

2016 Report Card--FORESTHILL PUBLIC UTILITY DISTRICT (FPUD)

MISSION: To provide the Community of Foresthill with the highest quality of drinking water at affordable rates with courteous and professional service. To manage District resources responsibly for future generations.

The District's goal: Serving our community by keeping FPUD water delivery system safe and ensuring that it remains financially stable while meeting our water needs. This past year during the continuing drought, our Community exceeded the Governor's water conservation goals. **THANK YOU!**

Awards:

- **"District Transparency Certificate of Excellence"** from California Special District Association (CSDA). The District's certificate awarded in 2014 was renewed in 2016. Earning this certificate demonstrates the District's "best practices" commitment to engaging the public and creating a greater awareness of the District's activities.
- **"President's Special Acknowledgement Award"** presented to FPUD in 2016 by the Special District Risk Management Authority (SDRMA). There were no workers compensation claims paid during 2015-2016. This award formally acknowledges FPUD's dedicated efforts towards proactive loss prevention and work place safety.

High Priority Capital Improvements & Financial Activities:

Program areas studied: Sugar Pine Dam & Reservoir, Regulatory Expenses, Water Treatment Plant, Transmission & Distribution, Administration and Equipment/Vehicles. During the past four years, the District has completed several major projects, including:

- The 2015 Water transfer of 2,000 acre feet bringing in \$1M revenue;
- Filtration rehabilitation project at the Treatment Plant costing \$290,000;
- repairing the Spillway at Sugar Pine Dam costing \$90,000;
- refinancing the Sugar Pine debt saving \$580,000 over the debt lifetime.

Capital Improvements and Financial Activities in 2016:

- **New 1MG Water Storage Tank Project**—Funding for this project comes from the proceeds of the 2015 water transfer sale. This extra revenue saved ratepayers an estimated \$1,200 per household. FPUD contracted with Paso Robles Tank Co. for the tank fabrication and installation. FPUD contracted with Peterson Brustad, Inc. for engineering inspection services—a savings using the design/site consultant. Staff installed a time-stop camera for viewing construction progress and informing public. This camera has other uses (i.e., security surveillance, etc.). Additional savings were achieved when FPUD staff removed a large pole barn from the site. Salvaged barn is for sale.
- **Consumer Confidence Report**--analysis reveals the District has excellent quality water. This report was published "in house" by District, eliminating cost of paying a consultant.
- **Budget for FYE 2017**—approved by the Board on time.
- **Auditor's Report for FYE 2016**—Report reveals that the District's finances are in good shape.

Challenges in 2017:

- **California Drought/Governor's mandates:** Complying with increasing regulatory costs, monitoring water usage and making mandated changes to water operations is unavoidable. We must carefully plan for California's drought continuing.
- **Refinancing 2 existing bond debts**—An ongoing project with contracted bond counsel about refinancing Assessment 2 "Highway Improvement Project" (2 phases) which relocated the District's waterlines. Refinancing would likely save taxpayers \$\$.
- **Water Transfer Sale**—FPUD is working hard preserving its aging water system infrastructure. The **2015 Update to Study for Five-Year Repair and Replacement** estimates that \$3M or more will be needed to finance the identified priority capital improvement projects the next five years. With just 2,000 ratepayers, this is a difficult task. The District will be considering other funding options, including the potential of another water transfer sale.
- **Water Rights Permit extension and installation of Radial Gates at Sugar Pine Dam**—contracting with ECORP, Inc. for environmental studies (NEPA/CEQA). The US Forestry Service's expanded survey area greatly increased project costs. Public scoping sessions were held in 2015 and 2016.

Vision for the Future:

There is still much work to do: The Board's vision for preserving and protecting its aging water system should include updating the Study for Five-year Capital Improvement Repair and Replacement again and identifying the best funding options. We must ensure there will be an adequate water supply for future generations and follow all legislative directives during drought conditions; while keeping our Community's water rates fair and affordable.

The Foresthill Community is fortunate having "local control" of Sugar Pine Reservoir and Dam. It provides a sufficient supply of safe clean water while other communities experienced drought in California. Taking advantage of this important resource and planning for our community's future water needs means renewing the Sugar Pine Water Rights Permit; repairing/replacing aging infrastructure and funding priority capital improvements; while increasing storage capacity of Sugar Pine Reservoir.

We are proud that Supervisor Jennifer Montgomery and other community leaders recognize our District's accomplishments. Our General Manager Hank White is doing an excellent job. We believe Mr. White's knowledge of operations and ability to work effectively with the FPUD Board is largely responsible for this District recovering from near bankruptcy four years ago. Thank you, Hank.

The Board is looking forward to a robust future: **Public Tours:** The Community is encouraged to take a public tour of the FPUD water system. Sign up for public notices at the District Office and be notified when the next public tour is scheduled. Or check the District's website: www.foresthillpud.com to access public notices, District information including conservation tips and Board meeting dates.

We hope you are pleased with the progress being made by the Foresthill PUD. We invite you to become involved and learn more about what your water district is doing. Come to Board meetings and view the FPUD website at www.foresthillpud.com.