

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 SPECIAL BOARD OF DIRECTORS MEETING AND WORKSHOP FORESTHILL PUBLIC UTILITY DISTRICT

MAY 5, 2008

6:00 P.M.

District Office

24540 Main Street

Foresthill, California 95631

A. CALL TO ORDER AND ROLL CALL

The workshop of the Board of Directors was called to order at 6:17 p.m. by Vice President Duane L. Frink.

Present

Duane L. Frink, Vice President
William L. Sadler, Jr., Treasurer
Brett C. Grant, Director
George S. Shaw, Director

Absent

Gregory L. Wells, President

Also present: Kurt W. Reed, General Manager; Pat Pappas, Business Manager.

B. INTRODUCTIONS AND PRESENTATIONS

None.

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. DIRECTORS COMMENTS

None.

E. CORRESPONDENCE, AGENDA CHANGES AND REVIEW

None.

F. GENERAL ITEMS

1. Review and Discuss 2008-2009 Proposed Budget(s) As Presented by Finance Committee.

Finance Committee presented several scenarios of budgets they had reviewed. Committee proposed Budget B which includes a 10% rate increase, a new surcharge (\$3.32/month) to fund the Facility Repair & Replacement Fund and an adjustment to the District's Connection Charge – a nexus study needs to be done to determine exactly what that increased connect charge fee would be – an estimated amount of \$8,500 was used for budgeting purposes. The new Facility Repair & Replacement Fund would be a restricted account – only to be used to repair and replace the District's aging infrastructure. Also presented was a rate study comparison and salary survey of surrounding districts.

Board discussed the potential need to define by policy what or when cost containment on expenses would be triggered. Staff explained this budget was extremely conservative on expenses – there is really nothing else to cut – all operating costs have gone up due to all vendors adding fuel surcharges, District is anticipating the State taking a good portion, if not all, of it's allotted property tax revenues, every fee the State charges the District for oversight has increased, and the District needs to keep pace with the cost of living for its employees or risk falling behind industry standards in its salary schedules and benefits. Various Board members requested staff to define what percent increase would be needed to exactly balance the budget without any contribution to reserves, to present a multi-year budget scenario, and, for comparison, to survey the surrounding agencies for the amount of cost of living increase they've granted or plan to grant their employees.

Finance Committee to meet May 22, 2008 to formulate a recommendation to the Board of an Interim Fiscal Year 2008-2009 Budget.

G. ADJOURNMENT

ACTION: At 8:30 p.m. Director George Shaw motioned to adjourn the workshop. Vice President Duane Frink seconded the motion.

PASSED UNANIMOUSLY.

ATTEST:

Duane L. Frink
Vice President, Board of Directors

Kurt W. Reed
Clerk Thereof