

REPRESENTATIVE POLICY BOARD

**FINANCE COMMITTEE**

MARCH 11, 2024

MEETING TRANSCRIPTION

Vin:

It is 5:00, we'll call the meeting to order. We'll start with our safety moment and talking about the environment this month and be sensitive to the environment and to help save it and not pollute it. So if Mr. Flint's not here, why don't we skip forward to the approval of the minutes?

David:

I'm here.

Vin:

No worries. We'll move to the review of the plan of the audit. Mr. Flint you have the floor.

David:

Thank you so much guys. I only need a couple minutes of your time today. So basically you guys should have all seen the letter to governance. This is one of two required communications from me to you of course one now and then one at the conclusion of the audit. Basically the letter at a very high level covers both my responsibilities as well as management's responsibilities related to the audit. Basically, my objective is to provide reasonable insurance that the financial statements are free from material misstatements. Usually when I say reasonable assurance, I get a good laugh, but realistically without looking at 100% of the authority's transactions, that would be the only way to provide absolute assurance.

We're also providing an opinion on compliance with federal grant requirements in the form of a federal single audit. And within that we provide an opinion on internal controls over financial reporting. For fiscal year 2024, we are implementing a new accounting standard. It's GASB statement number 96. This is kind of a piggyback statement from the statement we implemented last year, which was GASB 87. You may remember that that had to do with leases. This year instead of leases we're implementing technology contracts, subscriptions, software subscriptions, things like that, that have a contract term that's greater than one year. As we did with leases last year, we are going to be helping the authority implement this standard.

As far as timing of the audit, we are going to begin in April and we hope to issue the audit by mid-September. As I've mentioned in prior years this is a very quick turnaround, but we are committed to meeting that timeline assuming that management is prepared for us when we come out to visit.

So that's all I really wanted to talk to you about today. I just wanted to meet with you real quick just to kind of maintain an open line of communication. I just want you guys to know that I'm always available to communicate with you guys outside of these two meetings if you ever have any questions, comments, or concerns. So I'll open it up to you guys right now to see if you do have any of those at this moment and if not, I'll let you guys proceed with your meeting.

Vin:

Thank you. Mr. Flint, does anyone have any questions?

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Tim:

No.

Vin:

All right. Mr. Flint, no, we don't have any inquiries at this time, but we appreciate your time.

David:

Absolutely guys, I'll talk to you soon.

Vin:

Okay. Have a good day.

Rochelle:

Bye. Thank you.

Vin:

Okay, now we'll move forward to the approval of the minutes. We have the February 12, 2024 meeting and then March 4, 2024 special meeting minutes to your motion.

Tom:

So moved Tom Clifford.

Tim:

Second, Tim Slocum.

Vin:

Are there any comments, questions or discussion? Hearing none. All those in favor?

Committee members:

Aye.

Vin:

Opposed? The ayes have it. And that was for both meeting minutes, Mr. Clifford?

Tom:

Yes.

Vin:

Yes. Okay. Excellent. Thank you. Then let's move on to the quarterly report on RPB approved projects. Who do we have with us? Sorry, I can't see the room is Rochelle here?

Rochelle:

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Yes.

Vin:

Okay then Rochelle, the floor is yours.

Rochelle:

Okay, thank you. So first on the Derby Tank, just to mention the key highlights. So that project is actually now completed. There will be a final retainage payment made, but that won't happen until January 2025. And just so you're aware, I think you already are, this is one of our DWSRF funded projects as it relates to the construction. We were actually hoping to close on this before the end of the fiscal year. That's getting a little less and less lately, not because of the project itself, because of just some delays that we're experiencing getting the loan and subsidy agreements finalized at the state. The next project, West River Water Treatment Plan, this project is also now completed. There will also be a final retainage payment made in approximately January of 2025. This project is again a DWSRF project. We are still cautiously optimistic that we're going to close on this project yet within fiscal '24, it does include a grant component as well as the loan component.

The next project, Lake Gaillard Water Treatment Plant clarifier projects. Unfortunately we have experienced some supply chain challenges. A key component is not now expected until May of 2024. I'm going to probably hear more about that and how we're addressing that from the funding perspective when we go through the capital budget with you. Just further allow me to most likely propose that we put some money aside like we've done for other projects where we know that we're going to still need the money. It's just a timing between fiscal years.

Another project that we have is the Lake Gaillard Water Treatment Plant HVAC and electrical improvements. This project was advertised for a bid in December 2023. We did recently, somewhat recently, receive the bids in mid-February and the bids are in the review process. We have the Lake Whitney dam. I know you had a good update on that. I think it may have been last month. So that project is continuing as you heard about, we're working with the ECIs and work is getting underway regarding the permitting packages that we need. And of course we'll be back to the RPB at the end of the design phase when we're going to come to the full RPB regarding the construction phase of the project.

Jay:

When you put money aside, is it like earmarking the construction account to have it available?

Rochelle:

So it's already so we have the money, so instead of... We want to make sure that from a paperwork perspective we're moving it from this year's budget to year.

Jay:

You know what it's frozen by.

Rochelle:

Yes. And it's already in the construction plan.

Tim:

Rochelle, I had a question if I may. With regard to problems in the supply chain, are there any, or are all of our projects are some restricted to where we're able to purchase materials? I mean are we required to buy American or do we just source where we can and maybe much of it is American. Is there a general policy, I know it gets talked about at the federal level, it's the only way to purchase and I'm not advocating one way or the other. Are any of these issues something we focus on?

Rochelle:

Definitely. We focus on them, especially when we're getting federal money for three of our projects that are funded through congressional directed spending. We did and it took quite a while to get BABA waivers and that it is one of the reasons, for example, that the Seymour Wellfield generator replacement has somewhat delayed because it actually took months to get those waivers.

Tim:

Right. So it ended up actually being a waiver to be able to purchase off US soil. Is that what actually happened? I'm only curious. Because you say it's a waiver. I assume it might've been offshore initially.

Rochelle:

I would say for some components because [inaudible 00:09:40] not necessarily you have to actually without the waiver it has to be 100% oftentimes. We're learning, there's a lot of strings somewhat attached to these various funding sources.

Tim:

Yeah, I just had a feeling, and again, I'm not an advocate one way or the other, I just was wondering if that may play a role and it may. Okay, thank you.

Rochelle:

Just a brief update on the CIS project. We are in the process of updating our estimated cost for the project without getting into a lot of the details. We are having some negotiations with the primary vendor. We are currently anticipating completion in third quarter, fiscal 2025. And we're currently just about complete with the design phase of the project. And the next project will be the development phase. The next project is the Derby Wellfield facilities chemical improvements. This was the most recently approved project by RPA and in this past quarter we did award the contract to Kovacs and issued a notice to proceed. Any other questions?

Vin:

Hearing none. Thank you Rochelle for that update. All right, shall move on? So we have the Authority meeting attendance. We have Mr. Clifford attending the March 28th meeting and Mr. Slocum the April 25th meeting. And is there any new business to come before the body? Hearing none. Is there a motion to adjourn?

Tim:

So moved.

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Tom:

I'll second.

Vin:

And we'll stand adjourned at five eleven.