

**SAN ANTONIO WATER COMPANY**  
**MINUTES OF THE SAN ANTONIO WATER COMPANY**  
**Tuesday, May 21, 2019**

An open meeting of the Board of Directors of the San Antonio Water Company (SAWCo) was called to order at 5:02 p.m. on the above date at the Upland City Hall Council Chambers, 460 North Euclid Avenue, Upland, California. Directors present were Tom Thomas, Jose Sanchez, Bob Cable, Gino Filippi, Martha Goss, and Rudy Zuniga. Also in attendance were SAWCo's General Manager Brian Lee, Assistant General Manager Teri Layton, and Senior Administrative Specialist Kelly Mitchell. Director Thomas presided.

- Salute to the Flag led by Director Goss
- 1. Recognitions and Presentations: Interim City of Upland Manager Rosemary Hoerning was recognized in attendance.
- 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 April 16 2019.
  - B. Approval of Organizational Meeting Minutes  
Organizational Meeting Minutes of April 9, 2019.
  - C. Planning, Resources and Operations Committee (PROC) Meeting Minutes  
No meeting minutes to report.
  - D. Administration and Finance committee (AFC) Meeting Minutes  
Meeting minutes of February 26, 2019.
  - E. Financial Statement  
Income Statement and Balance Sheet for March 31, 2019 and year-to-date.
  - F. Investment Activity Report  
Monthly Report of Investments Activity
  - G. Water Production  
Bi-Monthly water production [Jan/Feb, Mar/Apr, May/June, July/Aug, Sept/Oct, Nov/Dec]
  - 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. Correspondence of Interest

Director Sanchez moved and Director Zuniga seconded to approve the Consent Calendar Items as presented. Motion carried.

- 5. Board Committee – Delegate Report:
  - A. **Pomona Valley Protective Association (PVPA) Representative's Report** – Director Thomas reported on the May PVPA meeting. Water continues to be spread in the basin as rainfall reaches nearly 40 inches since the beginning of the year.

Discussion continued regarding the National Recreation Area. Congresswoman Judy Chu is proposing extending the National Recreation Area to below the San Antonio Dam where some houses are located. There is concern that government appointed committees would then be making land use decisions which could prevent new wells from being dug and water from being spread.

Claremont Councilmember Jennifer Stark announced at the Six Basins Watermaster Meeting the possibility of renaming the Thompson Creek Spreading Grounds in honor of the efforts of Claremont resident Marilee K. Scaff who recently passed away. The PVPA voted approval of renaming the spreading grounds as the Marilee K. Scaff Thompson Creek Spreading Grounds.

An extension of the land use agreement with the Harvey Mudd Colleges to continue using the bee study facility is in the works.

**B. Six Basins Representative Report** – Mr. Lee reported that the Six Basins Board approved a reconnaissance level recharge study in collaboration with the MS4 (Municipal Separate Storm Sewer System) group. The study will identify appropriate sites for the required storm water recharge. In exchange, the cities will receive funding to build facilities at those locations.

**C. Chino Basin Representative Report** – Ms. Layton reported Watermaster is in the process of revising the past Assessment Packages. SAWCo staff has been reviewing the desalter replenishment obligation and asking Watermaster to take out of their storage on a year to year basis to avoid storage losses.

Staff attended a Chino Basin sponsored event on water quality on May 2<sup>nd</sup>. We heard about a variety of topics on contaminants of emergency concern including PFAS. PFAS are a group of man-made chemicals that include PFOA and PFOS. PFAS have been manufactured and used in a variety of industries around the globe, including in the United States since the 1940s. There is evidence PFAS can cause adverse health effects.

Certain PFAS chemicals are no longer manufactured in the US but are still produced internationally. PFAS are found in a wide range of consumer products that people use daily such as cookware, pizza boxes and stain repellants.

Because SAWCo has wells near a landfill (15<sup>th</sup> & Campus), we have been noticed to sample our Cucamonga Basin wells #2, 3, 24, & 22.

SAWCo is not required to sample in Chino Basin. The parties in Chino Basin that have to sample want to comply as necessary and share the information with Chino Basin Watermaster. Watermaster has asked the parties to consider Watermaster sampling for the basin. The parties desire to work together and share information with Watermaster but wish to do their own sampling.

Staff attended the Optimum Basin Management Program (OBMP) Update Listening Session #4 and participated in the process. The OBMP was last completed in 1999.

The Watermaster Budget 2019-2020 was approved by all of the Pools and will go to the Board for approval. Wildermuth Environmental, Inc. (WEI) is the engineering firm for Watermaster. Their contract will go to the Board for a 5 year renewal.

Director Thomas inquired when SAWCo would need to submit payment or authorize a transfer of water from storage for their replenishment obligation. Ms. Layton responded the method for calculating the replenishment obligation has been agreed upon. SAWCo has met their obligation for the 2013-2014 assessment year and is working on meeting their obligation for the 2015-2016 assessment year.

**D. Cucamonga Basin Representative Report** – Ms. Layton reported no meeting was held in May. The next meeting is scheduled for June 4<sup>th</sup> at 1:30 p.m.

WEI provided the Sustainable Groundwater Management Act report for Cucamonga Basin. A conference call with WEI was held to discuss the 13,000 acre feet change in storage amount.

**E. Administration and Finance Committee (AFC) Chairman's Report** – No report 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. General Manager's Report on Activities:

**A. Authorized Signer on Account** – Director Thomas stated there have been some changes on the Board of Directors that begets a change in the signers of record with certain entities.

Mr. Lee recommended the Board authorize Secretary/CFO Jose R. Sanchez to add and remove names from Citizen's Business Bank Accounts.

Director Cable moved and Director Filippi seconded to authorize Secretary/CFO Jose R. Sanchez to add and remove names from Citizen's Business Bank Accounts. Motion carried.

**B. Article X of Company Bylaws; Right to Service, Classes of Service, Tolls or Charges, and Basic and Extended Areas** – Mr. Lee stated that Calmat's Representative Bob Bowcock was notified of that the agenda item would be presented at the meeting.

Staff recommended taking no action until such time that the shareholder complies with the Bylaws of the Company.

Director Thomas commented the AFC believed they had found a way to provide the water to the shareholder in compliance with the Bylaws. Looking further into the details of the proposed option revealed it was not feasible.

**C. Time Extension for Benson Street Escrow** – Mr. Lee advised that the City of Upland State Revolving Fund (SRF) loan for reservoir construction continues to be delayed. The City has requested a 60-day extension to the current May 31, 2019 close of escrow. The newly proposed close of escrow is July 29, 2019. Additionally, the presented amendment allows the Board President and General Manager to approve a onetime 60-day extension beyond July 29, 2019 without returning to the Board for approval.

Mr. Lee recommended the Board authorize the Board President to execute the presented amendment to purchase contract.

Director Cable moved and Director Goss seconded to approve the authorizing the Board President to execute the presented amendment to purchase contract. Motion carried.

7. Closed Session: The Directors, Mr. Lee, and Ms. Layton recessed to close session with legal counsel Tom McPeters present via telephone pursuant to Government Code Sections 54956.9(c) and 54956.9(b) at 5:19 p.m. The Directors, Mr. Lee, and Ms. Layton reconvened in open session at 5:44 p.m. with no action taken.

8. Director's Comments and Future Agenda Items:

Director Goss thanked staff for the tour of the facilities they provided new Board members the previous day. Director Zuniga also expressed appreciation for the tour and knowledge shared by staff.

Director Thomas reiterated the Sister City Mildura, Australia 50 year celebration is taking place the last week of the month. He, his wife, and several other Upland residents will be attending the celebration.

Adjournment: Seeing no further business, the meeting was adjourned at 5:48 p.m.

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Assistant Secretary  
Brian Lee