

FINANCE COMMITTEE MEETING

April 28, 2023

The following Committee Members were present:

Scott Ratterman	Director
Cindy Secada (remote)	Director

Staff Present:

Michael Minkler	General Manager
Jeffrey Meyer	Director of Administrative Services
Damon Wyckoff	Director of Operations

Public Present:

Habib Isaac (remote)	IB Consulting
Leslie Bloom (remote)	NHA Advisors
Eric Scriven (remote)	NHA Advisors
Ralph Copeland	Public

ORDER OF BUSINESS

CALL TO ORDER / PLEDGE OF ALLEGIANCE

Meeting called to order at 1:03 p.m., the Pledge of Allegiance was led by Director Ratterman.

1. Public Comment: none.

2. Approval of Minutes: For the meetings of March 21, 2023.

3. New Business:

3a. Report on the Monthly Financial Reports for March 2023:

Mr. Meyer reviewed the monthly financial reports.

3b. Report on the FY 2022-23 Third Quarter Investment Activities

Mr. Meyer reviewed the Third Quarter Investment Activities. Director Ratterman asked how much of the balance is available to spend. Mr. Meyer explained that the majority of the monies in the LAIF and Chandler Investments are restricted or committed. The Quarterly Investment Report for the Finance Committee and the Monthly Investment Report for the Board will be updated to include notations as to how fund balances may be restricted, committed or spendable.

3c. Rate Study Presentation

Mr. Habib from IB Consulting presented information on the Rate Study. The discussion focused on the internal health of each utility (water, sewer) and not yet rate recommendations. IB Consulting uses a rigorous process to review the budget line by line and compared the budget to other similar utilities to determine that the budget is in line with what is expected. IB Consulting also follows a process of manually recalculating rates to compare with the actuals to ensure the system is properly capturing rate revenue.

Mr. Minkler reiterated that the Funding Plan presented only includes about half of the needed Capital Improvements. CCWD worked to judiciously defer as much of the Capital Improvements as possible, without endangering the structural integrity of District Facilities and Equipment.

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Mr. Isaac mentioned that the Financial Plan is iterative, and can change up until the rates are adopted.

Director Secada asked what the CIP needs were during the last rate study. Mr. Isaac reviewed the previous rate study CIP plan, and mentioned that many items were deferred.

Mr. Copeland made a public comment asking if the workshops will be to allow ratepayers to comment, or if CCWD will only be presenting information. Mr. Minkler said that the workshops will be both to present information and to receive feedback.

3d. Audit Management Letter – Investment Policy

Mr. Meyer presented the Investment Policy. The Auditors recommended that the District review and update the Investment Policy each year. Mr. Meyer worked with Chandler Asset Management to update the Investment Policy to the latest regulations. The Investment Policy will come back to the next Finance Committee meeting. The Investment Policy must be passed before the next Fiscal Year.

4. Director of Administrative Services:

Mr. Meyer noted that he will attend the next several meetings remotely.

5. General Manager Comments:

Mr. Minkler expressed appreciation for all departments who have put in a ton of work to complete the rate study.

6. Director Comments:

Director Ratterman requested a slideshow of the potential projects and tours of possible future damage that could occur.

Director Secada appreciates the amount of work that has gone into the rate study.

7. Future Agenda Items:

- a. Audit Management Letter
- b. Investment Policy
- c. Draft budget

8. Next Committee Meeting:

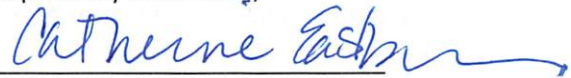
Tuesday May 23, 2023 at 1:00 pm (subject to change)

There is no current need for a June meeting

9. Adjournment:

Meeting adjourned at 2:46 p.m.

Respectfully Submitted,



Catherine Eastburn, Accountant II

Approved:



Jeffrey Meyer, Director of Administrative Services