



**FINANCE COMMITTEE MEETING
Monday July 20, 2015
5th Floor, Government Center
Board of Education Conference Room
4:30 pm
Full Meeting Minutes**

Attendees

Cristina Andreana	Chairman, SWPCA Board Member
Daniel Capano	Vice-Chair, SWPCA Board Member
James Fountain	WPCA Board Member
Ed Kelly	SWPCA Board Member
Merritt Nesin	SWPCA Board Member
William Brink	Executive Director, WPCA
Rhudean Bull	Administration Manager
Mark Turndahl	Accountant, WPCA

Call to Order, Pledge and Roll Call

C. Andreana, Chairman, called the meeting to order at 4:38 pm. A quorum was present (3 of 3 Finance Committee members).

Approval of Prior Committee Meeting Minutes

The May 18, 2015 Meeting Minutes were approved.

The following two (2) agenda items were taken out of order:

Discuss how to Calculate the Water Usage to be used in Preparing the October 2015 and April 2016 Sewer Use Billing:

W. Brink began the discussion by explaining the change in Aquarion's billing from quarterly to monthly. He further explained that all customers were not switched over to monthly billing at the same time, resulting in a less than six (6) month period to base the consumption on for the sewer rate calculation. From the information received from the Aquarion Water Company meter readings, the "clean" months available to use in the rate calculation was determined to be January, February, March and April. However, using these months result in a lower consumption number than what was used the previous year.

The use of a factor adjusting the 4 month readings to equal the previous year's consumption was suggested and discussed.

J. Fountain requested that additional months' consumption numbers be provided for review.

Discussion: 25% Rule used to Limit the Increase in Sewer Use Charges when a Property Changes Hands.

R. Bull explained that this rule is being used to decrease the consumption for new property owners when the previous owner's consumption is 25% or more. She explained that the intent of this policy was that if the difference in consumption usage is greater than twenty-five (25) percent, the Board (designee) would evaluate the matter on a case-by-case basis. The Board further stated that changing the policy should work both ways and a motion was made and passed to look at all changes of ownership where consumption varies in the measured time period by more than twenty-five (25) percent from the prior to the new owner. The account should be reviewed and possibly adjusted effective October '06 but grandfathered into the prior fiscal year—July '05.

R. Bull stated the Board's request is not being followed as no one is looking at the 25% rule when, for instance, properties where the consumption was less and is then increased by 25% with the new owner's usage are not reviewed and/or changed in accordance with the Board's wishes.

After more discussion, the Committee stated that not only should this particular policy be reviewed but the Policy Book should be reviewed and suggested changes discussed and voted upon by the Board.

Update: Accounts Receivable

M. Turndahl discussed the outstanding receivables: \$3.7 million was outstanding as of June 30, 2015 as compared to \$4.2 million as of June 30, 2014. Cash receipts through 6/30/2015 amounted to \$20.76 million for sewer use fees and \$1.78 million for sewer assessments and connections.

Review of June 2015 Financials

M. Turndahl reported that through June 2015 the SWPCA showed net income of \$5.8 million compared to \$4.0 million for the same period last year. He also stated that the pooled cash balance (amounts owed the City) is expected to be \$3.9 million at year-end with amounts owed for capital advances at \$2.7 million and \$1.2 million for operating funds.

Discuss the Fiscal Year end June 2015 Salary Budget Transfers

R. Bull discussed the necessity to transfer salary budget into the Salary line accounts due to overtime expenses at the very end of the year. M. Turndahl explained that part of the over budget salary was due to an accrued liability established for an estimated cost of the MAA and Local 30 Engineer's Union settlement.

Old Business

None

New Business

None

Adjournment

C. Andreana made a motion to adjourn the meeting at 5:25 PM; seconded by D. Capano. Motion carried 3-0