

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

October 7, 2025

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 4:01 p.m. on the above date as noticed. Committee Members present were Bill Velto, Becky Miller, and Rudy Zuniga. Director Cable was present via remote live videoconferencing. Also in attendance were SAWCo's General Manager Brian Lee, General Legal Counsel Derek Hoffman, and Senior Administrative Specialist Tiffany Dickinson. Director Velto presided.

1. Recognitions and Presentations: General Legal Counsel Derek Hoffman stated Director Cable has timely notified staff that he will need to participate remotely pursuant to the "Just Cause Exemption", permitted under Government Code 54953(j)(2)(a).

Director Velto moved and Director Miller seconded a motion to approve Director Cable to participate remotely. Motion carried unanimously.

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 May 27, 2025. Motion carried unanimously.
5. Administrative and Financial Issues:

A. Change of Trustee for 401(K) Plan- Mr. Lee stated the intent of this item is to make sure the company has continuity in the trustee when the Assistant General Manager Teri Layton retires in January. Staff is recommending the AFC recommend to the Board to appoint the General Manager as the trustee for the 401(K) plan.

Director Velto recommended appointing successor trustees to ensure continuity.

The AFC discussed and recommended the Board to approve appointing the General Manager trustee for the 401(K) plan when the AGM retires with the addition of appointing the CFO as first successor trustee and the Board President as the second successor trustee.

B. Add Position of Office Manager- Staff presented a job description and salary range for the office manager position. Discussion was had between the committee and staff and the AFC recommended the Board approve the job description as presented and tentative salary range pending review of the class and comp study.

C. Change in Bank Signatories- Mr. Lee explained this is an adjustment to those who have check signing authorities. He added staff is removing the Assistant General Manager from check signing authority and adding the Office Manager position as an authorized signer.

With no further discussion, the AFC recommended the Board approve the removal of the Assistant General Manager as authorized check signer and adding the Office Manager as authorized check signer.

D. Phone Stipend Policy- Mr. Lee explained staff is running up against two-factor authentication issues logging on to the computers. For two-factor authentication, you must have a cell phone to login. The two options would be to issue office staff a company phone, or what staff is suggesting is that a monthly stipend is paid to each staff member for the use of their personal cellphones. Staff is recommending a \$25 stipend per month for any staff personnel who have their own private phone and is not issued a company phone and use their phone for two-factor authentication.

After brief discussion including concern on security issues, the AFC recommended the Board approve the phone stipend of \$25 stipend per month for any staff personnel who use their own private phone for two-factor authentication upon legal counsel reviewing security issues.

E. Board's Annual End-of-Year Employee Gift- Staff stated this item is consideration of the Board's annual end-of-year employee gift. For the past couple of years, the gift has been \$1,500 for each employee and prorated for any new employees.

With no discussion on this matter, the AFC recommended the Board approve the Board's annual end-of-year gift of \$1,500 to each employee and prorated for each new employee.

F. Major Activities Calendar 2026- Mr. Lee stated the major activities calendar for 2026 has no big issues versus prior years unless otherwise discussed.

With no further discussion, the AFC recommended the Board approve the major activities calendar 2026 as presented.

6. Closed Session:

- A. EMPLOYEE PERFORMANCE EVALUATION [Government Code § 54957(b)(1)]:
General Manager Annual Review, Goals and Objectives
- B. CONFERENCE WITH LABOR NEGOTIATOR [Government Code § 54957.6].
 - i. Designated Representative: General Counsel
 - ii. Unrepresented Employee: General Manager

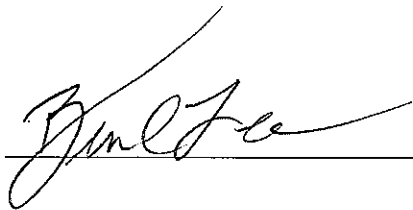
Director Velto moved and Director Miller seconded recommending General Legal Counsel Derek Hoffman to be the representative of the committee. Motion carried unanimously.

7. Open Session:

- A. Report out from Closed Session: The AFC went into closed session at 4:26 PM. Upon return from the closed session at 5:17 PM, Mr. Hoffman stated the AFC met in closed session for the two items listed on the agenda and there is no reportable action.

8. Committee Comments and Future Agenda Items: None.

9. Adjournment: Seeing no further business, the meeting was adjourned at 5:45 p.m.



Assistant Secretary
Brian Lee