

Dear Council Members,

An Oversight Committee is necessary for the Water and Sewer Enterprise Funds.

- 1) Regular audits of the income and expenses of these accounts is necessary for public transparency. Including regular audits of the Commercial Water sold at the Public Works yard. There should be a daily register of water sold.
- 2) Regular audits of employee time spent on and allocated to the Water and Sewer Enterprise Funds. For instance, 2 employees have salaries for the Water Enterprise Fund and 2 employees have salaries for the Sewer Enterprise Fund. There is a total of \$634,170 billed salaries. Yet, there is no record of how time is spent and when Public Works submits its reports, there is no mention of water and sewer.
- 3) In addition to the \$634,170 of salaries there is \$1,761,797 in administrative costs via allocation from the general fund. How do employees keep track of their time for this?
- 4) Billing costs seem exceptionally high. Sebastopol has a small customer base, SMARTMETERS. Billing should not exceed \$15,000 per month or \$180,000 annually. How much is it currently?
- 5) Regular audits of how costs, such as Council Time and Attorney Time, should be monitored to make sure that Water and Sewer Ratepayers are not being overcharged.
- 6) There are substantial and critical upgrades that are needed to the Water and Sewer System. The City has not been able to successfully maintain and fund Water and Sewer infrastructure, which is why the system is nearing failure at several critical junctures like Well #4 and the huge amounts of silt in the pipes. The City needs regular oversight to create a priorities and funding plan and to make sure the plan is carried out in a timely manner and there is funding to fix the infrastructure. For instance, I doubt an Oversight Committee would have approved a loan for unneeded and unwanted SmartMeters when two wells are in need of replacement. That was a bad decision and has not yielded any savings for the consumer. The SmartMeters but the Enterprise Fund into debt without replacing critical infrastructure. It was a very irresponsible decision by the Council and could have been prevented by an Oversight Committee that had an infrastructure plan and priorities list.

Rate payers pay over \$1,700,000 in administrative costs. The administrative costs associated with an Oversight Committee are currently paid for by ratepayers so there is no cost to the City to have an Oversight Committee. There is a huge benefit to the ratepayers to have an Oversight Committee as revenue, expenses, General Fund allocation and infrastructure repair and upgrades will be consistently monitored and made transparent to rate payers on a regular basis.

In good faith, the City cannot proceed without a Water and Sewer Enterprise Fund Oversight Committee.

Best,
Kate Haug