

FORESTHILL PUBLIC UTILITY DISTRICT

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BOARD OF DIRECTORS

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

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

OFFICIAL MINUTES REGULAR MEETING OF THE BOARD OF DIRECTORS FORESTHILL PUBLIC UTILITY DISTRICT HELD JULY 11, 2007

A. CALL TO ORDER AND ROLL CALL

The regular meeting of the Board of Directors was called to order at 7:03 p.m. by Vice President Gregory L. Wells.

ROLL CALL:

Present

Gregory L. Wells, Vice President
Duane L. Frink, Treasurer
William L. Sadler, Jr., Director
Brett C. Grant, Director

Absent

George S. Shaw, President

Also present: Kurt Reed, General Manager; Jo Ann Glover, Customer Service Representative; Members of the Public: John Laster; Roy West; George McCafferty; George Grant; Jim Linsdau.

B. INTRODUCTIONS AND PRESENTATIONS

General Manager introduced all present to Board.

C. 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 read by Vice President.

D. COMMITTEE REPORTS

1. Finance Committee – Written report and minutes are in this Board packet. Next meeting is scheduled for July 9, 2007 at 9:00 a.m. in the District Office where at that time we will consider the final budget and previously tabled items. Requested other Board members have copies of Committee information.

2. Planning Committee – Met July 9, 2007 at 6:00 p.m., District Office – minutes will be in next Board packet. Majority of time was spent reviewing Administrative Draft of Master Plan – consensus was to set up workshop for full Board to comment and discuss prior to presentation to the Community on August 29, 2007 at Memorial Hall.

E. DIRECTOR’S COMMENTS

1. Duane Frink – attended LAFCo meeting today – was sworn in as Special District Representative for four year term and was elected as Vice Chairman – next meeting in September – items under review: annexations for City of Auburn and East Slope. There will be a 2007 LAFCo Conference in Sacramento held in August.

F. CORRESPONDENCE / AGENDA CHANGES AND REVIEW

1. Final Draft Response Letter From Board President to Foresthill Chamber of Commerce. Kurt Reed, General Manager was the guest speaker at Chamber of Commerce General Membership meeting held today – topic was water supply for the Community.

G. CONSENT CALENDAR

All items listed under the Consent Calendar are considered to be routine and will be approved by one motion. There will be no separate discussion of these items unless a member of the Board, Audience, or Staff requests a specific item be removed from the Consent Calendar for separate action. Any item removed will be considered after the motion to approve the Consent Calendar.

1. Approve Minutes of Regular Board of Directors Meeting Held June 13, 2007.
2. Approve Minutes of Finance Committee Meeting Held July 5, 2007.
3. Approve May 2007 Financial Report from LAIF.
4. Approve Balance Sheet, Revenue/Expense Report and Budget Cash Flow Report for Period Ending June 30, 2007.
5. Approve July 2007 A/P warrants for payment.

ACTION: Treasurer Duane Frink motioned to approve the Consent Calendar as amended. Director Brett Grant seconded the motion.

PASSED UNANIMOUSLY.

H. GENERAL ITEMS

1. New Business

- a. Action Item: Approve Mr. Cassell’s Request for a Remote Meter Set to Serve Existing Residence on Palm Lane.
General Manager recommended approval for remote meter set due to no possibility of looping benefit to the District.
ACTION: Director Brett Grant motioned to approve as requested. Director William Sadler, Jr. seconded the motion.
PASSED UNANIMOUSLY.
- b. Action Item: Approve Mr. Richard Velgos’ Request for a Remote Meter Set to Parcel 007-060-015-000, Mosquito Ridge Road.
Director Brett Grant commented he will refrain from commenting or voting due to conflict of interest. General Manager recommended approval siting it makes no sense to extend the main

such a short distance – fire hydrants are within 160 feet of the property so there would be no real benefit to District.

ACTION: Treasurer Duane Frink motioned to approve as requested. Director William Sadler, Jr. seconded the motion.

AYES: Wells, Frink, Sadler.

ABSTENTION: Grant.

MOTION PASSED.

- c. Staff Request for Comments/Edits and To Set Date for Workshop to Review and Discuss Water System Master Plan Administrative Draft.

General Manager requests comments as soon as possible from Board members for submission to District Engineer for correction prior to posting Administrative Draft on District website and library for Community review prior to the August 29, 2007 Memorial Hall Community meeting.

Vice President Wells also suggested compact discs be produced for the public rather than hard copy. Workshop scheduled for July 24, 2007 at 6:00 p.m. in District Office.

2. Old Business

- a. Action Item: Revisit, Review and Approve Mr. George McCafferty's Request for Continuation of Reduced Fees for Account MCC0030.

General Manager – last meeting this item was tabled pending further information from manufacturer of fire flow meter to determine if any changes have been made that would allow a 1" meter to replace the existing 1 ½" meter. Mr. McCafferty contacted manufacturer – they do not recommend replacing the smaller meter. The setup could be converted but the cost would be prohibitive. Brief review of case for public. Mr. McCafferty presented analysis from his engineer determining current water needs at 33 gallons per minute at peak.

ACTION: Director Brett Grant motioned to charge at a 1" meter rate siting if the system were installed today current technology would allow a 1" meter with a 6" fire flow meter setup and according to the customer's current demands only a 1" meter is needed.

NO SECOND.

MOTION FAILED.

Treasurer Frink commented he had a fundamental problem reducing the cost of a 1 ½" meter to the 1" billing rate when the system could be changed out using a 1" meter. He further suggested perhaps a 1" service meter could be set separately. General Manager commented that would create more maintenance for the District – recommended reduce to 1" billing for a year, due to needs assessment, then revisit for usage/need and make final determination. Director Grant commented it was ludicrous to demand a customer to spend thousands of dollars to change out this system to save on the monthly billing.

ACTION: Director Grant motioned to approve 1" billing rate for one year, then revisit to determine usage rate by applying peaking factor. Vice President Gregory Wells seconded the motion.

PASSED UNANIMOUSLY.

- b. Action Item: Approve Seat B, Region 2 Nomination for Election as "Director California Special District Association".

Call for nominations. None forthcoming.

NO ACTION.

- c. Action Item: Approve Finance Committee Report Dated July 6, 2007, Recommendation on Amending and Modifying Ordinance No. 01-04 Applicable to District System Connect Charges. Treasurer Frink commented as Finance Committee Chair that the Committee discussed changing the District standard from 5/8" to 3/4" – based on the fact there have been no complaints from customers of lack of water flow, Committee felt there was no reason to change. Director Grant commented that when the District was formed in the 1950's and the 5/8" meter standard was set this community was very conservative in their water use due to supply concerns. Today the

District is less conservative in their water use and the District is experiencing consumptive creep, as evidenced by District Engineer, in lieu of the changing use patterns it makes sense to change the standard to 3/4" meters thereby better serving our customer's overall needs. Director Frink commented District Engineer did say peak flows would be effected if all meters were changed out to 3/4" and, he still felt the customer should be offered a choice because some have smaller lots/less need. Further discussion on the pros and cons of a 5/8" meter vs. 3/4" meter. Discussion then turned to connect fees, their relationship as it relates to Government Code 66000, fire flow issues, upfront charges to developers, and the District's CIP Program.

Vice President Wells then ruled to complete discussion and called for any further comments from Board – none given.

ACTION: Treasurer Frink motioned to approve Report with the amendment of 2" meter or larger connection cost to be recommended by District Engineer, evaluated by General Manager and approved by Board; additional amendment to clarify the connect charges collected will be used for completion of the system as described in the 1992 Master Plan. Vice President Gregory Wells seconded the motion.

AYES: Frink; Wells.

NAYS: Grant; Sadler.

MOTION FAILED.

- d. Action Item: Approve Ordinance 07-02 Amending and Modifying Ordinance No. 01-04 Applicable to Connection Charges as per Finance Committee Recommendations.

Vice President tabled this item based on failed vote of previous item.

I. REPORTS BY DIRECTORS, LEGAL COUNSEL AND GENERAL MANAGER

1. General Manager – Construction Projects

a. Monarch Ridge Vineyards – 40 Lot Subdivision

122 acres located adjacent to Monte Verde Estates Phase II (formerly part of Monarch Mine Vineyard). District will comply with request for service providing District conditions, requirements and policies are complied with by Developer/Owner.

b. Anderson Extension – Foresthill Road – PR 4 Area.

West of Grey Eagle Lane – creating 3 additional lots – project on hold due to estimated costs.

J. ADJOURNMENT

Next Regular Meeting Date: Wednesday, August 8, 2007 at 7:00 p.m. in the District Office, 24540 Main Street, Foresthill, California 95631.

ACTION: There being no further business, at 9:12 p.m. Vice President Gregory Wells motioned the meeting be adjourned. Motion seconded by Director Brett Grant.

PASSED UNANIMOUSLY.

ATTEST:

George S. Shaw
President, Board of Directors

Kurt W. Reed
Clerk Thereof