

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

March 22, 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 3:04 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, 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 Velto moved and Director Cable seconded to approve the meeting minutes of January 25, 2022. Motion carried unanimously.

5. Administrative and Financial Issues:

- A. *Property and Casualty Insurance Renewal*** – Mr. Lee reported staff met with the Company's broker the previous week. The figures provided for property insurance show a 5% increase in premiums. This increase is due in large part to facilities added over the last few years and increase in payroll for field staff. Wildfires and inverse condemnation have aided in creating a 17.5% increase to casualty insurance premiums.

Staff was previously tasked with taking the item out to bid but was unable to do so due to reduced staff last year. Staff has committed to take the item out to bid for 2023. Mr. Lee noted SAWCo's broker actively seeks out the lowest and best quality bid each year.

Director Velto expressed concern over the nearly 40% increase over the past three or four years unless there were claims filed. Mr. Lee advised no claims had been filed.

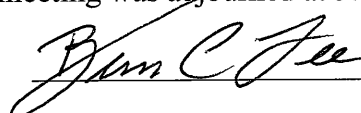
Director Goss questioned whether the figures were tied into the Worker's Compensation Insurance as those figures in recent years have been high. Mr. Lee advised the figures were not tied to Worker's Compensation. Ms. Layton stated Worker's Compensation Insurance renews on May 1st. Staff has not received figures as of yet but will hopefully bring those directly to the Board in April.

Director Cable moved and Director Velto seconded to approve the property and casualty insurance renewal as presented and recommend the Board ratify the approval with the caveat that staff will expand the search for next year's policy. Motion carried unanimously.

- B. *Salary Table Adjustment*** – Mr. Lee stated this item is presented each year for consideration. Based on the Consumer Price Index (CPI), which measures changes in the price of consumer goods and services purchased by household and tracked by the Federal Bureau of Labor Statistics (BLS), companies can adjust wages to ensure employees' cost of living is not negatively impacted by inflation. For Riverside/San Bernardino/Ontario area the cost of living increased by 9.353%. Mr. Lee recommends adjusting SAWCo's salary tables upwards by 9.4%. Doing so does not automatically give each employee a raise, it simply shifts the salary table upwards by 9.4%. With SAWCo having two new employees this does raise one employee's pay to bring them within the newly adjusted salary table, increasing the budget by \$707.

Director Velto moved and Director Cable seconded to recommend the Board approve adjusting the Company's salary table upwards by 9.4% based on the Riverside/San Bernardino/Ontario 'Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) change from January 2021 to January 2022. 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 3:15 p.m.



Assistant Secretary
Brian Lee