

**REVISED IMPARTIAL ANALYSIS BY
THE COUNTY COUNSEL OF PLACER COUNTY
MEASURE-B**

The impartial analysis previously prepared for this measure included an example of the differences in base rate costs between Ordinance 10-03 and 08-03. This example did not present a complete description of the rate structure because all relevant information was not submitted with the measure. Since the base rate costs are not needed to provide a legal analysis of the measure, I have removed this example from our impartial analysis to eliminate any possible confusion resulting from an incomplete description of the rate structure. Accordingly, following is our revised impartial analysis of Measure B.

This measure, if approved by a majority of those voting on the measure, would repeal the current water rates of the Foresthill Public Utilities District (District) that went into effect on September 1, 2010 as a result of the District's passage of Ordinance 10-03, and would replace them with the rates that were in effect immediately prior to that date.

The District enacted Ordinance 10-03 based on its consideration of a rate study, which analyzed the revenue necessary to meet current and projected system revenue requirements. The study found that the then existing rates did not adequately fund the water system's needs. The District found that it was necessary to increase water service rates to adequately fund operations maintenance, system repairs, debt obligations, and a reserve fund. Ordinance 10-03 became effective in September 2010 after the District conducted a noticed protest hearing.

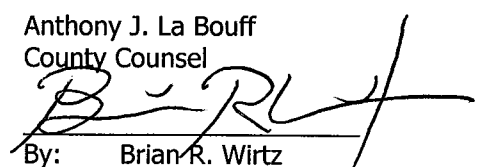
The ordinance generally increased the cost of receiving the monthly base allocation and reduced the amount of the base allocation. The ordinance also decreased the rate for any use in excess of the base allocation. The Ordinance also provided for additional rate increases in future years.

This measure, if approved by a majority of those voting on the measure, would repeal the water rates under Ordinance 10-03 and replace them with the rates in place immediately prior to the Ordinance. This measure allows the District to amend its rates in future years, but limits any change to the percent change in the Consumer Price Index as applicable to the District's service area. Any proposed increase above this amount would require voter approval. Finally, the measure includes a severability clause that specifies that if any provision of the initiative is found to be invalid, the other provisions of initiative would not be affected.

A "YES" vote on this Measure means that current water rates would be overturned and rates would revert to those in existence immediately prior to September 1, 2010. Future rate adjustment would be limited to the change in the Consumer Price Index applicable to the District's service area.

A "NO" vote on this Measure would retain the District's current water rates as set forth in Ordinance 10-03.

This analysis is submitted by the Office of the County Counsel of Placer County pursuant to the provisions of Section 9314 of the Elections Code of the State of California

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This Impartial Analysis was revised pursuant to decisions made by the Placer County Counsel's Office. The Placer County Office of Elections is not responsible for the content of either the original version or the revised version.