

# FORESTHILL PUBLIC UTILITY DISTRICT

[www.foresthillpud.com](http://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  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
FORESTHILL PUBLIC UTILITY DISTRICT  
HELD JANUARY 13, 2010

### 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  
Brett C. Grant, Treasurer (arrived 7:05pm)  
George S. Shaw, Director  
Adam Larsen, Director

##### Absent

Also present:

FPUD Staff: Kurt Reed, General Manager and Jo Ann Glover, Business Manager, Chad Odell, Lead Treatment Plan Operator.

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

### B. PLEDGE OF ALLEGIANCE

Director Shaw led the pledge of allegiance.

### C. INTRODUCTIONS AND PRESENTATIONS

Robert Johnson, C.P.A. was welcomed to the meeting by President Frink. 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 comments.

### E. COMMITTEE REPORTS

1. Finance Committee – No activity this period.
2. Planning Committee – No activity this period.
3. Ad-Hoc Committee – See report of meetings held December 8 and December 22, 2009 – Facility Development.

#### F. DIRECTOR'S COMMENTS

Treasurer Grant reported that he and Director Larsen met and reviewed surrounding area agencies wage and benefit packages as well as the Eco:Logic Water Rate Study. Treasurer Grant proposed setting a date for a workshop to discuss the rate study and District deficit. The Board chose to hold this meeting on January 26 at 5:30 pm.

President Fink questioned whether or not funds had been transferred from LAIF to Placer County and was told that it was being worked on.

President Frink suggested hosting a joint meeting with PCWA for Mountain Counties Region 3 which would include tours of FPUD and PCWA facilities. The rest of the Board thought it to be a good idea, however, time would be an issue. General Manager suggested a tour for the group rather than a meeting. President Frink to present the information to Mountain Counties for consideration.

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

1. Letter from Ms. Virgie Wilton.  
No comments.

#### 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 December 9, 2009.
2. Approve minutes of special meeting held December 21, 2009.
3. Approve December financial report from LAIF.
4. Accept Ad-Hoc Committee activity reports for 12/8/09 and 12/22/09.
5. Approve balance sheet, revenue/expense and budget report as of 12/31/09.
6. Approve January 2010 accounts payable warrants for payment.

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

PASSED UNANIMOUSLY.

#### I. GENERAL ITEMS

##### 1. New Business

##### 2. New Business

- a. Action Item: Approve selection of calendar year 2010 Board Officers as per Policy No. 5010-51.

President Frink suggested freezing the Board Officers as presently seated, resuming the rotation next year to allow committees time to complete projects. The rest of the Board did not agree with the suggestion. Director Shaw motioned to approve selection per Policy No. 5010-51. President Frink seconded the motion.

PASSED UNANIMOUSLY.

The 2010 Officers are as follows: President Brett C. Grant, Vice President George S. Shaw and Treasurer Adam W. Larsen.

- b. President Grant made appointments for District standing committees:
  - 1. Finance Committee will be Chairman Larsen and committee member Grant.
  - 2. Planning Committee will comprise of Vice President Shaw and Director Frink. Chairman to be determined.

c. Action Item: Approve year ending 6/30/09 audit as presented by Robert Johnson Accountancy Corporation.

Mr. Johnson reviewed the District's audit, current financial statement and accounting controls. Mr. Johnson impressed upon the Board of the \$750,000 District loss in the past three years. Under advisement of auditing recommendations, internal controls have been taken to exclude meters from inventory, keeping track of internal labor on construction projects, matching up purchase orders with invoices and cross training in the office.

Mr. Johnson reviewed the Districts liabilities and assets with the Board, answering several questions by Board members. and stated he would be glad to come back in six months to review the financial status of the District.

Director Frink motioned to approve the 2009 audit and Vice President Shaw seconded the motion.

PASSED UNANIMOUSLY.

## 2. Old Business

a. Action Item: Approve selection of Kronick, Moskovitz, Tiedemann and Girard as special water rights counsel.

The Board discussed whether or not a retainer was necessary and if they could be on a "need only" basis. Director Frink suggested an early water rights assignment.

Vice President Shaw motioned to approve the selection. Director Frink Seconded the motion.

PASSED UNANIMOUSLY.

## J. REPORTS BY DIRECTORS – LEGAL COUNSEL – GENERAL MANAGER

### 1. Director(s)

a. Activity report by Director Frink from 12/10/09 to 1/07/10.

Director Frink reported that ACWA's Health Benefit Authority is going to pursue restructuring themselves much like JPIA. Additionally, he met with Regions 2, 3 and 4 regarding ACWA's Board of Directors representation of Northern California.

Director Frink is on an Ad-Hoc Committee for Placer and Nevada Counties to sort out the numerous Districts straddling county lines. Additionally, Director Frink attended a LAFCO meeting on 1/13/10. There will be a report on these activities for the next Board meeting.

### 2. General Manager

a. Oral Report

1. Sebastian Telephone under grounding update.

The General Manager reported that water lines had been hit and the subcontractors for Sebastian will be billed for material and labor associated with the repairs.

General Manager reported received correspondence from the Department of Dam Safety, which was forwarded to Blackburn Consulting for proposal revision.

2. Pipeline break 1/6/10.

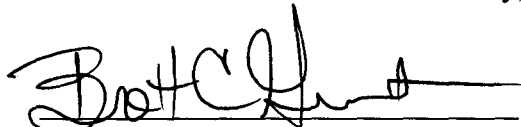
The General Manager presented a pipe that was removed from a line in a recent break to illustrate the age and wear on District system lines.

K. ADJOURNMENT

There being no further issues to discuss, Vice President Shaw motioned to adjourn the meeting at 9:02 p.m. and President Grant seconded the motion

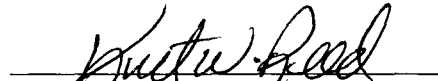
PASSED UNANIMOUSLY.

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



Brett C. Grant  
President, Board of Directors

ATTEST:



Kurt W. Reed  
Clerk Thereof