Representative Policy Board

FINANCE COMMITTEE

October 3, 2022

Meeting Transcription

Tim:

Okay. Well, let's start. We are here for the Representative Policy Board Finance Committee. via remote access, for our regular meeting of Monday, October 3rd. We're commencing at 5:00. With that, we'll start off with the safety moment, which is letting us know that October's National Cybersecurity Awareness Month, and a number of other things we should be safe about, I guess. So take your reading to that. You don't want to be a victim, and we want to avoid it.

With that, we will move on to our guests and the review of the fiscal year 2022 audit with independent auditors, Dave Flint and Ron Nossek. And we've been provided the report. So gentlemen, if you'd like to lead the charge. Are we here with David and not Ron?

Rochelle:

You're right. Ron couldn't make it.

David:

I'm here guys.

Tim:

Just wanted to be sure. Thank you. Thank you, David, for joining us.

David:

Not a problem. Good afternoon, everybody.

Tim:

Good afternoon.

David:

All right. So thank you for the time today. We have a brief agenda here. I'm going to go over the audit scope, some reporting results, some very high level financial highlights. And then of course, we have some required communications that we are required to communicate to you as your auditors.

So under generally accepted auditing standards, our objective is to express an opinion on whether the basic financial statements represent the financial position and results of operations in accordance with generally accepted accounting principles. The opinion can be found on page one of your financial statements. Hopefully, everyone has had a chance to go through those at this point.

Also, under governmental auditing standards, we provide a report on internal control over financial reporting in our compliance with laws, regulations, contracts, and grants. So historically, this report is included within the Authority's federal single audit. However, a federal single audit was not needed for fiscal year 2022. So this is a standalone report.

So moving on to the reporting results under generally accepted auditing standards, we issued an unmodified opinion on the financial statements for the year ended May 31st, 2022. This is the best opinion that can be received. Under governmental auditing standards, there is no internal control findings to report. There were also no instances of non-compliance or any other matters that we felt necessary to report.

We have some high level financial highlights that I wanted to touch upon. This is the statement of revenues, expenses, and changes in net position, which is more commonly referred to as the income statement. So total net position increased $20.3 million over the prior year. This was compared to an increase of 25.2 million in the prior year. If we drill a little bit down upon that, operating revenues increased 620K over 2021, which was primarily due to an additional $1.2 million of revenues generated from Well Services. Water revenues themselves were relatively consistent year over year.

The next slide covers operating expenses. Total operating expenses increased by about 3.5 million compared to fiscal year 2021. One of the main reasons for this increase was due to the operating and maintenance expenses, and this was related to increased costs related to the pension in OPEB plans. Expenses associated with water and other revenues increased by 1.5 million. Again, this was due to the increased cost associated with Well Services.

The next slide is just some non-operating income and expense items. Overall, non-operating expenses increased by 1.1 million, which was largely due to the lack of intergovernmental revenue in 2022. So you will see in the non-operating section in fiscal year 2021, there's $845,000 of intergovernmental revenue, and this is related to the federal drinking water grant program. We did not have any revenue recorded in fiscal year '22. However, there are multiple projects in the works. So we will see additional revenues for fiscal year 2023.

Also, RWA experienced an increase of $871,000 in loss from the disposal of capital assets. Basically, these are capital assets that were disposed of that weren't fully depreciated. Then these two things were offset by an increase in interest income of $1.5 million, as a result, of course, increased interest rates during the year.

So the next slide shows our statement of net position, and as I mentioned earlier, total net position increased $20.3 million year over year. Net investment in capital assets increased 14.9 million due to reduction in capital related debt. Although bonds were issued in fiscal year 2022, 30.6 million of that is still unspent, which is why this amount increased. Restricted net assets increased by 10.5 million due to an increase in restricted assets of 41.8 million, which is offset by the unspent bond proceeds that I just mentioned. Finally, your unrestricted net position decreased by 5.1 million and this is basically what is left over after the current year changes are applied to the net investment in capital assets as well as your restricted net assets.

The next slide covers the authority's long-term debt. You will see that total bonds payable was 580.4 million at the end of the year, which was an increase of 17.2 million year over year. This was due to current year bond issuances, which were offset by debt repayments as well as some bonds that were refinanced in 2022. Drinking water loans decreased by 1.3 million due to current year repayments and no new loans. As I mentioned before, with the intergovernmental revenue, these drinking water loans are associated with that program. The net pension liability increased by 6.9 million due to a poor year in the market, offsetting the gains that we're seen in fiscal year 2021. And then finally, the net OPEB liability decreased by 596,000 due to lower than anticipated healthcare costs combined with RWA contributions into the OPEB plan that were in excess of the actuarially determined amounts.

As I mentioned in the agenda, there are just some required communications that we, as your auditors, are required to communicate with you, those charged with governance. Management was responsible for the selection and use of appropriate accounting policies. No new policies were adopted in fiscal year 2022. The financial statements include estimates that are based on management's knowledge and experience about both past and future events. Those significant estimates are listed out within this letter. And we did not encounter any significant difficulties with dealing with management. There were no uncorrected misstatements to report to you. Of the corrected misstatements made during the audit, none were considered to be material. There were no disagreements with management.

We have requested management to make certain representations in relation to the audit in a management representation letter dated August 31st, 2022. To our knowledge, management did not consult with any other independent accounts. We have various discussions with management prior to our engagement as auditors. However, these discussions occurred in the normal course of our professional relationship and responses were not contingent upon our engagement.

Finally, the financial statements contain a required supplementary information, also known as RSI. While we do perform limited procedures over this information, we do not express an opinion or provide any assurance over this information.

So the next slide has our contact information. We encourage any of you to reach out to us at any time with any comments, questions, or concerns or just items that you may want to discuss with us. I will open up to see of the committee has any questions or comments for me.

Tim:

Any members have a question? Anyone have a question? Rochelle, I guess speaking to the audit, how do you feel about the audit?

Rochelle:

It's complete and we issued our financial statements. I'll just mention one of the items was that this year for fiscal '22, it was consolidated. It did include Well Services and it did include the Watershed Fund. That was probably the nuances that occurred in fiscal '22.

Tim:

Okay. Well, Mr. David, good job.

David:

Thank you.

Tim:

Happy to see you, Mr. Flint. I guess if there's no other questions or comments, you're probably subject to an exit.

David:

All right. Thank you so much, everybody.

Rochelle:

Thank you.

Tim:

Thank you for your time. We do appreciate it.

David:

Absolutely.

Tim:

Okay. We will move on to item three, which is the approval of the minutes for September 12, 2022. We have a motion. A second, please?

Jay:

I make a motion, Mr. Chairman.

Tim:

Thank you. Thank you. I think, Charles, you made the motion. Would that be a second for Mr. Jaser?

Charles:

Yes.

Tim:

Any discussion on the minutes? Okay. With that, I'll call for a vote on the motion. All those in favor?

Group:

Aye.

Tim:

Motion carries unanimously. Okay. Now we're onto our quarterly financial report. Now, Rochelle, you're back in the hot seat.

Rochelle:

Okay.

Tim:

With current information.

Rochelle:

Yes. Little more current.

Rochelle:

I'm going to cover the highlights of the balance sheet and some of the other financial statements, but if you have additional questions, just let me know. So starting with the balance sheet, our net utility plant is up year over year, as one would expect. It's up 9.2 million. Our property plant and equipment was up about 34.8 million. Depreciation was also up. Construction work in progress was down and that's because this does include all the... Because this is August of '22 through August of fiscal '23, or calendar '21 versus '22, and we did put projects in service at the end of fiscal '22 as well as throughout the year. That's why the [inaudible 00:13:07] amount is actually down.

Moving on to the next section for current assets. Current assets are actually down by 4.1 million. Cash and cash equivalent is up and that's primarily due to increases across various revenue fund accounts. Really, the key driver here is that accrued revenue is actually down by 7.6 million and that's really due to the conversion of monthly billing. So accrued revenue, which is earned but not yet billed, is significantly less subsequent to the conversion to monthly billing.

Our restricted assets are up year over year and that is primarily due to construction funds. Some of this was just mentioned. We did issue bonds during fiscal '22. As of the end of August of fiscal '23, there is still a considerable amount of bonds that are unspent bond proceeds that will be available as we continue this fiscal year. Also, we did a significant transfer into the construction fund at the end of May, actually in June. Those are really the key contributing factors to the increase in restricted assets.

During August, we did actually close on two additional DWSRF loans and grants, and we do use some of those proceeds to fund at a low interest level, our debt reserve requirements and our capital contingency requirements. There were some other net changes, but it's really the construction fund that's the primary driver of that change.

Moving on. Actually before we move to the liability section, just want to mention deferred charge on refunding. That's really due to the net impact of the 36 series as well as amortizations. The deferred pension and OPEB is primarily due to the actuarial reports that we got at the end of fiscal '22 as well as amortizations. We do amortize these balances every month.

Moving onto the liability side. You can see that revenue bonds payable, excluding the current portion, is actually up by about 15.2 million. That's primarily due to the increase side. The increase due to the 36 series new money, the par values of the refinancing that we did in both January and in May, had actually lower par values because we had significant premiums, which is a good thing. So the net increase there, plus we made August 1 of 2022 principal payment. With all those impacts, the revenue bonds payable went up by about 15.2 million. You can see just down below the current portion of revenue bonds payable is up about 1.1 million and that's because our principal payment in August of 2023 or fiscal '24 is going to be a bit higher at just under 22.6 million.

You can see, going back up to the noncurrent liabilities, premiums are up by about 5.7 million. That's primarily due to the impact of the 36 series. We got considerable premiums associated with those financing and refinancings. DWSRF is current. The non-current portion is up a bit. We did do two additional financings as I just mentioned. Pension liability, unfortunately, as David mentioned, is up year over year. This is adjusted based on our actuarial report of 5/22. It won't be updated again until our next actuarial report at the end of this fiscal year. That increase is really due to the market conditions at the end of May, and unfortunately are continuing. The net OPEB obligation is, David mentioned, is actually down year over year and that's primarily due to the actual experience with health costs and the trends versus what the actuaries had assumed.

Current liabilities. The only other point mentioned here, you can see that there's a reduction in current deposits and advances of about 1.2 million, and that's primarily due to... At the same time that we converted to monthly billing, we also converted private fire in the areas where it was billed in advance to being billed in arrears. So, we no longer have that liability. We now actually have accrued revenue earned now that we're billing in arrears versus in advance.

Liabilities payable from restricted assets. The change there is primarily just in accounts payable for construction. The deferred inflows from OPEB and pension, this is somewhat the convoluted accounting that we have to do under [inaudible 00:18:43] for the pension plan. This represents, again, the actuarial report as of 5/22 plus our amortizations. Overall, year over year, from a net position, you can see that we have increased our net position year over year.

If there's no questions here, you can go to the next page. So here again, I'm just going to highlight some of the key aspects. You can see that our operating revenues were up by about 4.5 million, about 12%, and that's primarily due to meter water revenues. We are seeing higher consumption than what our budget had anticipated. For operating a maintenance expense, we're under by about 2.4 million. It's actually not unusual to be under this early in the fiscal year. We're a little more, in a percentage basis, under than we were last year at this time. That does represent about 15% under.

Interest income is another item I want to highlight due to the rising interest rate environment. On the positive side, we are actually earning considerably more on our monies and all our funds than we budgeted. That's a key driver there. The other thing I do want to mention, and David had mentioned this earlier, you can see that we already do have intergovernmental revenues. So for the two loans, there were associated grants of just under half a million dollars and we are expecting some additional monies later this fiscal year.

If you go down to the bottom part of the page here, this is our maintenance test, and we're pleased to indicate that we have now increased our coverage projection versus the budget. At this point, this is really being driven by the interest income with the higher interest rates, considerably, over our budget. I will share that we did consider possibly increasing the water sales or our water revenues, but we want to watch this a little bit closer, including making sure that we appropriately estimated what the seasonal, or for that matter, non-seasonable impact is once we converted to monthly billing. A month like September in quarterly billing would've been very impacted by the summer months. Now that we're on monthly billing, there's really less of a seasonal impact. We just want to watch that a little bit more closely.

The other thing I will mention, we are a little concerned about the economy and the inflationary pressures, and what may be happening that could impact customer's ability to pay. So at this point, we're just increasing by about two percentage points, our coverage, with no draw.

The only thing I want to mention here, and you can see it actually in both the upper part as well as down below in the maintenance test. We made an assumption of what if the remaining months within the fiscal year are up or down by about 4%? Really the key point here, at least from my perspective, is you can see pretty small changes can really make a difference in whether you have to draw, or how much you are above our 14% requirement. It really shows that with, relatively speaking, small changes, it could really have an impact. You can see at a 4% reduction, we would actually have a draw, and at 4% above, we'd be about 120%. This is why we watch all this pretty closely throughout the year, so we can manage and take steps if it looks like the revenues are not as we had anticipated.

This is our O&M budget by line item. At this point, we are continuing to project that we will be on budget. Your assumptions, two and three, just show what the impact is of higher or lower consumption, which is really in the short run, it's really limited to our chemicals and our pump power. At this point, we just left the line items as per the budget, but I'm sure when I'm back next quarter, we will have some changes at the line item level, but at this point still projecting to be on budget for the year.

I just highlight a few of the year to date variances. So payroll is actually running under and that's primarily due to our headcount underruns, which is, I guess, good financially, not necessarily good from an operational perspective, but we are considerably under headcount. Employee benefits is running under and that's primarily due to medical and that can change at any time. We are self-insured other than for very large claims where we have a stop loss.

Couple other of the key items. Pump power's currently running under. We're looking at that carefully at this point. We would consider it timing. Collection expense is also running under. Although our bank fees are higher with the conversion of monthly billing, which was incorporated into the business case, they're not as high as what we anticipated. That's another area that we're watching closely. Outside services is running under year to date, which again is not unusual at this point throughout in the fiscal year. Maintenance and repair is also considerably under year to date and that primarily has to do with some significant expenses and field operations that was budgeted very early in the fiscal year. If there's no questions on this, I'll move to the next page.

This is our capital expenditures year to date as well as our capital projection for the year. First, from an overall perspective, we are forecasting to be at least at the 96% target. However, and can see that what I'm going to say at the bottom of the page here, that does assume that we will either move up some projects from fiscal '24 into fiscal '23, or we will go to the authority board and ask for permission to put some monies into reserve as we did last year for some of our key projects that are being impacted by supply chain disruptions. We held off asking for authority to move those monies into the reserve at the first quarter. We just want to watch it a little bit closer and see if there's any changes. With that key assumption, we are projecting to be at least at 96%, which is our target of capital expenditures versus the budget.

I'm just going to talk to some of the larger variances in this schedule. One of the ones under treatment is our West River Water Treatment Plant. A major project there with the DAF and the electrical upgrades, and the chemical upgrades. That is under by about 383,000. That is one of the projects that we're watching carefully as there are some material delays that are impacting aspects of that project.

For pipe, there are several projects that are netting to a underrun through the first quarter, but from a year-end projection, we are projecting to basically beyond budget there. The Derby tank is actually under year to date. I think you're all pretty familiar with... There was a delay because of what was going on with legal issues. There was a delay in the approval of the MOU between RWA and the city, and then that also delayed the award to the contractor. But that project is now moving forward and in progress. This is another project that we're actually going to watch carefully to see if we need to request putting some monies aside because if they're not spent this fiscal year, they'll need to be spent next fiscal year.

I think those are really the large drivers as far as year to date variances. Again, you can see down below that we have contingency or really reserve, we are projecting that could be about 3.6 million. There's no questions on this, I'll go to schedule D.

This is where we actually show our balances in our various funds. What we budgeted is the return, what the year to date return is as of August 31st and what the rate of return is fiscal year to date. You can see that we are well above the budgeted rates. We also, with the rising interest rates, we have secured some additional securities that are higher with higher interest in the three, four, and now even 5%. That should help us going forward. You can see at the time we did the budget, we were not in the rising interest rate environment that we're currently in.

Here you can see, on a cash basis, how we're doing by each of the funds, and you can see that we are well over. We are expecting this to continue through the remainder of the fiscal year, the interest rates are even up since the end of August. The other thing I just want to mention about the construction fund, although the construction fund interest earnings just stay within the construction fund and don't count in our maintenance tests. We are only maturing money that we need on a weekly basis, so we're not doing any advanced maturing. The money that's in the construction fund is earning interest. I know I went pretty quickly, if you do have any questions under any of the statements or other aspects of what I covered, I'll open it up for questions.

Charles:

I have a couple, Tim. I have a couple of questions.

Tim:

Sure, Charles.

Charles:

Rochelle, could you just take a second and review for me the reporting of the non-core visit? I don't need to know the numbers necessarily, but I just want to refresh my mind about how the non-core operations are reported.

Rochelle:

So assuming, Charles, you're talking about the, not the pipe safe and such that's covered in what I talked about, but the actual... Yes. And we had made a commitment that we would tell you each quarter if we're over or under and we're very pleased to report that both the transactions, the one that was done in July of last year, the one that was done in May of 2022, they're both performing above our expectation.

Charles:

Good.

Tim:

Good.

Charles:

And it is quarter. That's what I couldn't remember whether... Because I know Mark had brought it up a couple times and I wasn't sure if it was going to be a quarterly or an annual situation. I guess we'll get a more elaborate report annually, probably from Larry, that type of thing. Okay. The other question then. You mentioned the potential concern you had for collections because of inflation and just the economy at this point in time. Other than being concerned and watching it, what can we do at this point? I mean, do you run stress tests? I mean, we're not in jeopardy, are we? It's just something you got to keep an eye on, right?

Rochelle:

Yeah. I think we need to keep an eye on it. I mean, right now we are monitoring our receivables versus where they were pre-pandemic, where they were year over year. Our receivables are elevated versus the pre-pandemic levels, but they are actually down when we look year over year. The trend is good. But it's just a concern about everything that's happening that we need to keep an eye.

Charles:

[inaudible 00:33:32] concerned and we're watching it. But you're not talking about any policy changes about collections at this point, are you? Or are you?

Rochelle:

For not policy changes other than... You are probably aware that we slowed certain things down during the pandemic and even a bit afterwards. We're making sure that we're fully ramped up on our collection strategy.

Charles:

Yeah. I mean, that kind of stuff is fairly regulated anyway. I mean, being a semi utility type thing [inaudible 00:34:05]. Okay. The other question I had though, in the construction or capital projects, in the contracts we must have clauses in there about inflation and you mentioned the reality that we're all faced with inflation at this point in time. I'm talking even small contracts or purchase orders, and the big ones. I mean, obviously the big ones, I'm sure we'll see reports on that. But how much of an impact could inflation have on our purchasing?

Rochelle:

Well, I think I'm going to first talk about the non-capital side for a minute. So even in our fiscal '23 budget, chemicals is one of the areas that we were seeing inflation. We did build that in but chemical prices went way up. We are at-

Charles:

[inaudible 00:35:05] did we build it into-

Rochelle:

Yeah. We built it into the budget. But definitely chemicals is one of the areas that was pretty significant increase there. Energy, we do have a locked-in contract for energy, but it is going to end during fiscal '24. That's another thing that we think that there's going to be an impact. We have seen, with some of our capital programs, we have seen some increases, although when we actually go out to bid to the extent we can, we like to lock in the prices.

Charles:

I assume you can't just give us a percentage when you talk about energy or chemicals and things like that, but I know when we're talking about employee benefits and healthcare cost, have you experienced what so many of the other towns and things like that have experienced with the increases, or is that a long-term contract? How do you do that? Is that-

Rochelle:

So for our medical, actually for our budgeting, we actually use information from a combination of what we get from the actuary as far as their assumptions on medical as well as what we get from a firm that we work with on the employee benefit aspects. We are forecasting increases in healthcare that are above what a normal CPI would be. But also for medical, it really is all about, Charles, what our claims are because we're self-insured. If we have large claims that are right under the stop loss and we have a few of those, which has happened in certain years, that's the kind of thing that we have to look for. If we have high claims or-

Charles:

I don't know if you can tell us or not, but what is our stop loss?

Rochelle:

Our stop loss is 125,000.

Charles:

Okay. That's generally similar to... I'm comparing it to in town here and that's a similar number, that type of thing. But that's interesting because that has been a big shocker for us. All of our predictions that we thought in healthcare are just not adequate. I mean, that's what we're finding.

Rochelle:

That's interesting. That's very interesting.

Charles:

Yeah. That's one word for it. Okay. All right. That's all the questions I had. I'm sorry.

Tim:

Thank you, Charles. Anyone else? Okay, Rochelle, you're off the hot seat.

Rochelle:

I have one more.

Tim:

Yeah. Okay. So here we are, the RPB Dashboard Quarterly Report.

Rochelle:

The first few areas are sort of non-financial, the customer satisfaction. We don't have new results to report. However, there is work going on as part of our strategic plan that we will get back into doing those annual customer satisfaction surveys beginning in fiscal '24. There have been transactional surveys that I believe are continuing, but as far as what this metric was reporting, the next report I would expect would be sometime in fiscal '24.

Our underlying credit ratings, they won't get updated again until we issue again or do a refinancing. So they were last updated in December of 2021. Our ratings were... Both S&P and Moody's affirmed our ratings. We also don't have a new update on our water rates that will... So no changes since we last updated in the second quarter of fiscal '22.

The next area is pretty much the financials that I covered. Crude water, other net revenues, the O&M budget, capital expenditures, cash collections, and the coverage. Here, as I mentioned, we're not projecting a draw with a 116 coverage. You can see from our average daily production, I think somewhat would... You might expect that we're at the 55.7. We are actually running a bit above where we were in August of last year.

For the disinfectant byproducts, we are at our metric of basically a 100% on a target of 100%. Then for unaccounted for our water, we are at 13.85% as of the end of May. And one of our strategic initiatives is actually reducing the net unaccounted for our water. That is a focus for us. The reservoir levels at this point are pretty dated. I think Larry had already done an update at the RPB meeting where mid-September; we were actually a bit above the long-term average as of the end of August. We were [inaudible 00:41:10] the long-term average.

Tim:

Do we have questions? Any questions?

Charles:

Yes, Tim. There had been some discussion about the dashboard report because of the required efforts of staff to gather this information together about eliminating the dashboard report versus getting the report within the other quarterly’s. Where do we stand with that thought process?

Tim:

Well, it's a fair question. I guess, how does staff feel about it?

Charles:

I guess that's what I'm trying to ask [inaudible 00:42:00].

Rochelle:

Yeah. I think, Charles, what you may have referred to, there used to be quite a effort that went into doing the twice a year, I mean every two-year report. That was a lot of effort going back. Doing the RPB dashboard, there's not a lot of effort that goes into it. It is a little bit more effort than just putting together the financial report.

Charles:

Okay. And going forward with the new system that we're in the process of going forward with, will that eliminate, not necessarily eliminate the need for a dashboard, but will that be able to be a function of the new system too?

Rochelle:

The non-financial, I would say probably not, because they come from other sources. And at this point, the financial is still coming out of our general ledger system.

Charles:

Okay. So the new core system will not affect the financial system?

Rochelle:

It shouldn't. I mean, it should make things go easier and offer information readily available. We currently get our cash reporting out of our current CIS. Hopefully, the cash reporting process in the new system will be significantly easier.

Charles:

Okay. So if anything, the new system will make it easier or more complicated or potentially even more complete?

Rochelle:

I think, hopefully less complicated.

Charles:

Okay. Good.

Tim:

Perfect.

Jay:

Tim, [inaudible 00:43:49]. I just want to say that I've been on record in the past to actually do away with the dashboard report as to the fact that we get so much information and we've gotten more and more information that's current and reliable, that I'm not sure if the dashboard report is that important to have to go back and try to check something going forward.

Charles:

Yeah. I guess that's what I was referring to, Jay, is that it's interesting to see the compilation, but we've already heard it too. If there was some other report-

Jay:

It's just sort of reciting more [inaudible 00:44:38]-

Charles:

More about red flags is what I'm concerned about it. Rochelle brought up concerns potentially about collections and inflation and things like that. I'm more concerned about staff alerting us to potential red flags than I am in just taking numbers and hashing them into another report.

Jay:

That's my position too, I'll say that.

Larry:

If I could, why don't I suggest that Rochelle and I get together and chat a little bit about what I'll call a red flag report might look like. We'll review it with David [inaudible 00:45:16], and then maybe come back to you. May not be next month, but maybe the month after that. But we can take a look at it, maybe make a recommendation, if that's agreeable?

Charles:

Yeah. I would think coordination between the financials and the core system would... I would give it a little time to digest because that's going to be a work in progress, I'm sure too, so

Larry:

Right. But anytime we can eliminate a report that's not timely or useful to the individuals that oversee the business in one way or another, is helpful to management. If you're not finding the dashboard helpful, I would suggest that we eliminate that, but find something else that might be less difficult to produce and is helpful to you. Maybe the red flag approach is the way to go.

Charles:

Yeah. I don't want to jump to the statement of it isn't helpful. It just is a lot of info and we only meet once a month, and I don't think we give it the scrutiny that we could. I know staff is looking at it all the time every day. And just like Rochelle already pointed out a couple of red flags, that's the terminology I use, they're more familiar with it on a daily basis, and just to alert us to things that we should be watching for.

Larry:

Right. Of course, as Jay said, this is a quarterly report, so you're seeing information that could be three months or more old by the time you see it.

Charles:

Exactly. Yeah.

Larry:

That's why I said it wasn't useful.

Charles:

Good. All right.

Tim:

Good. Good conversation.

Jay:

Larry, I would go along with what you just suggested and get back to it [inaudible 00:47:10].

Larry:

Okay.

Tim:

Yeah. Sounds like a good plan. Anyone else? Okay. I think that moves us along to new business. I'm not aware of any new business, but we've listed it. Is there any new business? Seeing none, we may now move along to adjournment. Have a motion to adjourn?

Charles:

Charles.

Tim:

Thank you, Charles.

Jay:

Second.

Tim:

Thank you, Jay. All in favor?

Group:

Aye.

Tim:

Motion carries.