

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, November 15, 2022

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 Council Chambers, 460 N. Euclid Ave., Upland, California. Directors present were Will Elliott, Bob Cable, Martha Goss, Bill Velto, Kati Parker, and Bob Bowcock. Also in attendance were SAWCo's General Manager Brian Lee, Assistant General Manager Teri Layton, and Senior Administrative Specialist Kelly Mitchell. Vice-President Elliott presided.

Director Cable led all in attendance in the flag salute.

1. Recognitions and Presentations: None.
2. Additions-Deletions to the Agenda: Mr. Lee requested adding ratifying Resolutions 2022-11-01 and 2022-11-02 honoring retiring Chino Basin Water Conservation District (CBWCD) directors Gruppo and Hamilton to the agenda as Item 6E.

Director Parker moved and Director Bowcock seconded to add ratifying Resolutions 2022-11-01 and 2022-11-02 honoring retiring CBWCD directors Gruppo and Hamilton to the agenda as Item 6E. Motion carried unanimously with Director Rudy Zuniga absent.

3. Shareholder-Public Testimony:
Director Cable, speaking as a SAWCo shareholder and a member of the San Antonio Heights Association (SAHA), thanked both Director Velto and Mr. Lee for presenting at the recent SAHA annual meeting.
4. Consent Calendar Items:
 - A. Approval of Board Meeting Minutes
Regular Meeting Minutes of October 18, 2022.
 - B. Planning, Resources and Operations Committee (PROC) Meeting Minutes
Approve meeting minutes of June 28, 2022.
 - C. Administration and Finance Committee (AFC) Meeting Minutes
No meeting minutes to approve.
 - D. Financial Statement
Income Statement and Balance Sheet for September 30, 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 with Director Zuniga absent.

5. Board Committee – Delegate Report:
 - A. **Pomona Valley Protective Association (PVPA) Representative's Report** – Director Parker reported on the PVPA annual meeting held November 10th. At the meeting the new slate of officers were voted in. On the agenda was the memorandum of understanding (MOU) between Six Basins and PVPA regarding the new basin located south of the San Antonio Dam, below Mt. Baldy Road. The basin is on PVPA land in the City of Claremont and construction is slated to begin in spring of 2023.
 - B. **Six Basins Representative Report** – Ms. Layton advised of her attendance at the October 26th Six Basins watermaster board meeting. The draft 2023 Operating Safe Yield (OSY) as presented by West Yost Engineering suggests reducing the OSY 500-acre feet (AF). Ms. Layton expressed concern with rising water storage and its relationship to declining safe yield. Written comments were provided to West Yost Engineering. The board packet for the upcoming Six Basins meeting appears to recommend either staying with the current OSY amount or reducing. Ms. Layton explained that SAWCo is in the upper portion of the basin and has not experienced any groundwater level reduction. As the OSY amount declines, SAWCo must pull more from its storage water account.

The annual assessment for the basin is proposed to stay the same at \$24/AF.

- C. **Chino Basin Representative Report** – Mr. Lee advised the judge ruled against the City of Ontario in their quest for dry year yield reset. The judge stated they submitted their paperwork too late to be considered.
- D. **Cucamonga Basin Representative Report** – Mr. Lee reported the hydrogeologist continues to make improvement to the basin model. Invoices from past projects and whether the costs should be split between the parties is being discussed.
- E. **Administration and Finance Committee (AFC) Chairman’s Report** – No meeting to report.
- F. **Planning, Resources, and Operations Committee (PROC) Chairman’s Report** – Director Elliott reported items discussed with direction given, such as the Paloma Curve Hydraulic Break and the Surface Water Treatment Plant, are included in the General Manager’s Report on Activities.
- G. **Office Feasibility Study Ad Hoc Committee** – No meeting to report.

6. General Manager’s Report on Activities:

- A. **Annual Review of Employee Health and Welfare Benefits** – Mr. Lee reported a 2% increase in costs for employee health insurance coverage which equates to roughly an additional \$208 per month. Dental insurance coverage was quoted as having a 5% increase however, SAWCo’s insurance broker was able to secure dental coverage for the same amount as the previous year. All other benefits premiums are included in the handouts.

Director Velto moved and Director Bowcock seconded to approve renewal of SAWCo’s employee health and welfare benefits as presented. Motion carried unanimously with Director Zuniga absent.

- B. **Paloma Curve Hydraulic Break** – Mr. Lee explained staff had a predesign study completed earlier in the year to determine possible solutions to the noise heard when water flows are high. Staff has determined the facilities have reached the end of their useful life and need to be replaced. The two solutions of interest involve either just replacing the facilities at Paloma Curve or replacing the entire pipeline from the Forebay all the way down. The cost difference was roughly \$400,000 to \$1,000,000. Staff felt it of better value to replace the entire line but was concerned with the \$1,000,000 price tag in today’s market. He asked the engineer to double check the estimate and the engineer is confident in the amount provided. Originally, the PROC recommended staff move forward with the option replacing just the facilities at Paloma Curve until the amount for replacing the entire line was verified. Now that staff has received confirmation from the engineer on the cost to replace the entire line, he asks the Board authorize staff to include in the projects for 2023 the replacement of the entire line from the Forebay down.

Director Goss moved and Director Cable seconded to add the design and construction of the replacement line for the Paloma Curve Hydraulic Break as described in Option 1 as presented to the 2023 capital improvement project list. Motion carried unanimously with Director Zuniga absent.

- C. **Surface Water Treatment Plant** - Mr. Lee advised SAWCo completed a predesign study for a surface water treatment plant at the Forebay. The projected costs came in at roughly \$2.5 million dollars. After initiating the study, the City of Upland found an opportunity to apply for grant money to expand their treatment plant to below the San Antonio Dam.

Mr. Lee recommends keeping the study on file until the City of Upland is given word on whether they will receive the grant money to expand their treatment plant. Should the City receive the grant money, SAWCo will not need to construct a treatment plant. However, if grant funding is not received, SAWCo will revisit the construction of its own treatment plant.

Director Velto moved and Director Goss seconded to approve tabling the item until it is known whether the City of Upland will receive grant funding to expand their treatment plant. Motion carried unanimously with Director Zuniga absent.

- D. **Campus Feasibility Study Ad Hoc Committee** – Mr. Lee reported in the past staff has had an ad hoc committee comprised of Board members to help guide the Campus project. The ad hoc committee has not met in some time and at the last Board meeting it was suggested to begin meeting again regularly. The committee is typically comprised of the chair of the AFC and PROC as well as the Board President.

Director Velto moved and Director Parker seconded to have the Campus Feasibility Study Ad Hoc Committee begin meeting again regularly and to be comprised of SAWCo’s Board President and the chair of the AFC and PROC. Motion carried unanimously with Director Zuniga absent.

- E. **Ratify Resolutions Honoring Retiring Chino Basin Water Conservation District (CBWCD) Directors** – Director Parker explained the CBWCD board meeting where both directors Margaret Hamilton and Marc Grupposo retired took place the previous evening. At the October SAWCo Board meeting, it was agreed that a resolution would be drawn up. The SAWCo Board is now requested to ratify the resolutions presented to the retiring CBWCD board members.

Director Velto moved and Director Bowcock seconded to ratify Resolutions 2022-11-01 and 2022-11-02 honoring retiring CBWCD directors Gruppo and Hamilton. Motion carried unanimously with Director Zuniga absent.

7. Closed Session: None.

8. Director's Comments and Future Agenda Items: Director Velto recognized Director Parker for recently being elected to the CBWCD board of directors.

Director Elliott clarified the next regular Board meeting is scheduled for Tuesday, December 20th.

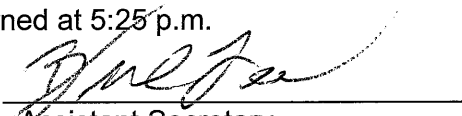
Mr. Lee drew attention to the printout on the dais of an email exchange between himself and a shareholder. The shareholder is requesting the Board review minimum share requirements for developments.

Director Cable advised he read through the email chain and agrees with Mr. Lee's responses. He stated the item was previously reviewed and the minimum shareholder requirements should remain as previously agreed upon.

Director Velto inquired about the most recent water stock sealed bid auction. Mr. Lee advised it was held earlier in the day. The results were posted on the company website with one of the ¼ share going for \$16,888 and the other ¼ share going for \$15,053.

Adjournment:

With no further business to discuss the meeting was adjourned at 5:25 p.m.



Assistant Secretary
Brian Lee

