

MINUTES
.16 Utility Fund Oversight Committee
July 18, 2007

Members Present: Alan Hanks, Malcom Chapman, Deb Hadcock, Tom Johnson, Lloyd LaCroix, Bill Okrepkie, Gary Brown, Marcia Elkins, Dirk Jablonski, Pauline Sumption

Others Present: Hani Shafai, Scott O'Meara, Michael Small, Phillip Olsen, Rich Marsh, Ted Schultz, Bob Dominicak, Sharlene Mitchell

Call to Order

Elkins called the meeting to order at 1:37 p.m.

Pactola Reallocation Contract

Jablonski addressed the Pactola Reallocation Contract repayment and the available funding resources. Jablonski requested funding in the amount of \$1,700,000 from the .16 Fund with repayment, including a standard interest rate, to be from water revenues.

Jablonski addressed the Water Advocacy Task Force development recommendations noting that should a bond sale be implemented for other improvements; the Pactola Reallocation Contract costs would be incorporated into the bond sale allowing the .16 fund to be repaid sooner.

Johnson moved to recommend approval of the \$1,700,000 funding request at no interest. Hadcock seconded the motion.

Okrepkie moved a substitute motion to recommend approval of the \$1,700,000 funding request for the Pactola Reallocation Contract with an interest rate of 4.5% with the provision that should a bond sale occur, the Pactola Reallocation Contract project will be incorporated into the bond sale. Sumption seconded the motion.

Discussion followed regarding the rate of interest to be assessed on the project. Johnson voiced support for the no interest loan noting that user rate fees are the source of loan repayment.

Okrepkie and Sumption accepted a modification to the substitute motion to amend the loan interest rate to 3%.

The substitute motion carried unanimously to recommend approval of the Pactola Reallocation Contract funding request in the amount of \$1,700,000 with an interest rate of 3% and with the provision that should a bond sale occur, the Pactola Reallocation Contract project will be incorporated into the bond sale.