

SAN ANTONIO WATER COMPANY
MINUTES OF THE SAN ANTONIO WATER COMPANY
Tuesday, April 16, 2024

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 Velto, Bob Bowcock, Kati Parker, Bob Cable, and Becky Miller. Also in attendance were SAWCo's General Manager Brian Lee, General Legal Counsel Derek Hoffman, and 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: Mr. Lee commented he wanted to make sure everyone received the additional documentation that was sent out Monday, April 15, 2024 that included the proposed change order and the engineers proposal for Item 8.
3. Shareholder-Public Testimony: None.
4. Consent Calendar Items:
 - A. Approval of Board Meeting Minutes
Regular Meeting Minutes of March 19, 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 January 23, 2024.
 - D. AdHoc Committee for Office Feasibility Study
No meeting minutes to approve.
 - E. Financial Statement
Income Statement and Balance Sheet for January 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 Parker moved and Director Cable seconded to approve the Consent Calendar items. Motion carried unanimously.

5. Board Committee – Delegate Report:

- A. **Pomona Valley Protective Association (PVPA) Representative's Report** – Director Parker stated there was no meeting held this month, therefore there is nothing to report.
- B. **Six Basins Representative Report** – Mr. Lee stated he did not attend the meeting therefore there is no update to report.

Director Bowcock reported Six Basins is getting sued by North Claremont residents.
- C. **Chino Basin Representative Report** – Mr. Lee reported they are currently in the budget process for Chino Basin Watermaster.
- D. **Cucamonga Basin Representative Report** – Mr. Lee reported they continue to meet to get the groundwater model tightened up.
- E. **Administration and Finance Committee (AFC) Chairman's Report** – Director Velto reported items discussed were the selection of chair, Director Velto and vice chair, Director Miller, the 4/10 work schedule to be brought back to the full Board, and discussion on the uniform policy update.
- 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. Consideration for 4/10 Work Schedule: Mr. Lee stated staff has been working with AFC Committee and SAWCo employees on discussing the 4/10 work schedule. The SAWCo employees voted last Tuesday, April 9, 2024, the vote was unanimous to move to a 4/10 work schedule no sooner than July 1, 2024. There are administrative things that must be lined up, and if they are not lined up in time that date would be pushed back. Staff is seeking an affirmative vote this evening to start that clock to start July 1st. Staff must go through procedural issues before it can be implemented which is detailed in the board memo that was prepared by legal counsel and distributed to each employee.

Director Velto questioned the minimum amount for lunch break and why the office staff is at a 45-minute lunch and the field crew is only 30 minutes.

Mr. Lee responded, the minimum for state law is 30 minutes. He also added the 45-minute lunch break for office staff is a compromise because they currently have a one-hour lunch break, and the compromise would be to cut the middle to still be able to conduct personal business during lunch time and to not impact opening and closing times of the office.

Mr. Hoffman also added there will be an amendment added to the employee handbook that will align with what is presented in the board packet and include lunch breaks and other breaks.

Director Velto added he wants to make sure the company is not violating any law changes concerning breaks and lunch breaks.

Mr. Lee concluded we have had current and past HR legal counsel look over the employee handbook concerning lunch breaks and believes we are within the legal requirements of the state of California. We will confirm with HR legal before bringing the employee manual back to the AFC for review.

Director Zuniga questioned if a straight ten-hour workday with a paid lunch has been considered.

Mr. Lee emphasized the importance of breaks on a timely basis for field staff working with heavy equipment, etc. He added office and field staff do get two 15-minute paid breaks, but a straight 10-hour workday has not been discussed to date.

Director Velto commented he believes a 4/10 work schedule is more efficient, the employees have better retention, and they work harder.

Director Cable added that even though he believes in the 8 hour, 5 days a week work week, he understands to be competitive in this market, a lot of companies are changing to a 4/10 work schedule. He believes the adjusted work schedule is a good incentive to keep the value on employees and in the hiring process, and some employees are willing to take a pay cut to switch to a 4/10 schedule.

Director Bowcock commented in favor of the change in schedule, stating with a small crew if one field member does not show up it is more difficult for the rest of the crew to complete certain tasks. This change in schedule encourages employees to schedule personal appointments on Fridays off and thus productivity increases during the work week.

Director Velto moved and Director Elliott seconded to approve the 4/10 schedule start date no earlier than July 1, 2024. Motion carried unanimously.

7. Salary Table Adjustment: Mr. Lee stated this is a yearly review the AFC and Board does to potentially adjust the salary tables for the Company to keep up with the cost of living in the local area. The Company uses the geographical area of the Inland Empire and between January 2023 and January 2024 the change in cost of living increased 3.05%. Staff is proposing the Board approve adjusting SAWCo's salary tables upward 3.05%. He also added as employees receive their annual reviews, the COLA is baked into the performance table.

Mr. Lee added shifting the salary table would impact one employee, because said employee is currently at the bottom of their salary table. To keep them within the salary table there would be an annual increase of \$1,851.00.

Director Parker commented that she had discussed with Mr. Lee prior to the meeting if the Company was going to do a class and comp and when was the previous one completed. The last one was done in 2020 and the next one is scheduled for 2025. She stated the reason she brought this up is because, even though she does not know the exact duties of SAWCo's administrative staff compared to other agencies, the salaries for the administrative staff looked low compared to other agencies. She added it will be good to hire somebody to look at the administrative duties and compare those said duties.

Director Velto added he has provided Mr. Lee an example copy of another class and comp study in hopes that it will help alleviate costs, because it is costly to have that study done.

Director Velto moved and Director Cable seconded to approve adjusting SAWCo's salary tables upward 3.05%. Motion carried unanimously.

- 8. Change Order to Architectural Contract for New Office and Operations Yard Facilities Project: Mr. Lee reported this is a change order to put in overdrive the design, permitting and zone changing for the proposed facility. The Company would hire a civil engineer to complete the site work, we would hire a CEQA consultant to complete the California environmental work, we would hire a surveyor as well as a geotechnical engineer. The total cost for the four services is \$163,550.00. He added the architect and himself have negotiated with individual CEQA consultants, originally having the engineering work combined and took that out to get a better value, lowering the engineering cost to about \$50,000.00. He also added staff have done their due diligence to get the contracts down to reasonable amounts.

Mr. Lee stated the reasoning for the change order is because each individual firm will be contracting through the architectural firm and not directly with the company. Staff is requesting the Board to authorize Mr. Lee to sign a change order in the amount of \$163,550.00 subject to modifications to the language of the contracts that would ensure a separation between the company and the subconsultants. He added legal counsel has some concerns with language in the subconsultant proposals.

Director Zuniga commented he had reached out to someone in development services at the City of Upland and was advised this would be the proper process to go through and for this to move forward to the Upland City Council this would need to be done now.

Mr. Hoffman emphasized this evening staff is seeking the approval of the amounts of the change order and the concept of the work of the subcontractors. His team will continue to look over the agreements that are presented and make sure they align with the intention of staff, which is to directly contact with the architect.

Director Bowcock commented projects are usually criticized for the change order percentage. He suggested to look at LSA being a direct, being an EIR or environmental review, so there is that separation between the environmental review and the architect. He concluded by suggesting separating LSA and call it a project instead of having so much in change orders.

Director Parker referred to a letter from the City of Upland listing requirements including general plan amendment and zone change, thus questioning what the lot is currently zoned as and how confident staff is these proposed changes will pass.

Mr. Lee responded that the lot is currently zoned as residential. He added staff has submitted a preapplication packet which prompted the letter from the City of Upland. The City of Upland has had a chance to go over the preapplication and identify any major flaws or critical elements that might have issues. He commented that staff is planning outreach to the residents, to present ourselves for any questioning.

Director Zuniga added the style of building is going to fit in as a home in that area, and the building will be surrounded by the citrus groves in the front to look more natural.

Director Elliot moved and Director Miller seconded to authorize Mr. Lee to sign a change order in the amount of \$163,550.00 subject to modifications to the language of the subcontracts. Motion carried unanimously.

9. Closed Session:

CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

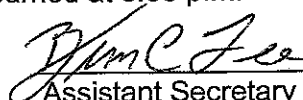
Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: One case

The Board went into closed session at 5:28 PM. Upon return from the closed session at 5:51 PM, Mr. Hoffman stated the Board went into closed session for one item that SAWCo has been named in a lawsuit but not yet served. He concluded there is no reportable action.

Director's Comments and Future Agenda Items: None.

Adjournment:

With no further business to discuss the meeting was adjourned at 5:53 p.m.


 Assistant Secretary
 Brian Lee

1

2

3