

FORESTHILL PUBLIC UTILITY DISTRICT

www.foresthillpud.com

BOARD OF DIRECTORS

Brett C. Grant
George S. Shaw
Adam W. Larsen
Duane L. Frink
Stevan Graham

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

DRAFT OFFICIAL MINUTES REGULAR MEETING OF THE BOARD OF DIRECTORS FORESTHILL PUBLIC UTILITY DISTRICT HELD MARCH 10, 2010

A. CALL TO ORDER AND ROLL CALL

The regular meeting of the Board of Directors was called to order at 7:02 p.m. by President Brett C. Grant.

ROLL CALL:

Present

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

Absent

Also present:

FPUD Staff: Kurt Reed, General Manager, Jo Ann Glover, Business Manager, Clifford Lander and Ron Mills, Utility Workers.

Members of the Public: Tyler Harkness, Sherry Wicks, Ron Flodine, Roy West, Daniel West (filmed the meeting) and John Laster.

B. PLEDGE OF ALLEGIANCE

Director 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 Grant. Ms. Wicks asked if the water rights application filed by Forest Ranch would be discussed. The General Manager responded by saying it would be discussed later in the meeting.

E. COMMITTEE REPORTS

1. Note: Ad-Hoc Development Committee Report, I. General Items, 1. New Business, Item (a).
2. Note: Planning Committee Report, I. General Items, 1. New Business, Item (b).
No comments.

F. DIRECTOR'S COMMENTS

No comments.

G. CORRESPONDENCE/AGENDA CHANGES AND REVIEW

General Manager requested two items be added to the agenda: Application to appropriate water and correspondence responses from Counsel. Vice President Shaw motioned to add those items under I. General Items, 1. New Business, Items (h) and (i). Director Frink seconded the motion.

PASSED UNANIMOUSLY.

The General Manager reported receiving an update on the Water Rates Study and asked to have it added to the agenda. Director Frink motioned to add this with I. General Items, 2. Old Business, Item (a). Director Graham seconded the motion

PASSED UNANIMOUSLY.

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 Board of Directors meeting held February 10, 2010.
2. Accept minutes of Finance Committee meeting held February 16, 2010.
3. Approve minutes of Special Directors meeting held March 3, 2010.
4. Approve February Financial Report from LAIF/Placer County Treasurer.
5. Approve balance sheet, revenue/expense and budget report as of February 29, 2010.
6. Approve March 2010 accounts payable warrants for payment.

Director Frink motioned to approve the Consent Calendar after minor corrections are made. Vice President Shaw seconded the motion.

PASSED UNANIMOUSLY.

I. GENERAL ITEMS

1. New Business

- a) Action Item: Accept committee report and approve Policy 6011 Facility Development and Appendixes A through D.

The General Manager reported that some changes were made to the document, as per Board direction. Director Frink motioned to approve the item. Treasurer Larsen seconded the motion.

PASSED UNANIMOUSLY.

- b) Action Item: Accept Committee Report and approve Ordinance No. 10-01 "Connect Charges".

President Grant stated he felt the connection fee to be high and expressed his concern with fire flow. The General Manager reviewed the need for a higher connection fee and cited that the Ordinance excludes fire flow issues. Director Frink motioned to approve the item. Treasurer Larsen seconded the motion.

PASSED UNANIMOUSLY.

- c) Action item: Approve Resolution No. 10-01 declaring election and requesting consolidation and election services by County Clerk.

Vice President Shaw motioned to approve item. Director Frink seconded the motion.

PASSED UNANIMOUSLY.

d) Action Item: Approve check in the amount of \$449,318.71 to USDA Rural Development to pay off Loan #91-01.

The General Manager reported that after the loan has been paid off, the remainder of the funds will be refunded to property owners who paid the assessment fee on their 2009-2010 tax bill.

Motion to approve this item made by Treasurer Larsen and seconded by Vice President Shaw.

PASSED UNANIMOUSLY.

e) Accept request for modification to Policy No. 6030.38 "Annexation Fee".

General Manager noted that the Annexation Fee is based on the Districts net asset value and that amount had gone down from previous year due. Motion to approve this item made by Director Frink. Seconded by Director Graham.

PASSED UNANIMOUSLY.

f) Action Item: Authorize application for \$15,000.00 grant for study of District water rights.

Director Frink questioned whether the application amount was high enough to cover costs. After discussion, President Frink motioned to approve this item with the dollar amount Counsel proposes to the District. President Grant seconded the motion.

PASSED UNANIMOUSLY.

g) Action Item: Approve nomination of LAFCO Special District Representative.

Vice President Shaw motioned to nominate Duane Frink for this position. Treasurer Larsen seconded the motion.

PASSED UNANIMOUSLY.

h) Application to appropriate water.

General Manager reported that the application was filed in October 2009 and is now in the 75 day public comment period. The District intends to file a protest. Additional support will be coming from other agencies and organizations. Cost considerations over filing a protest were discussed. The General Manager reported that District Counsel can move on this using different approaches and is looking for Board direction. President Grant and Director Frink were selected to head up an Ad-Hoc Committee to work on this issue and provide direction to staff.

i) Correspondence responses from Counsel.

The General Manager presented an updated and discounted invoice for the Development Policies prepared by McMurchie Law Firm. After discussion, the Board directed staff to pay the invoice.

Payment for

2. Old Business

a) Action Item: Approve request to Eco:Logic Engineers for \$1,454 cost overrun on Water Rate Study. Water Rate Study Update.

After discussion, Director Frink motioned to approve the overrun and Director Graham seconded the motion.

PASSED UNANIMOUSLY.

The Board reviewed the Water Rate Study Update and were not satisfied with the new scenarios. Vice President Shaw requested staff to obtain the model used for this report so he could better understand the process. President Grant and Treasurer Larsen agreed to conduct a Finance Committee meeting on March 16 at 6pm to further discuss the water right scenarios as well as current District financial status.

b) Review special counsel McMurchie's revised billing for development policy preparation.

After discussion, the Board directed Staff to pay the revised bill.

J. REPORTS BY DIRECTORS – LEGAL COUNSEL – GENERAL MANAGER

1. Director(s)

Director Frink reported on the ACWA meeting he attended and reported that the health benefit portion of ACWA may become an independent entity. Additionally, the committee will be looking at ACWA's bylaws. Director Frink noted that Tehama Irrigation has filed a lawsuit against the Central Valley Project. The Director stated he will be attending a Mountain Counties meeting on 3/12/10 to discuss declining membership. Also, LAFCO is working to resolve Nevada and Placer County issues in Truckee.

2. General Manager

a) Report of waterline easement(s) old Georgia Pacific Mill Site.

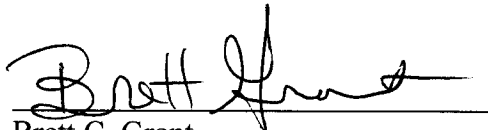
The General Manager reported that the District was granted road easement from Drone-Grant over another request (Ryan) and will record it. The District retained Mike Martin, PLS, to provide easement description for remaining properties.

K. ADJOURNMENT

There being no further issues to discuss, Vice President Shaw motioned to adjourn the meeting 8:47 p.m. and Director Frink seconded the motion.

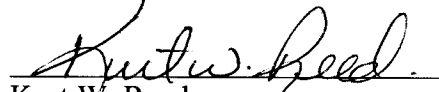
PASSED UNANIMOUSLY.

Next Regular Meeting: The next regular meeting of the Board of Directors will be held in the District Office on Wednesday, April 14, at 7:00 pm.



Brett C. Grant
President, Board of Directors

ATTEST:



Kurt W. Reed
Clerk Thereof