

Schafer: Detailing STPUD rate increases

Letter to the Publisher,

An opponent for my re-election to the STPUD Board has stated the 0% rate increase for 2009-2010 is an election year ploy. Nothing could be further from the truth. I am an unbiased financial professional on the Board; let me explain the facts and process to you.

The 0% rate increase was discussed at the following 2009 public meetings of the District:

- 2/10/09 – Finance Committee budget review meeting;
- 3/4/09 – Board budget review workshop;
- 5/7/09 – Public hearing to present the proposed budget to customers; and,
- 5/21/09 – Regular Board meeting where the budget was adopted.

At these meetings Board members discussed the economic hardships currently facing our customers, local and non-local, and agreed the District should do what it could to ease the burden. Further, we already knew that our efforts to secure grants through Congress and the “American Recovery and Reinvestment Act” had been successful beyond our hopes. We felt this was the appropriate time to give our customers some of the benefit of our staff’s tremendous efforts. Those were the reasons for no rate increases, all debated and discussed at the above listed open, public meetings.

My opponent was not present at any of these meetings or she may have a more complete understanding of our budget adoption process which included no current year rate increase. Did we help our customers in a year of true economic hardship? I hope

so! Was our action for no rate increase an election year ploy?
Not at all!

As for “looking at a 5% to 6% rate increase starting next year”, the ten-year plan issued July 2009 clearly states, on page 32, rate increases of 4.5% in year 2010/11 and 5% each year thereafter. This averages less than 4.5% annually for the 10 years of the plan. Rates are adopted for ONE YEAR ONLY; the Board debates and deliberates rate increases annually and must notify customers when there will be an increase. Customers, and candidates for the Board, can thus come before the Board and express concerns about District operations and/or any rate increases. The ten-year plan is just that, a plan. It is reviewed and modified every year as part of our annual budget deliberations.

Priorities: waterline replacement, to ensure continued delivery of clean drinking water and water for firefighting suppression, remains my highest priority for infrastructure improvement dollars available in the water enterprise fund.

In a Friday, 10/30/09 Letter to the Publisher, I referenced our \$4.3 million grant which, under a bid we awarded at a Special Board meeting on 10/29/09, will pay for installation of 1,500+ water meters in 2010. The cost per meter installation was so favorable to the District that the State has authorized us to seek another bid to install another 1,000+ meters in 2010 with the remaining funds under this grant. This is a huge benefit to you, our customers, and District staff deserves thanks for so diligently and expertly pursuing these funds. I believe that, over the next 16 years, further governmental agency grants will be received to help us meet the compliance goal of 2025 for a fully metered water system.

These are the facts that challenge comments by my opponent. I ask for your support when you vote so I can continue to use my unbiased financial expertise and dedication to serve you for 4

more years on the Board of STPUD, Seat No. 5.

Thank you,

Eric Schafer, incumbent for STPUD Seat No. 5