

**Metropolitan Domestic Water Improvement District  
Board of Directors Meeting**

**January 9, 2023**

**Dissolution of the Finance Oversight Committee**

**Synopsis**

The Board of Directors is requested to consider dissolving the Finance Oversight Committee.

**Background**

In 1997, the Board formed the Bond Oversight Committee (BOC) to review proposed debt issuance, to include bonds and loans, and to recommend associated actions to the Board. The BOC was comprised of District residents who volunteered their time and expertise. In 2010, the BOC was changed to the Finance Oversight Committee (FOC) to provide broader support to the District by reviewing and recommending actions to the Board regarding the proposed budget, adjustments to rates and fees, and the mid-fiscal year review of the budget. Since 2014, the FOC has met approximately three times annually; January to perform the mid-fiscal year review of the budget, March to review and recommend actions on the proposed budget and rate adjustments, and October to review the results of the independent audit of the District's financials along with relevant informational presentations. The membership of the FOC has varied between five and nine members with a historic goal of seven members on the Committee. The current FOC is comprised of six members.

**Issues**

As the FOC is a volunteer committee that meets only a few times a year, the membership of the Committee is in a constant state of flux with an average of two members resigning the committee annually for various reasons (such as moving out of the District). Given the high rate of turnover, it has been a challenge finding volunteers to serve on the Committee. Additional staff time is then required to get new FOC members up to speed on the District's relevant financial information. The last time the FOC met was in March 2022.

For calendar year 2023, the Board approved a specific performance objective theme of the efficient utilization of District resources to include personnel, financial, water resources, etc. The Board of Directors has historically possessed extensive relevant financial, management, and operational experience and the current Board is no exception as the members hold management positions in the water and wastewater industry or are running multiple business endeavors.

The District has recently implemented policies to ensure the financial health of the District to include the Debt Management Policy and an updated Procurement Policy. These policies provide

a framework and strategic guidance that enabled the Board to review and approve two loans with the Water Infrastructure Finance Authority of Arizona, coupled with the Board's expertise, without the need to have an out of cycle meeting with the FOC. Given the expertise on the Board, the implementation of proactive financial policies, and the goal to efficiently utilize resources, to include the FOC, it is recommended that the Board dissolve the FOC.

**Recommendation**

It is recommended that the Board of Directors dissolve the Finance Oversight Committee and thank the Committee members for their service to the District.

**Suggested Motion**

I move to dissolve the Finance Oversight Committee.

Respectfully submitted,

Joseph Olsen, P.E.  
General Manager