

RESOLUTION NO. 862

RESOLUTION OF THE BOARD OF PUBLIC UTILITIES RECOMMENDING THAT THE CITY COUNCIL APPROVE A CITY OF SANTA ROSA UTILITIES DEPARTMENT AND SANTA ROSA SUBREGIONAL WATER REUSE SYSTEM RESERVE POLICY

WHEREAS, adequate levels of reserves are critical to the successful and stable operation of the water, local wastewater and Subregional enterprises; and

WHEREAS, maintaining adequate reserves contributes to rate stabilization from year to year for customers and provides assurance that the utility can respond to short-term emergencies; and

WHEREAS, adequate reserves directly affect a utility's bond ratings and ultimately its ability to borrow money at affordable interest rates; and

WHEREAS, adequate reserves allow flexibility to fund unanticipated capital projects thereby allowing the utility to maintain and expand the infrastructure necessary for its customers; and

WHEREAS, the Board of Public Utilities has considered the City of Santa Rosa Utilities Department and Santa Rosa Subregional Water Reuse System Reserve Policy dated May, 2006 (Reserve Policy).

NOW, THEREFORE, BE IT RESOLVED that the Board of Public Utilities recommends that the Santa Rosa City Council approve the Reserve Policy dated May 2006 as set forth.

DULY AND REGULARLY ADOPTED by the City of Santa Rosa Board of Public Utilities this 18th day of May, 2006

AYES: (6) Dowd, Lowe, Bolten, Dean, Galvin and Lindsay

NOES: (0)

ABSENT: (1) Downey

ABSTAIN: (0)