



SAN ANTONIO WATER COMPANY
MEETING AGENDA
for
ADMINISTRATIVE & FINANCE COMMITTEE
September 27, 2022 @ 3pm
By Virtual/Online or Teleconference Only

Please join my meeting from your computer, tablet or smartphone.

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You can also dial in using your phone.

United States: [+1 \(312\) 757-3121](tel:+13127573121)

Access Code: 747-851-397

-
- 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 July 26, 2022.

5. Administrative and Financial Issues:

A. Board Gift

Provide direction for 2022 and budget submittal for 2023

B. Major Activities Calendar 2023

Review, comment, and possibly approve the major activities calendar for 2023

6. Closed Session: None

7. Committee Comments and Future Agenda Items:

- This is the time for committee's 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 November 22, 2022 at 3:00pm

NOTE: All agenda report items and back-up materials are available for review and/or acquisition from the Company Office (139 N. Euclid Avenue, Upland, CA.) during regular office hours, Monday through Thursday [8:00 – 11:30 and 12:30 – 4:00] and alternating Fridays [8:00 – 11:30 and 12:30 – 3:00] and on the Company's website www.sawaterco.com. The agenda is also available for review and copying at the City of Upland and Upland Public Library located at 460 N. Euclid Avenue.

POSTING STATEMENT: On September 22, 2022, a true and correct copy of this agenda was posted at the entry of the Water Company's office (139 N. Euclid Avenue), on the public bulletin board and Public Library at 460 N. Euclid Ave., and on the Water Company's website.

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.

July 26, 2022

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

Agenda Item No. 5A

Item Title: Board Gift

Purpose:

Consider an annual end-of-year monetary gift for employees in recognition of their services to the Company.

Issue:

In past years the Board has presented a monetary gift to employees at the end of year celebratory luncheon.

Manager's Recommendation:

Discuss this year's Board gift and budgetary figure for 2023.

Background:

In past years the Board has given an end-of-year gift to Company employees as a monetary 'thank-you' for service to the Company. Board gifts from 2007 to 2019 has been \$1,250 for each employee. Last year the Board increased the Board gift to \$1,500 for each employee and prorated for any employee that had not yet completed a year's service and current part time employees.

In the past, it has been the pleasure of the Board to hand out the gifts to its employees at the end of the year luncheon. This year our luncheon will be held at Sycamore Inn on Tuesday, December 6, 2022.

Previous Action:

At a special meeting on November 13, 2019 the AFC made a recommendation to the full Board to authorize the end of year gift at \$1,250 per employee and prorated for part-time employees and those that had not completed a year's service. It was also discussed to bring this item up earlier for consideration for budget and any changes.

On September 20, 2020 the AFC voted to recommend increasing the end of year gift to \$1,500.

Impact on Budget:

Approximately \$15,000

Agenda Item No. 5B

Item Title: 2022 Major Activities Calendar

Purpose:

To present the proposed calendar of meetings, holidays, and events scheduled for 2023.

Issue:

Does the Board perceive any conflicts with the proposed calendar or recommend changes made to the next year meeting dates? The November Board meeting is currently scheduled for the week of Thanksgiving and may need to be moved or deferred to ensure a quorum.

Manager's Recommendation:

That the Board approve the proposed 2023 Calendar for meetings.

Background:

Attached to this report is a schedule of meetings and events in the 2023 Calendar Year that includes:

- Board Meetings (Monthly)
- Administrative & Finance Committee Meetings (Bi-monthly)
- Planning, Resources & Operations Committee Meetings (Bi-Monthly)
- Shareholder's Meeting – Annually
- Board Budget Workshop – Early December to workout preliminary budgets for approval at the December Board meeting.
- No advisory committee meetings are scheduled for December.
- Company Holidays

Staff proposes beginning each year with the AFC meetings to accommodate end of year fiscal item review in November, prior to final year Board Meeting in December.

Previous Action:

None

Impact on Budget:

None.

SAN ANTONIO WATER COMPANY

MAJOR ACTIVITIES CALENDAR

2023

JANUARY						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
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29	30	31				

FEBRUARY						
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MARCH						
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APRIL						
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30						

MAY						
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28	29	30	31			

JUNE						
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JULY						
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30	31					

AUGUST						
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SEPTEMBER						
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OCTOBER						
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NOVEMBER						
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DECEMBER						
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24	25	26	27	28	29	30
31						

 Board Meetings

 AFC Meetings

 PROC Meetings

 Company Holidays

 Annual Shareholder Meeting

 Board Budget Workshop

 Alternate Friday (Office Closed)

BOARD MEETING DATES

Jan 17	Jul 18
Feb 21	Aug 15
Mar 21	Sept 19
Apr 18	Oct 17
May 16	Nov 21
Jun 20	Dec 19

COMPANY HOLIDAYS OBSERVED

New Year's Day	January 2nd
Martin Luther King Day	January 16th
President's Day	February 20th
Memorial Day	May 29th
Independence Day	July 4th
Labor Day	September 4th
Thanksgiving	November 22nd
Day after Thanksgiving	November 23rd
1/2 Day Christmas Eve	December 26th
Christmas	December 25th