FORESTHILL PUBLIC UTILITY DISTRICT

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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 AUGUST 13, 2008

A. CALL TO ORDER AND ROLL CALL

The regular meeting of the Board of Directors was called to order at 7:00 p.m. by President Gregory L. Wells.

ROLL CALL:

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

Also present: Kurt Reed, General Manager; Pat Pappas, Business Manager; FPUD Employees: Suzzette MacKay, Salvador Mercado, Jr., Bo Anderson, Chad Odell, Ron Mills, Cliff Lander; Members of the Public: Roy & Tamara West; Daniel West, Foresthill Inquirer; John Laster; Tyler Harkness.

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 President.

D. COMMITTEE REPORTS

1. Finance Committee – See Minutes Under G. Consent Calendar, Item 2.
2. Planning Committee – None.

E. DIRECTOR'S COMMENTS

1. Duane Frink: Foresthill Public Utility District Finance Committee – at the last Committee meeting learned that District does not have a General Manager's performance and evaluation process or form. I was charged with learning how adjacent agencies handle their GM's performance review and evaluation. I have contacted Mountain Counties Water Resource Association Board members for their process (Georgetown Divide PUD, El Dorado Irrigation District, Calaveras County Water District, Tuolumne Utility District, Nevada

Irrigation District) and Placer County Water Agency. All promised to share what they had. Association of Water Agencies (ACWA) does not have any information to share. This is a work in progress.

ACWA Executive Board Meeting – July 25, 2008, Sacramento – A copy of the agenda is at the District Office. The 2009 Board meeting schedule is on file in the District Office. The Strategic Plan is a work in progress. Not all regions have had input as of the meeting date.

ACWA – Region 3 – there was no August meeting.

ACWA Finance Committee – Investment Subcommittee meeting July 28, 2008 in Sacramento via telephone conference. Review of ACWA's Health Benefits proposed 2009 Budget. A copy of the agenda is at the District Office.

Mountain Counties Water Resource Association Executive Board Meeting held July 23, 2008 in Placerville at El Dorado Irrigation District's Offices. The Board addressed the August 8, 2008 agenda – MCWRA will participate in ACWA's Fall Conference with a booth and developed recommendations for modification of MCWRA's vision and mission statements.

I and General Manager attended MCWRA's regular meeting on August 8, 2008 at Ironstone Winery in Murphy. A copy of the agenda and Department of Water Resources' handout material is available in District Office. Curt Schmutte gave a very informative PowerPoint presentation on the Delta. The next meeting is October 10, 2008 in Georgetown.

Local Agency Formation Commission (LAFCo) – I attended a LAFCo training seminar in Sacramento. A show and tell by various LAFCo(s) from around the state regarding mitigation measures they have used. Part of LAFCo's mission is to preserve open space and agriculture lands. None of the monetary reports included revenue from forest products nor were forest lands presented as important open space or water shed areas. Attended Regular Commission meeting held August 13, 2008 at 5:00 p.m..

F. CORRESPONDENCE / AGENDA CHANGES AND REVIEW

1. Letter From District Senior Counsel Paul Chamberlain.
   Counsel sent letter thanking the Board for plant sent during his recent hospital stay. He plans to be back in the office in the near future.
2. Letter From Mr. Ronald Flodine.
   Mr. Flodine sent letter stating his concerns regarding the size of the Forest Ranch Project.

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 July 9, 2008.
2. Approve Minutes of Finance Committee Meeting Held July 22, 2008.
3. Approve Minutes of Special Meeting and Public Hearing Held August 5, 2008.
4. Approve June 2008 Financial Report from LAIF.
5. Approve Balance Sheet, Revenue/Expense Report July 31, 2008.
6. Approve August 2008 A/P warrants for payment.

ACTION: Treasurer William Sadler, Jr. motioned to remove Item 2. Finance Committee Minutes to make a change. President Wells stated the Item will be addressed under H.2. Old Business, Item e.
ACTION: Vice President Duane Frink motioned to approve all remaining items on the Consent Calendar. Director Brett Grant seconded the motion.
PASSED UNANIMOUSLY.

H. GENERAL ITEMS

1. New Business

a. Action Item: Approve Request for Waiver of Billing Overage by Ms. Eleanor Crosby.
Ms. Crosby was not present. Director Grant questioned staff regarding this request.

ACTION: Director Brett Grant motioned to waive the overage amount of Ms. Crosby's billing. Vice President Duane Frink seconded the motion.

PASSED UNANIMOUSLY.

b. Action Item: Approve Request for Waiver of Late Charge by Ms. Gwyn Jefferys.
Ms. Jefferys addressed the Board stating her case.

ACTION: Director Brett Grant motioned to waive the late charge for Ms. Jefferys. Director George Shaw seconded the motion.

PASSED UNANIMOUSLY.

c. Action Item: Reaffirm District Policy 6030 Annexation Procedures as it Pertains to Forest Ranch Sphere-of-Influence Water Demands/Supply.
To date District has spent approximately $45,000 dealing with the portion of Forest Ranch Project **outside** the District boundary, including the lawsuit Forest Ranch filed against the District which is still ongoing.

NO ACTION – Policy Reaffirmed by Discussion.

d. Action Item: Approve District Counsel, David McMurchie's Proposal for Development Policy Amendment(s).
Per communication from Counsel, General Manager requested Board table this item. If Board wishes to pursue changes to policy Counsel recommends discussion between Counsel and Board be done in a closed door session due to current lawsuit with Forest Ranch owners.

ACTION: Director George Shaw motioned to table item. Vice President Duane Frink seconded the motion.

PASSED UNANIMOUSLY.

e. Review and Discuss Proposal from North Pacific Payment Services for Online Credit Card Payments.
General Manager explained this is just one of several proposals needed – at some point in the future this service will be demanded by the majority of our customers – to date, only a small portion of our customers have asked about this type of service. The object will be to provide this service and its cost only to those wishing to use it without incurring more general expense to the District.

2. Old Business

a. Action Item: Approve Ordinance No. 08-03, Amending and Modifying Portions of Ordinance No. 06-02 Applicable to Water Service Rates and Charges.

ACTION: Vice President Duane Frink motioned to approve Ordinance No. 08-03 as presented. Treasurer William Sadler, Jr. seconded the motion.

AYES: Gregory Wells; Duane Frink; William Sadler, Jr.; George Shaw. NAYS: Brett Grant

MOTION PASSED.

b. Action Item: Approve Ordinance No. 08-04, Establishing a Special Water User Fee to Fund Repair – Replacement Program.

ACTION: Vice President Duane Frink motioned to approve Ordinance No. 08-04 as presented. Treasurer William Sadler, Jr. seconded the motion.

AYES: Gregory Wells; Duane Frink; William Sadler, Jr.; Brett Grant. NAYS: George Shaw

MOTION PASSED.

c. Action Item: Approve Ordinance No. 08-05, Amending and Modifying Portions of Ordinance No. 06-04 Applicable to Special Agri-Business Water Service Rates.

ACTION: Treasurer William Sadler, Jr. motioned to approve Ordinance No. 08-05 as presented. Vice President Duane Frink seconded the motion.

AYES: Gregory Wells; Duane Frink; William Sadler, Jr.; George Shaw. NAYS: Brett Grant.

MOTION PASSED.

d. Action Item: Review, Discuss and Approve Finance Committee's Recommendation as it Pertains to Policy 2150.50 Adjustment of Salary Ranges.

Discussion regarding procedures, On Call Pay previously granted and Policy 2150.50 wording – Treasurer Sadler would like policy to more clearly state the details of which index is to be used. Director Grant would like to see a survey regarding On Call Pay as done with salary ranges; Director Shaw requested wording adjustment to Policy regarding the word 'equity' and to have policy clearly state 'cost of living adjustment' be put on next regular meeting agenda for discussion. Director Shaw also questioned the wording of this agenda item – General Manager apologized if the agenda item wording was not clear – the intent was for the Board to approve a Cost of Living Adjustment in the amount of 3.45% as recommended by Finance Committee – this item was put on the agenda separate from the other recommendations as per Director Shaw's request. Current cost of living as of July 2008 is stated at 5.1%, unadjusted.

ACTION: Director George Shaw motioned to table this item. No second.

MOTION FAILED.

ACTION: Vice President Duane Frink motioned to approve Cost of Living Adjustment in the amount of 3.45% based on the average of cost of living adjustments given as per surrounding agencies surveyed. Treasurer William Sadler, Jr. seconded the motion.

AYES: Gregory Wells; Duane Frink; William Sadler, Jr.. NAYS: Brett Grant; George Shaw.

MOTION PASSED.

e. Approve Minutes of Finance Committee Meeting Held July 22, 2008.

Treasurer William Sadler, Jr. requests minutes be changed concerning E. General Items, 1.b. last sentence, "Salary adjustment will not be tied to performance evaluation." – request last sentence be changed to read, "Salary **range** adjustment will not be tied to performance evaluation."

ACTION: Director George Shaw motioned to approve Minutes as edited. Vice President Duane Frink seconded the motion.

PASSED UNANIMOUSLY.

I. REPORTS BY DIRECTORS, LEGAL COUNSEL AND GENERAL MANAGER

1. General Manager – Attended meeting this afternoon with Facility Services – Placer County Parks. Foresthill Pool is deteriorating. 5th District Supervisor Bruce Kranz would like to remedy this situation. Foresthill High School has land for a pool but no money for the construction. County has hired a consultant to do a random sampling survey of Divide residents, which may be coming out soon, to determine if the residents are willing to pay for parks and recreation, and a new pool complex via an assessment which would be collected annually with the property taxes. Director Grant asked what the amount would be. GM stated the amount could be significant. If the survey results are positive an initiative would be placed on a ballot for approval by the voters of the Divide. Foresthill Public Utility District was asked to attend these meetings because, as a public utility district, parks and recreation is a service the District may provide.

2. Duane Frink – would like to know if the Board is interested in viewing a PowerPoint presentation on the geology of the Middle Fork of the American River – Horseshoe Bend by a geologist with Sanders and Associates – about twenty minutes in length – would be presented a regular meeting. Several Board members expressed an interest.

3. President Gregory Wells reminded everyone of the Special Meeting and Workshop with the Foresthill Chamber of Commerce Board, our District Engineer and Forest Ranch Engineer regarding the 2008 Master Plan scheduled for August 21, 2008 at Memorial Hall.

J. ADJOURNMENT

Next Regular Meeting Date: Wednesday, September 10, 2008 at 7:00 p.m. in the District Office, 24540 Main Street, Foresthill, California 95631.

ACTION: There being no further business, at 8:23 p.m. Director George Shaw motioned the meeting be adjourned. Motion seconded by Vice President Duane Frink.
PASSED UNANIMOUSLY.

ATTEST:

Duane L. Frink	Kurt W. Reed
Vice President, Board of Directors	Clerk Thereof