



SOUTH FEATHER WATER & POWER AGENCY

TO: Board of Directors

FROM: Jennifer Slinkard, Finance Division Manager

DATE: October 18, 2006

RE: General Information (regarding matters not scheduled on the agenda)
10/24/06 Board of Directors Meeting

South Feather Relicensing Consulting Services

Devine, Tarbell and Associates, Inc. (DTA), consultant for the South Feather Project relicensing submitted its Monthly Activity Report for the period of July 31 through August 27, 2006 in the amount of \$28,387. The August invoice is included in this month's warrants.

Sly Creek Recreation Area

Northwest Park Management (NPM) submitted its Monthly Activity Report for the period of September 3 through September 30, 2006. The total campground fees collected in September were \$1,449 and the monthly NPM charge to the agency is \$7,129, leaving a balance due from SFWPA of \$5,680. Attached is a year-to-date summary of the NPM activity.

Surplus Water Revenue

In October we received the June and July data on Water Division Revenue earned from PG&E for Surplus Water. We earned \$28,700 for June and \$33,501 for July. The 2006 year-to-date revenue from this source is \$90,255 and the 2006 budget is \$165,000.

Annual Audits

On August 22, 2006 we sent a request for proposal (RFP) to seven accounting firms, including Davis Hammon & Co., for an independent annual audit for the three-year period commencing with 2006. The deadline for submitting proposals was Friday, October 13. As of today, no proposals have been received. However, a letter was received from Davis Hammon & Co. stating that they had decided not to submit a

proposal due to the rapid development and growth of other areas of their accounting practice. Several of the other firms that received the RFP stated that they decided not to submit a proposal because they assumed Davis Hammon & Co. would win the bid again because of their long-term relationship with the Agency.

We will be resubmitting the RFP, adding a few additional firms to the list that have come to our attention since the first RFP went out, extending the deadline, and amending the information so interested firms will know that Davis Hammon & Co. will not be in consideration for the reasons that were given in their letter.

We hope to have proposals received, and a recommendation for the Board at the November meeting.