

SAN ANTONIO WATER COMPANY  
ADMINISTRATION and FINANCE COMMITTEE (AFC)  
MINUTES

March 28, 2023

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 3:00 p.m. on the above date as noticed. Committee Members present were Bob Cable, Bill Velto, Martha Goss (virtually) and ex-officio Rudy Zuniga. Also in attendance were SAWCo's General Legal Counsel Derek Hoffman, General Manager Brian Lee, Assistant General Manager Teri Layton, and Senior Administrative Specialist Kelly Mitchell. Mr. Lee presided.

The Committee gave approval for Director Martha Goss to participate virtually as her street was being paved and she was unable to drive her vehicle to the office.

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 Cable seconded to approve the meeting minutes of November 22, 2022. Motion carried unanimously.
5. Administrative and Financial Issues:
  - A. ***Salary Range Adjustment*** – Mr. Lee explained that every year SAWCo looks at the cost of living based on the Consumer Price Index (CPI) for Riverside/San Bernardino/Ontario region Urban Wage Earners and Clerical Workers. This year the index rose 7%, down from last year's more than 9% increase. Mr. Lee reminded the Committee that the increase is not automatically given to employees, it would simply shift the pay ranges up 7% allowing employees to earn higher pay at their annual review. SAWCo does have a newer employee working at the base end of their pay scale that will need to be adjusted to reflect the 7% shift. The expected impact on the budget is an increase of \$2,580.

Director Velto moved and Director Cable seconded to recommend the Board approve adjusting the salary ranges to reflect the 7% cost of living increase determined by the CPI for the Riverside/San Bernardino/Ontario Urban Wage Earners and Clerical Workers and allow for the pay increase of the one newer employee to place their pay rate in the newly adjusted pay range. Motion carried unanimously.

- B. ***Clothing Allotment*** – Mr. Lee stated it was brought to his attention the clothing allotment for field staff was last increased to \$330 in 2014. The amount is meant to cover steel-toed boots and blue jeans for field staff. Staff is requesting the allotment be raised to \$600 annually due to the rise in cost of these items. Expected cost for SAWCo is upwards to \$1,350 annually.

Director Cable moved and director Velto seconded to recommend the Board approve increasing the clothing allotment for field staff to \$600 annually. Motion carried unanimously.

- C. ***Condolence Policy Update*** – Mr. Lee stated that within the last year staff has discovered the current dollar amount for floral or plant arrangements in the condolence policy is insufficient. Staff is seeking to increase the dollar amount from \$100 to \$200 for plant or flower arrangement to or charitable donation on behalf of company staff and board, and a card for member agencies. A language change is also requested to include staff and board/council members of SAWCo's affiliated agencies.

Director Cable moved and Director Goss seconded to recommend the Board approve the proposed revisions to SAWCo's Condolence Policy increasing the dollar amount to \$200 to send arrangements to, or charitable donations on behalf of, company staff and board, and a card for member agencies as well as a language change to include staff and board/council members of SAWCo's affiliated agencies. Motion carried unanimously.

- D. ***Property and Casualty Insurance Renewal*** – Mr. Lee advised the insurance package has risen significantly this year; up 37% from the previous year. This figure is up from 17.5% the previous year, and 18% the year prior. The renewal is due April 1<sup>st</sup> therefore staff is unable to bring the item to the AFC for recommendation to the Board and then to the Board for approval as the Board does not meet again until the third Tuesday of April. As such, staff is looking for the AFC to approve SAWCo renew the property and casualty insurance as presented and bring it to the Board at the April Board meeting for ratification.

Director Velto inquired about the deductible amounts in the policy. It was determined the deductibles ranged from zero to \$1,000. Director Velto encouraged staff to look at a plan with higher deductibles to lower the cost of the policy.

Director Cable moved and Director Velto seconded to approve the renewal of the property and casualty insurance as presented with the caveat staff is looking into other brokers for a lower cost package. Motion carried unanimously.

Mr. Lee brought the attention of the Committee to page 45 of the AFC agenda packet regarding the EPA's upcoming requirements regarding systems cybersecurity. He advised SAWCo will need to have significant upgrades to its IT infrastructure to be in compliance.

- E. Property and Casualty Insurance Broker RFP** – Mr. Lee stated this item is in response to the significant increase in the cost of SAWCo's property and casualty insurance policy. Mr. Hoffman reviewed the RFP and recommended the addition of verbiage for clarity. With the addition of that verbiage, staff would like to release the RFP and bring proposals back to the AFC for possible recommendation to the Board.

Director Velto moved and Director Zuniga seconded to approve the release of the property and casualty insurance broker RFP with additional verbiage provided by Mr. Hoffman. Motion carried unanimously.

- F. Investment Advisors** – Ms. Layton gave a brief history of SAWCo's retirement offerings. After offering various types of retirement accounts, SAWCo currently offers a 401k plan. Staff would like to see what type of offerings investment advisors can provide SAWCo employees compared to what they are currently provided. As such, they would like to issue out the included RFP to a select number of investment advisors. Staff will bring back the proposals to the AFC for review and possible recommendation to the Board.

Mr. Lee advised the AFC that Mr. Hoffman reviewed the RFP and recommended the addition of the same verbiage added to the previous RFP for clarity. The footer in the document will be updated with the additional verbiage.

Director Zuniga moved and Director Goss seconded to approve the release of the investment advisor RFP with additional verbiage provided by Mr. Hoffman for investment advisors. Motion carried unanimously.

- G. Community Events** – Mr. Lee advised this item was requested by Director Zuniga. The Committee members discussed various events for possible participation, sponsorship, or donation.

Director Cable suggested that rather than create a policy, if there is an event that a Board member would like SAWCo to participate in, it should be brought to the Committee for discussion and possible recommendation to the Board.

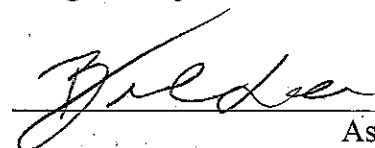
There was consensus on the AFC to discuss participation in events on a case-by-case basis.

- H. Bank Deposits** – Mr. Lee spoke about the turmoil in the banking industry over the past couple of weeks. SAWCo currently has two checking accounts with the same bank. Should there be a bank run on their particular bank the entire amount in the two checking accounts would not be fully covered by FDIC funds.

Ms. Layton advised that SAWCo has signed in the past a collateral agreement with their bank for up to \$2 million. She will need to revisit the agreement and verify it is current.

The Committee continued to discuss options and offer suggestions on how to protect and manage the money SAWCo has in its checking accounts.

6. Closed Session: None.
7. Committee Comments and Future Agenda Items: None.
8. Adjournment: Seeing no further business, the meeting was adjourned at 3:40 p.m.



Assistant Secretary  
Brian Lee