

Baxley, Robin L.

From: Baxley, Robin L.
Sent: Friday, January 11, 2019 12:45 PM
To: citycomm
Cc: DL_Utility Advisory Board; Rasnick, Claudia E; Benton, Mark S
Subject: UAB Recommendation on Item #180640 (January 17th Agenda)

Mr. Mayor and Commissioners:

At your January 17th meeting, GRU staff will present item #180640 – GRU Cash Balance Study. As we are required to do, we presented the item to the UAB last night (January 10th) and asked them to make a recommendation to you. They voted unanimously to advise you to accept the staff recommendation and Chair Alford drafted this statement of justification for their vote:

“The UAB discussed the Cash Balance Study and Presentation at length during our January 10, 2019 meeting. The UAB believes the justifications used in the cash balance survey are conservative in the recommendation for available cash on hand. As an example, the risk for climate related instances – storms, drought, etc., were based on past examples of hurricanes which only marginally affected GRU’s territory. In addition, FEMA reimbursement is becoming less reliable and less comprehensive, with more of the burden falling on local municipalities. The Cash Balance Study ranked Climate and Resiliency as a moderate risk. Based on the conservative approach of the study the UAB accepts the range recommended by the study and recommends that the commission approves the range recommended in the study and strongly suggests a policy that favors the high end of the range.”

Sincerely,

Robin Baxley
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