

# FORESTHILL PUBLIC UTILITY DISTRICT

www.foresthillpud.com

## 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 OF SPECIAL MEETING AND WORKSHOP BOARD OF DIRECTORS FORESTHILL PUBLIC UTILITY DISTRICT HELD AUGUST 17, 2009

#### 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 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

##### Absent

Also present:

FPUD Staff: Kurt Reed, General Manager, Jo Ann Glover, Business Manager, Chad Odell, Lead Treatment Operator, Chava Mercado, Ron Mills, Clifford Lander, Bo Anderson, Utility Operators and Suzzette MacKay, Customer Service (arrived at 7:04pm).  
Members of the Public: Rick Mills and Tyler Harkness (arrived at 7:05pm).

#### B. PLEDGE OF ALLEGIANCE

President Frink led the pledge of allegiance.

#### C. INTRODUCTIONS AND PRESENTATIONS

The audience introduced themselves.

#### 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.

Read by President Frink. No public comments.

#### E. GENERAL ITEMS

1. Review Finance committee's Draft Proforma Budget, options and supporting information pertaining to Fiscal year 2009-2010.

The General Manager described the budget shortfall of -\$8,132 and outlined possible ways of handling the deficit. Reviewing a spreadsheet prepared for the Finance Committee, three different alternatives were examined. Each option included a furlough day once of the month

for all employees as well as a percentage (ranging from 2% to 5%) of medical, dental, vision, life, long term and short term disability to be paid for by the employees. Option C was to layoff one employee. The General Manager indicated he was seeking Board direction to produce a balanced 2009/2010 Budget.

Director Shaw motioned to dismiss the spreadsheet with Options A, B and C and concentrate on balancing the Budget. President Frink seconded the motion.

MOTION PASSED UNANIMOUSLY.

a. Review outline of additional revenue sources.

The General Manager called attention to a draft Potential Revenue Enhancement Analysis included in the Board packet. Approximately 39 meters are “off” and unbilled. Charging “off” meters could add additional revenue. The nature of the charge was discussed by the Board.

After considerable deliberation, Vice President Sadler motioned a to charge \$9.82 per month to cover the surcharge fees. Director Shaw seconded the motion.

Ayes: Treasurer Grant and President Frink.

Nays: Director Larsen.

MOTION PASSED.

Item 2 from the spreadsheet was the next item discussed in reference to charging a “door tag” fee for delinquent customers. District costs for this item, including staff and field crew time were reviewed. Following Board discussion, Vice President Sadler motioned to approve this item with a charge of \$20. Director Larsen seconded the motion.

MOTION PASSED UNANIMOUSLY.

Item 3 was the subsequent item to be reviewed regarding the District’s service charges during regular work hours as well as after hours. Current District charges do not cover staff cost for these services. Director Larsen motioned to approve this item with an amount charged of \$50 for regular work hours and \$75 for after hours. Director Shaw seconded the motion.

MOTION PASSED UNANIMOUSLY.

Item 4 was a review of return check charges. The current charge is \$15. An increase of \$27 was proposed. Treasurer Grant motioned to approve and was seconded by Director Shaw.

MOTION PASSED UNANIMOUSLY.

Item 5 reviewed accounts that do not get a monthly bill. Community services such as beautification meters, cemeteries, as well as the community pool. President Frink remarked that the community should be aware of the District’s generosity and would like this information placed on the District’s website. The Board agreed and the Board members decided to revisit this subject at a later date.

2. Staff was directed to prepare a final Proforma 2009-2010 Budget using the revenue enhancement direction provided by this workshop. A budget hearing meeting was scheduled for Wednesday, August 26, 2009.

Treasurer Grant suggested Eco:Logic not be present at the August 26 meeting so the Board can complete the District budget. The General Manager concurred and reviewed the decisions made for the 2009-2010 District Budget. President Frink stated it may be necessary to revisit the budget at a later date to review any further adjustments that may be necessary.

## F. ADJOURNMENT

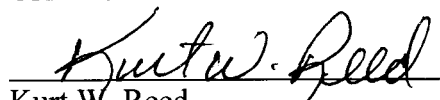
There being no further business, President Frink motioned to adjourn the meeting at 9:08 pm, seconded by Treasurer Grant.

MOTION PASSED UNANIMOUSLY.



Duane L. Frink  
Duane L. Frink  
President, Board of Directors

ATTEST:



Kurt W. Reed  
Kurt W. Reed  
Clerk Thereof

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## MEMO

To: BOARD OF DIRECTORS

Date: August 13, 2009

Enclosed in this packet, you will note a budget spreadsheet listing the FY 2008-2009 Budget, Actual 08-09 Budget results, 09-10 Preliminary Budget, Draft Proforma and several options.

Option A would save the District \$45,910 and cost District employees \$39,276 in addition to the \$34,192 existing costs due to wage freeze and benefit caps. Option B would save the District \$62,138 and cost employees \$55,500 plus the \$34,192 existing cost. Option C would save the District \$61,518 and employee's costs would remain at \$34,192.

It would appear that some form of additional revenue could be generated to compensate the (-\$8,132) budget shortfall without further wage/benefit or layoff actions. An alternative to adopting an "additional revenue" compromise, would be to simply expend \$8,132 from District Reserves.

Gerry, Catherine and Georgette will be here on the evening of the 26<sup>th</sup> to present the revised model and Draft Water Rate Study.

The District needs to adopt the Proforma before September 1, 2009, so the rate study is not an influencing factor in this budget.

All in all, we should be able to adopt a budget that meets our expenditure needs and hopefully, select a multi-year rate strategy that allows the District a much more solid financial future.

Sincerely,

Kurt W. Reed  
General Manager