

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

January 10, 2012

An open meeting of the Administration and Finance Committee (AFC) of the San Antonio Water Company (SAWCo) was called to order at 3:07 p.m. on the above date at the Company office located at 139 N. Euclid Ave., Upland, California. Committee Members present were Tom Thomas, Dr. Fred Gattas, and Sue Sundell. SAWCo's General Manager Charles Moorrees, Assistant Manager of Administration and Finance Teri Layton were also in attendance. Dr. Gattas presided.

1. Recognitions and Presentations: None.
2. Additions / Deletions to the Agenda: None.
3. Public Comments: None.
4. Approval of Committee Meeting Minutes – Ms. Sundell questioned the meeting minutes of December 20, 2011 stating she thought the decision was to not pursue the PTO (Paid Time Off) issue. Mr. Thomas agreed and stated that the minutes do reflect that. Ms. Sundell moved and Mr. Thomas seconded to approve the meeting minutes of November 29, 2011 and December 20, 2011. Motion carried.
5. Administrative and Financial Issues:
  - A. ***Employee Benefits*** – Dr. Gattas presented the Committee the following considerations:
    1. PTO Schedule and entitlement
      - a. Employment from 1 thru 5 years: 20 days PTO  
Employment from 6 thru 10 years: 25 days PTO  
Employment from 11 years on: 30 days PTO
      - b. Maximum PTO is 30 days and when attained further accrual stops and is reduced as employees take time off (on annual basis)
      - c. No separate tracking of time off for “vacation”, sick leave, personal holidays, bereavement, jury duty, etc.
      - d. Immediate cessation of further accrual of vacation time.
    2. Buyback of accrued vacation time. Options include:
      - a. Immediate buyback at full pay (by law).
      - b. Payback at scheduled intervals until backlog of time is zero.
      - c. Other considerations.
    3. Establish guidelines for a reasonable policy of Christmas end of year bonuses (subject to Board amendments) payments to:
      - a. Those employed less than 2 years: \$500
      - b. Those employed over 2 years: \$1,000

Discussion of the end of year bonuses was reviewed first. Mr. Thomas agreed that perhaps someone with less than a year may be given less of a bonus but once an employee reaches one year, they are part of the team. It was agreed that the bonus issue would be brought up at the AFC meeting before being presented to the Board near the end of the calendar year. Since the bonus is considered a gift by the Board and not a requirement, it was decided to not establish policy but to discuss the matter each year and make a decision at that time.

[Glenn Bozar entered the meeting at 3:21 pm]

Regarding the PTO issue, there was a question whether bereavement could be included in PTO. This was a question that would need to be researched with California law. Dr. Gattas commented that the attorney stated that the PTO is a reasonable program. Dr. Gattas explained that the PTO program would give the time based on years of service and all at once at the beginning of the year. Discussion ensued whether someone who did not use all their time off would be losing the time at the end of the year. Ms. Layton explained that the Floating Holiday hours are currently given all at the beginning of the year and then the following year it accrues just enough for four days. Ms. Layton believes this method may be possible. However, there are some drawbacks to this method. One is if an employee quits in January, they are owed the whole year accrual of PTO, whereas the Floating Holiday hours are not paid. This process of accrual may create logistic problems if several employees want to take their time at the end of the year for the holidays. Some other issues could be someone gets sick, dies or quits and now the Company needs the employee to work but the employee does not want to lose that time off. Also, based on sick leave for the last three years, adding ten days of PTO would increase the Water Company's cost. After a lengthy discussion it was determined not to consider making the change to PTO.

Mr. Moorrees stated that if the Water Company is seeking to decrease actual costs, he suggested eliminating the vacation buy back. Dr. Gattas moved and Ms. Sundell seconded cessation of the vacation buy back practice. Motion carried. (Mr. Thomas abstained).

Management recognizes the need to keep costs down and suggested that if the cost of employee benefits were to increase such as medical insurance that staff would recommend some suggestions for consideration so the employer does not continue to absorb the increases. It was the direction of the Committee that future benefit costs such as increase to medical insurance be reviewed and possible costs absorbed by the employees not employer.

It was decided that there is no further need to meet monthly to discuss employee benefits. The next AFC meeting will be held on February 28, 2012. When medical insurance cost is available later in the year, further discussion will be needed.

**B. Personnel Update** – Mr. Moorrees updated the Committee on the recent resignation of SAWCo's General Laborer. The employee stated health issues as a concern in his resignation. Mr. Moorrees will be reviewing the next in line applicants from the last hiring activity.

5. Closed Session: None.
6. Committee Comments and Future Agenda Items: Mr. Bozar reported that he will be unable to attend the March 20<sup>th</sup> Board meeting.

Adjournment: The committee determined there was no further business and adjourned the meeting at 4:30 p.m.

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Assistant Secretary  
Charles Moorrees