



SAN ANTONIO WATER COMPANY MEETING AGENDA

for ADMINISTRATIVE & FINANCE COMMITTEE

July 23, 2024 @ 3:00 pm

At Company Office 139 N. Euclid Ave., Upland, CA 91786 with
option of Virtual/Online or Teleconference

Members of the public may join the meeting by computer, tablet or smartphone.

<https://meet.goto.com/694592317>

You can also dial in using your phone.

United States: [+1 \(646\) 749-3122](tel:+16467493122)

Access Code: 694-592-317

▪ Call to Order

1. Recognitions and Presentations:

2. Additions-Deletions to the Agenda:

3. Public Comments

This is the time for any shareholder or member of the public to address the committee members on any topic under the jurisdiction of the Company, which is on or not on the agenda. Please note, pursuant to the Brown Act the Committee is prohibited from taking actions on items not listed on the agenda. For any testimony, speakers are requested to keep their comments to no more than four (4) minutes, including the use of any visual aids, and to do so in a focused and orderly manner. Anyone wishing to speak is requested to voluntarily fill out and submit a speaker's form to the manager prior to speaking.

4. Approval of Committee Meeting Minutes

Regular Committee Minutes of May 28, 2024.

5. Administrative and Financial Issues:

A. Stock Auction November 2024

Recommend approving timeline for a proposed 2024 stock auction in November.

B. Request for Proposals to Conduct a Rate Study

Recommend authorizing staff to release a Request for Proposals.

6. Closed Session: None

7. Committee Comments and Future Agenda Items:

- This is the time for committees' comments and consideration on future agenda items relative to the interests and business of the company and its shareholders.

8. Adjournment:

The next regular Administration and Finance Committee meeting will be held on September 24, 2024 at 3:00pm

NOTE: All agenda report items and back-up materials are available for review and/or acquisition from SAWCo's Office (139 N. Euclid Avenue, Upland, CA.) during regular office hours, Monday through Thursday [7:30a – 11:30a and 12:30p – 5:00p] and on SAWCo's website www.sawaterco.com. The agenda is also available for review and copying at the Upland Public Library [460 N. Euclid Ave] and Upland City Hall [450 N. Euclid Ave.].

POSTING STATEMENT: On July 18, 2024, a true and correct copy of this agenda was posted at the entry of the Water Company's office (139 N. Euclid Avenue), the Upland City Hall at 450 N. Euclid Ave., the Upland Public Library at 460 N. Euclid Ave., and on SAWCo's website.

SAN ANTONIO WATER COMPANY
 ADMINISTRATION and FINANCE COMMITTEE (AFC)
 MINUTES
 May 28, 2024

An open meeting of the Administration and Finance Committee (AFC) of the San Antonio Water Company (SAWCo) was held at the Company office and called to order at 3:02 p.m. on the above date as noticed. Committee Members present were Bill Velto, Becky Miller, and Rudy Zuniga. Also in attendance were SAWCo's General Legal Counsel Derek Hoffman, General Manager Brian Lee, Assistant General Manager Teri Layton, and Administrative Specialist Tiffany Dickinson. Director Velto presided.

1. Recognitions and Presentations: None.
2. Additions-Deletions to the Agenda: None.
3. Public Comments: Director Miller recognized and thanked Director Velto for stepping up and holding the position of Chairman of the committee.
4. Approval of Committee Meeting Minutes: Director Zuniga moved and Director Miller seconded to approve the meeting minutes of March 26, 2023. Motion carried unanimously.
5. Administrative and Financial Issues:
 - A. ***Updated Employee Manual – Legal Counsel update of the employee handbook***- Mr. Lee stated for the purpose of switching to a 4/10 schedule, there were a number of edits that were required to the current employee handbook. Staff used this opportunity to present the whole employee handbook to legal counsel and have them update the manual. He added the redline form and a completed final form are presented to the committee in the packet. If questions arise that cannot be answered now, the lawyer can attend the June Board Meeting to answer any questions or concerns.

Director Velto asked if after review of the current employee handbook did legal counsel find anything out of line or of concern.

Mr. Hoffman responded there were no concerns to the current employee handbook. He added there are new employment laws almost every year. He also added he involves his partner, who specializes in employment law, June Monroe, who worked closely with Mr. Lee and Ms. Layton to get the manual up to date.

Mr. Hoffman added in response to Director Velto's previous concern regarding breaks and lunch times, Mr. Hoffman stated his team did specifically research that issue and we are consistent with what was originally found, which was no deviation with what was originally proposed.

Director Miller questioned if employees have to take their meal break at a specific hour if it is more impromptu because of their line of work.

Mr. Lee responded the company requires staff take their meal breaks at a specific time of day, office staff at 11:30 AM and field staff at 11:00 AM. He added field have a flexibility in that if there is an unforeseen event they have the flexibility to take that meal break at a later time. He also added California law states after so many hours of work, an employee must take a break and the company does incorporate this law.

Director Zuniga asked if the employees have had a chance to review the amended employee handbook and if any concerns were brought up.

Mr. Lee responded no concerns have been brought up aside from what has already been administered to and included in the redline copy including the day after Thanksgiving and office start times.

Director Velto inquired if staff requires or has an acknowledgement for staff to sign acknowledging they have received the updated employee handbook and comprehend the material.

Mr. Lee responded that the acknowledgment of receipt is about the most staff can provide for employees to sign acknowledging they have received the handbook and understand the manual.

Mr. Lee concluded staff recommends taking the update employee handbook to the full board at the June 18, 2024, Board Meeting and added staff is on track to start the 4/10 schedule on July 15, 2024, with the approval from the full board.

Director Zuniga moved and Director Miller seconded to approve the updated employee handbook and take to the full board at the June 18, 2024 Board Meeting. Motion carried unanimously.

6. Closed Session: None.
7. Committee Comments and Future Agenda Items: Director Velto requested to look into whether there is a policy or if there is a possibility of discussion of changing the start times of the committee meetings to a later time such as 4:00 PM.
8. Adjournment: Seeing no further business, the meeting was adjourned at 3:10 p.m.

Assistant Secretary
Brian Lee

Agenda Item No. 5A

Item Title: Stock Auction November - 2024

Purpose:

Recommend approving timeline for a proposed 2024 stock auction in November.

Issue:

Disposition of personal property (shareholder’s stock) in order to collect on bad debt is governed by the Commercial Code to be “commercially reasonable.”

Managers Recommendation:

That the AFC approve the proposed stock auction and timeline as presented.

Background:

There are currently 3 shareholder’s stock certificates to be auctioned off for a total of 6.75 shares. This will bring the accounts current and future stock auctions will continue on a year-to-year basis as needed.

Below is a timeline of the process leading up to the stock auction:

Description	June	Jul	Aug	Sept	Oct	Nov
Address verification	6/10/24					
AFC Committee Review		7/23/24				
Final Letter owe w/due date		7/24/24				
Board Review			8/20/24			
Final due date			8/26/24			
Bid Process & Form				9/4/24		
Notification of Disposition of Collateral				9/10/24		
Website w/bid form				9/12/24		
Separate letter to shareholders				9/16/24		
SAWCo Newsletter				9/30/24		
Newspaper ad start [3x]					10/22, 10/29 & 11/5/24	
Stock Auction Date						11/12/24

Previous Actions:

November 9, 2009 – First Stock Auction held
 November 14, 2023 – Last Stock Auction held

Impact on Budget:

Collection of outstanding charges owed and reimbursement of all related costs.

Agenda Item No. 5B

Item Title: Request for Proposals to Conduct a Rate Study

Purpose:

To consider authorizing a Request for Proposals (RFP) to conduct a rate study.

Issue:

Should the Company conduct a rate study?

Manager's Recommendation:

Authorize staff to release the RFP.

Background:

The Company last conducted a rate study in 2017, seven years ago. Staff believes it is time to conduct another rate study to make sure the Company's revenue continue to meet the Company's needs.

Staff proposes sending the attached RFP to select consultants (listed in alphabetical order).

- Bartle Wells
- Carollo
- NBS
- Raftelis
- Willdan

Previous Action:

None

Impact on Budget:

TBD



San Antonio Water Company

Incorporated October 25, 1882
Serving the original Ontario Colony lands

A REQUEST FOR PROPOSALS

TO PROVIDE CONSULTING SERVICES TO THE SAN ANTONIO WATER COMPANY

PROJECT TITLE:
2024 Rate Study

RESPONSE DUE BEFORE 3:00 PM
On September 12, 2024

Introduction

The San Antonio Water Company is soliciting proposals from select invited firms to conduct a rate study that proposes adequate funding of our water operations and capital costs for the next five years.

General Information

The San Antonio Water Company is a private non-profit Mutual Water Company 501 (c) (12). Since 1882 the Company has consistently provided water service to its shareholders. The Company does not import any water. Instead we are dependent on our local San Antonio Canyon and Cucamonga Canyon watersheds and downstream groundwater basins.

Currently, our shareholders include most residents of the unincorporated area of San Antonio Heights, the Cities of Upland and Ontario, the Monte Vista Water District, local quarries and the proud heritage of remaining grove irrigators. Annual shareholder water entitlements are established based on projected availability, set each year during budget preparation. Current company entitlement is set at 13,000 acre-feet. There are currently 6,389 Company shares. Current entitlement is 2.03 acre-ft per share.

The Company provides water through two separate systems: domestic and irrigation.

The domestic system receives the majority of its water through the San Antonio tunnel. Groundwater percolating through the alluvium collects in the tunnel and, after chlorination provides 4-log inactivation, is channeled into the Company's potable water system through the Company's Forebay facility.

The domestic water system provides service to the San Antonio Heights, also known as our Basic Service Area. Consisting primarily of large residential lots, the Heights is an unincorporated area of San Bernardino County approximately 2.6 square miles in size located immediately north of the City of Upland. The Company provides water to individual residential lots through 1,200 domestic meters.

The main irrigation system primarily receives water from surface water diversions in the San Antonio Canyon and provides service to the Company's 'extended' service area. Shareholders in the extended service area include municipal and private companies. Most of the distributed irrigation water is provided to the City of Upland's treatment plant located just below the San Antonio Canyon dam. Water that bypasses the city's treatment plant is typically sent to the Company's Forebay facility where it is diverted to groundwater settling basins, assuming there are no irrigation or rock quarry needs.

A separate Company irrigation system currently provides groundwater from three wells to the Water Facilities Authority (WFA) for treatment and distribution to shareholders who also participate in the WFA (Monte Vista Water District and City of Ontario). The City of Upland also participates in WFA but does not currently receive any Company water through the WFA. The Company's irrigation system delivering water from San Antonio Canyon runs up to the Company owned property on Benson Avenue just south of the WFA facility.

Project Scope of Services

Task 1 – Project Management

Provide overall project management services including:

- Preparing a proposed schedule for the project
- Teleconferences and meetings at appropriate intervals to keep Company staff updated on progress and address any needed management level decisions
- Quality assurance/ quality control

Task 2 – Report

- The recommended rate structures shall be based on cost of service and shall be sufficient to meet the revenue requirements of the Company.
- Rate structures will consider and make provisions for the following factors:
 - Established and anticipated standards and regulations.
 - Potential reduced water supply due to drought.
- Rate Structure will includes Commodity charge, Readiness to Serve charge and Water Availability charge.
- Other charges to be reviewed include existing New Meter Installation charges, Meter Upgrade Charges, Meter Tampering Charges, Hydrant Meter Charges, Miscellaneous Charges, Stock Transfer Fees, Online Payment Convenience Charges.
- The study will also consider the use of assessments to fund Capital Improvement Projects as an alternative to fully funding the CIP through rate structure charges.
- Consider equitable rates on water usage when individual share entitlement is exceeded (Over Entitlement and Double Entitlement). This excess water is only available because other shareholders have not used their full entitlement.
- The Water Company delivers surface water from the San Antonio Creek and the Water Company’s tunnel. These sources are augmented by the Company’s wells in the adjudicated Six Basins, Cucamonga Basin and Chino Basin in accordance with established operating safe yield and judgment. Consider different rates based on the cost to deliver each source of supply: wells versus surface water or tunnel water.

Task 3 – Presentation

- Provide an Adobe Acrobat PDF copy of draft report for distribution to Company Administration and Finance (AFC) Committee.
- Discuss draft report with AFC Committee.
- Revise report and recommendations based on discussion with AFC Committee
- Provide PDF copy of final report for distribution to Company Board.
- Present final report and recommendations during a public Board Meeting.

Schedule

The Company anticipates the following timeline and key milestones for award of the project:

Proposal Due Date	September 12, 2024
AFC Review	September 24, 2024
Board Review and potential award of contract	October 15, 2024

Proposal Requirements

The Company expects a short-form proposal not to exceed 6 pages; excluding resumes, proposed schedule and fee schedule. No other documents will be reviewed. Please do not submit additional material. Responses to this RFP shall be in the following order and shall include:

Project Understanding and Approach

Proposer shall demonstrate its preliminary understanding of the project by providing a clear and concise description of the project and major issues, based on the information provided in this RFP.

Proposer shall clearly define the tasks and activities necessary to meet the objectives outlined in the scope of work:

- I. Description of the tasks and activities, the methodology that will be used to accomplish them.
- II. Description of the products that would result from each task and activity.
- III. Identification of points of input and review with Company staff.
- IV. Proposed project schedule identifying key tasks, their expected duration, and milestone dates.
- V. Proposers are invited to suggest additional (optional) work tasks that could be performed in conjunction with or subsequent to the scope of work. Any such tasks are to be described as optional and the benefits of performing such tasks shall be described.

Proposed Total Professional Fee and Fee Schedule

Proposed fee shall not be the sole basis of award but will be used to evaluate the Consultant's understanding of the Scope of Work.

Include the hourly rates of all staff that will charge to the project.

Selection Process

Key senior staff and Directors will independently review and rank each proposal. Based on an aggregate of those reviews, staff will likely recommend to the Board that the Company enter into negotiations with the most responsive firm.

With the Board's authorization and after negotiating a proposed agreement that is fair and reasonable the General Manager will execute a contract with the most responsive firm.

At this time, the Company contemplates the use of a Time and Material Not to Exceed contract for the services requested. Negotiations will cover scope of work, contract terms and conditions, attendance requirements, and appropriateness of the proposed fee.

Related Documents (attached)

- Current Charge and Fee Schedule
- 2020 Comprehensive System Water Master Plan and Asset Management Plan
- 2023 Annual Report
- 2024 Budget
- 2017 Water Rate and Fee Study

Submittal Requirements

The proposal shall be signed (digital signature is acceptable) by an individual, partner, officer or officers authorized to execute legal documents on behalf of the Firm.

The Response Proposal, including fee estimate must be emailed to blee@sawaterco.com no later than 3:00 p.m. local time, on or before September 12, 2024.