

Dear Council Members,

I ask you to support and proceed forward with the reallocation of costs attributed to the water and sewer funds as presented in Agenda Item 5.

I am glad that there is finally an accurate account of money in the Water and Sewer Enterprise funds which more reflect the actual charges of City Administration salaries to Water and Sewer expenses.

It looks like the Water and Sewer funds have been over charged by a significant amount (\$700,000 or more) for over a decade. This means that the City owes the Water and Sewer fund an ample amount of funding, which could be used for Water and Sewer infrastructure.

If the Water and Sewer Enterprise Funds have been over charge by \$700,000 for 10 years, that is \$7,000,000 the City owes to the Water and Sewer fund.

I ask that the City address this debt to the Water and Sewer Fund and apply it toward Water and Sewer Fund infrastructure upgrades.

It appears that the City's General Fund has been running at a deficit for much longer than has been documented as it has been funding the General Fund by taking money (inappropriately) from the Water and Sewer rate payers.

I hope this new allocation brings the City of Sebastopol into compliance with State Law regarding the limits that can be drawn from Water and Sewer funds to the General Fund.

I also hope this will lower the percentage increase of future water waters. As the General Fund was inappropriately draining down the Water and Sewer monies, the water rates should now actually cover the costs of operating the water and sewer systems as they will no longer be subsidizing the General Fund. If \$7,000,000 is repaid to the Water and Sewer Funds, the water rates should remain stable for many years and infrastructure upgrades could begin.

Thank you for addressing this noncompliance with state law and for pursuing accurate accounting for Water and Sewer rate payers.

Best,
Kate Haug