

**Do not limit the scope of the proposed Enterprise Fund Oversight Committee.**

The proposal in the staff report focuses on the financial oversight of the Enterprise Funds. **The committee scope should include providing oversight of the water and wastewater operations.**

There are four responsibilities outlined in the staff report. A fifth primary responsibility should be:

e) Reviewing the operational status of equipment and projections for needed maintenance and repairs, water quality testing and flag any issues as soon as possible to the full city council.

**The adoption of the water and sewer rate study was less of a catalyst to public requests for oversight than the adoption of the ClearSource general fund expense allocation model.**

A sixth responsibility should be:

f) Analyzing the assumptions to be included in the cost allocation model to ensure allocated expenses are consistent with the proposition 218 requirement that they be reasonably directly related to delivering water and wastewater services.

Note that these are all the current responsibilities of the City Council. Rate payers are in fact paying \$104,000 of the city council budget for the privilege of their attention. It is not just this council but none of the last three councils have taken responsibility and dedicated time to these critical operations.

- Enterprises were allowed to operate at a deficit for five years until a loan was necessary to keep the operations solvent.
- Last year's water quality study was accepted on a consent decree calendar without anyone noticing that not all of the wells were included in the report.
- In spite of assertions that our infrastructure was old no one insisted the city study the issue and develop a plan. This didn't happen until our last city manager insisted the city council fund such a study.
- Even with public comments alerting you to these issues, the councils showed no interest in addressing deficits or exploring potential water quality questions.

One can assume since it is across several councils that there is just too much on the council's plate to manage the details of a complex city operation and separately manage the finances and operations of the Enterprise Funds.

The committee will take up additional staff time. Perhaps no more than if the items in question actually came to the city council for review.

Suggest that this committee and the Climate Action Committee submit regular reports to the council on their goals, actions and staff time used to accomplish those actions so the Council can assess value, make suggestions to increase value or to retire the committee if it does not provide an adequate contribution for the staff time invested.