

MINUTES OF THE MEETING
OF THE
BOARD OF DIRECTORS FISCAL COMMITTEE
OF THE
SAN ANTONIO RIVER AUTHORITY
APRIL 7, 2008

The Fiscal Committee of the SAN ANTONIO RIVER AUTHORITY Board of Directors was called to order by Mr. Gaylon Oehlke, Chairman, at 12:10 p.m., Monday, April 7, 2008, in the Boardroom of the San Antonio River Authority, 100 E. Guenther, San Antonio, Bexar County, Texas.

In the absence of the Secretary, Mr. A. D. Kollodziej, Jr. called the roll and certified a quorum for the Fiscal Committee Meeting as follows:

Terry Baiamonte	Present – Arrived After Roll Call
A.D. Kollodziej, Jr.	Present
Hector Morales	Present
Gaylon J. Oehlke	Present
H.B. Ruckman III	Present

Suzanne B. Scott, General Manager
Steve Graham, Assistant General Manager
Steve Raabe, Director of Technical Services
Susan Eason, Director of Internal Resources
Sharon McCoy, Finance Manager
Lori Sebben, Administrative Assistant

Others present were:

David Ross, Legal Counsel

Regarding **Agenda Item 5**: Mr. Oehlke called on Lori Sebben for **Introduction of Visitors**: Ms. Sebben reported there were none.

Regarding **Agenda Item 6**: Mr. Oehlke asked if there were any **Citizens to be Heard**. There were none.

Regarding **Agenda Item 7**: **Approval of the Minutes of the Fiscal Committee Meeting Held on March 10, 2007**. Mr. Kollodziej so moved and seconded by Mr. Ruckman, Motion carried unanimously.

Mr. Oehlke called on Sharon McCoy-Huber for **Agenda Item 8: Briefing on the Contract Audit Being Conducted by the Office of the City Auditor for the City of San Antonio.**

Ms. McCoy-Huber explained that as presented at the August and October Committee meetings, the River Authority received a letter dated July 3, 2007 from the City of San Antonio expressing intent of auditing the interlocal agreements and memorandum of understandings between the City and the River Authority. Staff briefed the committee on the progress of the audit.

Mr. Oehlke called on David Ross and Sharon McCoy-Huber for **Agenda Item 9: Executive Session Pursuant to Texas Government Code Section 551.071, Consultation with Attorney on a Matter in which the Duty of the Attorney to the Governmental Body Under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas Clearly Conflicts with Chapter 551 of the Texas Government Code Concerning Wastewater Service Revenues Collected by Bexar Metropolitan Water District and Paid to San Antonio Water System.**

After appropriate disclosure in accordance with Chapter 551 of the Texas Government Code, The Open Meetings Act, Section 551.071, Mr. Oehlke then recessed to meet in Executive Session at 12:17 p.m. for consultation with attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code concerning wastewater service revenues collected by Bexar Metropolitan Water District and paid to San Antonio Water System (SAWS).

The Executive Session having concluded, the meeting of the Fiscal Committee resumed into Open Session at 12:25 p.m.

Mr. Oehlke called on Suzanne Scott for **Agenda Item 10: Presentation, Discussion and Appropriate Action Concerning a Proposed Agreement Regarding Reconciliation of Wastewater Service Revenues with San Antonio Water System.**

Ms. Scott explained that in 2007, SAWS brought to the River Authority's attention a billing discrepancy discovered when SAWS began to directly bill wastewater customers residing in the Bexar Metropolitan Water District (BexarMet) water service area. SAWS discovered that BexarMet had been billing River Authority wastewater customers as SAWS wastewater customers. Once this was brought to the River Authority's attention, our staff worked with SAWS and BexarMet staff to reconcile the bill error. It has been determined that since 2001 approximately 400 River Authority customers were billed incorrectly.

The River Authority informed customers by letter in December of the error and that they would begin to be billed at the River Authority rate. SAWS has performed an audit of the amounts incorrectly billed by BexarMet and collected by SAWS and has presented the agreement, which was included in the agenda packet, to reimburse the River Authority \$150,184.75 in fees SAWS has collected from the River Authority customers.

The River Authority's finance staff has reviewed the reconciliation performed by SAWS and concurs with the recommended reimbursement.

As previously reported, the River Authority is soliciting professional services to conduct a comprehensive review of third party billings. The findings of this audit may result in additional recommendations for the Board's consideration.

Staff recommended a Motion indicating support for requesting the San Antonio River Authority Board of Directors' acceptance of the terms and conditions of the Agreement Regarding Reconciliation of Wastewater Revenues between the San Antonio River Authority and the San Antonio Water System and authorization for the General Manager to execute the agreement.

Mr. Oehlke called for said Motion. Mr. Ruckman so moved and seconded by Mr. Morales, Motion carried unanimously.

Mr. Oehlke called on Sharon McCoy-Huber for **Agenda Item 11: Presentation and Discussion Regarding the Operating Budget for Fiscal Year 2008/09.**

Ms. McCoy-Huber presented information on the following background materials that may be included/considered in the draft fiscal year 2008/09 operating budget:

- Projected ending balances for the current fiscal year ending June 30, 2008. To achieve accuracy in the preliminary budget it is essential that ending balances for the current year be estimated based on reliable projections. Tables were distributed to the Committee indicating projections for the General Fund, Park Services Fund, the SARA Wastewater Systems Fund and the SARA Water Systems Fund.
- Operating funds summaries for the fiscal year beginning July 1, 2008. Included in the preliminary fiscal year 2008/09 budget are operating fund summaries for the General Fund, Park Services Fund, the SARA Wastewater Systems Fund and the SARA Water Systems Fund. The General Fund information is presented indicating the initial budget iteration numbers for revenues and expenditures. The management staff has met and made initial adjustments to establish a preliminary budget for this presentation. Summarized information was presented during the meeting.
- Maintenance and operations tax rate for the 2008 tax year. A table which projects the estimated taxable valuation growth was provided along with another table indicating various scenarios for the 2008 tax rate.
- Rates for the SARA Wastewater Systems and SARA Water System. Preliminary rates have been calculated and were presented with the average single family resident monthly charge.
- Projects considered in the preliminary fiscal year 2008/09 budget. Project summary tables were provided. Projects were included in the preliminary budget with estimated funding requirements along with projects that may require additional revenue to fund. The projects that were included were for the general fund, capital projects funds, and special revenue funds.

Mr. Oehlke called on Sharon McCoy-Huber regarding **Agenda Item 12: Presentation and Discussion regarding Items for Future Consideration by the Fiscal Committee.**

Ms. McCoy-Huber explained that the following items will need to be presented to the Fiscal Committee.

May 2008 Committee Items

- Special Board Meeting – Service & Organization Goals Workshop, Monday, May 12, 2008

June 2008 Committee Items

- Special Board Meeting – Budget Workshop, Wednesday, June 4, 2008
- June 18, 2008 – Regular Board Meeting – Adopt 2008/09 Operating Budget

August 2008 Committee Items

- August 11, 2008 – Discuss Tax Rate
- Special Board Meeting – Public Hearing and Adopt Tax Rate, Thursday, August 28, 2008

September 2008 Committee Items

- September 8, 2008 – Optional, if needed.

October 2008 Committee Items

- October 6, 2008 – Draft Audit. The Fiscal Committee will be presented the draft audited financial statements. This is when staff would like to schedule a workshop on how to read and understand the audited financial statements.
- October 15, 2008 – Regular Board Meeting – Audit. The board will take action accepting the fiscal 2007/08 audited financial statements based on recommendation from the Fiscal Committee.

Regarding **Agenda Item 13: Next Meeting Date**, this item was not addressed or discussed.

There being no further business, the meeting was adjourned by Mr. Oehlke, Chairman, at 1:52 p.m.

PREPARED AND RECOMMENDED FOR APPROVAL BY THE MANAGER.

SUZANNE B. SCOTT, General Manager

APPROVED BY THE FISCAL COMMITTEE AT THE MEETING HELD ON AUGUST 11, 2008.

GAYLON J. OEHLKE, Chairman

ATTEST:

STEPHEN T. GRAHAM, Assistant Secretary