approved at the same amount as the previous year.
 - C. **Chino Basin Representative Report** – Mr. Lee advised Chino Basin also went dark in December.
 - D. **Cucamonga Basin Representative Report** – Mr. Lee reported the parties met and received an update from the hydrogeologist.
 - E. **Administration and Finance Committee (AFC) Chairman's Report** – No report was given on the most recent AFC meeting.
 - F. **Planning, Resources, and Operations Committee (PROC) Chairman's Report** – No meeting to report.
 - G. **Office Feasibility Study Ad Hoc Committee** – No meeting to report.
6. General Manager's Report on Activities:
 - A. **CY2023 Budget** – Mr. Lee reported on the few changes made since the December 1st Board Budget Workshop. At the bottom of the Quick Data page in the budget there is additional information regarding the operating reserve target and capital reserve target. Total target reserve amount is \$5,475,000 with projected 2023 year end being \$5,425,000.

Mr. Lee directed attention to the page 8 revenue totals area of the financials. Non-shareholder as a percentage of total revenue was added to better show where SAWCo is expecting to land with regard to the 85/15 requirement to maintain non-profit status.

Capital Improvement Projects were updated with current costs; in particular the Holly Drive Tank, as bids were recently opened and increased the project cost.

Director Cable moved and Director Velto seconded to approve the CY2023 Budget as presented. Motion carried unanimously.

- B. Award of Contract for Construction of Holly Drive Tank, Phase III** – Mr. Lee advised the bid opening for Holly Drive Tank, Phase III took place after the Board Budget Workshop. Three bids were received with Canyon Spring Enterprises as the apparent low bidder. The engineer has reviewed the bids and is recommending Canyon Springs Enterprises for the project.

The lowest bid for the project came in at \$914,000 with the engineers estimate at \$683,000. The primary difference in costs was found in the construction of the tank, pipes, and fittings as well as the engineers' estimate being completed two months ago. Mr. Lee also advised Canyon Springs Enterprises was the firm that built the last Holly Drive Tank.

Director Velto appreciated the fact SAWCo is recommending utilizing a known reputable firm. He inquired about how contract overages are handled. Mr. Lee advised once the contract is signed the project needs to be completed at that cost. A contingency of \$50,000 is held over for completion of the project.

Director Parker moved and Director Goss seconded to award the Holly Drive Tank, Phase III project to Canyon Springs Enterprises in the amount of \$914,000. Motion carried unanimously.

7. Closed Session: None.

8. Director's Comments and Future Agenda Items: The Board wished all a Merry Christmas and Happy Holidays.

Adjournment:

With no further business to discuss the meeting was adjourned at 5:16 p.m.


Assistant Secretary
Brian Lee