

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, January 21, 2025

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 Rudy Zuniga, Will Elliott, Bill Vello, Kati Parker, Bob Cable, Becky Miller and Bob Bowcock. Also in attendance were SAWCo's General Manager Brian Lee, General Legal Counsel Derek Hoffman, and Senior Administrative Specialist Tiffany Dickinson. President Zuniga presided.

Director Elliott 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 December 17, 2024
 - B. Planning, Resources and Operations Committee (PROC) Meeting Minutes
No meeting minutes to approve.
 - C. Administration and Finance Committee (AFC) Meeting Minutes
No meeting minutes to approve.
 - D. Ad-hoc Committee for Office Feasibility Study
No meeting minutes to approve.
 - E. Financial Statement
Income Statement and Balance Sheet for November 30, 2024.
 - 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

Director Miller moved and Director Parker 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 PVPA did not meet in January therefore there is no update to report.
- B. **Six Basins Representative Report** – Mr. Lee stated there is no update to report.
- C. **Chino Basin Representative Report** – Mr. Lee stated they received a tentative ruling from the appeals court regarding the assessment packages for the prior two years. Ontario's efforts to question those assessment packages based on the dry year yield program and Ontario has been fighting that for about two years now. The appeals court reversed the lower courts ruling and said Ontario's filings were timely and sent back to the lower courts.

Mr. Hoffman reiterated this is a tentative opinion of the court of appeal, and they will notify interested parties about a hearing date.

Director Elliott asked if this directly impacts the company.

Mr. Lee responded it would impact the company's assessment packages for the prior two years and all assessment packages moving forward. He also added SAWCo does not participate in the dry year yield program but there would be minor dollar shifting.

- D. **Cucamonga Basin Representative Report** – Mr. Lee stated there is no update to report.
- E. **Administration and Finance Committee (AFC) Chairman's Report** – No meeting 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. Annual Shareholder's Meeting Location and Appointment of Inspectors of Election: Mr. Lee stated the importance of this item is for the board to approve the date and time of the annual shareholder's meeting and gives the shareholders time to vote for proxies and nominate slates. He added he will be reaching out to primarily the City of Upland and all other shareholders, letting them know this will go into effect the date the board chooses.

Mr. Lee requested the board to consider possible amendment to appoint inspector of elections, in which staff is being recommended.

With no discussion from the Board, Director Elliott moved and Director Velto seconded to approve the Annual Shareholder's Meeting date and time of April 8, 2025 at 6:00 PM and approve staff as recommended inspectors of election. Motion carried unanimously.

- 7. San Antonio Heights Association Citizen's on Patrol Donation: Mr. Lee stated this is a yearly item that comes up in January or February, and in the past the company has donated \$1,000 to the SAHA Citizen's on Patrol. Prior to direct donations, the company used to contribute to the pancake breakfast but since Covid, the company felt a direct contribution will be more efficient but do encourage the continuance of the pancake breakfast.

With no discussion from the Board, Director Velto moved and Director Elliott seconded to approve staff to donate \$1,000 to the San Antonio Heights Association Citizen's on Patrol. Motion carried unanimously.

- 8. Review of Legal Services Rates: Mr. Lee reported the rate increase letter from Fennemore is provided in the Board packet. Fennemore has held its rate study for two years per contract and this is the first opportunity for them to adjust. They are taking that opportunity and staff supports and thinks it is reasonable. He added it is baked into this year's budget already.

Mr. Hoffman explained his and Mr. Kevin Randolph's current rates, and the proposed increase would be to bring their rates up to 90% of their standard rate, so there is still a 10% discount on their standard rate but brings their rates more current with market. He added the 10% discount will be applied firmwide, because currently other attorneys that assist on certain issues bill at their standard rate.

Director Velto questioned if the yearly budget for legal services was in the report.

Mr. Lee responded in the impact on the budget for this year, staff has budgeted \$240,000 for 2025 expenses for legal costs which is in line with what staff projected to spend last year. Staff is proposing to keep legal costs steady to reduce hours billed.

Director Parker moved and Director Miller seconded to approve the increase of legal services rates. Motion carried unanimously.

- 9. Closed Session:
 - A. CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION [Government Code Section 54956.9(d)(1)] Name of Case: San Antonio Water Company v. Foothill Irrigation Company, et al., San Bernardino Superior Court Case No. 92645
 - B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION [Gov't Code § 54956.9(d)(1)] Name of Case: Aqueous Film-Forming Foams Product Liability Litigation, Master Docket No. 2:18-mn-2873-RMG

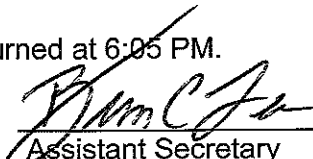
The Board went into closed session at 5:10 PM. Upon return from the closed session at 6:02 PM, Mr. Hoffman stated the Board met in closed session on the two items listed on the agenda and there is nothing to report.

- 10. Director's Comments and Future Agenda Items: Mr. Lee stated staff has a future item, next Thursday, January 30 from 10:00 AM – 12:00 PM, there is going to be a symposium called The Law of the Basin, regarding Chino Basin Watermaster held at the Pomona Water Facility.

Director Miller thanked Mr. Lee for organizing a tour for the board of directors of company facilities, to become more familiar with all the different aspects and resources of the Company. She also added she enjoyed attending the ACWA (Association of California Water Agencies) conference where she was able to see all the aspects of water management and resources.

Adjournment:

With no further business to discuss the meeting was adjourned at 6:05 PM.



Assistant Secretary
Brian Lee

