

FORESTHILL PUBLIC UTILITY DISTRICT

www.foresthillpud.com

BOARD OF DIRECTORS

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

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

OFFICIAL MINUTES REGULAR MEETING OF THE BOARD OF DIRECTORS FORESTHILL PUBLIC UTILITY DISTRICT HELD MAY 14, 2008

A. CALL TO ORDER AND ROLL CALL

The regular meeting of the Board of Directors was called to order at 7:06 p.m. by President Gregory L. Wells.

ROLL CALL:

Present

Gregory L. Wells, President
Duane L. Frink, Vice President
Brett C. Grant, Director
George S. Shaw, Director

Absent

William L. Sadler, Jr., Treasurer

Also present: Kurt Reed, General Manager; Pat Pappas, Business Manager; Members of the Public: John Laster; Roy West; Daniel West; and Tyler Harkness, Fire Safe Council; Doug Ryan, Forest Ranch (arrived 7:50 p.m.).

B. INTRODUCTIONS AND PRESENTATIONS

Public members introduced themselves.

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 President.

D. COMMITTEE REPORTS

1. Finance Committee – Met April 11, 2008 to Formulate Proposed Budget – Called Budget Workshop May 5, 2008 to Present and Discuss Proposed Budget – See Minutes, Section G. Consent Calendar. Committee Scheduled to Meet May 22, 2008 at 4:00 p.m. in the District Office.
2. Planning Committee – No Activity to Report.

E. DIRECTOR'S COMMENTS

Duane Frink – ACWA Spring Conference – Monterey:

Committees: Finance Committee meeting, Federal Affairs Committee meeting – not a lot going on due to election year – people are out working on campaigns. Local Government - state budget shortfall.

Opening Speaker – Elissa Lynn, Senior Meteorologist with California Department of Water Resources.

Ms. Lynn gave a Power Point presentation addressing climate change. March and April of 2008 were the driest on record. Factor that determine a drought: rainfall – this season there was poor cumulative precipitation; snow pack – low – now gone; runoff – transit – too early to tell; soil moisture – low; duration – too early to define. Supply is low – runoff is low – low storage. But, we are better off than in 1976/1977. California climate is changing. Precipitation – different spatial distribution. Changing snow levels. The sea level at the Golden Gate Bridge has risen seven inches in the last 100 years. Temperatures have increased 1° in the 100 years – warmer nights and winters – earlier snow melt.

Session – New Rules for the Delta: CalFED – didn't work. Delta Vision – advisory only. Smelt impacted. Salmon fishing – decision in progress – many stakeholders – not all agree on what the problem is or how to fix it.

Finance Program: Defining cost of service. Proposition 218 implications.

Region 3 Business Meeting: Included in new Board of Directors: Hank White, Georgetown Divide PUD and Bill George, El Dorado Irrigation District.

Regions 1, 2, 3 and 4 were briefed on Strategic Water Plan by Tim Quinn, Executive Director ACWA – not much detail – conceptual.

ACWA's annual membership fees increasing – will be based on a sliding scale – small agencies will see little change. Want to bring more money into budget (vs. donations) for a stronger program.

Mountain Counties Water Resource Association – Executive Board Meeting – May 7, 2008.

“Inching” towards a replacement for Jim Chatigny, Executive Officer – he wishes to retire at the end of 2008. Booth for Fall Conference (space complimentary) Black & Vetch.

Vice President Frink completed Ethics Training: Most questions arose over vehicle allowance for general managers – tax implications – mileage seems okay. Emails: Brown Act – if an agency is sued, during discovery a board member's personal computer can be requested – some agencies are providing lap tops with an agency email account.

F. CORRESPONDENCE / AGENDA CHANGES AND REVIEW

None.

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 April 9, 2008.
2. Approve Minutes of Finance Committee Meeting Held April 11, 2008.
3. Approve Minutes of Board Workshop and Special Meeting Held May 5, 2008.
4. Approve March 2008 Financial Report from LAIF.
5. Approve Balance Sheet, Revenue/Expense Report April 30, 2008.
6. Approve May 2008 A/P warrants for payment.

ACTION: Vice President Duane Frink motioned to pull the Board Workshop Minutes from the Consent Calendar for further discussion under General Items, Old Business, C.. Director Brett Grant seconded the motion.

PASSED UNANIMOUSLY.

ACTION: Vice President Duane Frink motioned to approve the remaining items on the Consent Calendar. Director George Shaw seconded the motion.
PASSED UNANIMOUSLY.

H. GENERAL ITEMS

1. New Business

- a. Action Item: Approve Resolution No. 08-03 Declaring an Election be Held and Requesting Election Services by the County Clerk.

ACTION: Director Brett Grant motioned to approve the Resolution as presented. Director George Shaw seconded the motion.
PASSED UNANIMOUSLY.

- b. Action Item: Approve Vote for Election of Special District Representative Placer County Local Agency Formation Commission.
Brief discussion of candidates.

ACTION: Vice President Duane Frink motioned to give John Moberly the District's vote. Director George Shaw seconded the motion.
PASSED UNANIMOUSLY.

- c. Review "Fixed Asset-Buy-In" Fee As A Portion of District System Connect Charge.
General Manager Kurt Reed gave an overview of the concept: the value of the District's fixed assets are used to calculate the "buy-in" portion of the fee which reflects the cost to reimburse existing customers for investments in current facilities that will serve new development. The purpose is to ensure the District's fiscal welfare and protect customers by making sure they do not bear the cost of serving new development. Planning Committee to explore the concept further.

2. Old Business

- a. Action Item: Approve and Direct Staff on Content and Distribution of Information on 2008 District System Master Plan.

General Manager gave a brief history of Master Plan issues – most importantly: the Master Plan is in full force and effect. District has been sued by Forest Ranch Project Owners on a technical point in CEQA law – to avoid costly litigation the Board rescinded the formal action of "approval" of the Master Plan; however, the Master Plan remains the most up to date information on the District's System and Water Supply and will continue to be used by District and other government agencies as a planning tool. A meeting was held between Brett Grant, Planning Committee Chair, General Manager, District Special Counsel and District Engineer to discuss the most appropriate way to present the Master Plan to the community. A series of Frequently Asked Questions were formulated. Discussion of press releases needed. General Manager reported Forum Chair, Larry Jordon, requested the District be on the agenda to speak at the June 2, 2008 Forum Meeting to discuss fire flows within the community – this time can also be used to inform the public of the status of the Master Plan.

ACTION: Vice President Duane Frink motioned to direct staff to hone, group and get information out.

Further discussion concerning public announcements.

ACTION: Vice President Duane Frink withdrew his motion.

ACTION: President Gregory Wells motioned to table this item for further discussion.
Director Brett Grant seconded the motion.
PASSED UNANIMOUSLY.

- b. Review and Discuss Recent Meeting with Placer County Parks Department/Consultant Associated with Foresthill Swimming Pool and Recreation Corporation.
President Gregory Wells and General Manager attended this meeting. County to pay for a survey to determine if there is support from the community to pay for this service – estimated costs varied.
- c. Approve Minutes of Board Workshop and Special Meeting Held May 5, 2008.
Vice President Duane Frink noted the minutes did not reflect his comments regarding the need for a nexus study prior to increasing connect charges; and, he noted the minutes state “the Board” requested certain things of staff whereas the requests came from various directors not the Board as a whole.

ACTION: Director George Shaw motioned to approve the Workshop Minutes with V.P. Frink’s corrections. Vice President Duane Frink seconded the motion.
PASSED UNANIMOUSLY.

I. REPORTS BY DIRECTORS, LEGAL COUNSEL AND GENERAL MANAGER

Vice President Frink requested updates from General Manager:

- 1. Other Post Employment Benefit Actuarial update – District has received the actuarial – once digested by staff and reviewed by Finance Committee recommendation will be presented to Board.
- 2. Master Plan, Drought Contingency Element – V.P. Frink: District received a grant for \$15,000 towards this project – suggested G.M. contact Engineer to request revised scope to match funds.
- 3. SB610 Revision – District had planned to update its SB610 for Forest Ranch Project to include the data in the 2008 District System Master Plan. County has stated this is not necessary at this time; however, County will incorporate the new information into its planning.

J. ADJOURNMENT

Next Regular Meeting Date: Wednesday, June 11, 2008 at 7:00 p.m. in the District Office, 24540 Main Street, Foresthill, California 95631.

ACTION: There being no further business, at 8:29 p.m. Director George Shaw motioned the meeting be adjourned. Motion seconded by Vice President Duane Frink.
PASSED UNANIMOUSLY.

ATTEST:

Gregory L. Wells
President, Board of Directors

Kurt W. Reed
Clerk Thereof