

# 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 DECEMBER 9, 2009

### A. CALL TO ORDER AND ROLL CALL

The regular meeting of the Board of Directors was called to order at 7:08 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

##### Absent

Adam W. Larsen, Director

Also present:

FPUD Staff: Kurt Reed, General Manager and Jo Ann Glover, Business Manager.

Members of the Public: Tyler Harkness, Roy West (filmed the meeting) and Tamra West.

### B. PLEDGE OF ALLEGIANCE

Treasurer Grant 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. Roy West had a question regarding payment restitution for attendees at a recent Forest Ranch Pre Development meeting held at Placer County offices. President Frink responded by saying the meeting information would be addressed later in the meeting under *J. Reports by Directors, Legal Advisor, General Manager*.

### E. COMMITTEE REPORTS

1. Finance Committee – See minutes of committee meeting held November 10, 2009.
2. Planning Committee – See minutes of committee meeting held November 12, 2009.
3. Ad-Hoc Committee – Development Policies: See minutes of committee meeting held November 24, 2009.

## F. DIRECTOR'S COMMENTS

No comments.

## G. CORRESPONDENCE/AGENDA CHANGES AND REVIEW

President Frink commented receiving the NID rate increase hearing information provided by Director Shaw and stated it was well written.

## 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. Accept minutes of Finance Committee meeting held November 10, 2009.
2. Accept minutes of Planning Committee meeting held November 12, 2009.
3. Approve minutes of regular Directors meeting held November 18, 2009.
4. Accept minutes of Ad-Hoc Development Policy Committee meeting held November 24, 2009.
5. Approve November Financial Statement from LAIF.
6. Approve balance sheet, revenue/expense and budget report as of November 20, 2009.
7. Approve December 2009 A/P warrants for payment.

Director Shaw motioned to approve the Consent Calendar as presented. Treasurer Grant seconded the motion.

PASSED UNANIMOUSLY.

## I. GENERAL ITEMS

### 1. New Business

- a. Action Item: Approve fiscal year 2008-2009 audit as presented by Robert Johnson, C.P.A.

Robert Johnson was absent from the meeting. Item tabled.

- b. Review submittal of interest from Downey-Brand Attorneys, LLP.

The General Manager reported that the District is looking for Counsel with strong water rights knowledge and several letters of interest were sent to five companies listed in the ACWA directory. Downey-Brand Attorneys were the first to respond and their information was presented to the Board to evaluate.

### 2. Old Business

- a. Action Item: Establish Board Officer selection process (Policy No. 5101.51) variation due to President designate, William Sadler, letter declining appointment.

After discussion, Vice President Sadler rescinded his letter and stated he will accept his role as President of the Board in 2010.

- b. Action Item: Approve Amendment to Policy No. 2301.20 "Job Description-General Manager" (required qualifications).

Vice President Sadler stated he felt the job description should remain as it is currently written. Director Shaw asked V.P. Sadler what action should be taken and V.P. Sadler did not offer a solution. After discussing the issue, Director Shaw motioned to approve the amendment. President Frink seconded the motion.

AYES: President Frink, Treasurer Grant, Director Shaw.

NAY: Vice President Sadler  
MOTION PASSED.

J. REPORTS BY DIRECTORS – LEGAL COUNSEL – GENERAL MANAGER

1. Director(s)

a. President Frink: Report on ACWA Conference/Mountain County Water Resource Association.

President Frink's report on ACWA fall conference:

The ACWA fall conference was held December 1-4, 2009 in San Diego California.

The historic 2009 water legislation package has now been signed by Governor Schwarzenegger.

An ACWA report titled 2009 Legislative Water Package was distributed by President Frink. Much of the conference was devoted the legislative package.

Conference high lights were:

- A speech by Governor Schwarzenegger complimenting ACWA'S staff and Tim Quinn on their tireless efforts in the passage of the water legislation and bond.
- A speech by Senator Abel Maldonado touching on the hectic process involved in the legislative process
- Federal support for California and particularly the Delta was pledged to California by Department of Interior Under Secretary David Hayes
- Committee meetings attended included finance, local government and ACWA Region 3 business meeting
- Region 3 business meeting agenda was revised by Chairperson Frink to allow open discussion of any membership concerns over the ACWA Board of Director's action prior to passage of the legislation. Region 3 members voiced no criticism of the Board. The theme of the comments were, there is work to do, "let's move on".
- Tim Quinn and ACWA staff briefed the Regions about the legislation and bond. They were assured there was no change to existing water law. There is work to do in the areas of conservation, commission appointments and stream flow requirements. It is import at the bond be passed this fall by the voters.

Frink attended a panel discussion on retiree pension and health benefits. The emphasis was on when an employee is hired, the in effect retirement benefits and any subsequent enhancements form a contract between the employee and employer. The law and court decisions are clear on this point. As to retiree health benefits the concept is the same, a contract.

Another interesting panel discussion focused upon how Cal PERS plans to handle the 2007-2008 market loss. Their current plan is to treat the loss as a onetime event, then amortize it over a thirty year period. This would spread the participating Agencies' cost over time, thereby reducing the premium increase. The amount of premium increase depends upon which retirement plan an agency has selected.

President Frink's report on MCWRA pending meeting.

MCWRA and ACWA Region 3 plan to have joint meeting December 11, 2009 in Placerville at EID's offices off Mosquito Road.

Earlier in the day, President Frink attended Placer County LAFCO meeting in Auburn. LAFCO approved a City of Auburn proposed annexation of 8.3 acres.

b. General Manager: Report on Sebastian Telephone underground activities in Todd's Valley area.

General Manager reported that Sebastian Telephone has subcontracted work out to install underground fiber optic cable. Water lines have been hit several times by the

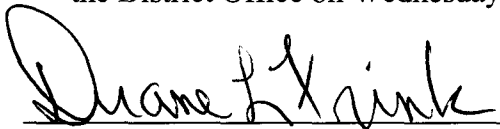
subcontractor. District workers making repairs are keeping track of time and materials needed for billing purposes.

The General Manager presented some details on the Forest Ranch Pre Development meeting held recently at Placer County offices. Mr. West's question on payment restitution was answered by the General Manager citing that the District would bill the County for time spent at the meeting.

K. ADJOURNMENT

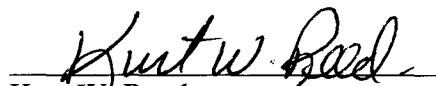
There being no further issues to discuss, Director Shaw motioned to adjourn the meeting at 8:32 p.m. and Treasurer Grant seconded the motion  
PASSED UNANIMOUSLY.

Next Regular Meeting: The next regular meeting of the Board of Directors will be held in the District Office on Wednesday, January 13, 2010 at 7:00 pm.



Duane L. Frink  
President, Board of Directors

ATTEST:



Kurt W. Reed  
Clerk Thereof