FORESTHILL PUBLIC UTILITY DISTRICT

www.foresthillpud.com

BOARD OF DIRECTORS
Duane L. Frink
Brett C. Grant
George S. Shaw
Adam W. Larsen
Vacant

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

OFFICIAL MINUTES
FORESTHILL PUBLIC UTILITY DISTRICT
FINANCE COMMITTEE

February 16, 2010
6:00 PM
Foresthill Public Utility District Office
24540 Main Street, Foresthill, California 95631

Adam W. Larsen, Chairperson Brett C. Grant, Committee Member

A. CALL TO ORDER/ROLL CALL

The meeting of the Finance Committee was called to order 6:20 p.m. by Chairman.

ROLL CALL:

Present	Absent
Adam W. Larsen, Chairman	
Brett C. Grant, Committee Member	

Also present: Kurt W. Reed, General Manager and Tyler Harkness.

B. INTRODUCTIONS AND PRESENTATIONS

None.

C. AGENDA CHANGES AND REVIEW

None.

D. PUBLIC COMMENT

Any member of the public may address the Committee on any matter within the jurisdictional authority of the Committee, or on any item on this agenda before or during the Committee'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 Chairperson in order to enable the Committee to complete its agenda within a reasonable period of time.

Not read.

E. GENERAL ITEMS

1. Review and discuss and provide recommendations to Board of Directors on preferred water rate option contained in the Final Draft Water Rate Study presented by Eco:Logic Consulting Engineers.

Reviewed and discussed Final Draft Water Rate Study. Committee expressed goal (for remaining fiscal year and next fiscal year) of enhancing the sustainability of revenues and maintaining and reducing expenses. Committee expressed interest in Option #4 of Final Draft with the following suggestions:

- Base rate for Fiscal Year 2010-2011 to be increased by 20% = $44.78/month per 1000 gallon = $1.50
- FY 2011-2012 = $47.83 per 1000 gallon = $1.56
- FY 2012-2013 = $51.10 per 1000 gallon = $1.62
- FY 2013-2014 = $54.59 per 1000 gallon = $1.68
- FY 2014-2015 = $58.32 per 1000 gallon = $1.71
- FY 2015-2016 = $62.30 per 1000 gallon = $1.74

The overall increase in base rate as proposed by Eco:Logic is 61% ($60.20 - $37.32 = 22.88 = 61%). Initial increase of 20% ($37.32 x 20% = $7.46 = $44.78 per month) plus each additional year increase of 6.83% for five (5) years will yield target revenues at a "softer" approach. The Committee also suggests the annual increase in commodity charge to be 50% of what is in the Eco:Logic proposal. As shown, for FY 2015-2016, the per 1000 gallon charge over the 5000 gallon minimum would be $1.74 instead of $1.90. Mr. Harkness mentioned, "while no one likes increases, the District is justified in its request."

This Committee would recommend that the Policy Committee look at revising policy to reflect a "tiered" structure as applicable to OPEB and would suggest an 80%-20% District retiree cost share and include defining years of service as a condition of qualification.

Committee suggested that the Board have a Special Meeting/Workshop on March 3, 2010 at 6:00 pm to review Finance Committee findings.

F. ADJOURNMENT

Meeting was adjourned at 7:58 p.m. by Chairman Adam W. Larsen.

ATTEST:

Adam W. Larsen Chairman, Finance Committee	Kurt W. Reed Clerk Thereof