



SAN ANTONIO WATER COMPANY MEETING AGENDA

for ADMINISTRATIVE & FINANCE COMMITTEE

March 26, 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/902228997>

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Access Code: 902-228-997

▪ 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 January 23, 2024.

5. Administrative and Financial Issues:

A. Salary Table Adjustment

Consider adjustment of employee salary tables to match local inflation.

B. Consideration for 4/10 Work Schedule

To consider a change in Company standard operating hours.

C. Consideration for a 'Cash in-leu option' for Company Health Plan

To consider adding a 'cash in-leu' option to the Company's Section 125 Health Plan.

6. Closed Session: None

7. Committee Comments and Future Agenda Items:

- o 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 May 28, 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 [8:00a – 11:30a and 12:30p – 4:00p] and alternating Fridays [8:00a – 11:30a and 12:30p – 3:00p] and on SAWCo's website www.sawaterco.com. The agenda is also available for review and copying at the Upland Public Library located at 460 N. Euclid Avenue.

POSTING STATEMENT: On March 21, 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

January 23, 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 3:05 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: None.
4. Approval of Committee Meeting Minutes: Director Zuniga moved and Director Miller seconded to approve the meeting minutes of September 26, 2023. Motion carried unanimously.
5. Administrative and Financial Issues:
 - A. ***Discussion and Possible Action on Selection of Chair and Vice-Chair*** – Mr. Lee advised because the AFC has a new committee member and because the Chair that was selected the previous time is no longer on the Board, a Chair and Vice Chair need to be selected for the Committee.

Mr. Lee advised in choosing the Chair and Vice- Chair in that moment even though one Committee member was not present.

Director Velto recommended Director Miller as Vice- Chair and himself as Chair.

Director Zuniga moved and Director Velto seconded to approve the selection of Director Velto as Chair and Director Miller as Vice-Chair for the AFC Committee. Motion carried unanimously.

- B. ***Discussion on 4/10 work schedule*** – Mr. Lee stated changing to a 4/10 work schedule he believes should not create any issues with residents and there will always be somebody available.

Director Velto stated he believed this schedule does increase productivity overall. He did question how much overtime this schedule change will create.

Mr. Lee responded that the intent is to reduce overtime, there will be more time each day to complete tasks or projects. He added there will be an additional 6 hours of overtime on that Friday off for the on-call staff member with an increase of about \$5,600 a year. To compensate, employees will be giving up the Friday after Thanksgiving as a holiday, which in turn almost balances out.

Director Velto questioned if any staff members have inquired on working a Tuesday-Friday shift, and others work a Monday-Thursday shift.

Mr. Lee responded with there were no inquiries and it was not directly asked on the split shift but with only a five-member field crew, they do not have the flexibility to split the crews. Doing a split-week shift would complicate schedules and we are a small, staffed company. He also added most residents know we are currently open every other Friday, but they are not sure which Friday, therefore business is usually slow on Fridays.

Director Miller asked how often the company has a problem where field staff must work overtime and how does that compare in charges with retrospect in staying with the current schedule.

Mr. Lee stated currently the only overtime is when there is a leak after hours and we must bring the rest of the crew in to repair the leak, which would happen regardless of what schedule the company is on. This maybe happens once or twice a month and this would not impact overtime in that regard.

Director Zuniga asked how much was spent on overtime in 2023.

Ms. Layton stated the numbers for 2023 are 626.50 overtime hours and 4 hours of double-time.

Mr. Lee added as far as office staff the only office staff member that really has overtime is on Board Meeting nights and going to the 4/10 schedule would most likely eliminate that overtime.

Mr. Lee added there is always somebody available by phone. They would call in get a live voice and if it was an emergency then the call would be forward to the on-call staff member if it is not an emergency then it could be dealt with on the following Monday with office staff. He also added field staff go to every reservoir, well site every day, even on off days, to do 'rounds' and make sure everything is running smoothly.

Director Miller asked what the cost with the current schedule is compared to the 4/10 schedule.

Mr. Lee responded with the current 9/80 schedule and the proposed 4/10 schedule the difference is an additional \$1,100.00 a year with the additional \$5,600.00 on-call time and \$4,500.00 holiday pay the company will get back from giving up the Friday after Thanksgiving as a holiday.

Mr. Lee advised if the Committee is agreeable to bring this back to the employees and legal counsel, get confirmation from the employees and then bring it back to the full Board. He advised it is an open discussion and the votes are done privately by each employee.

Legal Counsel Derek Hoffman added between now and the March AFC Committee Meeting his office will get an update on the process, prepare the necessary letters to the employees, any amendments to existing policy and prepare the packet of materials.

There was consensus to bring back the discussion and further materials to the March AFC Committee Meeting and then taking it to the full Board Meeting in April.

- C. *Discussion and Possible Action on Uniform Policy*** – Mr. Lee stated the uniform budget is \$3,500.00 a year at \$600.00 each employee.

Director Miller commented as a resident in the San Antonio Heights it is nice when the field staff is out working and walk up with San Antonio Water Company shirts and their names.

Mr. Lee added the company looked into a laundry service at one point in time but that did not work out well for the field staff or the company.

Director Velto moved and Director Miller seconded to move forward to the Board to approve the uniform policy. Motion carried unanimously.

6. Closed Session: None.
7. Committee Comments and Future Agenda Items: None.
8. Adjournment: Seeing no further business, the meeting was adjourned at 3:37 p.m.

Assistant Secretary
Brian Lee

Agenda Item No. 5A

Item Title: Salary Table Adjustment

Purpose:

To consider adjusting employee salary tables to match local inflation.

Issue:

Does the AFC recommend adjusting the Company salary tables to match inflation?

Manager's Recommendation:

Recommend adjusting the Company's salary tables 3.05% upward based on the Riverside / San Bernardino / Ontario 'Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W)' change from January 2023 to January 2024.

Background:

A Consumer Price Index (CPI) measures changes in the price of consumer goods and services purchased by households. The Federal Bureau of Labor Statistics (BLS) tracks CPI for geographical areas in the States (www.bls.gov).

Based on changes in the CPI tables, companies may adjust wages to ensure employee's 'cost of living' is not impacted negatively by inflation. Adjustment to salary tables based on CPI are called, "Cost of Living Adjustments (COLA)".

Yearly, the Company considers adjustments to its salary tables based on published federal changes to a CPI index.

The CPI numbers and respective yearly change are shown below for the Riverside / San Bernardino / Ontario 'Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W)':

Geographic Area	Jan 2023	Jan 2024	Change	% Change
Riverside, et al.	127.936	131.840	3.904	3.05

Impact on the Budget:

Implementing a COLA increases salary ranges only. It does not adjust current salary rates, except in one instances for 2024 The recommended COLA adjustment would place one employee below the salary range for their position. The Company would adjust this employee's salary upward to bring this employee back into the newly adjusted range (full year cost increase would be \$1,851). All other employees would be eligible for performance-based salary adjustments at the time of their annual review.

Previous Actions:

None.

2023 Salary rate				
	Low	Midpoint	Control Point	High
General Manager	\$ 228,238	\$ 271,003	\$ 285,272	\$ 313,830
Assistant General Manager	\$ 176,405	\$ 209,498	\$ 220,522	\$ 242,549
Water Utility Superintendent	\$ 107,120	\$ 127,192	\$ 133,869	\$ 147,264
Administrative Specialist	\$ 54,954	\$ 65,270	\$ 68,702	\$ 75,587
Senior Administrative Specialist	\$ 66,498	\$ 78,957	\$ 83,117	\$ 91,458
Accounting/Personnel Specialist	\$ 66,498	\$ 78,957	\$ 83,117	\$ 91,458
Admin/Conservation Specialist	\$ 54,954	\$ 65,270	\$ 68,702	\$ 75,587
Water Utility Worker 1	\$ 60,445	\$ 71,802	\$ 75,587	\$ 83,117
Water Utility Worker 2	\$ 73,133	\$ 86,861	\$ 91,437	\$ 100,568
Water Utility Worker 3	\$ 80,475	\$ 95,576	\$ 100,568	\$ 110,635

2023 hourly rate				
	Low	Midpoint	Control Point	High
General Manager	\$ 109.73	\$ 130.29	\$ 137.15	\$ 150.88
Assistant General Manager	\$ 84.81	\$ 100.72	\$ 106.02	\$ 116.61
Water Utility Superintendent	\$ 51.50	\$ 61.15	\$ 64.36	\$ 70.80
Administrative Specialist	\$ 26.42	\$ 31.38	\$ 33.03	\$ 36.34
Senior Administrative Specialist	\$ 31.97	\$ 37.96	\$ 39.96	\$ 43.97
Accounting/Personnel Specialist	\$ 31.97	\$ 37.96	\$ 39.96	\$ 43.97
Admin/Conservation Specialist	\$ 26.42	\$ 31.38	\$ 33.03	\$ 36.34
Water Utility Worker 1	\$ 29.06	\$ 34.52	\$ 36.34	\$ 39.96
Water Utility Worker 2	\$ 35.16	\$ 41.76	\$ 43.96	\$ 48.35
Water Utility Worker 3	\$ 38.69	\$ 45.95	\$ 48.35	\$ 53.19

2024 COLA 3.05%

Proposed 2024 Salary rate				
	Low	Midpoint	Control Point	High
General Manager	\$ 235,206	\$ 279,261	\$ 293,966	\$ 323,398
Assistant General Manager	\$ 181,792	\$ 215,883	\$ 227,240	\$ 249,954
Water Utility Superintendent	\$ 110,386	\$ 131,082	\$ 137,946	\$ 151,757
Administrative Specialist	\$ 56,638	\$ 67,267	\$ 70,803	\$ 77,896
Senior Administrative Specialist	\$ 68,536	\$ 81,370	\$ 85,654	\$ 94,245
Accounting/Personnel Specialist	\$ 68,536	\$ 81,370	\$ 85,654	\$ 94,245
Admin/Conservation Specialist	\$ 56,638	\$ 67,267	\$ 70,803	\$ 77,896
Water Utility Worker 1	\$ 62,296	\$ 73,986	\$ 77,896	\$ 85,654
Water Utility Worker 2	\$ 75,358	\$ 89,502	\$ 94,224	\$ 103,626
Water Utility Worker 3	\$ 82,930	\$ 98,488	\$ 103,626	\$ 114,005

Proposed 2024 hourly rate				
	Low	Midpoint	Control Point	High
General Manager	\$ 113.08	\$ 134.26	\$ 141.33	\$ 155.48
Assistant General Manager	\$ 87.40	\$ 103.79	\$ 109.25	\$ 120.17
Water Utility Superintendent	\$ 53.07	\$ 63.02	\$ 66.32	\$ 72.96
Administrative Specialist	\$ 27.23	\$ 32.34	\$ 34.04	\$ 37.45
Senior Administrative Specialist	\$ 32.95	\$ 39.12	\$ 41.18	\$ 45.31
Accounting/Personnel Specialist	\$ 32.95	\$ 39.12	\$ 41.18	\$ 45.31
Admin/Conservation Specialist	\$ 27.23	\$ 32.34	\$ 34.04	\$ 37.45
Water Utility Worker 1	\$ 29.95	\$ 35.57	\$ 37.45	\$ 41.18
Water Utility Worker 2	\$ 36.23	\$ 43.03	\$ 45.30	\$ 49.82
Water Utility Worker 3	\$ 39.87	\$ 47.35	\$ 49.82	\$ 54.81

Agenda Item No. 5B

Item Title: Consideration for 4/10 Work Schedule

Purpose:

To consider a change in Company standard operating hours.

Issue:

Consider shifting to a 4/10 work schedule

Manager's Recommendation:

No action recommended at this time.

Background:

As previously discussed, staff is proposing a 4-10 work schedule.

The proposed hours of operation are as follows:

<u>Office</u>		<u>Field</u>	
M through Th	6:45 a.m. to 5:30 p.m.	M through Th	6:00 a.m. to 4:30 p.m.
45 minute lunch		30 minute lunch	
Fri	Closed	Fri	Closed

The attached memo was prepared by legal and provided to staff. Assuming the outcome on April 9th, staff is proposing to bring the 4-10 Schedule to the full Board in April. Additionally, legal is reviewing the Company's Employee Manual. Staff is expecting to bring the Employee Manual revisions to the full Board in June, before implementation of any work schedule change.

Previous Action:

None.

Impact on Budget:

Yearly labor increase of \$2,433

- Increase of \$6,933 for Standby
- Decrease of \$4,500 for elimination of Friday after Thanksgiving Holiday

SAN ANTONIO WATER COMPANY

ALTERNATIVE WORK SCHEDULE PROPOSAL

Date: March 19, 2024
To: All Fulltime Employees
Re: Proposed Alternative Work Schedule

1. Proposed Work Schedule. San Antonio Water Company (“SAWCO”) proposes the following regular straight-time work schedule for full-time employees in SAWCO’s Office located at 139 N. Euclid Avenue, Upland, California, 91786 and 172 1st Street, Upland, California 91786 to be effective July 1, 2024:

- 4 workdays per workweek of 10 hours per workday

The four 10-hour workdays will be Monday through Thursday

2. The Workdays and Workweek. For overtime pay calculation purposes, the established workday is from 12:00 a.m. to 11:59 p.m. When the proposed alternative work schedule take affect, the workweek will change and begin at 12:00 a.m. on Monday and end at 11:59 p.m. on the following Sunday.

3. Proposed Schedule Example. The proposed work schedule is set forth below:

Day:	Su	M	Tu	W	Th	Fri	Sa
Hours:	0	10	10	10	10	0	0

4. Weekly Schedule. Employees will have three consecutive days off. Reasonable accommodations will be explored to accommodate employees with religious beliefs and/or observances which conflict with the proposed schedule. Field crew will start at 6:00 a.m. and office crew will start at 6:45 a.m.

5. On-Call Schedule. The On-Call Schedule is as follows:

- On-call schedule will start on Monday at 6:00 a.m.
- The on-call person working through a Friday will perform rounds (4 hours) on that Friday at Overtime Rates of Pay.

6. Regular Rates of Pay. There will be no change in the current regular hourly rates of pay for employees because of the proposed schedule.

7. Overtime Rates of Pay. The alternative work schedules proposed entitle an employee to premium pay of one and one-half times his or her regular straight time rate of pay for all hours worked in any workday in excess of the regularly scheduled straight-time hours for that day up to twelve (12) hours in a workday, and for hours worked (up to eight) on any workday after the scheduled days in the above described workweek or for all hours worked over forty (40) in any one workweek. The proposed work schedule also entitles an employee to premium pay at the rate of twice his or her regular straight time rate for all hours of work in excess of twelve (12) hours per workday and for all hours of work in excess of eight (8) hours on any day worked after the number of regularly scheduled workdays in any one workweek.

8. Benefits. For employees working the alternative workweek, paid time off will be based on a 10-hour workday. Accordingly, employees will need to have 10 hours of accrued paid sick leave or vacation time to cover a full day absence. Similarly, employees will be paid for 10 hours on paid holidays.

9. Meal and Rest Periods. Employees will be scheduled for an unpaid meal period of not less than 30 minutes after not more than five hours of work. A second meal period of not less than 30 minutes will be scheduled if an employee works between 10 and 12 hours in a workday, unless it is waived by mutual written consent of an employee and the Company. Employees are authorized and permitted a ten-minute rest period at or about the mid-point of each four hours of work or major fraction thereof.

10. Discussion Meeting(s). This proposal will be discussed and explained at a employee meeting on March 19, 2024 at 8:00 a.m. in the Company Office Meeting Room. Please inform your supervisor immediately if you will be unable to attend the meeting so that special arrangements can be made.

11. Employee Election Agreement. Unless the Company withdraws its proposal, there will be a secret ballot election held on April 9, 2024. Each fulltime employee will be asked to vote for or against the proposed work schedule. If at least two-thirds of the fulltime employees vote for the proposal and sign a written agreement, the schedule will become effective at 12:00 am on July 1, 2024.

12. Cancellation/Revocation. Employees may repeal the schedule as permitted by law. The Company reserves the right to cancel the schedule at any time.

Agenda Item No. 5C

Item Title: Consideration for a 'Cash in-leu option' for Company Health Plan

Purpose:

To consider adding a 'cash in-leu' option to the Company's Section 125 Health Plan

Issue:

Should the company offer a 'cash in-leu' option to the Company's Section 125 Health Plan

Manager's Recommendation:

Intended for discussion only. No action recommended at this time.

Background:

The Company currently offers an IRS Section 125 compliant health plan for employees. The company currently pays the full premium for employees and half the premium for dependents. There is currently no 'opt-out' option.

Staff would like to explore adding a 'cash in-leu' option for employees who do not utilize dependent coverage and who may have alternate health coverage. The concept would be that the company would share the cost savings with any employee who chooses this option. If the committee is willing, staff would like to study this issue with legal and return at a future AFC meeting to discuss the option in detail.

Previous Action:

None.

Impact on Budget:

Unknown reduction in cost of employee health plan