

MEETING REPORT  
FISCAL COMMITTEE  
TUESDAY, AUGUST 16, 2011  
9:00 A.M.

Directors:	Bob Behee Barbara Balen	Public: Blair Aas, SCI Consulting Group Ron Ringen John Maciel Rebecca Cremeen, CSERC
Staff:	Pete Kampa John Barnhart Lisa Westbrook Steve Sheffield Casey Prunchak	

Self introductions started the meeting.

### **Review Preliminary Draft Rate Study to be Presented by SCI Consulting Group**

Pete Kampa reported that TUD entered into an agreement with SCI Consulting Group in September 2010 to provide the District with a water rate study, a five-year financing plan and related financial consulting services. Mr. Kampa explained that the SCI conducted a detailed review of the existing water rates and water enterprise fund and developed a recommended rate structure which will provide sufficient revenue to fund O&M and capital costs.

Pete Kampa welcomed and introduced Blair Aas, SCI Consulting Group.

Blair Aas, Committee members, District staff and members of the public reviewed in detail the draft water rate study and an overview of the water enterprise. (See attached).

Blair Aas reviewed the following District objectives:

- Develop new water rates to meet ongoing operating expenditures and debt service requirements (breakeven by June 30, 2013)
- Continue to fund capital recovery at 18% of usage charge revenue
- Allocate \$300,000 annually to repay sewer fund obligation
- Restructure water rates for treated and raw water service
- Evaluate overall rate impacts with special consideration of the total monthly water bill for the average residential customer
- Convert from bi-monthly billing to monthly billing

John Barnhart indicated that he is continuing to research whether water ever subsidized the sewer enterprise fund, noting that he is starting at 1983 and moving forward to determine whether both funds have been subsidizing each other, and he will make the necessary adjustments.

John Maciel recommended that the District PERS retirement payment of \$1.4 million be removed from the District's operating cost and included on separate line item. Pete Kampa and the Committee members agreed that the PERS retirement should be a separate line item or a comment made for clarification over the next five years.

It was the recommendation of the Committee to change the conservation rate from 500 cubic feet to 200 cubic feet in order to receive the reduced water rate of \$16.64, noting that page 15 of the water rate study PowerPoint presentation will be revised to reflect that change.

Blair Aas distributed and reviewed a chart displaying a comparison of monthly water rates from several water agencies in the community. (See attached).