

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

April 26, 2016

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 Laurie Reinhart from Genysys, David McNeil from Edgewood Partners Insurance Center (EPIC), and SAWCo's General Manager Charles Moorrees, Assistant Manager of Administration and Finance Teri Layton, and Administrative Specialist Kelly Mitchell. Ms. Sundell presided.

1. Recognitions and Presentations: Mr. Moorrees introduced David McNeil with EPIC, SAWCo's insurance broker who will be reporting on agenda Item 5D.
2. Additions-Deletions to the Agenda: None.
3. Public Comments: None.
4. Approval of Committee Meeting Minutes: Mr. Thomas moved and Mr. Cable seconded to approve the meeting minutes of February 23, 2016 as presented. Motion carried.
5. Administrative and Financial Issues:
  - D. **General Liability Insurance Renewal and Cyber Liability** – Mr. McNeil with EPIC explained the Joint Powers Risk and Insurance Management Authority's (JPRIMA) insurance proposal. Coverage included property, crime, general liability, business auto, public officials and management liability, privacy liability and network risk, and excess liability. The quote for this insurance is less than SAWCo's current provider's proposal and offers a provision to opt out should the rates increase by 15% or more in a year within the first 3 years.

Mr. McNeil exited the meeting at 3:27 p.m.

Mr. Thomas commented that unless some additional information is found out by the time of the next Board meeting he saw no negatives in switching to Cal Mutuals JPRIMA's proposal for Insurance.

Mr. Bozar moved and Mr. Cable seconded to recommend the Board approve switching to Cal Mutuals JPRIMA Insurance for the coverage period 06/01/2016 – 04/01/2017 with the caveat of additional information comes available prior to the next Board meeting. Motion carried.

- A. **Strategic Plan – Workforce Planning** – Ms. Reinhart facilitated the Vision Day and Planning Day events for SAWCo as part of their Strategic Planning project. One of the goals identified in the Board adopted Strategic Plan was the development of SAWCo's workforce. Management has spoken with Genysys about the unique challenges SAWCo will be facing in the next five years. SAWCo has a small staff which makes every person a key person and in the next five years 70% of the current staff will be eligible for retirement. With this many employees suitable for retirement SAWCo needs to look at how they are going to capture organizational knowledge and ensure current employees are ready to fill some of the positions left vacant by retiring staff.

Ms. Reinhart suggested that for the remainder of her contract the focus be a workforce development plan. A draft document of where management and Genysys believes SAWCo

should be headed was included in the meeting packet. Ms. Reinhart reviewed the objectives for developing the workforce for the future. Focus was put on how SAWCo would capture organization knowledge. It was suggested that retiring employees have an option for a pre-retirement transition plan to allow time for training replacement staff either from within or outside of the company.

The committee, staff, and consultant discussed more the idea of a pre-retirement transition plan. Ms. Reinhart explained further some ideas to aid employees in transitioning to retirement.

Mr. Moorrees proposed the committee recommend the Board receive and file the final workforce planning report as presented and approve Genysys proposal to provide “Strategic Futuring” workshops for its employees in the amount of \$7,500 plus expenses and appropriate \$9,000 from Operations.

Mr. Bozar moved and Mr. Cable seconded to approve the general manager’s recommendation with the provision that staff negotiate a reduction in fees due to the small size of the company. Motion carried.

- B. *Annual Disposal of Records*** – Ms. Sundell inquired whether SAWCo had previously disposed of records in the same manner. Ms. Mitchell answered records had been disposed of in this manner once previously. Mr. Thomas asked whether the shred company guaranteed confidentiality. Ms. Mitchell replied the company used is bonded. Mr. Bozar questioned whether the established procedure for records disposal was followed. Ms. Mitchell assured procedure was followed

Mr. Bozar moved and Mr. Cable seconded to recommend the Board approve the disposal of records presented. Motion carried.

- C. *Stock Database Software*** – Ms. Mitchell gave a presentation on how SAWCo currently handles stock transfers and retains stockholder information. Also included in the presentation was how other local mutual water companies handle stockholder information as well as information on software companies designed specifically for stock transfers and shareholder data.

Mr. Bozar requested an inquiry with Tyler Technologies to determine whether or not they had a product or could write a program that would handle stock transfers and shareholder information that would also integrate with the billing and accounting software. He also requested a look into Stock Transfer Agent companies to find out whether or not they could handle SAWCo’s unique stock.

Mr. Bozar moved and Mr. Cable seconded to bring the item to the next Board meeting for approval with the additional information requested. Motion carried.

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 4:31 p.m.