

FINANCE & ADMINISTRATION COMMITTEE MEETING
SUMMARY MINUTES
August 15, 2023
3:00 P.M.

ATTENDANCE 

Directors: John Weed (Chair), Paul Sethy

Staff: Ed Stevenson, Jonathan Wunderlich, Sydney Oam, Roseann Marquez, Rob Ferro

This meeting was conducted in person at the District's Headquarters and virtually by Zoom Webinar and Teleconference, and members of the public were invited to participate. Materials presented to the Committee were posted in advance of the meeting at www.acwd.org.

DISCUSSION TOPICS

1. Public Comments: There were no public comments.
2. Job-Order Contracting Pilot Program and Procurement Policy Review: Rob Ferro, Purchasing Officer, reviewed the Job-Order Contracting (JOC) pilot program and the District's Procurement Policy. In the past month an additional three projects have been identified to go through the JOC process. The District could pursue a District-specific JOC program if there is an anticipated expense of \$4 million annually that falls under JOC. Staff's initial review of the District's ongoing maintenance requirements shows that the District does not currently meet this threshold. Moving forward staff will continue to utilize the Sourcewell EZ-IQC (Infinite Quantity Construction) JOC program as an option to procure certain goods and services. Staff conducted a review of the procurement policy and determined that no changes is needed in order to use JOC on a regular basis. Mr. Ferro responded to questions from the Committee.
3. Facilities Connection Charges Study Overview: Sydney Oam, Financial Analysis Supervisor, reviewed an overview of the upcoming facilities connection charges study. In 2018 the District completed a comprehensive study of the facilities connection charges, and in 2019 the Board approved a five-year phase-in fee schedule that included a combination of incremental cost and equity buy-in components. The Board also approved inflationary adjustments annually. The District is in the final year of the five-year schedule. Staff received feedback from the Committee to move forward with the new study. The approach is to maintain the current methodology as outlined in the current developer fee study, update the numbers to reflect approved capital improvement program, current and growth water demand assumptions, and water system infrastructure value. Staff will engage the Building Industry Association throughout the process. Staff plans to review the results with the Board at a regular meeting in December 2023. Mr. Oam responded to questions from the Committee.
4. Draft Fiscal Year 2022/23 Income Statement: The Committee received the draft fiscal year 2022/23 income statement and provided feedback. Staff will look to see if the "Cost of issuance expense" title on the income statement can be modified to note that it includes the cost for the line of credit. Roseann Marquez, Accounting Supervisor, responded to questions from the Committee.

5. Budget Report: The Committee received the budget report and reserve funds report through July 2023 and provided feedback. Staff noted that the administrative and general expenses exceeded budget due to the District making prepayment and advanced funding each year in July for pension and other post-employment benefits – the July 2023 payment totals \$16 million. Mr. Oam responded to questions from the Committee.

RECOMMENDATIONS

Topics discussed by the Committee were informational only, and no recommendations are being made.