



February 12, 2020

Mr. Nazario Prieto
City of Phoenix
200 W. Washington St.
Phoenix, Arizona 85003

RE: ACTIONS OF THE SROG COMMITTEE

Dear Mr. Prieto:

This letter serves to inform you that at their February 12, 2020 meeting, the SROG Committee took the following actions:

Approved the proposed Fiscal Year 2020-21 Operations and Maintenance Budget base request of \$53,772,973, which includes a contribution of \$5,000,000 to the replacement fund and estimated expenditures of \$5,500,000 from that fund; to include the adoption of the recommended five-year CIP Replacement Fund schedule for Fiscal Years 2020-21 through 2024-25; and that the Operating Fund Balance Reserve be increased by \$338,162, in order to maintain the required 12.5% of the Fiscal Year 2020-21 budget. This increase in the Operating Fund Balance Reserve will be billed to the SROG cities on their O&M billing for the month of July 2020.

Approved the Fiscal Year 2020-21 Multi-City SROG User Charge Rates based upon the sewage volumes and strengths as presented.

Approved the Fiscal Year 2020-21 Capital Improvement Projects Cash Flow Estimate for the 91st Avenue WWTP as presented.

Accepted the SROG Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019, and Year-End Settlement, as presented for the same fiscal year.

If you have any questions regarding the above action, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michelle Barclay", is written over a light blue horizontal line.

Michelle Barclay
SROG Program Coordinator

Arizona Municipal Water Users Association