

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

September 28, 2021

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, Bill Velto, and Tom Thomas. Also in attendance were, SAWCo's General Manager Brian Lee, Assistant General Manager Teri Layton, and Senior Administrative Specialist Kelly Mitchell.

1. Recognitions and Presentations: None.
2. Additions-Deletions to the Agenda: None.
3. Public Comments: None.
4. Approval of Committee Meeting Minutes: Director Goss moved and Director Cable seconded to approve the meeting minutes of July 27, 2021. Motion carried unanimously.

5. Administrative and Financial Issues:

- A. *Tracking Code Changes to Chart of Accounts*** – Mr. Lee reported staff is attempting to simplify SAWCo's accounting process. Examples of current and proposed accounting codes were provided. Staff is requesting permission to remove the alphanumeric portion of the current tracking codes as they have been proven to not be of much value.

Director Velto moved and Director Cable seconded to recommend the Board approve the proposed tracking code changes to the chart of accounts as presented. Motion carried unanimously.

- B. *Board Gift*** – Mr. Lee advised that in past years the Board as given an end-of-year monetary gift to Company employees as a 'thank you' for service to the Company.

Director Thomas provided a brief history of the annual board gift. Director Velto questioned whether the gift was tied to performance. Mr. Lee advised it is not tied to performance but is prorated for part-time staff as well as staff that have been employed for under one year.

Director Cable moved and Director Goss seconded to recommend the Board approve a \$1,500 Board Gift for current full-time employees of one year or more; prorated for part-time employees and staff with less than one year of employment. Motion carried unanimously.

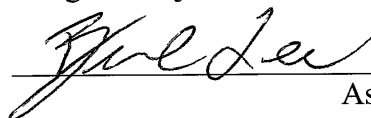
- C. *Sale of Cellular Lease*** – Mr. Lee explained he was approached by a cellular lease purchasing company regarding the possible sale of the cell tower lease located at 20th Street in Upland. The company offered to purchase SAWCo's 25-year lease for roughly \$400,000. After crunching the numbers, Mr. Lee stated he did not see good reason to sell the lease but brought it to the Committee for their thoughts and opinions.

Director Velto inquired as to whether once the lease was sold, additional carriers would be added to the tower. Mr. Lee stated the lease purchasing company would be actively looking for additional carriers to add to the tower and would provide SAWCo with 50% of that additional revenue.

Director Velto stated SAWCo keeping the cell tower lease and looking for additional carriers to add to the tower themselves made more sense for SAWCo.

There was consensus on the Committee to respectfully decline the offer to sell SAWCo's cellular lease at their 20th Street property.

6. Closed Session: None.
7. Committee Comments and Future Agenda Items: None.
8. Adjournment: Seeing no further business, the meeting was adjourned at 3:13 p.m.



Assistant Secretary
Brian Lee