

SAN ANTONIO WATER COMPANY  
ADMINISTRATION and FINANCE COMMITTEE (AFC)

MINUTES

May 25, 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 3:01 p.m. on the above date as noticed. Committee Members present were 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 Thomas moved and Director Cable seconded to approve the meeting minutes of March 23, 2021. Motion carried unanimously.
5. Administrative and Financial Issues:
  - A. **401K Reinstatement and Proposed Changes** – Mr. Lee reported that staff is working with the Company's 401K plan administrator to update the current plan. Recently, the Board authorized allowing new hires to participate in the Company 401K plan on the first day of the month after they have reached 30 days of employment with the Company. The plan needs to be updated to include this change. Staff would also like to change the age from 65 to 60 for employee eligibility to withdrawal from their retirement accounts and would also like to allow for only percentage-based contributions and no longer offer fixed dollar amount contributions.

Ms. Layton advised that every five- or six-years staff completes a reinstatement of the 401K plan to update it with any law changes. She explained the history of SAWCo's retirement plan from an annuity through what they offer currently.

Director Velto had never heard of Nationwide providing 401K plans and questioned how well the plan was working for employees. He suggested staff may want to send out requests for proposals (RFPs).

Director Cable stated his business utilizes Nationwide for its 401K plan after sending out RFPs. His business is small like SAWCo and Nationwide was the best all-around provider for the size of the business.

There was consensus on the Committee to move the item as presented to the full Board for approval.

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- B. **Update to Purchasing Policy** – Mr. Lee advised the key items updated in the policy are the increase from \$500 to \$5,000 for purchases requiring three bids and the increase from \$50 to \$100 for purchases requiring a signed purchase order.

There was consensus on the Committee to move the item as presented to the full Board for approval.

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- C. **Reserve Funds Policy** – Mr. Lee explained that current policy allows staff only one opportunity to transfer monies from the Operating Reserve account to the Depreciation & Obsolesces Reserve account. Staff proposes allowing transfers to occur when needed throughout the year rather than requiring waiting until the end of the year. Staff anticipates reviewing the reserve funds quarterly. Also, new language was adopted in February 2020 which has been added to the policy.

There was consensus on the Committee to move the item as presented to the full Board for approval.

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- D. **COVID Response** – Mr. Lee stated the June Board Meeting will be held in-person at the City of Upland City Hall. Staff has been advised that holding the meeting both in-person and virtual is not possible.

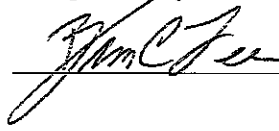
Director Velto stated he believes the City of Upland has a system in place to utilize the phones for callers at public meetings.

May 25, 2021

Mr. Lee advised SAWCo Committee meetings will continue to be held virtually.

The number of staff in office each day will increase from three to four at the beginning of June.

6. Closed Session: None.
7. Committee Comments and Future Agenda Items: None.
8. Adjournment: Seeing no further business, the meeting was adjourned at 3:18 p.m.



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Assistant Secretary  
Brian Lee