

**Des Moines Metropolitan Wastewater Reclamation Authority Finance
Committee
Monday, January 9, 2023 @ 10:00 A.M.**

**MEETING LOCATION:
BURNHAM CONFERENCE ROOM
DES MOINES METROPOLITAN PLANNING ORGANIZATION
420 WATSON POWELL JR. WAY, SUITE #200
DES MOINES, IOWA**

MINUTES

Members in Attendance

Jennifer Sease, Ankeny
Elizabeth Hanson, Clive*
Nickolas Schaul, Des Moines*
Teresa Rotschafer, Johnston*
Dena Spooner, Pleasant Hill
Linda Burkhart, Waukee*
Jody Smith, West Des Moines*
Tim Stiles, West Des Moines*

Others in Attendance

Scott Hutchens, Operating Contractor
James Beck, Operating Contractor
Roxane Vaughan, Operating Contractor
Ben Warren, Operating Contractor
Kathy Vanderpool, Operating Contractor
Eric Boehlert, Ahlers & Cooney
Matt Stoffel, PFM
Grant Hyland, Brick Gentry

* Participated in the meeting via telephone due to the fact that it was impractical or impossible to participate in the meeting in person.

Jody Smith called the meeting to order at 10:00 a.m.

ITEM 1: Member entity cash payment in lieu of pro-rata debt issuance - Information and possible recommendation

Jody Smith started the discussion by reviewing the previous conversations about member entity cash payments. Matt Stoffel talked about each community paying an equitable share within the 28E Agreement, and how the community paying cash would set a flow percentage to be used during the twenty-year debt schedule. Reconciling the flows each budget year would be beneficial instead of waiting every third year as the 28E Agreement suggests. Roxane Vaughan agreed. Coordination of WRA, PFM, IFA and communities will be needed to set the adjusted schedule for bonds when cash in lieu of debt is asked. Matt added that there would be a need to have two different repayment schedules, one that

agrees to the certificate schedule and a second that is adjusted for the cash payments expected.

Teresa Rotschafer asked when these payments would initially be collected, and then how would they be collected moving forward. Roxane brought up the sample provided in the packet to demonstrate how this process would be completed. Tim Stiles added that the current interest rate market would make paying cash less favorable compared to a few years ago.

Eric Boehlert discussed the timing options to collect the cash payments from the communities: collect up front or collect the monies throughout the construction period. The second option would coordinate with the timing of draws through the SRF program. Jennifer Sease mentioned it would be beneficial for the cash paying communities to pay as the draws from IFA are processed to allow communities to retain earning power on their cash. Roxane and Jennifer agreed there should be a resolution from City Councils declaring intent to pay in cash and restrict the funds as earmarked for WRA. Eric then suggested a need to schedule the bonds at the full amount just in case a community later can't pay their share. This would provide a safety net for WRA. Matt added that once a community agrees to pay cash, they cannot withdraw, they need to complete that project paying cash. Matt stated the math should work out that communities borrowing debt will be paying the same percentage of principal regardless if there are communities paying cash or not. The only difference would potentially be the interest amount could fluctuate.

Jody summarized and thought the committee was in agreement that cash should be collected throughout the construction period and not up front for each bond/project. He also brought up bond ratings and some of the larger communities have had conversations revolving around coverage limits that could result in those communities having a decrease in the reserves required.

Eric suggested the next discussion involve notice from communities on whether cash would be given or continue debt service and the timing of said notice. Project funding is planned prior to public hearings and would need to be final soon after the bid letting process ends. Jody asked Eric to provide the timing and notes of what needs to be completed in order for others to review and understand the process. Scott Hutchens suggested that this document from Eric be prepared for the upcoming Finance Committee meeting on January 23, 2023.

ITEM 2: Other Business

None

Meeting adjourned at 11:01 AM