



**REGIONAL WASTEWATER RECLAMATION ADVISORY COMMITTEE
FINANCIAL SUB-COMMITTEE**

Public Works Building
201 N. Stone Avenue, Basement – Conference Room D

MEETING MINUTES

Tuesday, January 8, 2013

COMMITTEE MEMBERS PRESENT:

John Lynch Mark Stratton
Ann Marie Wolf

COMMITTEE MEMBERS ABSENT:

Amber Smith
Mark Taylor

A. CALL TO ORDER. John Lynch called the meeting of the Regional Wastewater Reclamation Advisory Committee (RWRAC) Financial Sub-Committee to order at 2:03 p.m. Veronica Lopez took the roll call and a quorum was present.

B. PLEDGE OF ALLEGIANCE.

C. APPROVAL OF MINUTES

1. Meeting Minutes of December 12, 2012

Mr. Lynch stated that corrections to the minutes should be included in the minutes provided to the Committee members at each meeting. Staff noted that all corrections received prior to e-mailing the meeting package will be included in the minutes distributed for that meeting. If the Committee wishes to defer approval of minutes with complex corrections, that will be a decision made at each meeting.

ACTION: Ann Marie Wolf made a motion to approve the minutes of the December 12, 2012 meeting, to include John Lynch's recommendations. Mark Stratton seconded the motion. Motion passed unanimously.

D. DISCUSSION/ACTION.

1. **USER FEES.** Patrick McGee, Division Manager, Finance and Risk Management Department, provided handouts and discussed each handout in some detail. The first handout was a graph that displayed a summary of Regional Wastewater Reclamation Department's (RWRD) revenues (user fees, connection fees and other revenues) for the past 10 years. Mr. McGee notes that user fees have been increasing over the past few years due to rate increases. Mr. McGee also explained what the category of "Other Revenues" contained.

Mr. McGee then discussed the next handout, which listed the number of customers by years from 2006/2007 to 2011/2012 and stated there has been very little change in the number of customers during this time period.

Mr. McGee then discussed the handout with a summary of wastewater user fee charges and the dates of when these charges were adopted. Mark Stratton received clarification that there will be another user

rate increase effective July 1, 2013. Mr. Lynch asked how budgets for connection fees and revenues were developed. Mr. McGee responded that staff reviewed the trends for the current year.

Due to recent decreases in water consumption across water providers, Mark Stratton stated he has concern that the projections in user fee revenues are not as conservative as they should be. Mr. Lynch then asked if actual revenue increases have been compared to what they were projected to be when the Regional Optimization Master Plan (ROMP) project was originally planned. Mr. McGee stated he would have to research that information.

Discussion ensued regarding data on the User Fee Revenue Summary spreadsheet. Mr. Lynch stated it would be interesting to see user fee projections without the rate increases for ROMP. Mr. McGee stated he would also research that information.

Mr. McGee then addressed the Sub-Committee regarding the Period 5 Expense and Revenue Summary. Mr. McGee stated he will not have Period 6 available for next week's RWRAC meeting. Ed Curley, Program Manager, RWRD, recommended that Mr. McGee provide a list of accounting period open/closing dates to the Committee. Mr. McGee stated he can provide that information.

2. **CONNECTION FEES.** The Sub-Committee then discussed revenues from connection fees and the decrease in revenues for FY 2011/12 from FY 2010/11. Mr. Curley asked if connection fees are the same level as last year, even with increases in rates. Mr. McGee stated the straight line projection is \$21 million, but staff is anticipating a year-end total on budget. The Sub-Committee continued to discuss connection fee revenues. Mr. McGee noted that a combination of Finance staff assist in the preparation of the projections. Discussion ensued regarding regular meetings held between Finance and RWRD staff to discuss budget projections. Mr. McGee explained the process for straight line forecasting.

Ms. Wolf stated it may be a good idea to make the Sub-Committee aware of any budget discussion on major adjustments or changes with regard to RWRD's budget. Discussion ensued regarding the Period 5 Expense and Revenue Summary data. Mr. Stratton suggested that there be a mid-year budget review to see what the department's budget is in comparison to what the projections are. The Sub-Committee decided they will hold a mid-year budget review at next month's meeting and also at the February RWRAC meeting. It was suggested that the same budget projection presentation that is given to the RWRD Executive Team could also be given to the Sub-Committee.

3. **MISCELLANEOUS REVENUES.** The Sub-Committee briefly discussed the category of miscellaneous revenues.
4. **OTHER ISSUES.** The Sub-Committee discussed what topics should be discussed and reviewed at the upcoming regular monthly RWRAC meeting and Financial Sub-Committee meetings. The Sub-Committee commended Mr. McGee for the data he provided.

E. FUTURE AGENDA ITEMS. The Sub-Committee will discuss the mid-year budget review, expenditures and the Period 6: Expenses and Revenue Summary at the next meeting. The Sub-Committee decided to have two separate discussions on expenditures. They will now discuss O&M expenditures in February and CIP expenditures in March.

F. CALL TO THE AUDIENCE. There were no comments from the audience.

ACTION: Ann Marie Wolf made a motion to adjourn the meeting. Mark Stratton seconded the motion. Motion passed unanimously.

G. ADJOURNMENT. The meeting was adjourned at 3:13 p.m.