

**SAN ANTONIO WATER COMPANY**  
**MINUTES OF THE SAN ANTONIO WATER COMPANY**  
**Tuesday, February 20, 2024**

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 City of Upland Council Chambers, 460 N. Euclid Ave., Upland, California. Directors present were Rudy Zuniga, Will Elliott, Bill Velto, Bob Bowcock, Kati Parker, Bob Cable, and Becky Miller. Also in attendance were SAWCo's General Manager Brian Lee, Assistant General Manager Teri Layton, General Legal Counsel Derek Hoffman, and Administrative Specialist Tiffany Dickinson. President Zuniga presided.

Director Cable 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 16, 2024.
  - 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 26, 2023.
  - D. Ad-Hoc Committee for Office Feasibility Study  
No meeting minutes to approve.
  - E. Financial Statement  
Income Statement and Balance Sheet for December 31, 2023.
  - 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

Director 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 there was a meeting held on Wednesday, February 14, 2024, and took action to do a second amendment to Six Basins Watermaster and PVPA supplemental agreement to fund projects they work on together for \$150,000.00.

Director Parker added there is no further update to report.

- B. **Six Basins Representative Report** – Ms. Layton stated the last meeting was held on Wednesday, January 24<sup>th</sup>, 2024. She reported the annual elections of officers was held and everyone stayed the same except Norberto replaced John Robles for City of Upland.

Ms. Layton added there will be another meeting held next week.

- C. **Chino Basin Representative Report** – Mr. Lee stated there is no update to report.

Director Velto added they will be having interviews for the new General Manager that week.

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

- E. **Administration and Finance Committee (AFC) Chairman's Report** – Director Velto stated there is no update to report.

- 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. Development of 1295 W 25<sup>th</sup> St.: Mr. Lee stated there is a shareholder who is developing a parcel and staff has been in communication with the shareholder regarding the number of shares required for the development. It is a tear down and a rebuild, tearing down the existing home, constructing a main house and a secondary unit. A Will Serve letter has been issued over a year ago outlining the requirement for service to the property, with one of the requirements being the shareholder have  $\frac{3}{4}$  shares of SAWCo water stock because the property is over one-half an acre. Mr. Lee clarified the shareholder has requested to address the Board questioning the need to purchase an additional one-quarter share. Mr. Lee explained the only time we require the shares to match acreage is when a Will Serve letter is issued. He added the issue is not an ADU, but the issue is the acreage and the County's requirement of a Will Serve letter.

Director Zuniga questioned why the policy has never been a minimum of  $\frac{3}{4}$  shares to begin with.

Ms. Layton responded in the past when there was a severe drought there was a concern there was not enough water. The directors at that time had a moratorium to not allow building new development in the Heights. If the shareholders have the shares, they would be allowed to build. She added to administratively alleviate issues SAWCo instituted based on the size of the lot a minimum of one-half share.

Shareholder, John Ricotta, approached the podium stating at the time he requested the Will Serve letter he had two properties just shy of half an acre and since then he had combined the two properties, which is a little over one-half acre. He stated he is building a house and an ADU, and then tearing down the old house. He added he currently does not use one-half share worth of water and believes one-half quarter share is sufficient.

Director Elliott added the Board has a decision to make to continue the current policy that is in place or take each case by case.

Director Cable stated he stands by the decision made by the Board with the current policy and even though this process is costly upfront there are options in the future such as leasing that extra share.

Director Parker asked if this item could be taken to the PROC Committee to revisit the policy and consider other alternatives, like taking each incident on a case-by-case basis.

Legal Counsel Derek Hoffman stated the PROC Committee did consider this policy and the Board ratified the existing policy, which is a minimum one-half share up to one-half acre and one-quarter share up to one-quarter acre above that.

Director Zuniga stated the policy will stand and the shareholder will need to purchase an additional one-quarter share following the Will Serve letter.

7. San Antonio Heights Citizens on Patrol Donation: Mr. Lee explained this is a standard yearly item at the beginning of the year, where SAWCo has donated \$1,000.00 to the Citizens on Patrol. The Citizens on Patrol are requesting this yearly donation, and staff do support this. He added the Citizens on Patrol patrols the Heights area, keeps an eye on SAWCo facilities, and have called in and alerted the Company on any issues on SAWCo properties.

Director Parker moved and Director Miller seconded on approval of \$1,000.00 donation to the Citizens on Patrol. Motion carried unanimously.

8. Quitclaim Request for parcel at C Street and Washington Blvd.: Mr. Lee explained SAWCo has a proposed development in the City of Upland, and the City is the property seller. A developer is looking to purchase this property but during their due diligence they discovered there was a SAWCo blanket easement.

Director Zuniga and Director Velto recused themselves as being members of the City of Upland City Council.

Mr. Lee continued to explain staff is requesting the Board authorize Company staff to work with SAWCo legal counsel to develop the appropriate quitclaim that is agreeable to the developer and SAWCo's legal counsel. The Board would then authorize Mr. Lee to sign that quitclaim for SAWCo. The developer would pay a quitclaim fee of \$1,500.00.

Director Cable moved and Director Bowcock seconded to authorize SAWCo staff to work with legal counsel to develop and sign a quitclaim for parcel at C Street and Washington Blvd. Motion carried unanimously.

9. Request to Amend Cell Land Lease at Well 26: Mr. Lee stated SAWCo has a request by lessee to extend the lease a number of years at the same terms plus a \$5,000 bonus for extending the lease. He added the terms of the lease are generally favorable for both properties, SAWCo does not have plans to utilize that property for more than what it is currently used for.

Mr. Lee stated staff and legal counsel working together to develop a lease amendment that is agreeable to both parties, recommends the Board authorize staff to sign said amendment.

Mr. Lee added under the terms there is an escalation of 18% every year in the lease amount.

Director Zuniga suggested for staff to research and reach out to the City of Upland to see what the City of Upland is receiving on their cell leases.

Director Velto questioned if there is consideration of adding another carrier in the future.

Mr. Lee responded stating there is a subwriter to this lease they could add a carrier for an additional \$500 a month to use a new carrier on the same antenna.

Director Elliot moved and Director Velto seconded to refer this evaluation to a closed session at the following PROC Committee Meeting. Motion carried unanimously.

10. Annual Shareholder's Meeting Location and Appointment of Inspectors of Election: Mr. Lee stated SAWCo staff is proposing April 9, 2024, to be held at City of Upland City Hall at 6:00 PM and offering SAWCo staff as Inspectors of Elections. He added we are not having elections this year it is a matter of roll call for shareholders.

Director Cable moved and Director Velto seconded to approve the Annual Shareholder's Meeting to be held on April 9, 2024 at City of Upland City Hall at 6:00 PM. Motion carried unanimously.

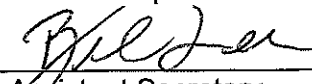
11. Director's Comments and Future Agenda Items: Director Elliott questioned if there were any reports on any water issues.

Mr. Lee stated everything is going smoothly. He added SAWCo's major shareholder requested that we stop delivering water to their treatment plant because they have run out of space. He also added the Cucamonga Crosswalls are holding up very well and SAWCo is doing well on San Antonio Canyon.

Mr. Lee lastly requested that after these heavy storms to encourage the public to search their backyards to drain all the excess water so there will not be a mosquito issue.

Adjournment:

With no further business to discuss the meeting was adjourned at 5:45 p.m.

  
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Assistant Secretary  
Brian Lee

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