

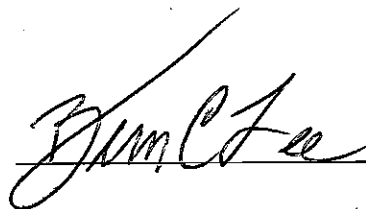
SAN ANTONIO WATER COMPANY
ADMINISTRATION and FINANCE COMMITTEE (AFC)
MINUTES
May 26, 2026

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 4:06 p.m. on the above date as noticed. Committee Member present was Rudy Zuniga. Also in attendance were SAWCo's General Manager Brian Lee and Senior Administrative Specialist Tiffany Dickinson. General Legal Counsel Derek Hoffman and Director Becky Miller were present via remote live videoconferencing. Director Zuniga presided.

1. Recognitions and Presentations: None.
2. Additions-Deletions to the Agenda: None.
3. Public Comments: None.
4. Approval of Committee Meeting Minutes: Director Miller moved and Director Zuniga seconded to approve the meeting minutes of January 27, 2026 and March 24, 2026. Motion carried unanimously with Director Velto and Director Cable absent.
5. Administrative and Financial Issues:
 - A. Salary Table Adjustment- Staff reported on the inflationary index for the Inland Empire area. The consumer price index for urban wage workers and clerical workers tracked a 3.44% increase between January 2024 and the beginning of January 2025. The agenda packet contained the updated salary grade structure adjusted by the 3.44% increase.

Director Zuniga moved and Director Miller seconded to recommend the Board approve adjusting the Company's salary table upwards of 3.44% based on the 2024-2025 cost of living in the Inland Empire. Motion carried unanimously with Director Velto and Director Cable absent.
 - B. Update on Appraisal of Surplus Property- Mr. Lee provided a progress update on the surplus properties originally presented to the Board last year. Selected properties are intended to sell to generate revenue for the pipeline project connecting San Antonio Canyon and Cucamonga Canyon. Three specific properties are intended to fund the construction of the new office and operations yard. Staff are actively receiving proposals and intend to bring the finalized proposals to the full Board for review at the upcoming June or July Board meeting (date to be determined).
 - C. Update on Funding for Construction of New Campus Project Property- Staff have been researching sources for construction funding. After talking to a few funding sources including Citizens Business Bank and IBank, Citizens Business Bank appears to be the best deal. Staff intend to get the application with Citizens Business Bank going to present the full application to the Board again in the upcoming month.

Director Zuniga moved and Director Miller seconded to advance both items 5B and 5C to the full Board for consideration. Motion carried unanimously with Director Velto and Director Cable absent.
6. Committee Comments and Future Agenda Items: None.
7. Adjournment: Seeing no further business, the meeting was adjourned at 4:12 p.m.



Assistant Secretary
Brian Lee