



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

Public Works Building  
201 N. Stone Avenue, 7<sup>th</sup> Floor Conference Room

**MEETING MINUTES**

**Tuesday, May 7, 2013**

**COMMITTEE MEMBERS PRESENT:**

|               |                |
|---------------|----------------|
| John Lynch    | Mark Taylor    |
| Amber Smith   | Ann Marie Wolf |
| Mark Stratton |                |

**A. CALL TO ORDER.** John Lynch called the meeting of the Regional Wastewater Reclamation Advisory Committee (RWRAC) Financial Sub-Committee to order at 1:31 p.m. Veronica Lopez took the roll call and a quorum was present.

**B. PLEDGE OF ALLEGIANCE.**

**C. SAFETY SHARE.** Amber Smith reminded everyone to remain hydrated during hot weather.

**D. APPROVAL OF MINUTES**

1. None

**E. DISCUSSION/ACTION.**

- 1. RECAP OF FINANCIAL DISCUSSIONS (APRIL 18<sup>th</sup> & MAY 1<sup>st</sup> MEETINGS).** To catch everyone up, the Sub-Committee members briefly discussed agendas and topics from prior Sub-Committee meetings.
- 2. FY 2013/14 FINANCIAL PLAN.** Mr. Lynch asked all the Sub-Committee members if they reviewed the Financial Plan prior to today's meeting and all confirmed that they did. Mr. Lynch stated in March 2010 the Board of Supervisors (BOS) enacted the current series of rate increases. Mr. Lynch then asked with regards to the timeline, were all the Regional Optimization Master Plan (ROMP) costs established in March 2010. Mr. Burke answered no. In March 2010, the ROMP analysis conducted in 2005 was used to come up with the plan and estimate. A complete report was approved by the BOS before the department began. Mr. Lynch asked if there were estimates of what the bond interest rates would be. Mr. Burke stated it was estimated the bonds would sell between 5-6% in the future. Mr. Burke distributed a spreadsheet to the Sub-Committee displaying debt service coverage calculation estimates for 2013 through 2023. Discussion ensued regarding previous rate increases and possible future rate increases.

Ms. Smith stated that the Development Services Department (DSD) is going to resume a 2% fee increase on July 1<sup>st</sup> and asked what those fees would cover and if it is separate from services provided from the Regional Wastewater Reclamation Department (RWRD). Mr. Burke replied yes, the DSD and RWRD plan review fees are separate.

Mr. Burke continued to discuss the debt service coverage calculation estimates for 2013 through 2023. Mr. Burke explained that as soon as the ROMP debt is paid down, he would recommend a decrease in rates. The rates were raised to pay off the huge amount of debt. Discussion ensued regarding the debt service ratio.

Ms. Smith asked for a definition of “favorable ratings.” Mr. Burke stated the two rating agencies that the County uses are Standard & Poor’s and Fitch. They each have their own code system. Mr. Burke explained how the rating process works and stated that the better the rating you receive, the lower the interest rate. Any rating below an ‘A’ rating would reflect badly on the County. Mr. Burke stated that the County has received good ratings. Mr. Burke also discussed the key factors that the rating agencies look at. Mr. Lynch commented that, by having a Financial Sub-Committee, they are able to devote more time at reviewing the financials of the department to assist in making clearer decisions and to help the other members have a better understanding of this process. Mr. Burke stated he and the Finance staff can provide an update to the entire RWRAC on how the department is doing in comparison to the Financial Plan. Mr. Lynch agreed and stated this will help guide the Committee.

Mark Taylor stated that Jackson Jenkins, Director, RWRD, is scheduled to present to the CWAC and suggested that CWAC member(s) give a presentation to the RWRAC. Mr. Lynch stated that would be a good presentation and discussion to have.

Mr. Lynch suggested that last year’s rating summary be provided to the Sub-Committee. Mr. Burke stated he will forward the material to Ms. Lopez for distribution. Mr. Lynch commented that he would like any financial information be presented to the Sub-Committee first and then report back to the entire RWRAC. Mr. Lynch added that is also the responsibility of the Committee members to keep the BOS informed and to share information of what is being discussed. Discussion ensued regarding the Financial Plan and what will be submitted to the County Administrator and the BOS. Mr. Burke listed what the mitigating factors are for whether or not rate increases will be necessary for FY 2015-16.

**ACTION:** Mark Stratton made a motion that the RWRAC Financial Sub-Committee approves the submittal of the 2013 RWRD Financial Plan to the County Administrator. Ann Marie Wolf seconded the motion. Motion passed unanimously.

The Sub-Committee agreed that a letter be drafted to the BOS for Ms. Wolf’s signature, on behalf of the entire RWRAC, supporting the 2013 RWRD Financial Plan. The Sub-Committee requested that the draft letter be mailed to all Committee members in the meeting packets for the RWRAC meeting on May 16<sup>th</sup>. The Sub-Committee discussed the content that should be included in the letter.

3. **CIP RECAP.** Mr. Lynch stated at the last Sub-Committee meeting a brief overview of the CIP Program was presented and asked if the Sub-Committee members had any further questions. Discussion ensued regarding the summary of the CIP Project handout. The Sub-Committee requested to have a more detailed presentation on the CIP Projects at the next meeting.
4. **RWRD BUDGET.** No update was given.
5. **OTHER ISSUES.** Mr. Stratton asked Mr. Burke that since the 2013 RWRD Financial Plan is complete, when would the Sub-Committee receive more financial data to review. Mr. Burke stated there is not much to report financially from June through August. The Sub-Committee and Mr. Burke discussed a timeline for reviewing financials for the department. Mr. Burke stated he will send a timeline to Ms. Lopez for distribution to the Sub-Committee to assist with the scheduling of future meetings.

**F. FUTURE AGENDA ITEMS.**

- CIP Project Presentation
- Debt Payments

**G. CALL TO THE AUDIENCE.** Sheila Bowen suggested that the Sub-Committee should review and discuss the length of time debt is re-paid and the reasons for accelerating payments.

The Sub-Committee discussed the next meeting date and time.

**ACTION:** Mark Stratton made a motion to adjourn the meeting. Mark Taylor seconded the motion. Motion passed unanimously.

**H. ADJOURNMENT.** The meeting was adjourned at 3:22 p.m.