

what drives sending out the CCTV truck. Rick Donahue said it is the condition assessment program. Gene Houston said it starts with the contractor's assessment video. Rick Donahue said it includes those as well as District videos.

Terry Murphy stated that John Restrepo had asked about the media wage. Marty Flynn stated it is \$31.63.

VI. Accept the 15-year Capital Improvement Program.

Warren Hardy moved to accept the 15-year Capital Improvement Program in the amount of \$1.47B. Jennifer Lewis seconded the motion. There was no discussion. The motion was approved unanimously. John Restrepo and Cliff Marshall have provided proxy votes in favor of the Capital Improvement Program.

VII. Discuss the future of the Wastewater Rates and Charges Advisory Committee.

Terry Murphy stated the Committee had previously discussed receiving a progress memo on the CIP every year and then meet every 2-3 years if necessary. Terry Murphy asked if there was a motion. Paul Moradkhan asked when the memo would come out. Tom Minwegen stated it would be associated with budget preparation in the first quarter of calendar year. Gene Houston asked who it would be released to. Terry Murphy stated it would be sent to the committee members to share with their prospective groups. Paul Moradkhan moved to receive a progress memo yearly and meet every 2-3 years if necessary. Gene Houston seconded the motion. The motion was approved unanimously.

VIII. Make recommendations regarding the annual sewer service rates and the connection charges to fund the implementation of the Capital Improvement Plan.

Terry Murphy stated that Guy Hobbs sent language to share to make sure appropriate language is sent to the board. The recommendation is option 5. Terry Murphy stated that Option 5A is if the sales tax does not get extended. Option 5B is if the sales tax gets extended.

Julie Cleaver asked in the other scenarios there was the \$200M being borrowed in 2022, she thought it was supposed to be changed to 2023 and didn't see it changed. Jack Medall stated it should be 2023 and 2025.

Terry Murphy passed around specific language from Guy Hobbs.

The connection charge is currently at a rate of \$2,195 per ERU. According to the recommendation, this would be phased up to a level of \$2,876 by fiscal year 2022 by increasing the connection charge to the following amounts:

<u>Fiscal year</u>	<u>Connection charge</u>
2019	\$2,195
2020	\$2,422
2021	\$2,649
2022	\$2,876

Each year thereafter, the connection charge is to be increased by the rate of inflation (CPI). In the model, this was estimated to be 2.25 percent per year. When the connection charge is indexed each year, it will be compared to the amount that the connection charge formula indicates that it should be. If the indexed amount is less than the amount determined by the formula, the lesser amount is to be used. In other words, the connection charge will be the lesser of the indexed amount or the amount determined by the formula.

Terry Murphy stated that Virginia Valentine had previously suggested previous action by the Board of County Commission to reduce the rates should be noted. Terry Murphy stated this would be a good place to state that. Tom Minwegen stated that was in 2013.

Virginia Valentine stated she just wanted to wrap some context around it, and that the fact the rate was reduced and delayed as long as possible until it was needed and went through this process should be presented.

Terry Murphy stated the recommendation to implement scenario 5 for the annual sewer service charge. Virginia Valentine made a motion to implement scenario 5B with the quarter cent sales tax. Warren Hardy seconded the motion. Warren Hardy stated we can submit 5A as well but wants to make sure it is a recommendation of this group that they extend the quarter cent sales tax.

Terry Murphy asked if the group wants to vote on this recommendation with the preferred being 5B but if the Sales tax does not sunset, 5A. Virginia Valentine amended her motion to add that language. Warren Hardy seconded the motion. There was no discussion. The motion was approved unanimously. Cliff Marshall and John Restrepo have provided proxy votes in favor of scenario 5B.

Terry Murphy stated the next recommendation is to implement scenario 5 for the connection fee phase in based upon the language that Guy Hobbs had provided. Gene Houston asked the excess to paying down debt or to go to the CIP. Tom Minwegen stated the general categories achieve the same purpose, and John Restrepo was ok without setting a cap. Tom Minwegen stated the excess does go back to the CIP, Tom Minwegen stated we can not pay down debt in the next seven years. Warren Hardy stated the District has that flexibility after the seven years.

Tom Minwegen asked that as the Committee embraces the rates, that we would like to round to a number divisible by 4 to make it easier for the customers.

Warren Hardy made a motion to accept scenario 5 for the connection charge. Jennifer Lewis seconded the motion. The motion was approved unanimously.

Terry Murphy discussed the next steps. Terry Murphy stated there will be public outreach, the public hearing will be set for December 18, the Business Impact Statement will be considered on December 4 and the public hearing to adopt these recommendations will be held on December 18. Committee members are asked to send letters to the Board and members may be asked to attend various meetings. Paul Moradkhan will send the BIS out to Chamber members. Georgie Rucker asked who presents this to the Board. Terry Murphy stated it will be Tom Minwegen.

- IX. Public Comment-There were no persons wishing to speak.
- X. Adjournment-The meeting was adjourned at 12:09 PM.