

# FORESTHILL PUBLIC UTILITY DISTRICT

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## BOARD OF DIRECTORS

Duane L. Frink  
William L. Sadler, Jr.  
Brett C. Grant  
George S. Shaw  
Adam W. Larsen

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

DRAFT  
OFFICIAL MINUTES  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
FORESTHILL PUBLIC UTILITY DISTRICT  
HELD MAY 13, 2009

### A. CALL TO ORDER AND ROLL CALL

The regular meeting of the Board of Directors was called to order at 7:02 p.m. by President Duane L. Frink.

#### ROLL CALL:

##### Present

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

Also present:

FPUD Staff: Kurt Reed, General Manager and Jo Ann Glover Business Manager.  
Members of the Public: Tyler Harkness, John Laster, Roy West, Daniel West (filmed the meeting), and Jeff Furnish from Bickmore Risk Services.

### B. PLEDGE OF ALLEGIANCE

Vice President Sadler led the pledge of allegiance.

### C. INTRODUCTIONS AND PRESENTATIONS

1. Presentation by Mr. Jeff Furnish, Bickmore Risk Services

Re: GASB 45 compliance and actuarial valuation performed for the District.

Mr. Furnish acknowledged that if the District does not pre-fund and continues to “pay as you go” then liability will continue to grow on the balance sheet due to lower interest earnings on funds. The District is required to disclose by June 30, 2010 and a decision must be made on when to disclose and where to invest the funds needed to pre-fund. Mr. Furnish did not recommend managing our own trust but rather invest in a multiple employer trust such as CalPERS-California Employee Retirement Benefit Trust (CERBT) where expenses are low and earnings will be larger due to pooling.

### D. PUBLIC PARTICIPATION

Any member of the public may address the Board on any matter within the jurisdictional authority of the District, or on 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.

No public comments.

#### E. COMMITTEE REPORTS

1. Finance Committee – See minutes of Committee meeting held May 5, 2009  
Item H #4 – Consent Calendar.  
Treasurer Grant reported significant shortfalls in commercial revenue. The Committee and the General Manager are working to figure out the cause.
2. Planning Committee – See minutes of Committee meeting held April 15, 2009  
Item H #2 – Consent Calendar  
Nothing was added. No discussion.
3. AD-Hoc Committee – District Development Policy.  
President Frink cited the draft Facility Policy from Counsel are generally fine. The Ad-Hoc Committee had the following concerns:
  - Concern regarding lack of developer experience.
  - Prepayment of all fees and operating costs.
  - Confusion between commercial and residential.
  - The need for an engineer for all cases when the building process begins.The Committee's recommendation was to defer the draft to Counsel for changes.

#### F. DIRECTOR'S COMMENTS

1. President Frink referred to his written report on MCWRA and ACWA Region 3 activities.  
President Frink asked if there were any questions on MCWRA and ACWA activities. President Frink suggested the Regional Water Association invite Executive Director Mr. John Woodling, to a future Board meeting to present information on water conservation and SWRCB's draft 20% at 2020 plan.
2. President Frink made a request to establish an Ad-Hoc Committee to review District policies.  
President Frink noted the District has collected information regarding Human Resource and Benefit Policies, as well as District Counsel information. President Frink has established that this Ad-Hoc Committee will include a member of the Planning Committee, a member of the Finance Committee and one FPUD employee. This Committee will review District's Policies using the collected data to make recommendations to the Board.

#### G. CORRESPONDENCE/AGENDA CHANGES AND REVIEW

None.

#### H. 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 8, 2009.
2. Approve minutes of Planning Committee meeting held April 15, 2009.
3. Approve minutes of Special Meeting of Board of Directors held April 21, 2009.
4. Approve minutes of Finance Committee meeting held May 5, 2009.
5. Approve April 2009 financial report from LAIF.

6. Approve balance sheet revenue/expense and budget report of April 30, 2009.
7. Approve May 2009 A/P warrants for payment.

Vice President Sadler requested items H2 & H4 be removed from the Consent Calendar. Treasurer Grant moved that amended Consent Calendar be approved, seconded by Director Shaw. All ayes.

Vice President Sadler requested the meeting times as stated on the Agendas for Planning and Finance Committees be corrected (typo) to reflect actual meeting times. Treasurer Grant motioned to approve and was seconded by Director Shaw.

PASSED UNANIMOUSLY.

I. GENERAL ITEMS

1. New Business

a. Action Item: Accept Foresthill Public Utility District Drought Contingency Plan and amend District Master Plan as per Planning Committee recommendation.

Treasurer Grant motioned to accept the Drought Contingency Plan and Director Shaw seconded the motion.

PASSED UNANIMOUSLY.

2. Old Business

a. Action item: Approve application for participation in California Employers Retiree Benefit Trust for OPEB pre-funding through CalPers.

Item tabled until next meeting. General Manager to make copies of CalPers information received and distribute to the Board.

b. Action Item: Approve sale of 1995 Chevy ½ ton 4 x 4 pickup to Mr. John Rossi in the amount of \$2,010.00.

After a brief discussion, Director Shaw motioned to approve sale and Director Larsen seconded the motion.

PASSED UNANIMOUSLY.

J. REPORTS BY DIRECTOR, LEGAL COUNSEL AND GENERAL MANAGER

The General Manager reported that the District was awarded \$26,000 in grant money from PCWA to complete a rate study.

Action item: The District will request a proposal from Eco:Logic to perform this study and will add this item to next month's regular Board meeting.

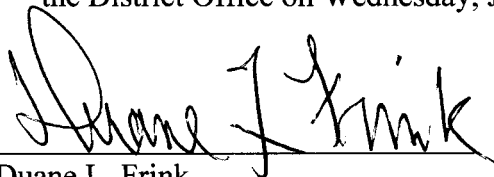
President Frink attended a LAFCO meeting earlier in the day and reported that their final budget was submitted. It was President Frink's final term as Chairman; Peter Hill was selected as the new Chairman.

K. ADJOURNMENT

There being no further business, at 9:46 pm President Frink motioned the meeting be adjourned. Motion seconded by Vice President Sadler.

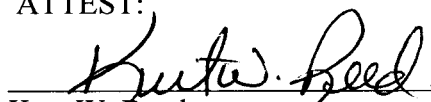
PASSED UNANIMOUSLY.

Next Regular Meeting: The next regular meeting of the Board of Directors will be held in the District Office on Wednesday, June 10, 2009 at 7:00 pm.



Duane L. Frink  
President, Board of Directors

ATTEST:



Kurt W. Reed  
Clerk Thereof