Representative Policy Board
Finance Committee
South Central Connecticut Regional Water District

Monday, April 11, 2022 at 5:00 p.m.
Meeting Transcription

Tim:

Today is the RPB Finance Committee regular meeting of April 11, 2022. We're doing this by Micro Teams, which means we're remote, but that's just as good because we're used to it. With that, as long as everyone's in house, we're going to look at the safety moment, which today presents us with environmental health hazards, we know there's many more things to worry about if we read all about it. With that, I'll let you read about that in your time alone. With that, we will next move to the approval of the minutes for March 14th, 2022. I'd entertain a motion to approve.

Charles:

I'll move.

Jay:

I'll second it.

Tim:

Okay. We have Charles's moved and Jay has seconded. Any discussion? Looks like we have an easy vote here, guys. All those in favor.

Group:

Aye.

Tim:

Minutes approved. We now move to the review of the quarterly financial statements. With that, Rochelle, you are the expert at all of this to dissect it and to open it up for all of us to unfold, so go ahead with it.

Rochelle:

Okay. Thank you. I see Jennifer has the balance sheet out. Just to mention, I'm just going to cover some of the key highlights as we go through the material, but if you do have questions, just stop me and let me know. Starting with the utility plant, you will see that year over year net utility plant is still actually down a little bit year over year, but definitely by a lesser amount than last quarter. When we're looking year over year, and what we're looking at here is February of 2021 versus February of 2022, there is still some impact of that lower capital program that we had in fiscal '21.

Rochelle:

The small change that you will see in land, you might recall that last year we did a disposition of Rimmon Road that was actually reported in April of 2021. You won't yet see the change in non-utility land. We haven't yet recorded that 95 I's road disposition. We'll probably be doing that this month or next month.

Rochelle:

Looking at the asset category. The asset category is actually down year over year by about 6 million, and there's some really key drivers of that. First, relative to cash and cash equivalence. I just want to mention there that that reduction of about that 3 million, what's actually happening there, you might recall at the end of fiscal '21 we actually moved $3 million out of the general fund into the construction fund. That is really moving it into a restricted asset. We did that to help mitigate the debt financing for at the time the upcoming rate application. The good news is the increases that we've seen year over year in cash and cash equivalence within the revenue fund are almost offsetting that 3 million, but not quite.

Rochelle:

The other really big change that you'll see here within this category is an accrued revenue. That's not really unexpected, in that when we converted to monthly billing in the month of January, it does lower the accrued revenue that we record from a financial reporting perspective. That's really the key driver there. Then some other smaller changes across the various accounts.

Rochelle:

The increase that you'll see in restricted assets, the 46, that 6 million, that is primarily due to the financing that we had done in January with our 36 series new monies. That is the key driver there and just some other net changes across the restricted asset accounts. Regulatory assets, that is primarily due to amortizations that we do throughout the year, as well as partially offsetting by the cost of issuance that we did, and that's primarily the 36 series. From the deferred charge on refunding, that's primarily amortization, it's just a relatively small change to that account based on the 36 series. Then the pension plans and the OPEB, the bigger changes there would be based on our actuarial report as of 5/31/2022.

Rochelle:

On the liability side, you can see that year over year total liabilities are actually up by 9.7. Some key drivers there, again within the non-current liabilities, you see that there is an increase in the revenue bonds payable. Again, that's primarily due to the 36 series. Also, the increase that you see in the net premiums, that's also due to the 36 series. Good news there is we've had pretty significant premiums on our recent debt financing. DWSRF was also up year over year, and that's primarily due to that fourth and final traunch of financing that we did for the AMI project. That was DWSRF.

Rochelle:

The net pension and OPEB will be updated when we get the actuarial reports at the end that represent 5/31/2022. From the current liabilities, some key drivers here. There is a increase in the current portion of revenue bonds payable that 21,000,475, that represents the August 1st principle payment. As you're aware, we transfer monies into our debt service fund, basically throughout the year, so we're building to be able to pay that amount when it comes due on August 1st.

Rochelle:

A small increase in DWSRF, again, that's because of that fourth traunch of AMI financing that we did. Then the large change is in the notes payable. In February of last year we had an interim financing for that AMI project, and right now we just have our draw down note and we've only drawn down 50,500 just really for tax purposes, so to speak. It is a tax exempt note, and that's our draw down note that was approved a while ago to just give us a contingency plan should we have an emergency capital requirement, and if it would make sense to use interim financing.

Rochelle:

Some other net changes across the current liability accounts resulting in a year over year change of about $7.4 million reduction. The liabilities payable from restricted, just relatively small changes across those accounts. The deferred inflows of resources, again, that's primarily pension and OPEB related, and there'll be further updates when we get our actuarial report. Overall, good news is that overall our total net assets are a net position increase year over year by about 21.2 million. Are there any questions on the balance sheet?

Jay:

Rochelle, just with the adjustments that have been made, what's the effect on depreciation? Unless I missed something you said on it.

Rochelle:

Not really an impact on depreciation. We do book at estimated depreciation throughout the fiscal year and we'll true it up when we close out the final year. Right now, Jay, if you're referring to why there's a slight decrease in net utility plant, it's really due to fiscal '21 being a pretty low capital year. A little less capital going into in service than we've had in prior years. I expect that will reverse by the end of this fiscal year, I would expect.

Jay:

Yeah, okay. That's fine. Thank you.

Tim:

Rochelle, I had a question on the net pension liability dropping by almost 50%. Is that a reporting change? I mean, could you explain that impact for me, because that couldn't have gone away just out of luck.

Rochelle:

Actually, so that was as of 5/31/21. A key driver of that had to do with our investment returns based on the end of the year and other factors that come into play. I think based on where we stand as of the end of December, we're still in a good position relative to our funding level, and we'll see what happens with the market as we close out the year. We had good investment returns and that was really the primary driver, as well as how we've been putting in over and above pension contributions, and I'll be talking in a minute about how we plan on doing that again.

Tim:

Because that's a pretty big change. Okay.

Rochelle:

Yeah, very significant.

Tim:

Thank you.

Rochelle:

Jennifer, I would skip this page and go to the next page. I don't know if you can share the whole page or not, but we can start at the top part and then we'll go down to the maintenance test at the bottom. Just key points on the very top part. You can see that operating revenues were over budget by about 274,000. That's actually less than a half a percent. I do want to comment here that we've talked, when we talk about the maintenance tests and the billings in January, due to the big bank conversion to monthly billing, that's from a billing perspective, but the timing of our billing does not impact our earned revenues, because earned revenues, which you're looking at on the top part of this page, are based on what we earn regardless of what we bill. We're not going to see the same impact on our earned revenues and our audited financials that we're seeing from a billing and timing of payments that we'll see in the maintenance test. I just wanted to mention that.

Rochelle:

You can see that operating expenses, O&M, are under by 3.8 million. That's approximately a little over 8%. At this point, we see that about 47% of that or close to 50% is permanent savings. However, as I mentioned earlier, and you're going to see this, and you'll actually already have seen it in your budget package, we are going to be proposing an additional pension contribution before we close the year. That additional pension contribution is going to eat into that permanent under run. Then at this point probably about 53%, just a little over 50%, we would still consider timing. I'll talk a little bit later on in the presentation about some of the larger variances.

Rochelle:

Moving down to the bottom part of the page, so this is our maintenance test and our outlook for the end of the year. We have made some improvements since the last time that you've seen this. Now with our approved rate increase in effect, we factored that into our projections. We also are now through the billing that actually occurred associated with the big bank conversion to monthly billing, so we're comfortable with that one time impact there and we factored that into our outlook. The other key thing, when you look at the budget versus projection, do keep in mind that our original budget we did not put in any of the rate application, it had not yet been filed, not to mention not approved, so the budget of the 116.6 million did not include any of the rate increase.

Rochelle:

From a O&M perspective, as I just mentioned a bit ago, we're projecting to be just under our budget and that is with the additional pension contribution that we'll be proposing to the authority board at the April meeting. The depreciation change here is based on the rate application and it's prorated for the remainder of the fiscal year. We did make updates to our pilot outlook based on what we actually paid, so that's pretty much behind us now. That came in lower than our budgeted amount. We also made updates in our debt service, this reflects the favorable impact on the refinancing that we did in January. It also reflects some favorable timing of our DWSRF financing. We are still expecting to do two more DWSRF financings before the end of the fiscal year.

Rochelle:

Just to mention here, so as you know, we did our new money financing in January, but we structured that such that there was no payments on that new debt until fiscal '23, so although we're transferring money to make the upcoming debt service payments, we don't have a impact on fiscal '22. That's also helping with our debt service and our coverage, and so we're now projecting to be at 125% for the end of the year. We'll continue to watch that as we close out the fiscal year.

Rochelle:

Any questions on this page? If you move to the next page, Jennifer, and maybe make it a little bit bigger. I'm not going to get into a lot of detail here, other than to mention part of this is basically a repeat of the page that you've just seen, but this is where we do sensitivity. For this year, our sensitivity was what if our consumption goes up 3% or what if it goes down 3%? Even though there's only three months left in the fiscal year, so the impact is not as significant as earlier in the year, there is still some impacts.

Rochelle:

Including, if you scroll down, Jennifer, on our maintenance test, even with three months left to go, there is even a 1% change in either direction based on whether or not our consumption would go down. The 125% would actually go up to 126%. Still demonstrates, which we hope to do with this one page here, is even small changes could really impact how we end the year. This is why we watch this closely, because even small changes can make a difference in what our coverage is. Are there any questions? If not, we'll move on to the next page.

Tim:

I just had a question. I do have a question, Rochelle, and it doesn't have so much to do with this, but just a question. As far as the monthly billing, by the end of this fiscal year we will have been, what, six months of monthly billing versus quarterly billing?

Rochelle:

A little less than five months. It actually went into effect January 5th.

Tim:

Okay. I know we don't quite have an understanding of consumer reception to all of this, but has there been any feedback from the folks that aren't having this drawn out of their account every month automatically and they simply have to note it in their checkbook? For those folks that are writing a tiny check every month, has there been any griping, anybody that wants to pay more? Anyone that wants to just get it over with and pay by the quarter? Any of that? I'm curious.

Rochelle:

I think there's some, and other people are closer to this than I am. I know there's at least some people who actually do prefer quarterly billing, which we're not offering anymore. I don't think it's been significant or widespread.

Tim:

Right, which I understand. Here's another little question. If somebody writes you a check for 100 instead of a check for $25, just because they're going to be that way, how will you guys handle that?

Rochelle:

Okay, so that actually is a payment on account, and as their bill comes in, let's say their water bill, it'll get applied, so they'll run a credit for a couple months if they do that. People can do that.

Tim:

Well, I guess what I'm wondering, not that we're going back anywhere, and maybe it won't make a difference in the whole scheme of things, but I will be curious to know over time if it becomes a bit of a bookkeeping thing where we're running people who are paying over or under, if they just comply and pay monthly. I'm just curious, because obviously if you're a big user it's one thing, but if you're a household that was paying quarterly and now you're writing a check for $25 every month, I'm just curious.

Rochelle:

Yeah. Our system is set up to handle that as well as our tracking, even from both a cash perspective, because we actually monitor what happens to the payment on accounts that we do get today.

Tim:

Well for me, clearly it's a reason to just have automatic payments as a consumer, just to get it over with and make it simple. Another sales pitch, I guess. Sorry to take you on an aside, but just was curious. Thank you.

Rochelle:

If you go-

Charles:

Another question on that then, Rochelle, I don't know if it has any volume at this point in time, but do we have to pay the consumers anything on that credit that sits on the books for two or three months at a time?

Rochelle:

No, we don't pay interest on it. It's not really a deposit, it's just a payment on account and it'll stay there until it clears their next-

Charles:

Okay, so there are regulations and requirements that we have to follow as far as ... I mean, that's their money at that point in time, we're just using it, right?

Rochelle:

Well, they've actually paid it, so because they paid it, it is called payment on account. It's applied against the customer's account and it'll be utilized for the next charges that come in.

Charles:

Okay, so there are no regulations that we have to pay any interest or anything like that on.

Rochelle:

Correct.

Charles:

How about credit card usage, has that changed at all?

Rochelle:

I'm actually hoping that we'll see more ACH's. That's another thing, Charles, you might remember that we were trying to do because we would prefer customers to opt for ACH. It's the lowest cost option. I don't have the latest statistics though on if we've seen a movement away from credit cards more into the ACH.

Charles:

Okay. Interesting.

Rochelle:

Okay, so here I just want to highlight some of the bigger changes. As I mentioned earlier, our year end projection is to come in slightly under the fiscal '22 budgeted amount. Some of the larger changes are payroll is under and we're projecting that to continue to be under. We are under our head count, and we are under our head count even with our vacancy factor that we utilized for the first time in fiscal '22 here. It's not necessarily good from a operational perspective, but from a financial perspective it is giving us a favorable variance.

Rochelle:

Employee benefits, I think you've probably heard this, the last two quarters we are continuing to run under for medical expense, that's the primary driver here. Also, the fact that we're under in payroll, it is also impacting our employer FICA as well as our 401k. Those are also drivers there. Some of the other drivers, power is actually running a little bit under, that is lower than anticipated cost. Road repair is actually one of the ones that has one of the higher, although not the highest variance. We have been incurring some additional costs there.

Rochelle:

Also, on collection expense, that is running under. That's about 236,000 under. That's primarily due to year to date collection related expenses being under, and we haven't had to make contributions to our affordability fund, so that's also contributing to under run. Also, relative to outside services, that's under by 571,000. That's one of our larger variances. At this point, it is mostly due to timing. We'll be watching that as we close out the year. There are some larger variances in some particular areas and they're still projecting that they'll come in at the budgeted amount, if not actually a little bit higher in that line.

Rochelle:

Also, the central lab and water quality, that variance there is primarily due to the mix between internal and outside lab services, so we are under running on the O&M or on the utility side. That's that 220,000. Maintenance and repair is currently under running, but we are expecting that to actually come in higher than budget at this point. There are some things that are going to be happening later in the fiscal year.

Again, from an overall perspective we're projecting to be at the basically 59.6 million, including absorbing an additional pension contribution. Are there any questions?

Jay:

Rochelle, Jay. Yes. I'm going to backtrack a little on that pension fund, which I have a consistency of bringing up on occasion. Are we fully funded on the pension fund or close to it?

Rochelle:

We're getting much closer. I don't have it right in front of me, but from memory, the bargaining unit actually at the end of the fiscal year was actually a little over 90, and the salary plan was over 80, so we did really well. That was one of the drivers of why that liability went down so significantly. We're definitely making progress on our path to get to fully funded, other than the annual service costs, by fiscal '25. We're recommending this additional pension contribution to help get there and also help mitigate should there be a change in the market.

Jay:

That's very good. Okay. I'm happy to hear that because with the changes in personnel, and I know we were flagging when I first come on the board, and that's been one of my priorities, is to make sure we get to be funded to protect our people that are working for us too. Yes. Thank you.

Rochelle:

Yup. We're working on getting there.

Jay:

Okay. That's very good.

Mario:

Rochelle, quick question. Did you say that the employee benefits were running under?

Rochelle:

Employee benefits are running under. If you're looking at why the projection looks like they're higher perhaps-

Mario:

Yes.

Rochelle:

That is because, and it's actually in the wrong line, I noticed that after I submitted it. What's actually happening is the pension is going to be over, if our recommendation is adopted by the authority, and the other employee benefits will actually be, they'll come in under. The net impact is roughly 600,000.

Mario:

Okay, so you just have it in the benefits line item instead of pension. Thank you.

Jay:

Yeah. That's more positive than we've ever had it before, going in that direction. Yes. Thank you.

Rochelle:

Any other questions before I go to the next page? Okay. This is our capital projections. First at a high level we are currently projecting, excluding the contingency, to be at about 98%. That might be a little optimistic, and you're going to hear more about what I'm going to mention now at the upcoming budget meetings, but we did move some significant amount of money into contingency, about 7.4 million. That was primarily the derby tank as well as West River improvements, as well as smaller amounts for two other projects. We did that to be prudent. We know that for West River there are supply chain impacts, and derby tank has been delayed for other reasons. We wanted to put that money aside, so the way to facilitate that from a paper perspective is to move those monies into the contingency, so those monies will be available for fiscal '23. We do have a relatively large contingency, and again, you're going to hear more about that at the budget presentation.

Rochelle:

With that adjustment, we're projecting to be at about 98%. Here I'm just going to cover some of the larger year to date variances. I'll start with, under the treatment category, the Lake Saltonstall electric upgrade projects. There is some work going on between two engineering firms, they're working on an agreement for the hydro turbine upgrade. That's taken a little bit longer than anticipated, so the fiscal '22 work will complete under budget and the project is expected to complete in fiscal 2023.

Rochelle:

Another project within that treatment category that's actually over by 191,000, I think we talked about this last quarter also, this is North Sleeping Giant Well Field. This is over primarily because the project, we did more work actually in fiscal '21, and although an amendment has been processed, still on a year to date basis we're projecting we're over in that category.

Rochelle:

Also, going down almost to the bottom, you'll see that in this same category but under miscellaneous treatments, there is an under run of about 184,000. This is actually a project for roof replacement. It's actually at the South Cheshire Well Field, and that's been impacted by some weather and other contractor delays. That's still expected to complete on budget for the end of the fiscal year.

Rochelle:

Moving down to the transmission and distribution category. Service connections are over by about 250,000, and that's primarily due to increased costs related to paving work. Capital pipe service connections is also over by about 249,000. That's due to the increased amount of service transfers associated with capital work, as well as additional work on First Avenue in East Haven. We have accounted though for those overages as we do amendments and work through where we're going to end the fiscal year.

Rochelle:

The State Street pipe bridge is under expended by about 368,000, and that's a result of some redesign work and material lead times.

Rochelle:

The West River water treatment plant finished water reservoir improvements, that's under by about 236,000, and that project is now expected to complete under budget.

Rochelle:

The Burwell Hill Pump Station project, that's over by about 253,000, and that's a result of project work progressing faster than originally planned.

Rochelle:

If we move now to the general plant category, a couple of the larger variances here are data center lifecycle replacements, that's under by about 205,000. This is primarily due to some timing, where moving some radio consoles was moved into March due to some supply chain challenges, and the project is expected to complete in May.

Rochelle:

The SAP monthly billing project is a project that year to date is under by about 450,000. That's primarily due to lower than anticipated effort associated with the conversion.

Rochelle:

Then for the trucks, autos and portable equipment, that's actually within that equipment category, and that's primarily lead times associated with vehicles. We are still expecting to come in yet this fiscal year, so the lead time on our vehicles have definitely been pushed out. We're trying to deal with that as we look not just at this fiscal year, but in fiscal '23 as well. Overall, some year to date, primarily under runs and still adjusted for the contingency to expect at this point to meet our target of 96%. Are there any questions on the capital?

Tim:

Yeah, I had a question.

Jamie:

Rochelle, could you remind me what this SCADA, the S-C-A-D-A is?

Rochelle:

I should know this. It's basically the system that monitors our water treatment plant. C I believe is for control.

Jamie:

That's close enough. I just had no memory of what it was. Thanks.

Rochelle:

Yeah. It's what our control uses to monitor the water treatment plants.

Tim:

Rochelle, my question goes to the contingency. If you could just provide a more fulsome answer or reminder as to why we have that huge number. It has something more to do with an accounting principle basically, to get us into the following year with-

Rochelle:

No. The key drivers of that are the West River improvement and the Derby Tank. We moved those monies into contingency really because the contingency is excluded from our goal, and we really didn't want to spend money for the sake of spending money to achieve a goal, not that we would do that. By moving the monies into contingency, it takes it out of the target, which we thought was appropriate because we truly will put those monies aside and they'll be available next year. Moving it into contingency is really a formality, a paperwork formality.

Tim:

That's what I was wondering, but contingency's such a big way to lose track of what it's for. I know you guys are keeping track of it, but basically we have undone business, essentially, and it has to be done.

Rochelle:

Yeah. What you're going to see, Tim, is in the fiscal '23 you're going to see a large contingency number and in the new fiscal year, pretty immediately, we'll redistribute that into the projects, which will primarily be West River improvements and the Derby Tank.

Tim:

In other words, it's a way to account for money unspent but that's targeted for use.

Rochelle:

Correct. Yes.

Tim:

Is that correct?

Rochelle:

Yes.

Tim:

It's really not a contingency, it's just a, I just don't like the conflation with contingency. To me that's a cost overrun account, where you kind of ... Basically it's a, I don't know. That's just accounting, I guess. It's just a big number to be stuck in contingency. Those are usually small numbers. I just was curious for a more detailed reason that-

Rochelle:

It is a different use of that category, you're right.

Tim:

Right. Okay. It deserves a footnote. Okay. Thank you.

Rochelle:

Moving on to the next page. Just want to say a couple words here. One of the areas, although we're still projecting to be on budget, is we have been in a low interest rate environment that has been adversely impacting our investment earnings versus what we budgeted. Jennifer, if you go to the next page, I just want to highlight a couple things here.

Rochelle:

We have been able to, for the revenue fund, even though the STIF on average has been, until very recently which I'll mention in a minute, but through February it was about .09%, and we had budgeted .15%. We had been running under, but for the revenue fund, because we've been able to transfer money into the STIF, we have been able to exceed the target for that account based on the monies that we had available to earn interest on.

Rochelle:

The good news with interest earnings, and we've already got our financing behind us, because the interest rate environment is actually going up, as you know. The STIF as of Friday was at .41, so that's a pretty significant increase, so we'll be able to see better results as we close out the fiscal year. We are continuing to look at investing money into other alternatives, and we balance the timing of doing that because we do get interest earning payments monthly from the STIF and some of the other securities. We get that quarterly, so as we close out the year we'll probably be moving more money into three to five year securities to take advantage of the somewhat still low but rising interest rate environment as we'll expect to see some additional interest earnings coming in because the STIF rate is higher.

Rochelle:

From a construction fund perspective, we are now basically only maturing money that we need to meet our weekly funding, so we're not over. We're keeping monies invested as long as we can and only maturing the money in the construction fund when it's needed. That's helping there as well.

Rochelle:

I'll also mention, about a year ago we have a new suite product with Citizens Bank, and you'll see from the prior page, and it's in your package, we are earning some interest given that new suite product. We are trying to do what we can, even though we are still in a low interest rate environment. Any other questions?

Tim:

Yeah. Rochelle, the bottom line with all of that is that we basically anticipated higher interest rates and they haven't materialized to have the impact. Because it's a big miss actually, not that it's material to the whole statement, but it is a big miss. What are we doing forward?

Rochelle:

Actually, and it's really a change. I wouldn't say we anticipated on the STIF from a budget perspective, like .15% and it's running at .09%. Given the monies that we have, even that makes a difference. For our fiscal '23 budget, we budgeted actually .15%, so we might see the opposite effect if the STIF stays anywhere near where it is now, because that's a really significant increase even though it's still low.

Tim:

Right. Okay. Thanks.

Ben:

Rochelle, the funds from the construction fund that were transferred into contingency, are those monies that were borrowed? If so, do you have some flexibility by putting them into contingency to put them in a slightly higher interest earning account?

Rochelle:

I would say probably for the most part, although the construction fund separately includes the new bonds, but just given the timing and when those monies were expecting to be spent it's probably really primarily more our own internal funds than new financing.

Ben:

By putting them in a contingency, does that give you some flexibility to put them into a slightly higher interest rate account, because you're not going to be paying-

Rochelle:

Not particularly. It's still limited in what we can do.

Ben:

Okay.

Tim:

Well, it's really not money, right? I mean, it's-

Rochelle:

Well, it is also money.

Tim:

Well, it's money but it's not spent or borrowed, correct? It's what we budgeted for, but it's not really spent. Explain it.

Rochelle:

It's not really spent, but it is actually money that when we did all our forecasting we did expect to spend.

Tim:

Right.

Rochelle:

Just as you know, until January of this year, we were using all internally generated funds to fund our capital project, so we would have assumed that most of those monies would have been spent already.

Tim:

Okay.

Jay:

I think the pandemic has to be a side effect to the market for interest rates as well and what's happening with the utilities and the sales of housing and residence and so forth. If you look at the market today, the two year and the 10 year were way up, and then it goes to as well the inflation. The inflation is the very negative to the economy, and it looks like it's even going to be worse, which is going to be harmful to all of us.

Rochelle:

I think also, Jay, some of the supply chain challenges that we've also seen, at least partially as a result of the pandemic, are still with us.

Tim:

The delays. Right. Okay, so I gather that brings us along to five, is that correct Rochelle and team, we're all set?

Rochelle:

Yes.

Tim:

Okay. This is-

Rochelle:

To the metrics.

Tim:

Correct.

Rochelle:

Jennifer, if you can [inaudible 00:46:46].

Jennifer:

What was that?

Rochelle:

The metrics, the dashboard.

Tim:

Yeah. I did not receive, nor do I believe the board received anything formally sort of prepared and forwarded. Whatever you're presenting, we haven't seen.

Jennifer:

Okay. Give me one minute. I'll get that up. One minute.

Rochelle:

Most of it we've actually covered. Do you have it, Jennifer?

Tim:

Right.

Jennifer:

I can get it up in a minute, yeah.

Tim:

Yeah. I gather it's not too different.

Jennifer:

Just one minute.

Rochelle:

Sorry about that.

Jennifer:

My computer's a little slow tonight. It's coming.

Rochelle:

Most everything on it we covered through the financials.

Tim:

Right.

Jennifer:

Okay.

Rochelle:

Okay, so on the customer satisfaction, there's actually we don't have an update. There are plans to do a survey later this fiscal year. For the underlying credit rating, no change since November's update. We were affirmed with S&P and Moody's in December of 2021 at the AA- and the a3. In the November update, I believe you did get a update of the rate comparison that was sent out at that time. There won't be a further update on that until our next official statement.

Rochelle:

From the accrued water revenues, we covered that, year to date through February there's just a small increase over budget. Other net revenues are actually slightly under budget. O&M expenditures we had covered. It's under by almost 3.8 million. Capital expenditures are running under, but as I mentioned earlier, we are projecting to meet our target, excluding the contingency. Cash collections is currently over budget year to date, keeping in mind that the budget didn't include the rate application. Our coverage, we are now project 125% without a draw. The budgeted draw was 922,000.

Rochelle:

From an average production perspective, we're comparing prior year to current year, and you can actually see that prior year was 46.4, fiscal '21 was a very high production year due to the pandemic. Our result year to date is 44.7, and actually you'll be seeing a chart actually next week as part of the budget material, where we're not really back down to pre-pandemic levels, but we're definitely under where we were last year. We are expecting to continue that through the end of this fiscal year.

Rochelle:

We are on target for the disinfection byproducts. We are still over target for the net unaccounted for [inaudible 00:51:27], just really a small change since last quarter. At this point, probably the reservoir levels are a little dated. This was as of the end of February, we were 97% versus 82% for the long term average. Any questions?

Tim:

No. Thank you, Rochelle. You're doing great.

Rochelle:

Thanks. Sorry that it wasn't distributed.

Tim:

That's fine.

Jennifer:

I'll get that out to everybody tomorrow.

Tim:

No worries. Okay, so I guess we move along to number five, which is consider an act on recommendation to the RPB regarding completeness, mode and date of public hearing for the authorities application for the approval of the Lake Gaillard Water Treatment Plant filter influent valve replacement project. With that, you got anything prepared on that for us? Are we supposed to act on some sort of a motion of consideration to advance to the RPB? What are we looking at there?

Mario:

I think you're looking for a motion to consider it complete and to forward to the RPB to schedule a public hearing.

Tim:

It sort of looked like that. Thank you for that, Mr. Chair.

Vin:

So moved.

Tim:

We have a motion before it. It was moved by, I'm sorry? Who moved it? Vin?

Vin:

I did, yes.

Tim:

Vin moved it.

Jay:

Second.

Tim:

We have a second from Jay. Discussion? Okay, looks like we're raring to go with the vote. All those in favor?

Group:

Aye.

Tim:

Okay. Looks like we have unanimous consent to move that along to the full RPB. Excellent.

Mario:

Shall I expect that'll be in May? We have the time to get it on the May agenda. Okay. Jeff, does that give you enough time?

Jeff:

Yeah, that's fine. Thank you. Terrific.

Rochelle:

Thank you.

Tim:

Okay. The rest is just perfunctory reminders to all. We've got the joint meetings of Consumer Affairs and Land Use Committee on Monday, April 18th at 5:30 to review the budget, followed by Wednesday the 20th with the Finance Committee at 5:00 o'clock. Again, that's whoever can attend any of those meetings is welcomed. Nothing like hearing the budget twice, but if you can attend once.

Charles:

Are they Teams or hybrid both those meetings?

Tim:

Excuse me?

Charles:

Are those meetings going to be Teams or hybrids or live, or what are they?

Tim:

I know finance I had hoped to be able to do it in person, and because I know that may be an issue for some we would make it a hybrid. I'm not certain about the other meeting, but my desire for finance was to make it a hybrid.

Charles:

Jennifer, do you know if land use is hybrid, or live, or is it Teams?

Mario:

The joints should be hybrid, Charles.

Charles:

Okay.

Mario:

Yeah, both meetings should be hybrid.

Jay:

One of them is Finance Committee, I plan to attend at the headquarters. Yes.

Tim:

Yeah, that was my goal personally, but I know you can't preclude somebody from the ability, the capacity to do it, so hybrid is perfect.

Vin:

With the moving of the meeting, it conflicts with some of my other meetings, so a hybrid meeting would accommodate me attending multiple meetings.

Tim:

Perfect, which is great, and that's the goal I think. We all have to get it, so that's perfect.

Charles:

Jen, you'll be able to send out the invites to both meetings to us?

Jennifer:

Yeah, they'll be going out a little later this week.

Charles:

Great.

Tim:

Perfect. Okay. The next one is just a reminder that the, number seven that is on the agenda, is committee member attendance at the authority meetings. For the 28th I will attend, and on the 26th of May Jay will attend.

Jay:

That's correct.

Tim:

Okay. Perfect. We're all on board for that. With that, there is the category of new business. I have none. Is there anyone that would choose to advance any or are we all set? Good. Looks like we want to call this a day. Thank you all. Catherine, thank you for attending. It's always good to have a big authority person on hand so we get it right. With that, I'll call for a motion to adjourn.

Charles:

So moved.

Jamie:

Seconded.

Tim:

Thank you much. We have a motion and a second. All those in favor, aye.

Group:

Aye.