

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

October 24, 2017

An open meeting of the Administration and Finance Committee (AFC) of the San Antonio Water Company (SAWCo) was called to order at 3:04 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 and Tom Thomas. Also in attendance were SAWCo's General Manager Charles Moorrees and Senior Administrative Specialist Kelly Mitchell. Ms. Sundell presided.

1. Recognitions and Presentations: None.
2. Additions-Deletions to the Agenda: Mr. Moorrees informed the Committee that he received the policy statement from legal counsel for Item 5D.
3. Public Comments: None.
4. Approval of Committee Meeting Minutes: Mr. Thomas moved and Mr. Cable seconded to approve the meeting minutes of August 22, 2017 as presented. Motion carried.

Administrative and Financial Issues:

- A. ***CY2018 Calendar*** – Mr. Moorrees asked if any Committee members saw any conflicts with the dates listed in the proposed CY2018 Calendar. Hearing none, Mr. Moorrees asked the committee to recommend the Board approve the calendar.

Mr. Cable moved and Mr. Thomas seconded to recommend the Board approve the proposed CY2018 Calendar for meetings as presented. Motion carried.

- B. ***Board Gift – End of the Year Luncheon*** – Mr. Moorrees explained the possibility of a Board gift to employees must first be discussed at the AFC meeting prior to the November Board meeting. The Board is not required to, however, over the past 13 years the Board has provided an end of the year gift to the employees. Since 2007 the Board has gifted \$1,250 to employees with a prorated amount given to any part-time employee or employee with less than one year of employment with SAWCo.

Mr. Cable moved and Mr. Thomas seconded to recommend the Board approve an end of the year gift to SAWCo employees in the amount of \$1,250 for full time employees with one or more years of service and a prorated amount for any part-time employee or employee with less than one year of employment with SAWCo to be distributed at the end of year luncheon. Motion carried.

- C. ***Policy on Water Service to Rental Properties*** – Mr. Moorrees stated SAWCo's exemption from the Public Utilities Commission regulation is dependent upon them not delivering water to a non-shareholder.

Mr. Cable stated requirements are not unusual for water service to rental properties elsewhere. He experienced the same type of policy in the High Desert.

The Committee discussed a way to notify the shareholder if the tenant had not paid the water bill and was scheduled for shut off. Sending phone call reminders and sending the Final Notice to both the tenant and the owner were discussed as options. Staff will look into the best way to notify the shareholder if the water is scheduled for shut off.

There was consensus on the Committee to bring the item to the Board for approval.

- D. *Lease of Shares*** – Mr. Moorrees distributed copies of SAWCo’s current lease form. SAWCo’s legal counsel advised staff that the Water Company should not provide the lease form. Instead, the shareholders should provide their own legally sufficient lease agreement. Requirements for a legally sufficient contract will be drafted by legal counsel to inform shareholders and staff.

Mr. Thomas asked if a sample template would be provided. Mr. Cable stated shareholders can go online and get a sample lease form. He suggest staff give interested shareholders the policy statement for direction. Mr. Moorrees advised he will make certain the policy reads ‘approved as to form’ and is signed by legal counsel.

Mr. Thomas and Mr. Cable felt there should be no limit to the duration of the leases. It was agreed that shareholders would determine the length of time their lease would cover.

Mr. Thomas moved and Mr. Cable seconded to recommend the Board adopt the revised written policy on leases as prescribed. Motion carried.

6. Closed Session: None.
7. Committee Comments and Future Agenda Items: Mr. Moorrees advised that since this is the last meeting of the AFC before the end of the year and staff has yet to receive the information from its insurance broker, the health benefits package will be going to the PROC for review and recommendation.

Adjournment: The committee determined there was no further business and adjourned the meeting at 3:51 p.m.

Assistant Secretary
Charles Moorrees