Feb 23, 2021, 6:01 PM

Hello Glenn,

Gayle forwarded your reply to me with your invitation for me to ask my questions directly. Thank you.

I hope this invitation and the questions herein are the start of a cooperative and productive relationship. I did not ask questions directly of you because you have not replied to several of my correspondence, particularly regarding the rate hearing last year. Also, the last time I provided public comment at a Board meeting, Board members responded with personal attacks. That was disrespectful and not productive. I will not ask my questions during public comment.

Please provide direct responses in a reply to me and Gayle to the questions below (same as Gayle posed). Also please respond to the email I sent you Thursday with any corrections for any misstatements I made.

Thank you,
tom

Why haven't resolutions of intent to incur indebtedness (or reimbursement resolutions) been adopted with the last three budgets? This is the first step you take if you really intend on issuing debt.
(If you need assistance drafting reimbursement resolutions I would be glad to help.)

Was there a Finance Committee meeting since the April 15, 2019, Finance Committee meeting to reverse the consensus "to continue to borrow from ratepayers" instead of issuing bonds? If yes, which meeting?

Did an item to authorize borrowing from ratepayers ever go to the full Board for approval? If yes, which meeting?

The graph and budget shows $10 million in debt proceeds for Fiscal Year 2022 from the water capacity fund but there are no capital projects noted to borrow against. How can you possibly acquire $10 million in debt proceeds to supplement that fund with no projects to borrow against?

In 2024 you show $50 million in cash coming in from debt proceeds but only $35.1 million in projects to borrow against. How is that possible?

You used unattainable cap fee revenue projections in the current 5-year plan in the budget. Estimates from the January Finance Committee were much lower. Are you adjusting your cap fee revenue projection in the new budget to be conservative, or to at least show attainable revenue projections?

In addition to responding to the questions Gayle posed above, please state why these following proactive steps to reduce the deficit and pay back ratepayers have not been taken. Hopefully we can work together to eliminate any obstacles and get this done for the benefit of the ratepayers. These steps were noted in my email sent to you Thursday and would equitably recover costs of growth development. Thank you

Proactive steps to payback ratepayers and ensure growth pays for growth should have included:

1. Adopt reimbursement resolutions,
2. Authorize and execute debt issuances,
3. Calculate a Buy-In component to add to the Capital Facility Fee,
4. Revise the Cap Fee Study and Cap Fees,
5. Prepare and adopt a new reserve policy consistent with industry guidelines and best practices,
6. Commission a new Master Plan study.-