

SAN ANTONIO WATER COMPANY
ADMINISTRATION and FINANCE COMMITTEE (AFC)

MINUTES

July 26, 2022

An open meeting of the Administration and Finance Committee (AFC) of the San Antonio Water Company (SAWCo) was held virtually and called to order at 3:00 p.m. on the above date as noticed. Committee Members present were Martha Goss, Bob Cable, and Bill Velto. Also in attendance were, SAWCo's General Manager Brian Lee, and Senior Administrative Specialist Kelly Mitchell. Director Goss presided.

1. Recognitions and Presentations: None.
2. Additions-Deletions to the Agenda: None.
3. Public Comments: None.
4. Approval of Committee Meeting Minutes: Director Velto moved and Director Cable seconded to approve the meeting minutes of May 24, 2022. Motion carried unanimously.
5. Administrative and Financial Issues:
 - A. ***Legal Services Proposals*** – Director Goss advised her electronic copy of some of the proposals were redacted. Unredacted electronic copies were received the day prior, and she was able to review them. She inquired if all Committee members had reviewed the proposals.

Mr. Lee professed how important this decision is for the company and inquired whether the Committee would like to conduct in-person interviews of some or all the legal firms that submitted proposals. He advised interviews could take place with solely the Committee members or with the entire Board.

Director Velto stated the City of Upland Council recently went through this process with finding legal counsel. He stated it was good to get to meet and talk with the firms in person. Specific questions he thought were important to ask for potential SAWCo legal counsel is experience with mutual water companies.

Both Director Velto and Director Cable advised they had difficulty reading a couple of the proposals due to the font being scrambled. Director Goss advised the two scrambled proposals were resent the day prior to the meeting. Mr. Lee stated he has hard copies of the proposal that he will send to all Committee members.

The Committee spoke about possible billing issues with larger firms utilizing more than one attorney to handle the Company's account. Mr. Lee advised staff is seeking one attorney to become SAWCo's general legal counsel. Permission from staff will be required should the hired attorney need to include another or other attorneys that would cause SAWCo to incur additional costs.

There was further discussion regarding the general business items to be handled by and the location of the prospective attorneys.

Director Rudy Zuniga entered the meeting at 3:09 p.m.

Director Cable suggested Committee and staff generate a list of questions and submit them to the legal firms. For instance, the billable hours and mutual water company experience.

Director Velto suggested reaching out to the general managers of the mutual water companies represented by the firms to inquire as to how they feel about their representation. He also inquired as to whether SAWCo's current legal counsel had questions for the firms. Mr. Lee stated he would ask SAWCo's legal counsel, Tom McPeters, to provide a list of five questions.

It was determined a better option to have SAWCo's legal counsel present for interviewing the four legal firms.

Director Goss suggested tabling the item and scheduling a meeting at the office to allow for interviewing of the four firms.

It was agreed that Mr. Lee would secure a date for the four firms to visit the Company office for interviews with the AFC and current legal counsel. The top two candidates will then be brought to the entire SAWCo Board for final decision.

- B. Information Technology Request for Proposals (RFP)** – Mr. Lee informed the Committee that SAWCo has been utilizing Inland Productivity Solutions (IPS) for their IT needs for several years. There are no complaints with the services however, because they are a consultant it is prudent to make certain the Company is getting the best value for their money. In preparing the RFP, Mr. Lee discovered SAWCo does not have a contract with IPS but instead pay on a task-by-task basis. As such, Mr. Lee would like to issue an RFP for information technology (IT) services.

There was consensus on the Committee to have Mr. Lee issue the RFP for IT proposals.

- C. Fuel Credit Card Proposal** – Director Goss reported she previously distributed a spreadsheet regarding her suggestion of a fuel credit card for the General Manager. She asked for the Committee's thoughts on the proposal.

Director Zuniga inquired if there was a limit or maximum amount that can be charged to the fuel credit card. Director Goss replied, the General Manager would need to provide receipts.

Director Zuniga questioned whether it would be better to add a specific amount into the General Managers employment contract to cover gas costs to and from the office. Director Goss stated it would be considered an unforeseen business expense not a raise or bonus.

Director Velto stated he believed it should be tied to the employment contract.

Mr. Lee advised his employment contract is up for renewal August 2023. He had hoped by no later than March 2023 a full contract would be secured. Director Velto stated he believes that is when they should look at this item as part of his benefit package.

It was agreed that a recommendation to provide a fuel credit card to the General Manager until the renewal of his employment contract in 2023 would be brought to the Board for approval.

6. Closed Session: None.
7. Committee Comments and Future Agenda Items: Director Goss inquired about the possibility of a new office and yard facility. Mr. Lee stated as early as the August Board meeting, he will be bringing a proposal to the Board.
8. Adjournment: Seeing no further business, the meeting was adjourned at 3:32 p.m.



Assistant Secretary
Brian Lee