

DRAFT
Summary of Rates & Finance Subcommittee September 6, 2018 meeting
For MWPAAC General Meeting on September 26, 2018

1. West Point Recovery Update

Presenter: Tim Aratani

Mr. Aratani gave a quick update on the status of the West Point recovery. Most work is completed with the exception of the locker rooms and doors. Those final two items are expected to be completed by early November.

Additionally, incident to date insurance recoveries total about \$12.5 million. The County has submitted approximately \$26.9 million in insurance claims, most of which (\$25 million) would be covered by its primary insurance carrier. A meeting will be held the week of 9/10 with the carrier to discuss status of claims. The carrier is asserting that some of the County's claims are betterments rather than replacements.

2. Bright Water Settlement Funds/Debt Issuance

Presenter: Dan Kaplan

- \$21 million in estimated savings through 2032
- \$0.23/month rate reduction annually
- Maintain s cash-funding targets
- Retires high cost bonds issued in 2010 – 2012. Bonds will be escrowed and paid off in 2020 – 2022 including interest through those dates.
- Bonds will be excluded from coverage ratio and financial statement disclosure.
- New bonds issued at effective rate of 2.59% replacing bonds with effective rate of 5%.
- Previous refundings since 2012 have totaled \$1.8 billion and will save \$475 million in interest through 2052.
- Plan supports the 40% cash-funding target for new capital spending.
- Tim & Dan answered questions from the floor.

Questions?

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