

# FORESTHILL PUBLIC UTILITY DISTRICT

www.foresthiltpud.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

## OFFICIAL MINUTES SPECIAL BOARD OF DIRECTORS MEETING AND WORKSHOP FORESTHILL PUBLIC UTILITY DISTRICT

August 26, 2009  
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 6:00 p.m. by President Duane L. Frink.

#### Present

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

#### Absent

William L. Sadler, Jr.

Also present: Kurt W. Reed, General Manager, Jo Ann Glover, Business Manager, and Roy West, public member (filmed meeting).

### B. PLEDGE OF ALLEGIANCE

Lead by General Manager.

### C. INTRODUCTIONS AND PRESENTATIONS

None.

### D. 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.

Roy West stated that he would like to see the Repair and Replacement fee increase as originally planned. General Manager noted that Eco:Logic Engineers will be presenting the Water Rate Study in September and this issue will be addressed at that time.

E GENERAL ITEMS

1. Action Item: Approve proposed 2009-2010 Proforma Budget.

General Manager presented the 2009-2010 Proforma Budget with footnotes, which he explained. Staff will prepare Ordinances for the next regular Board Meeting. Those changes will take effect October 1.

Director Shaw motioned to approve and Director Larsen seconded the motion.

MOTION PASSED UNANIMOUSLY.

2. Action Item: Approve President Frink's request for a special meeting to be held on September 16, 2009 for presentation by Eco:Logic Engineers on Draft Water Rate Study.

Because September 16 was not a good date for most of the Board members, the meeting date was tentatively rescheduled to September 29, 2009 at 6:00 pm.

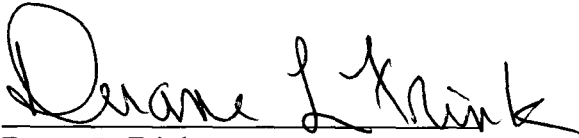
Duane Frink reported that as an ACWA Finance Committee Member and Sub Committee member, he lobbied to persuade the Committee members to reduce the proposed membership rate increase of 5% to 6% by 1 to 2%.

Delta package bills, which are pending in Legislation were discussed.

G. ADJOURNMENT

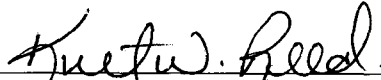
ACTION: At 6:37 p.m. Director George Shaw motioned to adjourn the workshop. Treasurer Grant seconded the motion.

MOTION PASSED UNANIMOUSLY.



Duane L. Frink  
President, Board of Directors

ATTEST:



Kurt W. Reed  
Clerk Thereof

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## MEMORANDUM

TO: Board of Directors  
FROM: Kurt W. Reed  
DATE: August 18, 2009

Enclosed you will note the proposed Proforma Budget with footnotes as per your direction at the Special Meeting/Board Workshop held August 17, 2009. The following is the explanation and computations of those footnoted items:

1. Miscellaneous Charges – Sugar Pine Surcharge, Repair Replacement Surcharge, accounts with a meter but have not been previously billed – meter off but available for service. Number of accounts vary but currently 40 such accounts.

a. Sugar Pine charge:  $\$40 \times \$6.50/\text{mo} = \$260/\text{mo} \times 9.5 \text{ months} = \$2,470.00$  for the remainder of FY 2009-2010.

October 15, 2009 = \$180,000 Total

b. Repair Replacement Surcharge:  $40 \times \$3.32/\text{mo} = \$132.80/\text{mo} \times 9.5 \text{ months} = \$1,262$  for the remainder of FY 2009-2010.

October 15, 2009 = \$91,122 Total (restricted).

c. Water Charges Penalties: Charge \$20 per “Door Tag” notification prior to disconnection for non-payment. Tags average 25 to 40 tags per month  $\times \$20 = \$500$  to \$800 per month utilized \$650 per month  $\times 9.5 \text{ months} = \$6,175$  for the remainder of fiscal year.

Increase service charge from \$40 during normal hours, \$60 after hours to \$50 and \$75 respectively. Should generate \$1,000.00 for the remainder of the fiscal year.

Increase returned check charge from \$15 to \$27 per occurrence. Projected to raise \$300 for the remainder of the fiscal year.

Total anticipated revenues due to the above described changes to General Fund \$9,945.

2. Salaries and Benefits – Employee wages frozen at June 30, 2009 levels, Board stipend suspended, no merit/step salary adjustment and no COLA adjustment. Wage suspension including payroll taxes = \$41,141.00.

3. Prop 1A – State of California 8% borrowing of local property tax revenue amounts to \$-6,640 ( $\$83,000 \times 8\% = -\$6,640$ ) = \$76,360 in actual revenue. OPEB (GASB 45) requirement of pre-funding other Post Employment Benefits based on independent actuarial study performed by Bickmore Risk Services. Amount of required pre-funding fiscal Year 2009-2010 \$75,888.

Existing retiree premium of \$25,000 is included in the listed amount (\$50,888 budget impact).

4. Contributions by District for payment of health, dental, vision, life, short/long term disability premiums and CalPers retirement capped at existing levels. Amounts to a savings of (8% health, 1.6% vision – unknown dental and others) \$4,586 remainder of the Fiscal Year (January through June).

As mentioned, miscellaneous charges do not require Prop. 218 notification but where applicable, do require an Ordinance or Resolution. Wage freeze and benefit caps are intended for Fiscal Year 2009-2010 or as you may wish to determine at any time.

It has been suggested that this proposed budget be an action item for approval at the meeting/hearing on the 26<sup>th</sup> of August, with the intent of adopting the appropriate Ordinance/Resolution pertaining to these miscellaneous charges at the next regular Board meeting, which will be held on September 9, 2009.

The actions listed above removes the previous anticipated deficit of (-\$8,132.00) and allows a very modest contribution to reserves of \$4,543.00. President Frink has suggested that the District schedule a Special Meeting/Workshop separate from our regular September 9<sup>th</sup>, 2009 meeting and have Eco:Logic's rate study presentation as a single agenda item.

Sincerely,

A handwritten signature in black ink, appearing to read "Kurt", written in a cursive style.

Kurt W. Reed  
General Manager