

**RATE SUB-COMMITTEE  
MINUTES  
March 9, 2023**

A meeting of the Rate Sub-Committee Committee meeting was held on Thursday, March 9, 2023, at 10:08 a.m. The Rate Sub-Committee offered both in-person and virtual connection.

Chairman Bill Long announced a quorum was present.

**COMMITTEE MEMBERS PRESENT:**

In-Person: Bill Long, Ann Nichols, Kevin Karney, Seth Clayton, Tom Goodwin, and Jim Broderick.

**COMMITTEE MEMBERS ABSENT AND EXCUSED:**

Curtis Mitchell

**OTHERS PRESENT:**

Chris Woodka, Leann Noga, Garrett Markus, Patty Rivas, Stephanie Shipley, Lee Miller, Peter Levish and Mark Scott, SECWCD staff.

Virtual: Mark Phifer, Bub Miller, and Patrick Garcia, SECWCD Board members.

**APPROVAL OF MINUTES:**

None

**PRESENTATIONS:**

None

**ACTION ITEMS:**

None

**INFORMATION ITEMS:**

This meeting was planned to discuss steps to continue the District and Enterprise financial planning and rate setting that was delayed in 2020 as a result of Covid-19. Mr. Long started the meeting by asking for members to express their thoughts on how to move forward.

Mrs. Nichols stated that a review of the approved policies, actual historical data of surcharges, and timeline for the rate setting process would be good background material to review.

Mr. Clayton stated that in addition to the rate model, to create a one-page summary that the Board can review during the budgeting process. The one-page summary would allow the Board to see the financial plan over the 10-year period and adjust the plan as needed. He then provided an example of a possible option for the one-page summary to the committee.

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Mrs. Noga summarized the rate model and reminded the committee that it includes all funds with a separation of the Fry-Ark, District, Enterprise, and Hydroelectric. She mentioned that the Arkansas Valley Conduit was initially not included but will need to be added. She explained that each fund sits independent of one another in the model, except for the transfer between the Enterprise to the District. This transfer has not been utilized in the past, but the model can accommodate this option for future planning purposes. She reminded the committee that water rates are generated and part of the Enterprise fund.

A discussion was held regarding the Project Water and Storage for fees for both irrigation and municipalities and is driven by the costs and benefits. It was discussed that future rates may not be determined by cost of service but driven by Board policy. The discussion also included the need to revisit the discussion of surcharges.

Mr. Clayton referenced that the 20-year capital plan and the need of the reserves that are necessary to meet the objectives of the finance plan in order to shape future policies.

Mrs. Noga referenced a handout that explains the annual schedule and process when adopting new rates. The committee discussed the importance of staying on schedule in order to properly communicate possible rate changes for the 2024 budget period.

The Committee determined that the next meeting would consist of a review of the financial structure, review of 10-year financial projection, review of surcharges, and a review of financial policies.

#### **OTHER BUSINESS:**

None

#### **NEXT MEETING:**

The next Rate Sub-Committee meeting is scheduled for March 24, 2023, at 10:00 a.m.

#### **ADJOURN:**

Chairman Long adjourned the meeting at 11:10 a.m.

Respectfully submitted,

Leann Noga  
Administrator of Finance and Administration