

FORESTHILL PUBLIC UTILITY DISTRICT

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BOARD OF DIRECTORS

Brett C. Grant
George S. Shaw
Gregory L. Wells
Duane L. Frink
William L. Sadler, Jr.

Kurt W. Reed, General Manager
Paul Chamberlain, District Counsel

OFFICIAL MINUTES FORESTHILL PUBLIC UTILITY DISTRICT FINANCE COMMITTEE

FEBRUARY 20, 2007
9:00 AM
District Office
24540 Main St.; Foresthill, CA 95631

A. CALL TO ORDER AND ROLL CALL

The meeting of the Finance Committee was called to order at 9:32 a.m. by Chairman Duane L. Frink.

ROLL CALL:

Present

Duane L. Frink, Chairman
Gregory L. Wells, Committee Member

Absent

Also present: Kurt W. Reed, General Manager.

B. INTRODUCTIONS AND PRESENTATIONS

None.

C. AGENDA CHANGES AND REVIEW

None.

D. PUBLIC COMMENT

Any member of the public may address the Board on any matter within the jurisdictional authority of the District, or any item on this agenda before or during the Board's consideration of that item. Such testimony shall be limited to three minutes per person, or such other time limit as may be imposed by the President in order to enable the Board to complete its agenda within a reasonable period of time.

Public comment not read – no public in attendance.

E. GENERAL ITEMS

1. General Fund

a. Anticipate expenses – develop trends – Committee reviewed general outline and process schedule for deliberations pertaining to Fiscal Year 2007-2008 Budget.

1. General expenses – general consensus to proceed as outlined.

2. Employee expenses

a. COLA- discussed Urban Wage Earner's Index for 2006 (+ 3.3%). Relationship with Index and salary equity in local job market also discussed.

b. Requested/negotiated benefits – discussion on employee related issues (as yet unknown). General Manager to request employees submit written goals/items for Committee consideration.

c. Normal Step/merit salary increases

d. Additional personnel costs

b. Anticipated revenues

1. General revenues – develop trends – Chairman Frink would like to explore developing alternative General Fund revenue sources, those which are not derived from water rates. Brief discussion followed exploring alternative revenue sources. Ex: bottling spring water, solar or alternative energy, and development fees (Will Serve) to fund CIP.

a. Schedule w/Prop 218 time & process

b. Fund reserves – Committee expressed concern over proper funding/allocation of depreciation schedule equating to reserve funding.

c. Contingencies

1. Rate stabilization

2. Unfunded long term liabilities – discussed budget format change (to more closely adhere to balance sheet) and impacts of GASB 45 – long term retiree medical benefits.

2. Capital Improvement Fund

a. Evaluate funding source (will serve) – development fees discussed.

b. Evaluate collections method (now vs. later)

c. Identify five year funding plan

d. Infrastructure need

3. Reserve Fund

a. Establish funding policy

b. Balance stabilization vs. expense needs

4. Filtration Fund

a. Set income levels

5. Other ideas, questions, goals.

- Reviewed and discussed Cash Flow Budget Report as of January 31, 2007.

- Next Committee meeting scheduled for March 20, 2007 at 9:00 a.m. in the District office.

- Chairman Frink expressed a goal to produce a Draft Preliminary Budget for Board consideration by the April 2007 regular board meeting.

F. ADJOURNMENT

There being no further business, at 12:23 p.m. Director Gregory L. Wells motioned the meeting be adjourned; motion seconded by Chairman Frink.

ATTEST:

Duane L. Frink
Chairman, Finance Committee

Kurt W. Reed
Clerk Thereof