

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

February 25, 2014

An open meeting of the Administration and Finance Committee (AFC) of the San Antonio Water Company (SAWCo) was called to order at 3:03 p.m. on the above date at the Company office located at 139 N. Euclid Ave., Upland, California. Committee Members present were Sue Sundell, Bob Cable, Glenn Bozar, and Tom Thomas. Also in attendance were SAWCo's General Manager Charles Moorrees, Accounting/Personnel Clerk Joni Ruggles, and Office Assistant Kelly Mitchell. Ms. Sundell presided.

1. Recognitions and Presentations: None.
2. Additions-Deletions to the Agenda: None.
3. Public Comments: None.
4. Approval of Committee Meeting Minutes: Mr. Bozar moved and Mr. Cable seconded to approve the meeting minutes of November 26, 2013 as presented. Motion carried.
5. Administrative and Financial Issues:
 - A. ***Forebay Ribbon Cutting Ceremony*** – Mr. Moorrees reported the invitations for the Forebay Ribbon Cutting Ceremony will go out in March. Ms. Ruggles clarified emailed invites will go out on March 1st and postcard invites will go out around March 15th.

Ms. Sundell inquired as to how many invitees there were. Mr. Moorrees replied that Board, spouses, and staff as well as about 27 other individuals are being invited. He stated that most likely only about half of the people invited would attend.

Staff is looking at providing lunch on site. A picture book showing the entire process of the Forebay project from beginning to end will be created and two 24 x 36 pictures of the before construction and the groundbreaking will be mounted on the south wall.

Ms. Sundell commented that the Chamber of Commerce has ribbon cutting scissors. Ms. Ruggles stated that SAWCo is no longer a member of the Chamber of Commerce which may present a problem in asking to utilize the scissors. Mr. Bozar stated that he is a member so there should be no problem borrowing the scissors.

Ms. Ruggles exited the meeting.

- B. ***FY2013 Audit Report and Management Letter*** – Mr. Moorrees reported that annually Bowen McBeth, Inc. audits SAWCo's financial records for the previous year. An Audit Report and Management Letter was prepared and submitted by the auditors for CY2013. No recommendations for changes were made by the auditors.

Mr. Moorrees recommended the committee receive and file the FY2013 Audit Report and Management Letter as prepared and submitted by the firm Bowen McBeth, Inc.

Mr. Cable moved and Mr. Bozar seconded to approve the managers recommendation. Motion carried.

- C. Verizon Lease Agreement** – Mr. Moorrees had presented the proposal from Verizon to lease a portion of land owned by SAWCo on 20th Street at the previous PROC meeting. He was asked to negotiate a fairer dollar amount for leasing the site.

Staff was able to negotiate the term of the lease to \$2,000/month with a 10% escalation per term. The draft Land Lease Agreement was included in the committee packet and is pending legal review.

Mr. Moorrees recommended the committee recommend the Board approve the lease agreement with Verizon subject to legal counsel review and authorize the general manager to execute the lease.

Mr. Thomas commented the item had already been taken to the Board with the Board agreeing to the lease provided a fairer price was negotiated. The item would therefore just need to be received and filed by the Board.

There was consensus on the committee to receive and file.

- D. Cost of Living Adjustment** – Mr. Moorrees reported that each year staff reviews the Consumer Price Index (CPI) of the greater metropolitan area. The annual percentage change in the CPI is typically used to determine the rate of inflation. Because cost-of-living wage increases are directly tied to inflation, the CPI can be used to calculate the expected cost-of-living wage increase. The CPI for 2013 was 1.2%.

Mr. Moorrees asked the committee consider either recommending the Board adjust the existing job position wage range by 1.2% based as presented, or postpone any adjustments until the completion of the budgeted CY2014 Class and Compensation Study.

Mr. Thomas questioned when the Class and Compensation Study would be completed. Mr. Moorrees replied it should be completed by October of this year. Mr. Thomas also stated that should the study show the pay scale to be higher than it currently is for employees that receive their annual review prior to the study's completion, compensation should be retroactive to the review date.

Mr. Bozar recommended changing the title from Cost of Living Adjustment to Salary Range Adjustment. The current title is misleading.

There was consensus on the committee to present the item to the Board as a Salary Range Adjustment and to recommend it be delayed until the Class and Compensation Study is completed.

6. Closed Session: None.
7. Committee Comments and Future Agenda Items: None.

Adjournment: The committee determined there was no further business and adjourned the meeting at 3:20 p.m.