

**SUMMARY NOTES
FROM THE SEPTEMBER 13TH, 2011
UAB MEETING**

MEMBERS PRESENT: CHAIRMAN RAY KINDLEY, CO-CHAIRMAN ALICE RICHMOND, MICHAEL MONICAL, EDWARD KEONJIAN, JON MILLER, BILL FRAZIER, ERIK SIMSHAUSER

GUESTS: COUNCILOR JODI CARSON

STAFF: RICHARD SEALS (Chief Financial Officer), JIM WHYNOT (Water Supervisor)

AGENDA ITEM #1: CALL TO ORDER AND INTRODUCTIONS.

The meeting was called to order by Chairman Ray Kindley at 6pm.

It was suggested not to duplicate prior meeting materials at every meeting.

AGENDA ITEM #2: APPROVE AUGUST 9TH, 2011 SUMMARY NOTES.

A motion was made and seconded to approve the summary notes from the August 9th, 2011 meeting with the noted corrections. Member Miller asked for the following correction to his comment: Member Miller asked if the UAB has ever considered a charter amendment regarding a water rate increase greater than 5% with voter approval.

AGENDA ITEM #3: DISCUSSION WITH RICHARD SEALS (CHIEF FINANCIAL OFFICER) REGARDING THE FUNDING OPTIONS FOR THE UTILITY RATE STRUCTURE

Chairman Kindley opened by continuing discussion of the water rate increases. At this meeting, Chairperson Kindley would prefer to address some of the outstanding topics such as what form of revenue we will be considering. "If we were to go forward with a bond measure - What type of bond measure would people be in favor of?"

Member Monical and Co-chairperson Richmond have submitted written comments to the UAB regarding their positions on the water rate issue. Monical and Richmond discussed. Other members discussed their positions on the water rate issue. Questions were asked regarding Debt to Equity capital structure, bond covenants, and the conservative rate structure.

Before next month's meeting, the members requested staff to put together and submit a list of projects ranked by priority from the Water Master Plan, splitting out the SDC portion and grouping in logical chunks and/or priority levels to accommodate possible laddering of bond issues. Public Works/Engineering will put this together. In addition, the members would appreciate a list put together of the pro's and con's of the General Obligation Bonds and Revenue Bonds. Finance will put this together.

AGENDA ITEM #4: ADJOURNMENT.

Chairman Kindley adjourned the meeting at 7:00 pm.